VALUATION REPORT

LOHUM CLEANTECH PRIVATE LIMITED

AS ON DECEMBER 31, 2025

SIDDHARTH GUPTA

REGISTERED VALUER

REG. No. IBBI/RV/05/2019/11261

Siddharth Gupta
Registered Valuer
Registration number: IBBI/RV/05/2019/11261
Mo: 9415099789; 9161635736

To,
The Board of Directors,
Lohum Cleantech Private Limited
B-357/A, Shop No. 6, Ground Floor, Opp. Metro Pillar No. 157,
New Ashok Nagar, New Delhi-110096, India.

Subject: Valuation report on value of Unquoted Shares/Proposed Compulsory Convertible Preference Shares of Lohum Cleantech Private Limited as on December 31, 2025.

I have been engaged by the management of Lohum Cleantech Private Limited for the purpose of assessing fair value of *Unquoted Shares and Proposed Compulsory Convertible Preference Shares ("**Proposed CCPS**") as of December 31, 2025 of Lohum Cleantech Private Limited (hereinafter referred to as "**the Company**" or "**LCPL**"), having its registered office situated at B-357/A, Shop No. 6, Ground Floor, Opp. Metro Pillar No. 157, New Ashok Nagar, New Delhi-110096, India; for the purpose of allotment of Equity Shares/ Compulsory Convertible Preference Shares **("Transaction")** in accordance with Section 62(1)(c) and Section 42(6) of the Companies Act, 2013 using latest available financials as on December 31, 2025 **("Valuation Date")** and management certified projected financials for 5 (Five) financial years starting from FY 2025-26 (3 Months) and ending FY 2029-30.

*Unquoted Shares here means "equity shares on fully diluted basis (includes employee stock options outstanding as on the Valuation Date".

Based on the information provided by the management, I have arrived at the "Fair Value" ("Valuation" or "Value") of the Company as on December 31, 2025. Based on the assessment, the value of each Unquoted Share of the Company should be **INR 1,41,363.20/- (Indian Rupees One Lakhs Forty-One Thousand Three Hundred Sixty-Three and Paisa Two Zero Only).**

Considering the Management representation that each Proposed Compulsory Convertible Preference Share ("Proposed CCPS") proposed to be issued will get converted into ten equity shares, hence in my opinion, the value of each Proposed CCPS may be considered as **INR 14,13,632/- (Indian Rupees Fourteen Lakhs Thirteen Thousand Six Hundred Thirty-Two Only).**

Further, this opinion of Fair Value is subject to the scope of services and the standards of limitation as mentioned to this report. The Company is unable to provide the financial modelling in detail, so my report is subject to the information provided to me. I am unable to arrive my opinion based on complete financial modelling in detail. My present opinion is based only on the information provided to me by the management.



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Registered Valuer, Securities or Financial Assets,
Registration No. IBBI/RV/05/2019/11261



Siddharth Gupta
Date: January 31,2026

UDIN: 26427680LSYDHZ2902

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About the Valuer

Siddharth Gupta (the "Valuer"), is Registered Valuer having Registration No. **IBBI/RV/05/2019/11261.** The Valuer is registered with the Insolvency and Bankruptcy Board of India to undertake the Valuation of Securities and Financial Assets.

Disclosure of valuer interest or conflict

I hereby certify that the valuer(s) is/are suitably qualified and authorized to practice as a valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the company (including the parties with whom the company is dealing, including the lender or selling agent, if any). The valuer(s) accept instructions to value the company only from the appointing authority or eligible instructing party.

I have no present or planned future interest in the company or its group companies, if any and the fee payable for this valuation is not contingent upon the value of shares reported herein.

Key dates

Appointment Date	January 27,2026
Valuation Date	December 31, 2025
Report Date	January 31,2026



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Background Information about the Company

Name	Lohum Cleantech Private Limited
CIN	U74999DL2018PTC331175
Date of Incorporation	19/03/2018
Registered Address	B-357/A, Shop No. 6, Ground Floor, Opp. Metro Pillar No. 157, New Ashok Nagar, New Delhi-110096, India
Listing status	Unlisted

(Source: www.mca.gov.in)

I have been represented by the management that the Company, Lohum Cleantech Private Limited; powers next-gen li-ion battery mobility & energy solutions, gives batteries multiple lives through reuse technology, and makes battery materials last forever through recycling.

The Company, Lohum Cleantech Private Limited ;creates enhanced customer value through 3 primary technologies:

1. **Lithium-ion battery manufacturing**: The Company design and manufacture advanced lithium-ion batteries through proprietary technology and fabrication techniques.

2. **Battery reuse or 2nd life solutions for used batteries**: The Company identify healthy batteries through their proprietary cell testing and then reuse those batteries in another application.

3. **Battery material recycling to recover valuable materials upon end-of-life**: For batteries that cannot be reused, the Company recycle them to recover value materials such as cobalt, lithium, nickel and graphite. If recycled properly, these materials can be used over and over again without any performance degradation.

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SHAREHOLDING AS OF DECEMBER 31, 2025.

Particulars	Diluted No of Shares
Equity Shares	1,17,077
Seed Compulsory Convertible Preference Shares	8,270
Pre-Series A Compulsory Convertible Preference Shares	16,600
Pre-Series A2 Compulsory Convertible Preference Shares	21,530
Series A1 Compulsory Convertible Preference Shares	11,620
Series A2 Compulsory Convertible Preference Shares	21,690
Series B1 Compulsory Convertible Preference Shares	15,000
Series B2 Compulsory Convertible Preference Shares	23,740
Partly paid-up Compulsory Convertible Preference Shares	1,410
Pre Series C Compulsory Convertible Preference Shares	7,480
ESOP Pool	19,223
Total	**2,63,640**

Notes:

Management of the Company has represented that:

- *Each series A1 compulsory convertible preference shares are converted into equity shares in the ratio of 1:7.5.*
- *Each series B1 compulsory convertible preference shares are converted into equity shares in the ratio of 1:7.6439127.*
- *The Company has subdivided its equity share capital (i.e., issued and paid-up capital) from INR 10/- per share to INR 1/- per share accordingly the conversion ratio of all the class of compulsory convertible preference shares is adjusted to 1:10.*
- *The Company has an outstanding ESOP Pool of 19,223 number of employee stock options and the amount receivable on exercise of the same is INR 1/- per share.*
- *141 partly paid-up compulsory convertible preference shares are issued and allotted to certain identified investors/shareholders and an amount of INR Million 65.98/- is pending for receipt against the unpaid capital and security premium.*

(Source: Company Management)



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Purpose of Valuation

I have been represented by the management that the Company is in process of issuance/allotment of Equity Shares/Proposed Compulsory Convertible Preference shares to certain investors thus, the management of the Company proposed to arrive at the fair valuation of each equity share on fully diluted basis as of December 31, 2025. I further understand that this fair valuation report shall be used for statutory disclosure in accordance with Section 62(1)(C) of the Companies Act, 2013 and Rule 13 of the Companies (Share Capital and Debentures) Rules 2014, as amended from time to time.

In this regard the management of the Company has appointed me to take my opinion. I am not responsible to any other person / party for any decision of such person / party based on my report. It is hereby notified that reproduction, copying or otherwise quoting of my report or any part thereof, except for the purpose as set out earlier in this report, is not permitted. **Accordingly, it should not be dealt with any other law for the time being in force.**

The relevant extract of Section 62 (1)(C) of the Companies Act, 2013 is as under:

> *62. Further issue of share capital. — (1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—*
> *to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a valuer subject to such conditions as may be prescribed.*

Companies (Share Capital and Debentures) Rules, 2014:

13. Issue of shares on preferential basis. -

(1) For the purposes of clause (c) of sub-section (1) of section 62, If authorized by a special resolution passed in a general meeting, shares may be issued by any company in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 and such issue on preferential basis should also comply with conditions laid down in section 42 of the Act:
Provided that in case of any preferential offer made by a company to one or more existing members only, the provisions of sub-rule (1) and proviso to sub-rule (3) of rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 shall not apply.

Provided further that the price of shares to be issued on a preferential basis by a listed company shall not be required to be determined by the valuation report of a registered valuer.



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Sources of Information

I have been provided with the following information by the management of Lohum Cleantech Private Limited for the purpose of my Value analysis:
The principal sources of information used in undertaking my assessment include:

a. Standalone Audited Financials of the Company for the period ended March-31, 2025.
b. Management approved standalone provisional financial statements of the Company for the period ended December 31, 2025.
c. Management certified projected financial statements of the Company for next 5 financial years from FY 2025-26 (3 Months) to FY 2029-30.
d. Management approved standalone provisional financial statements of the subsidiary and the associate companies for the period ended March 31, 2025 and December 31, 2025.
e. Management certified projected financial statements of the subsidiary and the associate Companies for next 5 financial years from FY 2025-26 (3 Months) to FY 2029-30.
f. Cap Table of the Company on fully diluted basis.
g. Management Representation Letter.
h. Discussion with the KMPs to understand the business model of the Company, Revenue Model, Key expenses ingredients, historical and expected future performance and key value drivers affecting performance of the Company.
i. Such other analysis, review and enquires, as I considered necessary on the projected financial statement of the Company.
j. Other relevant details relating to the Company such as list of shareholders and other data.
k. Such other information and explanations as were required and were furnished by the management.

Valuation Methodology

There are several internationally accepted and commonly used pricing methodologies for determining the fair value of the equity shares/compulsory convertible preference shares of a company, whose shares are not listed on a stock exchange such as:

1. Net Asset value ("NAV") Methodology
2. Comparable Transaction Multiples ("CTM") Methodology.
3. Comparable Companies Multiples ("CCM") Methodology.
4. Discounted Cash Flow ("DCF") Methodology.

NAV Methodology

The Asset based valuation method is based on the value per share of the underlying net assets and liabilities of the Company, either on a book value basis or replacement cost basis. This valuation approach is used in cases where the firm is to be liquidated i.e., it does not meet the going concern" criterion or is used in case where the asset base dominates earnings capacity.
In the circumstances and keeping in mind that the present valuation of the Company is on a going concern basis, and the

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value of the Company is driven more by the potential to generate cash flows in the future than its underlying assets, therefore, the value arrived at under this method is of little relevance as compared to the value under the other methods discussed below.

CTM Methodology

The CTM Methodology involves applying derived transaction multiples of comparable transactions to the company's future maintainable revenues/ profits (based on past and/ or projected working results adjusted to reflect the future earnings potential) after making adjustments to the derived multiples on account of dissimilarities with the comparable transactions and the strengths, weaknesses and other factors peculiar to the proposed transaction for which the company is being valued.

I have performed a search for suitable comparable transactions for valuing the equity shares of the Company under the CTM method. However, my research did not indicate comparable transaction in respect of which complete details of the deal structure, profitability, etc. are available in public domain.

CCM Methodology

Under this method, one attempts to measure the value of the shares/ business by applying an appropriate capitalization rate/ multiple (the EV/Revenue multiple, the EV/EBITDA multiple, etc.) - for which one may also consider the market quotations of comparable public/ listed companies possessing attributes similar to the business - to the future maintainable profits of the business (based on past and / or projected working results adjusted to reflect the future earnings potential) after making adjustments to the capitalization rate/ multiple on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. Consequently, identifying comparable listed companies to the company being valued, both in business and financial terms, is highly important.



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DCF Methodology

Under this technique, either

1. the projected free cash flows from business operations available to all providers of capital are discounted at the weighted average cost of capital to such capital providers, from a market participant basis, and the sum of such discounted cash flows is the value of the business, from which value of debt and other capital is deducted, and other relevant adjustments made to arrive at the value of the equity - Free Cash Flows to Firm ("FCFF") technique;

Or

2. The projected free cash flows from business operations available to equity shareholders (after deducting cash flows attributable to the debt and other capital providers) are discounted at the cost of equity, from a market participant basis, and the sum of such discounted free cash flows, after making other relevant adjustments, is the value of the equity - Free Cash Flows to Equity ("FCFE") technique.

Rationale for Valuation Approaches & Methodologies

It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and is beyond my control. In performing my analysis, numerous assumptions have been made with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Company. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the Company, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. My choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and my reasonable judgment, in an independent and bona fide manner based on my previous experience of assignments of a similar nature.

Cost Approach: The cost approach considers the assets and liabilities and contingent liabilities. Since the current valuation analysis is on a going concern basis, I have not used the cost approach for the valuation of this Company.

Income Approach: In the current case, Company's true worth of its business would be reflected in the future earnings of the Company. Based on the current stage of the Company, discussion with the Management and the facts and explanations mentioned herein in this report, the DCF method under the income approach has been considered as an appropriate method for the present valuation exercise.



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Market Approach:

- As the shares of the Company are not listed on any recognized stock exchange, the market price method of valuation was not considered.
- There are no direct listed comparable companies in India which are engaged in the business similar to that of the Company. Hence, I have not considered the CCM method.
- In the absence of adequate details about comparable transactions, the CTM method is not considered for present valuation analysis exercise.

Valuation of Lohum Cleantech Private Limited

Considering the above analysis of each method, nature of the industry in which the Company operates I have considered the Discounted Cash Flow (DCF) Method Free Cash Flows to Firm ("FCFF"). The discounted cash flow is considered appropriate as it serves as an indicator of the prospective return that the business is able to generate in the future. The discounted cash flow method is very effective because it allows values to be determined even when cash flows are fluctuating. The DCF method uses the future free cash flows of the Company / equity holders discounted by the cost of capital to arrive at the present value. In general, the DCF method is a strong and widely accepted valuation tool, as it concentrates on cash generation potential of a business. This method is based on future potential and is widely accepted.



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Valuation Computation of LCPL as per Discounted Free Cash Flow Methodology as on December 31, 2025.

Amount INR in Million

Discounted Cash Flow Analysis						
FY	2026 (3 Months)	2027	2028	2029	2030	Terminal
PARTICULARS						
PAT	**(150.14)**	**1,756.00**	**2,393.48**	**3,792.40**	**5,079.85**	
Add: Depreciation	195.87	228.13	195.63	169.40	148.02	
Less: Capital Expenditure	100.00	50.00	50.00	50.00	50.00	
Add: Interest (post Tax)	9.45	29.17	13.92	1.19	0.45	
Less: NWC	(359.22)	202.59	1,328.33	1,786.98	1,677.56	
Free Cash Flows	**314.40**	**1,760.71**	**1,224.70**	**2,126.01**	**3,500.76**	**45,829**
Discounting Factor	0.98	0.87	0.72	0.60	0.50	0.50
Present value of Cash flow	**307.17**	**1,531.43**	**884.40**	**1,274.68**	**1,742.66**	**22,813.36**
Cumulative present value of Cash Flows	28,553.71					
Enterprise Value	**28,553.71**					
Add:- Cash & Cash Equivalents as of December 31,2025	2,274.73					
Add:- Fair Value of Investment as of December 31,2025	7,373.09					
Less:- Debt as of December 31,2025	988.53					
Add: Amount receivable on Partly pardup shares	65.98					
Add: Amount Receivable on exercise of Share	0.02					
Equity Value (INR in Million)	**37,268.99**					
Outstanding No of Shares	2,63,640.00					
Per Share Value (Amount in INR)	**1,41,363.20**					

Notes –

A) I have been represented that the management of the Company has made investments in its subsidiary/wholly owned subsidiary/joint venture companies, i.e (Lohum Material Private Limited, Lohum Nickel Private Limited, Lohum Americas Inc, Vidyuta Materials Private Limited and Lohum Magnet & Energy) aggregating to INR 7,288.19 million. Fair Valuation of these Companies, as of December 31, 2025, based on the DCF methodology is attached as **Annexure-1** of this report.

B) I have also been represented that the management of the Company has made investments in certain other subsidiary and associate entities, namely Lohum Middle East FZCO, Lohum Research & Innovation Foundation, Lohum Energy Private Limited, and Lohum Infrastructure LLP, Polyprotic Chemicals Private Limited Lohum Catalysts Private Limited, aggregating to INR 84.90 million. In the absence of provisional and projected financial statements of the aforesaid entities, and based on the management's representation that these entities currently have negligible business operations, I have considered the book value of such investments as their fair market value for the purpose of this valuation analysis.



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Valuation Methodology and Assumptions

Weighted Average Cost of Capital (WACC) plays a vital role in valuing a business. Main constituents of WACC is Cost of Equity (Ke) and Cost of Debt (Kd). WACC is used as the discounting factor to arrive at the net present value of the company. To calculate the valuation of LCPL the computation of Cost of Equity (ke) and WACC is as under.

Estimate of Discount Rate

The discount rate applied to calculate current values on December 31, 2025 has been determined based on Weighted average cost of capital (WACC) whereby I have considered debt equity ratio as per book value represented by the Management in the projections.

Cost of Equity (Ke)

Cost of equity has been estimated based on the CAPM. This model calculates the cost of equity of a Company as the sum of the risk-free rate and a Company specific equity risk premium, the latter of which represents the risk of company in question as compared to the market risk premium:

Ke is usually calculated by using Build up Model, which uses Market Return (Rm), Risk- free return (Rf), Country Risk premium (Rc), Size Risk Premium (Rs) and Equity Risk.

Calculation of cost of equity

$$COE = R_f + [\beta(R_m - R_f)] + R_a$$

Note:

Rf = Risk-free rate

Rm = Expected market equity risk premium

Ra = Additional risk premium to account for higher risk

β = Measure of observed volatility compared to the market

Computation of Beta

For calculation of cost of equity, beta has to be calculated, and the guideline companies chosen for the purpose of calculation of beta have been selected based on comparability of similar business and products, services offered by the Company.

Eveready Industries India Limited (BSE:531508)

Eveready Industries India Limited manufactures and markets dry cell batteries, flashlights, and lighting and electrical products in India and internationally. The company offers zinc carbon, alkaline, coin, and rechargeable batteries, as well as charger; and plastic, brass, aluminum, and rechargeable torches; and portable lanterns. It provides consumer lighting products, such as light-emitting diode (LED) bulbs, LED batten, emergency LEDs, LED panels, LED downlight and spotlights, and outdoor and festive lighting; professional lighting, including indoor architectural, commercial, industrial, facade, and flood lighting; electrical accessories comprising spike guard/reels, multi and top plugs, bells, immersion heater, and dry iron; and mosquito racquets. In addition, the company is involved in distribution of electrical products, and trading of raw materials. It sells its products under Eveready, PowerCell, Shakti, and Uniross brands. Eveready Industries India Limited was founded in 1905 and is based in Kolkata, India.

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Exide Industries Limited (BSE:500086)

Exide Industries Limited designs, manufactures, markets, and sells lead acid storage batteries in India and internationally. The company operates through Automotive and Industrial segments. It also offers automotive, industrial, genset, solar, inverter, institutional uninterrupted power supply (UPS), and submarine batteries, as well as home UPS systems, integrated power back-up systems, and e-rickshaw vehicles. In addition, the company manufactures and supplies recycled lead and lead alloys; offers lithium-ion batteries; produces and distributes industrial battery chargers, rectifiers, and parts; and provides energy storage solutions, as well as engages in the non-conventional energy business. Further, the company offers solutions in the areas of equipment selection, battery sizing, optimum room layout, installation, operation, and maintenance. It sells its batteries under the Exide, Index, Dynex, SF Sonic, Black Panther, Nexcharge, Chloride, and CEIL brand names through a distribution network of dealers. The company's products are used in power, solar, railways, telecom, UPS, projects, traction, and other industries. Exide Industries Limited was formerly known as Chloride Industries Ltd. and changed its name to Exide Industries Limited in August 1995. The company was founded in 1916 and is headquartered in Kolkata, India.

Amara Raja Energy & Mobility Limited (BSE:500008)

Amara Raja Energy & Mobility Limited, together with its subsidiaries, manufactures and sells lead-acid storage batteries for industrial and automotive applications in India and internationally. It operates through two segments, Lead Acid Batteries and Allied Products; and Others. The company provides new energy business related products; installation, commissioning, and maintenance services; and industrial chargers, integrated power systems, electric vehicle chargers for 2W and 3W applications, and other energy management devices. In addition, it develops, manufactures, and sells energy storage products, solutions, and technologies related to lithium cells, advanced cell chemistries, battery packs, and components. The company sells its batteries under the Amaron, PowerZone, Power Stack, AmaronVolt, and Quanta brands. It exports its products to various countries in the Indian Ocean Rim. The company supplies its batteries to various customer groups, such as telecom, railways, solar, motive, power control, international operations, defence, and UPS; and automobile original equipment manufacturers, replacement markets, and private label customers. The company was formerly known as Amara Raja Batteries Limited and changed its name to Amara Raja Energy & Mobility Limited in September 2023. Amara Raja Energy & Mobility Limited was incorporated in 1985 and is based in Hyderabad, India.

Panasonic Carbon India Co. Limited (BSE:508941)

Panasonic Carbon India Co. Limited manufactures and sells carbon rods as a component of dry cell batteries to battery manufacturers in India and internationally. The company was formerly known as Indo Matsushita Carbon Co. Limited. The company was founded in 1982 and is based in Chennai, India. Panasonic Carbon India Co. Limited is a subsidiary of Panasonic Holdings Corporation.

Himadri Speciality Chemical Limited (BSE:500184)

Himadri Speciality Chemical Limited manufactures and sells carbon materials and chemicals in India and internationally. The company operates through Carbon Materials and Chemicals and Power segments. It also offers anode materials, LFP cathodes, and recycling materials. In addition, the company offers SDS, TDS, ASTM, and carbon black; tyre, plastics, ink, and coatings; refined naphthalene, coal tar pitch, specialty oils, clean energy, and anti-corrosion products. It serves lithium-ion batteries, paints, plastics, tires, aluminum, graphite electrodes, agrochemicals, defense, and construction

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chemicals. Himadri Speciality Chemical Limited was formerly known as Himadri Chemicals & Industries Limited and changed its name to Himadri Speciality Chemical Limited in July 2016. The company was incorporated in 1987 and is based in Kolkata, India.

Beta Summary

Company Name	Unlevered Beta	LTM Total Debt/Equity %
Eveready Industries India Limited (BSE:531508)	0.11	13.62%
Exide Industries Limited (BSE:500086)	0.41	3.88%
Amara Raja Energy & Mobility Limited (BSE:500008)	0.63	1.13%
Panasonic Carbon India Co. Limited (BSE:508941)	0.17	0.00%
Himadri Speciality Chemical Limited (BSE:500184)	0.09	3.49%
Mean	**0.29**	**4.42%**

Note :

1. Unlevered Beta computed above is based on 5-year Beta of comparable companies.
2. Debt to Equity Ratio computed above is based on average Debt-to-Equity Ratio of Comparable Companies.

(Source: Capital Iq)

Relevered Beta

We have relevered the average unlevered Beta of comparable companies using the average debt to equity ratio of comparable companies.

Particulars	Average Unlevered Beta	Average Relevered Beta
Comparable Companies	0.29	0.29

The attached table summarizes the main assumptions used to calculate cost of equity of LCPL.

COE assumptions	Values	Source
Risk free rate, Rf	6.80%	Risk Free Rate based on 10-year Zero Coupon Yield Curve*
Market Rate of Return, Rm	13.87%	Based on long term return expectations; average historical returns of Sensex
Equity Risk Premium, (Erp)	7.07%	Rm-Rf
Beta (β)	0.29	As computed above
Additional risk premium (unsystematic risk)	12.00%	To account for higher risk as the company is in high growth phase.
Adjusted Cost of equity, Ke	**20.89%**	Computation

Source: *https://www.ccilindia.com/RiskManagement/SecuritiesSegment/Pages/ZCYC.aspx*



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Cost of debt is the rate of interest for existing debts outstanding. Kd of the Company is arrived by reducing the Corporate Tax Rate on the Interest-bearing Borrowings of the Company.

Cost of Debt	Values
Weighted Average interest rate*	14.00%
Tax Shield	25.17%
Cost of debt (after tax)	**10.47%**

*As per Management Representation

Weighted Average Cost of capital (WACC) In situations where the business is run on borrowed funds, the cost of capital becomes an important parameter in assessing a firm's potential for net profitability. WACC measures a company's cost to borrow money, where the WACC formula uses both the company's debt and equity in its calculation.

Source of finance	Cost (K)	Weight(W)*	K*W
Equity	20.89%	95.76%	20.00%
Debt (Post Tax)	10.47%	4.24%	0.44%
WACC			**20.44%**

#Based on average debt to equity ratio of comparable companies

Terminal value calculation

The Company's free cash flow during the last year of forecast period is growing significantly higher rate as compared to long term expected industry growth rate, thus I have used H-model (2-stage growth model) for the purpose of determination of terminal value as the end of forecast period.

The terminal value under this method is computed by dividing the perpetuity maintainable cash flows with the discount rate as reduced by the stable growth rate.



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H-model

The basic two-stage model assumes a constant, extraordinary rate for the supernormal growth period that is followed by a constant, normal growth thereafter. Fuller and Hsia (1984) developed a variant of two-stage model in which growth begins at a high rate and declines linearly throughout the supernormal growth period until it reaches a normal rate at the end. The value of the cash flow stream in the H-model is

$$V_0 = C_0 * (1 + G_L)/R - G_L + C_0 * H * (G_S - G_L)/R - G_L$$

Or

$$V_0 = [C_0 * (1 + G_L) + C_0 * H * (G_S - G_L)]/R - G_L$$

Where,

V_0 = Value of cash flow at t = 0

C_0 = Cash Flow

G_S = Initial short-term growth rate

G_L = Initial long-term growth rate

H = half-life in years of the high-growth period

R = required rate of return on equity

Basis the projections and inputs provided by the management I have considered 31.35% growth for the supernormal growth period and 4-year period to transition to stabilized growth period. Further stabilized growth of 4% has been considered.



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Registered Valuer
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Mo: 9415099789; 9161635736

Caveats, limitations, and disclaimers

- **Specific Purpose:** Valuation analysis and its results are specific to the purpose of valuation as mentioned in the section "Purpose". It may not be relevant for any other purpose or entity. This Report is prepared exclusively for the above stated purpose and must not be copied, disclosed or circulated or referred to in correspondence or discussion with any other party. Neither this report nor its content may be used for any other purpose without my prior written consent.

  The present valuation report gives an opinion about valuation based on information and explanation given to me at the time of preparation of this report. This report does not solicit or recommend or invite any investment proposal. Anyone dealing with the company shall use their own discretion and due diligence before making any decision in this regard.

- **Valuation date:** The valuation of the Company contained herein is not intended to represent at any time other than the date that is specifically stated in this report. I have no responsibility to update this report for events and circumstances occurring after the valuation date.

- **Reliance on information provided:** I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the Company. In the course of the valuation exercise, I have obtained both oral and written data, including market, technical, operational and financial information. I have evaluated such information through a broad comparative analysis and enquiry.

- **Actual results may differ:** The assumptions used in the preparation of this report, as I have been explained, is based on the management's present expectation of both – the most likely set of future business events and the management's course of action related to them. Wherever I have not received detailed information from the management, I have used my assessment of value based on experiences and circumstances of the case. It is usually the case that some events and circumstances do not occur as expected or is not anticipated.

- **Achievability of the Projected Figures:** My Valuation is based on the achievability of the Projected figures provided by the management based on the Transaction. In case the Company is not able to achieve the projected figures, my valuation results will be substantially affected.

- **Complete report:** This report shall at all times be read and interpreted in full, no part of it shall be read independently for any reason whatsoever.

- My Valuation report should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into the proposed transaction.



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- This Report does not look into the business/commercial reasons behind the transaction nor the likely benefits arising out of the same. In addition, I express no opinion or recommendation, and the stakeholders are expected to exercise their own discretion.

- In the particular circumstances of this case, I shall be liable only to the Management. I shall have no liability (in contract or under statute or otherwise) to any other party for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage is caused other than in cases of fraud, gross negligence or willful misconduct, or on account of any natural calamities, shall be limited to the amount of fees actually received as laid out in the engagement letter, for such valuation work.

- Whilst all reasonable care has been taken to ensure that facts stated in the Report are accurate and opinions given are fair and reasonable, we, in any way, shall not be responsible for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report.

- I am not advisors with respect to accounting, legal, tax and regulatory matters. Therefore, no responsibility is assumed for matters of a legal nature.

- I assume that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated and will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, I have given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that is not recorded in the financial statements.

- A draft of this report was shared with the Company, prior to finalization of report, as part of my standard practice to make sure that factual inaccuracy/omission is avoided.

CONCLUSION

On the basis of information and explanations as provided by the Management of the Company and as per Financials of the Company as at, December 31, 2025 and Projected Financial Statements, the fair value of each Unquoted Share of Lohum Cleantech Private Limited as on December 31, 2025 should be **INR 1,41,363.20/- (Indian Rupees One Lakhs Forty-One Thousand Three Hundred Sixty-Three and Paisa Two Zero Only).**

Considering the Management representation that each Proposed Compulsory Convertible Preference Share ("Proposed CCPS") proposed to be issued will get converted into ten equity shares, hence in my opinion, the value of each Proposed CCPS may be considered as **INR 14,13,632/- (Indian Rupees Fourteen Lakhs Thirteen Thousand Six Hundred Thirty-Two Only).**

This valuation is subject to the scope of services and the standards of limitation as mentioned to this report.



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Annexure 1

A) Equity Valuation of Lohum Materials Private Limited as of December 31, 2025

Amount INR in Million

Discounted Cash Flow Analysis						
FY	2026 (3 Months)	2027	2028	2029	2030	Terminal
PARTICULARS						
PAT	**861.81**	**1,254.09**	**1,388.81**	**1,490.75**	**1,568.65**	
Add : Depreciation	68.79	268.67	229.40	195.71	166.21	
Less: Capital Expenditure	55.00	50.00	45.00	40.00	30.00	
Add : Interest (post Tax)	-	-	-	-	-	
Less: NWC	251.02	2,600.27	523.56	290.47	272.02	
Free Cash Flows	**634.58**	**(1,127.52)**	**1,049.65**	**1,355.99**	**1,432.85**	**7,082.66**
Discounting Factor	0.97	0.85	0.69	0.55	0.45	0.45
Present value of Cash flow	**608.08**	**(960.19)**	**721.54**	**752.41**	**641.76**	**3,172.27**
Cumulative present value of Cash Flows	4,935.86					
Enterprise Value	**4,935.86**					
Add - Cash & Cash Equivalents as of December 31,2025	128.51					
Less - Debt as of December 31,2025	555.96					
Equity Value (INR in Million)	**4,508.41**					
Outstanding No of Shares	21,153.00					
Per Share Value (Amount in INR)	**2,13,133.36**					

VALUATION METHODOLOGY

I have used Discounted Cash Flow approach in my analysis for computing the fair value of equity shares of the Lohum Materials Private Limited.

Application of the DCF methodology for valuation of the Company entailed the following stages:

- Estimation of the net cash flows of Lohum Materials Private Limited to be generated from financial year 2025-26(3 Months) to financial year 2029-30 based on financial projections. This estimate has been produced from financial projections provided and approved by management.

- The future free cash flows are derived considering, inter alia, the changes in the working capital, addition or repayment of Debt and any capital expenditure. They are an aggregation of free cash flows of Lohum Materials Private Limited during the explicit forecast period prepared based on the business plan and during the post explicit forecast period, estimated using an appropriate method, and are available to Company's equity shareholders.

- Calculation of the discount rate of Lohum Materials Private Limited based on Cost of equity. The discount rate on the capital that the provider expects to earn on other investments of equivalent risk.

- Application of the discount rate to the Free Cash Flows attributable to Equity Shareholders of Lohum Materials Private Limited from financial year 2025-26(3 Months) to financial year 2029-30 to arrive at the Net Present Value ("NPV") of those free cash flows.

- Estimation of the terminal value of Lohum Materials Private Limited.

- Estimation of equity value calculated as summation of terminal value and present value of free cash flows to equity shareholders of Lohum Materials Private Limited till March 31, 2030 and adjusted by all surplus assets.

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Estimate of Discount Rate

The discount rate applied to calculate current values on December 31, 2025, has been determined based on Cost of Equity (Ke).

WACC calculation

WACC = Kd x (1-Tc) x (D/(D+E)) + Ke x (E/(D+E))

Note:

Kd = Estimated pre-tax cost of debt
Tc = Company tax rate
D = Debt
E = Equity
Ke = Cost of equity

Cost of Equity

Cost of equity has been estimated based on the CAPM. This model calculates the cost of equity of a Company as the sum of the risk-free rate and a Company specific equity risk premium, the latter of which represents the risk of company in question as compared to the market risk premium:

Calculation of cost of equity

$$COE = R_f + \beta\left(R_m - R_f\right) + R_a$$

Note:

Rf = Risk-free rate
Rm = Expected market equity risk premium
Ra = Additional risk premium to account for higher risk
β = Measure of observed volatility compared to the market

Computation of Beta

For calculation of cost of equity, beta has to be calculated, and the guideline companies chosen for the purpose of calculation of beta have been selected based on comparability of similar business and products, services offered by the Company.

Beta Summary

Company Name	Unlevered Beta	LTM Total Debt/Equity %
Eveready Industries India Limited (BSE:531508)	0.11	13.62%
Exide Industries Limited (BSE:500086)	0.41	3.88%
Amara Raja Energy & Mobility Limited (BSE:500008)	0.63	1.13%
Panasonic Carbon India Co. Limited (BSE:508941)	0.17	0.00%
Himadri Speciality Chemical Limited (BSE:500184)	0.09	3.49%
Mean	**0.29**	**4.42%**

Note:

3. Unlevered Beta computed above is based on 5-year Beta of comparable companies.



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4. Debt to Equity Ratio computed above is based on average Debt-to-Equity Ratio of Comparable Companies.

(Source: Capital Iq)

Relevered Beta

We have relevered the average unlevered Beta of comparable companies using the average debt to equity ratio of comparable companies.

Particulars	Average Unlevered Beta	Average Relevered Beta
Comparable Companies	0.29	0.29

The attached table summarizes the main assumptions used to calculate cost of equity of the Lohum Materials Private Limited.

COE assumptions	Values	Source
Risk free rate, Rf	6.80%	Risk Free Rate based on 10-year Zero Coupon Yield Curve*
Market Rate of Return, Rm	13.87%	Based on long term return expectations; average historical returns of Sensex
Equity Risk Premium, (Erp)	7.07%	Rm-Rf
Beta (β)	0.29	As computed above
Additional risk premium (unsystematic risk)	15.00%	To account for higher risk as the company is in high growth phase.
Adjusted Cost of equity, Ke	**23.89%**	Computation

(*Source - https://www.ccilindia.com/Pages/default.aspx)

Terminal value calculation

The Company's free cash flow during the last year of forecast period is in line with growth rate as compared to long term expected industry growth rate, thus Terminal Value is calculated based on the Gordon Model and extrapolating the adjusted free cash flows of the last year at an annual growth rate of 4%.



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B) Equity Valuation of Lohum Nickel Private Limited as of December 31, 2025

Amount INR in Million

Discounted Cash Flow Analysis						
FY	2026 (3 Months)	2027	2028	2029	2030	Terminal
PARTICULARS						
PAT	**267.10**	**188.28**	**327.46**	**453.80**	**502.59**	
Add : Depreciation	20.97	77.96	45.56	31.16	24.32	
Less : Capital Expenditure	30.00	25.00	20.00	15.00	15.00	
Add : Interest (post Tax)	-	-	-	-	-	
Less : NWC	571.84	765.34	370.52	389.33	185.51	
Free Cash Flows	**(313.77)**	**(524.10)**	**(17.51)**	**80.62**	**326.40**	**2,235.55**
Discounting Factor	0.97	0.85	0.69	0.55	0.45	0.45
Present value of Cash flow	**(305.48)**	**(446.32)**	**(12.03)**	**44.73**	**146.19**	**1,001.29**
Cumulative present value of Cash Flows	428.38					
Enterprise Value	**428.38**					
Add : Cash & Cash Equivalents as of December 31,2025	26.55					
Less : Debt as of December 31,2025	55.66					
Equity Value (INR in Million)	**399.27**					
Outstanding No of Shares	14,381.00					
Per Share Value (Amount in INR)	**27,763.37**					

VALUATION METHODOLOGY

I have used Discounted Cash Flow approach in my analysis for computing the fair value of equity shares of the Lohum Nickel Private Limited.

Application of the DCF methodology for valuation of the Company entailed the following stages:

- Estimation of the net cash flows of Lohum Nickel Private Limited to be generated from financial year 2025-26(3 Months) to financial year 2029-30 based on financial projections. This estimate has been produced from financial projections provided and approved by management.

- The future free cash flows are derived considering, inter alia, the changes in the working capital, addition or repayment of Debt and any capital expenditure. They are an aggregation of free cash flows of Lohum Nickel Private Limited during the explicit forecast period prepared based on the business plan and during the post explicit forecast period, estimated using an appropriate method, and are available to Company's equity shareholders.

- Calculation of the discount rate of Lohum Nickel Private Limited based on Cost of equity. The discount rate on the capital that the provider expects to earn on other investments of equivalent risk.

- Application of the discount rate to the Free Cash Flows attributable to Equity Shareholders of Lohum Nickel Private Limited from financial year 2025-26(3 Months) to financial year 2029-30 to arrive at the Net Present Value ("NPV") of those free cash flows.

- Estimation of the terminal value of Lohum Nickel Private Limited.

- Estimation of equity value calculated as summation of terminal value and present value of free cash flows to equity shareholders of Lohum Nickel Private Limited till March 31, 2030 and adjusted by all surplus assets.

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Estimate of Discount Rate

The discount rate applied to calculate current values on December 31, 2025, has been determined based on Cost of Equity (Ke).

WACC calculation
WACC = Kd x (1-Tc) x (D/(D+E)) + Ke x (E/(D+E))

Note:

Kd = Estimated pre-tax cost of debt

Tc = Company tax rate

D = Debt

E = Equity

Ke = Cost of equity

Cost of Equity

Cost of equity has been estimated based on the CAPM. This model calculates the cost of equity of a Company as the sum of the risk-free rate and a Company specific equity risk premium, the latter of which represents the risk of company in question as compared to the market risk premium:

Calculation of cost of equity
$COE = R_f + \beta\left(R_m - R_f\right) + R_a$

Note:

Rf = Risk-free rate

Rm = Expected market equity risk premium

Ra = Additional risk premium to account for higher risk

β = Measure of observed volatility compared to the market

Computation of Beta

For calculation of cost of equity, beta has to be calculated, and the guideline companies chosen for the purpose of calculation of beta have been selected based on comparability of similar business and products, services offered by the Company.



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Beta Summary

Company Name	Unlevered Beta	LTM Total Debt/Equity %
Eveready Industries India Limited (BSE:531508)	0.11	13.62%
Exide Industries Limited (BSE:500086)	0.41	3.88%
Amara Raja Energy & Mobility Limited (BSE:500008)	0.63	1.13%
Panasonic Carbon India Co. Limited (BSE:508941)	0.17	0.00%
Himadri Speciality Chemical Limited (BSE:500184)	0.09	3.49%
Mean	**0.29**	**4.42%**

Note:

5. Unlevered Beta computed above is based on 5-year Beta of comparable companies.
6. Debt to Equity Ratio computed above is based on average Debt-to-Equity Ratio of Comparable Companies.

(Source: Capital Iq)

Relevered Beta

We have relevered the average unlevered Beta of comparable companies using the average debt to equity ratio of comparable companies.

Particulars	Average Unlevered Beta	Average Relevered Beta
Comparable Companies	0.29	0.29

The attached table summarizes the main assumptions used to calculate cost of equity of Lohum Nickel Private Limited.

COE assumptions	Values	Source
Risk free rate, Rf	6.80%	Risk Free Rate based on 10-year Zero Coupon Yield Curve*
Market Rate of Return, Rm	13.87%	Based on long term return expectations; average historical returns of Sensex
Equity Risk Premium, (Erp)	7.07%	Rm-Rf
Beta (β)	0.29	As computed above
Additional risk premium (unsystematic risk)	15.00%	To account for higher risk as the company is in high growth phase.
Adjusted Cost of equity, Ke	**23.89%**	Computation

(*Source - https://www.ccilindia.com/Pages/default.aspx)

Terminal value calculation

The Company's free cash flow during the last year of forecast period is in line with growth rate as compared to long term expected industry growth rate, thus Terminal Value is calculated based on the Gordon Model and extrapolating the adjusted free cash flows of the last year at an annual growth rate of 4%.

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C) Equity Valuation of Lohum Americas Inc as of December 31, 2025

Amount USD in Million

Discounted Cash Flow Analysis						
FY	2026 (3 Months)	2027	2028	2029	2030	Terminal
PARTICULARS						
PAT	**(2.49)**	**(0.67)**	**3.79**	**5.72**	**7.63**	
Add : Depreciation	0.20	0.42	0.40	0.33	0.28	
Less : Capital Expenditure	1.00	0.50	0.25	0.20	0.20	
Add : Interest (post Tax)	-	-	-	-	-	
Less : NWC	3.84	6.34	4.85	4.86	6.29	
Free Cash Flows	**(7.12)**	**(7.09)**	**(0.91)**	**0.99**	**1.42**	**40.18**
Discounting Factor	0.97	0.83	0.64	0.50	0.39	0.39
Present value of Cash flow	**(6.90)**	**(5.87)**	**(0.59)**	**0.50**	**0.55**	**15.64**
Cumulative present value of Cash Flows	3.33					
Enterprise Value	**3.33**					
Add - Cash & Cash Equivalents as of December 31,2025	0.38					
Less - Debt as of December 31,2025	1.68					
Equity Value (USD in Million)	**2.02**					
Conversion Rate (USD to INR)	**89.84**					
Equity Value (INR in Million)	**181.76**					

VALUATION METHODOLOGY

I have used Discounted Cash Flow approach in my analysis for computing the fair value of common stocks of the Lohum Americas Inc.

Application of the DCF methodology for valuation of the Company entailed the following stages:

- Estimation of the net cash flows of Lohum Americas Inc to be generated from financial year 2025-26(3 Months) to financial year 2029-30 based on financial projections. This estimate has been produced from financial projections provided and approved by management.

- The future free cash flows are derived considering, inter alia, the changes in the working capital, addition or repayment of Debt and any capital expenditure. They are an aggregation of free cash flows of Lohum Americas Inc during the explicit forecast period prepared based on the business plan and during the post explicit forecast period, estimated using an appropriate method, and are available to Company's common stockholders.

- Calculation of the discount rate of Lohum Americas Inc based on Cost of equity. The discount rate on the capital that the provider expects to earn on other investments of equivalent risk.

- Application of the discount rate to the Free Cash Flows attributable to common stockholders of Lohum Americas Inc from financial year 2025-26(3 Months) to financial year 2029-30 to arrive at the Net Present Value ("NPV") of those free cash flows.

- Estimation of the terminal value of Lohum Americas Inc.

- Estimation of equity value calculated as summation of terminal value and present value of free cash flows to common stockholders of Lohum Americas Inc till March 31, 2030 and adjusted by all surplus assets.



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Estimate of Discount Rate

The discount rate applied to calculate current values on December 31, 2025, has been determined based on Cost of Equity (Ke).

WACC calculation
WACC = Kd x (1-Tc) x (D/(D+E)) + Ke x (E/(D+E))

Note:

Kd = Estimated pre-tax cost of debt
Tc = Company tax rate
D = Debt
E = Equity
Ke = Cost of equity

Cost of Equity

Cost of equity has been estimated based on the CAPM. This model calculates the cost of equity of a Company as the sum of the risk-free rate and a Company specific equity risk premium, the latter of which represents the risk of company in question as compared to the market risk premium:

Calculation of cost of equity
$COE = R_f + \beta\left(R_m - R_f\right) + R_a$

Note:

Rf = Risk-free rate
Rm = Expected market equity risk premium
Ra = Additional risk premium to account for higher risk
β = Measure of observed volatility compared to the market

The attached table summarizes the main assumptions used to calculate cost of equity of Lohum Americas Inc.

COE assumptions	**Values**	**Source**
Risk free rate, Rf	4.15%	Risk Free Rate based on 10-year Zero Coupon Yield Curve of US Treasury (Source: Investing.com)
Equity Risk Premium, (Erp)	4.46%	As per data published by Prof Aswath Damodaran.
Market Rate of Return, Rm	8.61%	Rf+Erp
Beta (β)	1.00	Assumption
Additional risk premium (unsystematic risk)	20.00%	To account for higher risk as the company is in high growth phase.
Adjusted Cost of equity, Ke	**28.61%**	Computation

(*Source - https://www.ccilindia.com/Pages/default.aspx)



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Terminal value calculation

Lohum Americas Inc's free cash flow during the last year of forecast period is growing significantly higher rate as compared to long term expected industry growth rate, thus I have used H-model (2-stage growth model) for the purpose of determination of terminal value as the end of forecast period.

The terminal value under this method is computed by dividing the perpetuity maintainable cash flows with the discount rate as reduced by the stable growth rate.

H-model

The basic two-stage model assumes a constant, extraordinary rate for the supernormal growth period that is followed by a constant, normal growth thereafter. Fuller and Hsia (1984) developed a variant of two-stage model in which growth begins at a high rate and declines linearly throughout the supernormal growth period until it reaches a normal rate at the end. The value of the cash flow stream in the H-model is

$$V_0 = C_0 * (1 + G_L)/R - G_L + C_0 * H * (G_S - G_L)/R - G_L$$

Or

$$V_0 = [C_0 * (1 + G_L) + C_0 * H * (G_S - G_L)]/R - G_L$$

Where,

V_0 = Value of cash flow at t = 0

C_0 = Cash Flow

G_S = Initial short-term growth rate

G_L = Initial long-term growth rate

H = half-life in years of the high-growth period

R = required rate of return on equity

Basis the projections and inputs provided by the management I have considered 30.00% growth for the supernormal growth period and 3-year period to transition to stabilized growth period. Further stabilized growth of 3% has been considered.



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D) Equity Valuation of Vidyuta Materials Private Limited as of December 31, 2025

Amount INR in Million

Discounted Cash Flow Analysis						
FY	2026 (3 Months)	2027	2028	2029	2030	Terminal
PARTICULARS						
PAT	**121.38**	**168.60**	**471.65**	**1,159.69**	**1,436.28**	
Add : Depreciation	15.03	61.72	64.94	68.17	71.39	
Less :Capital Expenditure	100.00	50.00	50.00	50.00	50.00	
Add : Interest (post Tax)	-	-	-	-	-	
Less: NWC	(31.61)	150.24	261.42	675.67	794.88	
Free Cash Flows	**68.01**	**30.08**	**225.17**	**502.19**	**664.79**	**8,875.72**
Discounting Factor	0.97	0.83	0.64	0.50	0.39	0.39
Present value of Cash flow	**65.89**	**24.87**	**144.46**	**249.99**	**256.79**	**3,428.43**
Cumulative present value of Cash Flows	4,170.42					
Enterprise Value	**4,170.42**					
Add - Cash & Cash Equivalents as of December 31,2025	272.31					
Less - Debt as of December 31,2025	962.43					
Equity Value (Amount INR in Lacs)	**3,980.31**					
Outstanding No of Shares	16,654					
Per Share Value (Amount in INR)	**23,900.00**					

VALUATION METHODOLOGY

I have used Discounted Cash Flow approach in my analysis for computing the fair value of equity shares of the Vidyuta Materials Private Limited.

Application of the DCF methodology for valuation of the Company entailed the following stages:

- Estimation of the net cash flows of Vidyuta Materials Private Limited to be generated from financial year 2025-26(3 Months) to financial year 2029-30 based on financial projections. This estimate has been produced from financial projections provided and approved by management.

- The future free cash flows are derived considering, inter alia, the changes in the working capital, addition or repayment of Debt and any capital expenditure. They are an aggregation of free cash flows of Vidyuta Materials Private Limited during the explicit forecast period prepared based on the business plan and during the post explicit forecast period, estimated using an appropriate method, and are available to Company's equity shareholders.

- Calculation of the discount rate of Vidyuta Materials Private Limited based on Cost of equity. The discount rate on the capital that the provider expects to earn on other investments of equivalent risk.

- Application of the discount rate to the Free Cash Flows attributable to equity shareholders of Vidyuta Materials Private Limited from financial year 2025-26(3 Months) to financial year 2029-30 to arrive at the Net Present Value ("NPV") of those free cash flows.

- Estimation of the terminal value of Vidyuta Materials Private Limited.

- Estimation of equity value calculated as summation of terminal value and present value of free cash flows to equity shareholders of Vidyuta Materials Private Limited till March 31, 2030 and adjusted by all surplus assets.

Siddharth Gupta
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Mo: 9415099789; 9161635736

Estimate of Discount Rate

The discount rate applied to calculate current values on December 31, 2025, has been determined based on Cost of Equity (Ke).

WACC calculation

WACC = Kd x (1-Tc) x (D/(D+E)) + Ke x (E/(D+E))

Note:

Kd = Estimated pre-tax cost of debt
Tc = Company tax rate
D = Debt
E = Equity
Ke = Cost of equity

Cost of Equity

Cost of equity has been estimated based on the CAPM. This model calculates the cost of equity of a Company as the sum of the risk-free rate and a Company specific equity risk premium, the latter of which represents the risk of company in question as compared to the market risk premium:

Calculation of cost of equity

$$COE = R_f + \beta\left(R_m - R_f\right) + R_a$$

Note:

Rf = Risk-free rate
Rm = Expected market equity risk premium
Ra = Additional risk premium to account for higher risk
β = Measure of observed volatility compared to the market

The attached table summarizes the main assumptions used to calculate cost of equity of Vidyuta Materials Private Limited.

COE assumptions	Values	Source
Risk free rate, Rf	6.52%	Risk Free Rate based on 10-year Zero Coupon Yield Curve*
Market Rate of Return, Rm	13.87%	Based on long term return expectations; average historical returns of Sensex
Equity Risk Premium, (Erp)	7.35%	Rm-Rf
Beta (β)	1	Assumption
Additional risk premium (unsystematic risk)	15.00%	To account for higher risk as the company is in high growth phase.
Adjusted Cost of equity, Ke	**28.87%**	Computation

(*Source - https://www.ccilindia.com/Pages/default.aspx)



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Terminal value calculation

Vidyuta Materials Private Limited's free cash flow during the last year of forecast period is growing significantly higher rate as compared to long term expected industry growth rate, thus I have used H-model (2-stage growth model) for the purpose of determination of terminal value as the end of forecast period.

The terminal value under this method is computed by dividing the perpetuity maintainable cash flows with the discount rate as reduced by the stable growth rate.

H-model

The basic two-stage model assumes a constant, extraordinary rate for the supernormal growth period that is followed by a constant, normal growth thereafter. Fuller and Hsia (1984) developed a variant of two-stage model in which growth begins at a high rate and declines linearly throughout the supernormal growth period until it reaches a normal rate at the end. The value of the cash flow stream in the H-model is

$$V_0 = C_0 * (1 + G_L)/R - G_L + C_0 * H * (G_S - G_L)/R - G_L$$

Or

$$V_0 = [C_0 * (1 + G_L) + C_0 * H * (G_S - G_L)]/R - G_L$$

Where,

V_0 = Value of cash flow at t = 0

C_0 = Cash Flow

G_S = Initial short-term growth rate

G_L = Initial long-term growth rate

H = half-life in years of the high-growth period

R = required rate of return on equity

Basis the projections and inputs provided by the management I have considered 45.2% growth for the supernormal growth period and 3-year period to transition to stabilized growth period. Further stabilized growth of 4% has been considered.



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E) Equity Valuation of Lohum Magnet and Energy Private Limited as of December 31, 2025

Amount INR in Lakhs

Discounted Cash Flow Analysis						
FY	2026 (3 Months)	2027	2028	2029	2030	Terminal
PARTICULARS						
PAT	**(8.77)**	**338.26**	**1,033.58**	**2,652.17**	**5,256.30**	
Add: Depreciation	6.14	302.41	666.25	813.69	936.56	
Less: Capital Expenditure	100.00	2,777.90	700.00	500.00	500.00	
Add: Interest (post Tax)	-	-	-	-	-	
Less: NWC	-	-	-	-	-	
Free Cash Flows	**(102.62)**	**(2,137.24)**	**999.82**	**2,965.86**	**5,692.86**	**46,667.97**
Discounting Factor	0.97	0.82	0.63	0.49	0.38	0.38
Present value of Cash flow	**(99.34)**	**(1,758.90)**	**634.60**	**1,451.81**	**2,149.20**	**17,618.33**
Cumulative present value of Cash Flows	19,995.69					
Enterprise Value	**19,995.69**					
Add: Cash & Cash Equivalent as on December 31,2025	1.72					
Equity Valuation (Amount INR in Lakh)	**19,997.40**					
No of Shares	10,000					
Value Per Share (Amount in INR)	**1,99,974.04**					

VALUATION METHODOLOGY

I have used Discounted Cash Flow approach in my analysis for computing the fair value of equity shares of the Lohum Magnet and Energy Private Limited.

Application of the DCF methodology for valuation of the Company entailed the following stages:

- Estimation of the net cash flows of Lohum Magnet and Energy Private Limited to be generated from financial year 2025-26(3 Months) to financial year 2029-30 based on financial projections. This estimate has been produced from financial projections provided and approved by management.

- The future free cash flows are derived considering, inter alia, the changes in the working capital, addition or repayment of Debt and any capital expenditure. They are an aggregation of free cash flows of Lohum Magnet and Energy Private Limited during the explicit forecast period prepared based on the business plan and during the post explicit forecast period, estimated using an appropriate method, and are available to Company's equity shareholders.

- Calculation of the discount rate of Lohum Magnet and Energy Private Limited based on Cost of equity. The discount rate on the capital that the provider expects to earn on other investments of equivalent risk.

- Application of the discount rate to the Free Cash Flows attributable to equity shareholders of Lohum Magnet and Energy Private Limited from financial year 2025-26(3 Months) to financial year 2029-30 to arrive at the Net Present Value ("NPV") of those free cash flows.

- Estimation of the terminal value of Vidyuta Materials Private Limited.

- Estimation of equity value calculated as summation of terminal value and present value of free cash flows to

- equity shareholders of Vidyuta Materials Private Limited till March 31, 2030 and adjusted by all surplus assets.

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Estimate of Discount Rate

The discount rate applied to calculate current values on December 31, 2025, has been determined based on Cost of Equity (Ke).

WACC calculation
WACC = Kd x (1-Tc) x (D/(D+E)) + Ke x (E/(D+E))

Note:

Kd = Estimated pre-tax cost of debt
Tc = Company tax rate
D = Debt
E = Equity
Ke = Cost of equity

Cost of Equity

Cost of equity has been estimated based on the CAPM. This model calculates the cost of equity of a Company as the sum of the risk-free rate and a Company specific equity risk premium, the latter of which represents the risk of company in question as compared to the market risk premium:

Calculation of cost of equity
$COE = R_f + \beta\left(R_m - R_f\right) + R_a$

Note:

Rf = Risk-free rate
Rm = Expected market equity risk premium
Ra = Additional risk premium to account for higher risk
β = Measure of observed volatility compared to the market

Computation of Beta

For calculation of cost of equity, beta has to be calculated, and the guideline companies chosen for the purpose of calculation of beta have been selected based on comparability of similar business and products, services offered by the Company.

Beta Summary

Company Name	Unlevered Beta	LTM Total Debt/Equity %
Exide Industries Limited (BSE:500086)	0.42	3.88%
Amara Raja Energy & Mobility Limited (BSE:500008)	0.64	1.13%
Himadri Speciality Chemical Limited (BSE:500184)	0.10	3.49%
Panasonic Carbon India Co. Limited (BSE:508941)	0.39	0.00%
Mean	**0.39**	**2.13%**

Note:

1. Unlevered Beta computed above is based on 5-year Beta of comparable companies.

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2. Debt to Equity Ratio computed above is based on average Debt-to-Equity Ratio of Comparable Companies.

(Source: Capital Iq)

Relevered Beta

We have relevered the average unlevered Beta of comparable companies using the average debt to equity ratio of comparable companies.

Particulars	Average Unlevered Beta	Average Relevered Beta
Comparable Companies	0.39	0.39

The attached table summarizes the main assumptions used to calculate cost of equity of Vidyuta Materials Private Limited.

COE assumptions	Values	Source
Risk free rate, Rf	6.80%	Risk Free Rate based on 10-year Zero Coupon Yield Curve*
Market Rate of Return, Rm	13.87%	Based on long term return expectations; average historical returns of Sensex
Equity Risk Premium, (Erp)	7.07%	Rm-Rf
Beta (β)	0.40	As computed above
Additional risk premium (unsystematic risk)	20.00%	To account for higher risk as the company is in high growth phase.
Adjusted Cost of equity, Ke	**29.66%**	Computation

(*Source - https://www.ccilindia.com/Pages/default.aspx)

Terminal value calculation

Vidyuta Materials Private Limited's free cash flow during the last year of forecast period is growing significantly higher rate as compared to long term expected industry growth rate, thus I have used H-model (2-stage growth model) for the purpose of determination of terminal value as the end of forecast period.

The terminal value under this method is computed by dividing the perpetuity maintainable cash flows with the discount rate as reduced by the stable growth rate.



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H-model

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$$V_0 = C_0 * (1 + G_L)/R - G_L + C_0 * H * (G_S - G_L)/R - G_L$$

Or

$$V_0 = [C_0 * (1 + G_L) + C_0 * H * (G_S - G_L)]/R - G_L$$

Where,

V_0 = Value of cash flow at t = 0

C_0 = Cash Flow

G_S = Initial short-term growth rate

G_L = Initial long-term growth rate

H = half-life in years of the high-growth period

R = required rate of return on equity

Basis the projections and inputs provided by the management I have considered 64.34% growth for the supernormal growth period and 4-year period to transition to stabilized growth period. Further stabilized growth of 4% has been considered.

