

ADDEDNDUM TO MY VALUATION REPORT DATED 27-08-2024 in respect of I-POWER SOLUTIONS INDIA LIMITED

In response to the query on the various valuation approaches to be applied in valuing the company shares, I wish to submit as follows:

1. Market approach:

Under this approach, one can use revenue/sales multiple, EBITDA multiple or PE multiple to arrive at fair value.

However, NIL income for QE 30.06.2024 and ₹ 13,000 only as other income for the financial year 2023-24. In the light of this Revenue multiple could not be applied.

The company's EBITDA for QE 30.06.2024 was (-) ₹ 2.95 lakhs and for YE 31.03.2024 was (-) ₹ 14.72 lakhs respectively. With EBITDA in the negative no comparison with any peer could be carried out

Moreover, even the EPS for QE 30.06.2024 was (-) ₹ 0.07 and for YE 31.03.2024 was (-) ₹ 0.36 respectively.

In the light of the above, Market approach was not followed to arrive at fair value.

2. Income approach:

Income approach requires financial forecasts to be prepared by the management 4/5 years and discounting the prospective cash inflow one arrives at the value. We understand that the company has opted for preferential placement of shares to augment its working capital needs and to meet the operational costs.

However, in the absence of the forward looking statement with detailed projects to be embarked upon and casting a revenue plan, etc Income approach was not applied.

3. Asset approach:

As recommended by SEBI (LODR), I have to apply only book value method to arrive at the fair value.

CA S DEHALEESAN

Chartered Accountant (Mem No. 027312)
& Registered Valuer (IBBI/RV/04/2019/11659)