

## VALUATION POLICY

### 1. **Background**

- 1.1 Sorigin Green Solutions Fund is a Category II Alternative Investment Fund (the “**Fund**”), registered with the Securities and Exchange Board of India (“**SEBI**”) under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time (the “**Regulations**”).
- 1.2 Sorigin Investment Management Services Private Limited (“**Sorigin**” or the “**Investment Manager**”), a company incorporated under the provisions of the Companies Act, 2013, is engaged in the business of providing investment management and advisory services and, pursuant to the investment management agreement dated 17<sup>th</sup> October 2024, has been appointed as the investment manager of the Fund.
- 1.3 Sorigin recognizes its fiduciary duty as an investment manager, to act in the best interests of the Fund’s contributors (“**Investors**”).
- 1.4 In line with this responsibility, and pursuant to Regulation 23 read with SEBI Circular No. SEBI/HO/AFD/PoD/CIR/2023/97 dated June 21, 2023, and SEBI Circular No. SEBI/HO/AFD/PoD-1/P/CIR/2024/123 dated September 19, 2024, Sorigin has formulated this Policy to ensure that the valuation of the Fund’s investments is conducted in a fair, consistent, and transparent manner, based on appropriate methodologies and in compliance with applicable regulatory requirements.

### 2. **Objective and Scope**

- 2.1 The purpose of this Valuation Policy (the “**Policy**”) is to establish a comprehensive framework for the valuation of investments undertaken by Sorigin, and to ensure that Investors are provided with a clear and transparent description of the valuation procedures and methodologies adopted for determining the fair value of the Fund’s investments.
- 2.2 This Policy sets out the framework applicable to the valuation of all investments made by the Fund and applies to all asset classes forming part of the Fund’s portfolio, including listed and unlisted equity, debt instruments, convertible and hybrid securities, and any other financial instruments, in accordance with the requirements prescribed under Regulation 23 and applicable SEBI circulars.

### 3. **Valuation Methodologies**

- 3.1 Sorigin shall undertake valuation of its portfolio at least once every six months after inflow of the funds (Investments) through an independent valuer who:
  - 3.1.1 is not an associate of Sorigin or the sponsor or trustee of the Fund;

- 3.1.2 has at least three years of experience in valuation of unlisted securities;
- 3.1.3 is either:
- a) a valuer registered with the Insolvency and Bankruptcy Board of India and has membership of Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute of Cost Accountants of India or CFA Institute;
  - b) a holding company or subsidiary of a Credit Rating Agency registered with SEBI; or
  - c) any other criteria as may be specified by SEBI from time to time.
- 3.1.4 in case of a partnership entity or a company:
- a) is a Registered Valuer Entity registered with the Insolvency and Bankruptcy Board of India, and
  - b) the deputed/authorized person(s) of such Registered Valuer Entity who have a membership of ICAI or ICSI or ICMAI or a CFA Charter from the CFA Institute.
- 3.2 In line with the valuation framework prescribed by SEBI, valuation of the Fund's investments shall be carried out in the manner specified below:
- 3.2.1 Valuation of securities and assets, other than unlisted securities and listed securities which are non-traded and thinly trade, for which valuation norms have already been prescribed under SEBI (Mutual Funds) Regulations, 1996 ("**MF Regulations**"), shall be carried out as per the norms prescribed under MF Regulations.
- 3.2.2 Valuation of securities and assets which are not covered above shall be carried out as per valuation guidelines, as prescribed by International Private Equity and Venture Capital Valuation (IPEV).

Detailed valuation methodologies for investments made by the Fund are described in **Annexure 1** below.

#### **4. Deviation**

- 4.1 Sorigin shall have a right to deviate from the valuation methodologies and/or procedures, as prescribed under this Policy, in the event such established methodologies and/or procedures of valuation do not result in fair and appropriate valuation of the assets.
- 4.2 At each asset level, in the event there is a deviation of more than 20% between two consecutive valuations or a deviation of more than 33% in a financial year, Sorigin shall inform the Investors the reasons for such deviation (generic and specific), including but

not limited to, changes in accounting practices/policies, assumptions / projections, valuation methodology and approach, etc., and the reasons associated thereto.

- 4.3 In the event of any deviation (*as specified above*), Sorigin shall record the rationale behind such deviation and shall report the same to its trustee.
- 4.4 It is clarified that any change in the valuation methodology/approach within the valuation guidelines / valuation norms prescribed for AIFs, shall not be construed as a material change. However, upon such change, the valuation of the investment carried out based on the valuation methodologies/approaches, both old and new, shall be disclosed to the Investors to ensure transparency and accountability.

## **5. Reporting to Performance Benchmarking Agencies**

- 5.1 In line with its obligations under the Regulation, Sorigin shall ensure that valuation based on audited data of investee company (as received from the investee company as on 31<sup>st</sup> March every year) is reported to benchmarking agencies within a period of 7 months, following the completion of the annual audit of the books of accounts of the Fund, by a qualified auditor annually.

## **6. Record Keeping**

- 6.1 All documents which form the basis of valuation (the approval notes or any supporting documents) shall be maintained in either electronic or physical form, in accordance with the norms prescribed by the Regulations.

## **7. Review of the Policy**

- 7.1 This Policy shall be reviewed and updated once every year, or as and when required, based on changes in regulatory requirements.

## **Annexure 1**

### **I. Valuation Frequency & Methodology for the Fund**

The Fund shall undertake valuation of their portfolio, at least once in every six months after inflow of the funds (Investments), by an independent valuer appointed by the AIF. Provided that such period may be enhanced to one year on approval of at least seventy-five percent of the investors by value of their investment in the Alternative Investment Fund.

For various portfolios in the Fund, where valuation methodology is envisaged to be different than what is stated above, or for which appropriate valuation methodology is not available, valuation methodology to be adopted would be determined by the Valuation Committee using principle of fair valuation under IPEV Guidelines and any other applicable rules, regulations, circulars, notifications and amendments as and when applicable.

### **II. IPEV**

For the detailed IPEV methodology, please visit below link as updated from time to time.

<https://www.privateequityvaluation.com/Valuation-Guidelines>