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**ENTERPRISE/EQUITY VALUATION REPORT**

**OF**

**VENTO POWER INFRA PRIVATE LIMITED**

**(SOLAR POWER PLANT OF 40MW)**

**SITUATED AT**

**VILLAGE – KIRTIPUR, TALUKA: -SONEPUR, DISTRICT: -SONEPUR,**

**ODISHA, INDIA-767017**

**HOLDING COMPANY/PROMOTER**

**M/S ESSEL GREEN ENERGY PRIVATE LIMITED**

**REPORT PREPARED FOR**

**PTC INDIA FINANCIAL SERVICES LIMITED, 7TH FLOOR, TELEPHONE EXCHANGE BUILDING & BHIKAJI CAMA PLACE, NEW DELHI, INDIA-110066**

***\*\*Important - In case of any query/ issue or escalation you may please contact Incident Manager***

***at valuers@rkassociates.org. We will appreciate your feedback in order to improve our services.***

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| **PART A** | **INTRODUCTION** |

1. **ABOUT THE REPORT:** Enterprise/Equity Valuation Report of 40 MW Solar Power Plant set up by M/s Vento Power Infra Private Limited (VPIPL), located at Village – Kirtipur, Taluka: Sonepur, District: Sonepur, Odisha
2. **EXECUTIVE SUMMARY:** M/s Vento Power Infra Pvt Ltd was incorporated on 23rd April, 2015 formerly known as RB Toll roads Private Limited for the development of 40 MW solar power project project in the Sonepur District Odisha, under NSM Phase II, Batch-IV, Public Sector Undertaking, Government of India. The name of the company was changes to Vento Power Infra Private Limited with effect from 20th January, 2016. As per the Audited financial statement for the FY 2019-20 initially company was involved in the development of infrastructure projects on its incorporation. The company signed the Purchase Power Agreement on 30th May 2017 with Solar Energy Corporation of India (SECI). The Provisional COD has been granted by SECI via letter no. SECI/SD/NSM/P-2/B-4/OD/Prov.COD/EGEPL/34322 dated 20.11.2019 for 40ACMW but as per the information/data provided by the company/client only 28AC MW capacity has been installed against the contracted capacity and during the site visit it has been verified that currently plant has been operating at 24ACMW capacity.

The company is engaged in the business of generation, distribution, supply, manufacturing of energy and power, heat, sunlight, wind, tide or any other renewable energy source. (Photo Voltaic Technology). M/s VPIPL is a 100% subsidiary company of M/s. Essel Green Energy Pvt Ltd, having their registered office at Essel House B-10, Lawrence Road, New Delhi, New Delhi, Delhi, India, 110035.

As per audited financial for FY 2019-20 shared by the client, M/S EGEPL is also a wholly owned subsidiary of Essel Infraprojects Limited (EIL) is the infrastructure company of the Essel Group with interest in Road Projects of National Highways and State Highways, Urban Infrastructure, Power projects for Generation, Transmission and Distribution of Power, Water management with specific focus on Waste water Treatment and Distribution, solid Waste Management etc. in the state of Maharashtra. The key details of the project are shown in the below table:

|  |  |
| --- | --- |
| **Particular** | **Details** |
| **Project Capacity (Sanctioned in PPA)** | 40 MW |
| **Type of Power Plant** | Solar Power Plant (Photo Voltaic Technology) |
| **Project Commissioned Date** | 22nd December, 2018 |
| **Location** | Village – Kirtipur, Taluka: Sonepur, District: Sonepur, Odisha- 767017 |
| **Promoters/Holding Company** | M/s Essel Green energy Limited |
| **Capacity Installed** | 28AC MW |
| **Operating Capacity** | 24AC MW |
| **PPA** | 25 years PPA with SECI @ INR 4.43/Unit, Actual tariff –Rs. 4.10/unit |
| **Maximum Generation as per PPA Agreement** | 75.970 million Units p.a. |
| **Minimum Generation per PPA Agreement** | 58.704 million units p.a. |
| **Total Land extent** | 213 Acres |
| **Total Land extent of Plant** | 102 Acres |
| **Total other land extent (Non-Contiguous)** | 111 Acres |

***Source:*** *Data/information provided by the client.*

As per data/information provided by the client, the company has entered into a long-term Power Purchase Agreement with M/s. Solar Energy Corporation of India (SECI) dated 30th May, 2017. The PPA agreement is valid for a period of 25 years, i.e. up to January 2044. It provides for Tariff to the company @ Rs. 4.43 per unit and actual tariff rate is @ Rs.4.10 per unit for the entire tenure of the agreement. As per the PPA, “*SECI, at any time during a contract year shall not be obliged to purchase energy from SPD beyond 75.970 million kWh (MU) and if for any contract year, it is found that the SPD has not able to generate minimum energy of 58.704 million kWh (MU) till the end of 10 years from COD and 55.251 million kWh (MU) for the rest of the term of the Agreement, on account of reason Soley attributable to SPD, the non-compliance by SPD shall make SPD liable to pay compensation as per agreement.”*

As per the information shared by the client/company, the Organization Structure of the VPIPL is shown below:

Below table shows the historical financial performance of the company from FY 2019-20 to FY 2024-25 (Till December, 2024):

***(Figures in INR Crores)***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particular (INR Crore)** | **FY 2020 A** | **FY 2021 A** | **FY 2022 A** | **FY 2023 A** | **FY 2024 A** | **Dec 2024 P** |
| Revenue | 3.89 | 8.04 | 19.86 | 17.34 | 16.50 | 11.50 |
| Other Revenue | 0.13 | 0.22 | 1.85 | 0.0001 | 0.0039 | 0.00 |
| **Total Revenue** | **4.02** | **8.26** | **21.71** | **17.34** | **16.51** | **11.51** |
| **Expenditure** |  |  |  |  |  |  |
| Operational Expense | 0.56 | 0.73 | 1.18 | 0.74 | 0.68 | 0.62 |
| Employee Benefit expenses | 0.07 | 0.00 | 0.10 | 0.15 | 0.06 | 0.05 |
| Other Expenses | 5.18 | 10.35 | 1.93 | 1.34 | 2.60 | 2.28 |
| **Total Expenses** | **5.81** | **11.08** | **3.20** | **2.23** | **3.34** | **2.95** |
| **EBITDA** | **-1.79** | **-2.82** | **18.51** | **15.12** | **13.16** | **8.56** |
| Depreciation & Amortization | 27.49 | 24.39 | 22.26 | 19.95 | 17.70 | 15.70 |
| **EBIT** | **-29.28** | **-27.21** | **-3.75** | **-4.84** | **-4.54** | **-7.14** |
| Finance cost | 21.55 | 18.74 | 16.11 | 15.59 | 0.01 | 0.00 |
| **Profit Before Exceptional Item and Taxes** | **-50.83** | **-45.95** | **-19.86** | **-20.43** | **-4.54** | **-7.14** |
| Exceptional Item | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **PBT** | **-50.83** | **-45.95** | **-19.86** | **-20.43** | **-4.54** | **-7.14** |
| Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Profit After Taxes** | **-50.83** | **-45.95** | **-19.86** | **-20.43** | **-4.54** | **-7.14** |

***Source:*** *Audited Financials shared by the client/company except December, 2024 which are unaudited.*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particular** | **FY 2020 A** | **FY 2021 A** | **FY 2022 A** | **FY 2023 A** | **FY 2024 A** | **Dec 2024 P** |
| **EBITDA Margin %** | -45.92% | -35.06% | 93.17% | 87.17% | 79.77% | 74.39% |
| **EBIT Margin %** | -752.42% | -338.52% | -18.88% | -27.88% | -27.50% | -62.09% |
| **Net Profit Margin%** | -1306.19% | -571.68% | -100.01% | -117.79% | -27.53% | -62.09% |
| **Revenue Growth % (Y.O.Y.)** |  | 106.55% | 147.10% | -12.69% | -4.85% | -30.28% |

As per the Power Purchase Agreement (PPA), the contracted capacity for the project is 40AC MW (49.20DCMW). However, the company has installed 28AC MW against sanctioned capacity 40AC MW and as per the Power Load Factor (PLF) shared by the client/company operating at 24AC MW (29.80DC MW) capacity which is significantly lower than the contracted capacity. Vento Power Infra Pvt Ltd (VPIPL) has been classified as NPA with PFS since with effect from March 31, 2023, primarily due to financial stress arising from lower revenue caused by the shortfall in installed capacity.

Under Clause 9.1 of the PPA, VPIPL is entitled to receive a fixed tariff of Rs. 4.43/kWh for the entire term of the agreement, effective from the Commercial Operation Date (COD). Moreover, following DRC process, the Solar Energy Corporation of India (SECI) issued a letter on May 27, 2021, revising the tariff for the project. The new tariff was increased from Rs. 3.06/unit to Rs. 4.10/unit.

As per the discussion with client/company and also observed during the site survey, t*he overall plant consists of ten (10) ICR’s, out of which six (6) ICR’s (ICR-1 to ICR- 6) and in ICR-7. In ICR-7 one (01) no inverter & ICR-8, 9, 10 are yet to be charged and commissioned.*

**The company has defaulted in the repayment of the borrowings and the account has been classified as Non-Performing Asset (NPA) by the PTC India Financial Services Limited (PFS). Hence, PFS has appointed R. K Associates to determine the Fair Value, Market Value, Distress Value/Enterprise Value of the Business/Company for decision making purpose.**

1. **TYPE OF REPORT:** Enterprise/Equity Valuation of M/s Vento Power Infra Private Limited.
2. **PURPOSE OF THE REPORT:** To estimate & determine Fair Value, Realizable value and Distress value of the entityto enable the lenders/client to evaluate the further course of action on this account.
3. **SCOPE OF THE REPORT:** To estimate & determine Fair value, Realizable value and Distress value of the entity based on Income based approach (Discounted Cash Flow method) and Net Asset Value (NAV) Method considering the entity is going concern, valuation of debt & equity and possibility of enhancing the capacity with available land.

* ***This is just the enterprise/equity valuation of the project based on its income generating capacity/ projections in future years and based on NAV method as per latest audited/provisional balance sheet provided by the client on the request of PFS.***
* ***This Valuation only covers the cash flow generated from the solar power project of the Company. It does not cover any transaction with the subject company’s subsidiary/ associate/ Joint Venture Companies.***
* ***This Enterprise/Equity Valuation report doesn’t cover vetting of the documents/ financial data/ projections or any other information provided to us by the Bank.***
* ***This exercise is neither an audit activity nor investigative in nature. We have relied on the data provided by the Bank and the Company in good faith.***
* ***The Market and Industrial assessment of the given company’s industry has not been done at our end. So, this valuation doesn’t cover the Market & industrial scenario in terms of the product demand & market potential.***

1. **METHODOLOGY/ MODEL ADOPTED:**

Income-based Approach (Discounted Cash Flow Method) and Net Assets Value (NAV) Method for the calculation of Enterprise Value of the Company.

1. **DOCUMENTS / DATA REFFERED:**

* Last five year’s audited Financial Statements of the company.
* Provisional Financial Statement of the company for the period April – December, 2024.
* Purchasing Power Agreement
* Detailed Description and Current Status of the project Shared by client/company.
* Details of outstanding debt.
* Detail of Directors and shareholding pattern of the company.
* Other required information shared by the client.
* Information available in the public domain.
* Lender’s Independent Engineers’ Report (LIE)
* Audited Financial Statements of Holding and Ultimate holding company

|  |  |
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| **PART B** | **THE PROJECT COMPANY** |

1. **INCORPORATION DETAILS OF THE COMPANY:**

M/s. VPIPL was incorporated on 23rd April 2015, the development of 40 MW solar power project project in the Sonepur District Odisha, under NSM Phase II, Batch-IV, Public Sector Undertaking, Government of India. The company signed the Purchase Power Agreement on 30th May 2017 with Solar Energy Corporation of India (SECI) and the project has achieved it Provisional COD on 19.01.2019. Below table shows the incorporation details of the company:

|  |  |
| --- | --- |
| **Incorporation Details** | |
| **Company Name** | M/s Vento Power Infra Private Limited |
| **Corporate Identity Number** | U45400MH2015PTC263702 |
| **Incorporation Date** | 23rd April, 2015 |
| **Roc Name** | ROC-Mumbai |
| **Constitution** | Non-Government Company/Company limited by Shares |
| **Sector** | Solar Power Generation |
| **Registered / Corporate Office Address** | **Registered Office:** 513/A, 5th Floor, Kohinoor City Mall, Kirol Marg, Off. L.B.S. Marg, Kurla (W), Mumbai City, Mumbai, Maharashtra, India, 400070  **Plant/ Works:** Village – Kirtipur, Taluka: Sonepur, District: Sonepur, Odisha-767017 |
| **Authorized Share Capital** | INR 38,20,00,000/- |
| **Issued, Subscribed And Paid-Up Capital** | INR 38,19,00,000/- |

***Source:*** *http://www.mca.gov.in/*

1. **DETAIL OF PROMOTERS/DIRECTORS:** As per information provided by the company/client, below table shows the details of directors/promoters of the company along with their DIN details, designation and Date of appointment:

**List of Directors of M/s Vento Power Infra Pvt Ltd.**

| **S. No.** | **Name** | **DIN/DOA** | **Designation** |
| --- | --- | --- | --- |
| **1.** | Ankur Kumar | 09240363/ 31st July 2021 | Director |
| **2.** | Sundeep Kumar Rai | 08661593 / 31st August 2020 | Director |
| **3.** | Balwan Singh | 10355464 / 1st November 2023 | Director |

1. **OUTSTANDING LIABILITIES OF THE COMPANY:** As per the provisional financial statements as on 31st December, 2024 there are the following outstanding liabilities-

|  |  |  |
| --- | --- | --- |
| **S. No** | **Particulars** | **Amount (In Crores)** |
| 1 | Intercorporate Deposits from Holding Company | 93.81 |
| 2 | Current maturities of long-term debt | 121.78 |
| 3 | Interest Payable | 3.25 |
| 4 | Trade Payables- others | 0.55 |
| 5 | Interest on debentures | 0.0025 |
| 6 | Statutory Liability | 0.0112 |
| 7 | Salary & wages | 0.0005 |
|  | **Total** | **219.40** |

Further as per data/information provided by the company/client, the total outstanding liabilities to PFS as on 31st December, 2024 of the company is Rs 159.03 Crores of which Principal approx. Rs. 135.10 crores and interest overdue is approx. Rs. 23.93 crores (including liquidated damages, additional interest etc.)

1. **CAPITAL STRUCTURE:** As per the audited financial statements for the FY2023-24, the authorized share capital of the company is INR 38.20 Crores divided into 3.82 crores equity shares of INR 10/- each.

As per the audited financial statements for the FY 2023-24, the paid-up share capital of the company is INR 38.19 Crores divided into 3,81,90,000 equity shares of INR 10/- each fully paid up.

Further as per the information provided by the client/company, the company has pledged its 99% of Equity shares to PTC India Financial Services Ltd. (PFS)

1. **SHAREHOLDING PATTERN:** As per data/information shared by the client/company, the shareholding pattern of M/s Vento Power Infra Pvt Ltd. as on 31st December, 2024 is shown in the below tables:

|  |  |  |  |
| --- | --- | --- | --- |
| **S. No.** | **Name of Shareholder** | **Percentage** | **No. of shares** |
| 1. | M/s Essel Green Energy Private Limited | 100.00% | 3,81,90,000 |

As per the notes to accounts in the audited financial statements for the FY 2023-24, the company is the wholly owned Subsidiary of M/s Essel Green Energy Private Limited, which in turn is 100% held by M/s Essel Infra Projects Limited

1. **CURRENT STATUS & REASON FOR FINANCIAL STRESS:**

At present, the company is operating only at a capacity of 24ACMW (29.86DCMW)against envisaged capacity of 40 MWAC(49.20 MWDC). As per PPA*,* “SECI at any time during a contract year shall not be obliged to purchase energy from SPD beyond 75.970 million kWh (MU) and if for any contract year, it is found that the SPD has not able to generate minimum energy of 58.704 million kWh (MU) till the end of 10 years from COD and 55.251 million kWh (MU) for the rest of the term of the Agreement, on account of reason Soley attributable to SPD, the non-compliance by SPD shall make SPD liable to pay compensation as per agreement.”

As per the PPA agreement between company and SECI the contracted capacity was 40MW (AC) and the Schedule Commissioning date of the project was 22nd December, 2017 but SECI has granted provisional COD of full/part capacity on 19th January, 2019 at the applicable tariff rate Rs.3.065 per KWh. Moreover, following DRC process, the Solar Energy Corporation of India (SECI) issued a letter on May 27, 2021, revising the tariff for the project. The new tariff was increased from Rs. 3.06/unit to Rs. 4.10/unit.

Company is not able to generate minimum energy units as per the PPA mentioned above. As per Power Purchase Agreement (PPA) the tariff compensation is Rs. 4.43/KWh. As per the information shared by client/company, it was generating, at an average, around 2.83 Crores units per annum till December, 2024 (From April 2024 to December, 2024). And the project was implemented in staggered manner.

Further VPIPL has classified as NPA with PFS since Mar 31, 2023. The financial stress was mainly due to lower revenue on account of lower installed capacity vis-à-vis contracted.

VPIPL is already classified as a NPA and do not have funds to address above issues. Hence, the quality of the solar plant and power units’ generation is continuously deteriorating.

**Hence, PTC India Financial Services Ltd. (PFS) has appointed R. K Associates to determine the Fair Value, Market Value, Distress Value of the Entity/Company for decision making purpose.**

|  |  |
| --- | --- |
| **PART C** | **THE PROJECT** |

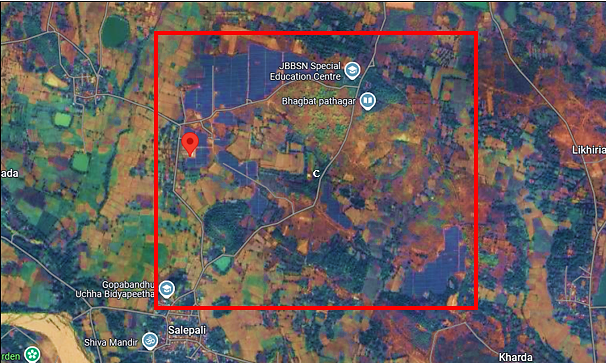
* 1. **BRIEF DESCRIPTION ABOUT THE PROJECT:**

The Company is in the operations of solar power generation with an installed capacity of 28AC MW against the sanctioned capacity of 40AC MW and currently operating at 24AC MW capacity i.e. capacity PLF of 85.71%. against actual installed capacity at present. The Solar Power Plant is producing the electricity using Solar Photo Voltaic Technology.

* 1. **PROJECT LOCATION:**

The aforementioned project is situated in Village: Salepali, Badadungripali and Shasanpali, Tehsil: Deogan, District: Balangir, Odisha- 767017. The location of the same is shown in the images below:

**SALIPALI AND BADADUNGRIPALI VILLAGE:**

****

**SHASANPALI VILLAGE:**

****

* 1. **OPERATION & MAINTENANCE OF SOLAR POWER PLANT:**

As per the data/informationprovided by the client, the O&M Agreement has been executed between M/s Vento Power Infra Private Limited and M/s Sterling & Wilson Solar Limited on 05th November, 2019 for the operation and maintenance of plant. The agreement is valid for a period of 10 years from the date of handover of individually completed site, from the owner/client to the contractor. The term of agreement may be extended at the discretion of the owner by giving a notice of not less than 3 months from the expiry of the term. The basic structure and the broad functional area within the O&M parameters would be as follows:

The Plant Manager would have the primary responsibility for the O&M of the power plant. The organization will compromise of four broad functional areas viz. Operation, Maintenance, Technical and Administration. The basic duties covered under each of these functional areas would be as follows:

1. **Scope of Services:**

* The contractor shall be responsible for the operating and maintaining the plant and taking all actions as is necessary to ensure efficient & smooth functioning of plant and achieving the performance ratio and plant availability on annual basis.
* Contractor shall guarantee Performance ratio and plant availability. The plant uptime is agreed as minimum 99%
* The maintenance staff shall be available in power plant for 24 hours every day irrespective of whether plant is in operation or not unless otherwise instructed by employer in writing.
* During operation & maintenance if there is any loss & damage to any component of power plant due to mis-management/mis-handling or due to any other reason attributable to contractor.

1. **Maintenance:**

* The contractor shall provide for cleaning of modules, all machinery and materials.
* Trained technicians are employed to assist the maintenance group in day-to-day maintenance of the plant.
* It shall maintain daily register to record details of any requests/complaints received in writing from the owner and actions taken.
* The contractor shall be responsible for all safety requirements of the Plant, facilities and equipment.

1. **Administration:** The main responsibilities of this department are as follows:

* Plant Security
* Stores Management
* Liasion with local labor officers
* Medical Services
* Transport Services

1. **Facilities to Be Extended to the Employees:** The following facilities are provided in the power plant:

* Administration Building and Technical Office
* Stores
* Time and security offices
* First Aid and Fire Fighting Station
* Toilets and Changes rooms
* The contractor shall obtain and maintain during the term of this Agreement adequate insurance cover for its employees, workers, agents, representatives, personnel, vehicles, facilities and equipment, obtain and maintain adequate insurances in relation to the work or Services undertaken

|  |  |
| --- | --- |
| **PART D** | **ASSESSMENT OF SOLAR ENERGY SECTOR** |

1. **INTRODUCTION:**

India's energy landscape has undergone a vast transition, with the focus shifting towards renewable means in the era of sustainability. As the world repositions itself towards sustainability, India's renewable sector unleashes a new scope of opportunities. Over the past decade, India has made significant strides in diversifying its energy mix, gradually reducing its dependence on conventional fossil fuels, and setting an enhanced target at the COP26 of 500 GW of non-fossil fuel-based energy by 2030.

India’s installed non-fossil fuel capacity has increased 396% in the last 8.5 years and stands at more than 205.52 GW (including large hydro and nuclear), about 42% of the country’s total capacity (as of November 2024). Solar power has witnessed a 30-fold surge in adoption, with installed capacity increasing from a mere 2.5 GW in 2014 to about 94.16 GW as of November 2024. The government's commitment to creating a sustainable world and scaling up solar capacity through initiatives like the International Solar Alliance reflects the country's potential to harness solar power in collaboration with more than 120 signatory countries.

In addition, 100% FDI has been allowed under the automatic route for renewable energy generation and distribution projects subject to provisions of the Electricity Act 2003. India, at the 26th session of the United Nations Framework Convention on Climate Change (COP 26) in November 2021, announced its target to achieve net zero by 2070, and hence the renewable energy sector poses a vast range of potential beyond creating a cleaner future.

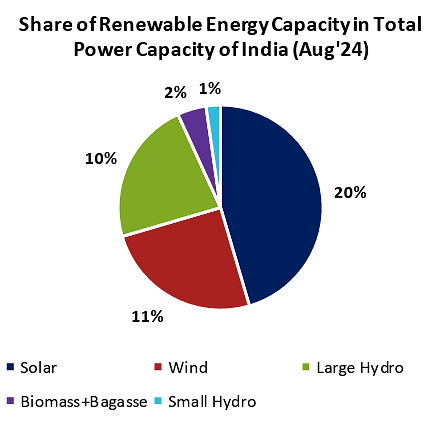
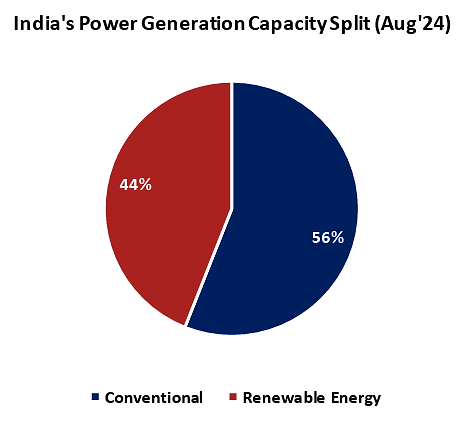
Furthermore, with more than 2 times the leap in wind energy capacity to 47.95 GW today since 2014, India also looks forward to expanding the capacity to 99.9 GW by 2029-30 in major wind energy-producing states like Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Rajasthan, Kerala, etc. The government of India has launched several initiatives, such as the development of solar parks, under which 50 solar parks across 12 states have been sanctioned with capacities of 500 MW or more.



The sector has gained heightened appeal to investors due to enhanced governmental support and improved economic viability. With India striving to fulfill its burgeoning energy demand, projected to reach 15,820 TWh by 2040, renewable energy is poised to assume a pivotal role in meeting these requirements.

1. **MARKET SIZE:**

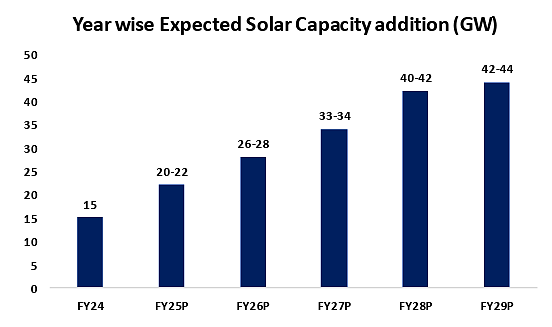
The installed solar energy capacity has increased by 26 times in the last 9 years and stands at 73.32 GW as of December 2023. In 2023, India has added 7.5 GW of solar power capacity. During January 2024, the capacity addition from solar energy stood at 9008.47 MW. Solar power accounted for 16.9% of the total installed power capacity and 40.1% of the total installed renewable capacity at the end of December 2023. Solar power's share increased by 0.3% from the last quarter, when it accounted for 39.5% of the total renewable capacity. India has generated 75.57 BU of solar power in the first eleven months of FY24. Power generation from renewable energy sources stood at 62.09 billion units (BU) between April-June 2024, up from 57.94 BU in the same period in the previous year.



India has set a target to reduce the carbon intensity of the nation’s economy by less than 45% by the end of the decade, achieve 50 percent cumulative electric power installed by 2030 from renewables, and achieve net-zero carbon emissions by 2070. India aims for 500 GW of renewable energy installed capacity by 2030.

India aims to produce five million tonnes of green hydrogen by 2030. This will be supported by 125 GW of renewable energy capacity. 50 solar parks with an aggregate capacity of 37.49 GW have been approved in India. Wind Energy has an off-shore target of 30 GW by 2030, with potential sites identified.

Solar energy accounted for a share of ~44% in the renewable energy basket as of Aug’24. Growth in the solar power sector over the last five years has been robust with approximately 70 GW of capacity been added in the segment over FY18-FY24. Commissioning activity has been concentrated in the key states of Rajasthan, Gujarat, and Tamil Nadu, which accounted for two-third of total capacity added in FY23.



***Source:*** *RHP, SSL Research*

1. **SOLAR GRID CONNECTED OVERVIEW:**

Solar power sector in India has emerged as a fast-upcoming section in last few years. It supports the government agenda of sustainable growth, while, emerging as an integral part of the solution to meet the nation’s energy needs and an essential player for energy security.

In order to achieve the above target, Government of India have launched various schemes to encourage generation of solar power in the country like Solar Park Scheme, VGF Schemes, CPSU Scheme, Defence Scheme, Canal bank & Canal top Scheme, Bundling Scheme, Grid Connected Solar Rooftop Scheme etc. Various policy measures are also undertaken to promote the grid connected solar power plants.

India has achieved 5th rank in the world in solar power deployment. As on 30-06-2023, solar projects of capacity of 70.10 GW have been commissioned in the country. The capacity of 70.10 GW includes 57.22 GW from ground-mounted solar projects, 10.37 GW from rooftop solar projects, and 2.51 GW from off-grid solar projects.

1. **MAJOR INVESTMENTS:**

According to the data released by the Department for Promotion of Industry and Internal Trade (DPIIT), the non-conventional energy space in India has become highly attractive for investors and received an FDI inflow of US$ 15.36 billion between April 2000-September 2023. BPCL plans US$ 1.19 billion (Rs. 10,029 crore) for green energy, targeting 2 GW by 2025, 10 GW by 2035, and 7,000 EV chargers in five years.

Some major investments and developments in the Indian solar energy sector are as follows:

* 59 solar parks with an aggregate capacity 40 GW have been approved in India.
* Solar Parks in Pavagada (2 GW), Kurnool (1 GW) and Bhadla-II (648 MW) are included in the top 5 operational solar parks of 7 GW capacity in the country.
* The world’s largest renewable energy park of 30 GW capacity solar-wind hybrid project is under installation in Gujarat.
* In August 2022, Norfund, who manages the Norwegian Climate Investment Fund, and KLP, Norway’s biggest pension company, signed an agreement to buy a 49% share of a 420 MW solar power plant in Rajasthan for Rs. 2.8 billion (US$ 35.05 million).
* In November 2023, AmpIn Energy Transition announced an investment of Rs. 3,100 crore (US$ 372.6 million) to establish renewable energy projects exceeding 600 MW and an integrated manufacturing facility for solar cells and modules across the Eastern region. The funding will be focused in West Bengal, Bihar, Odisha, Jharkhand, Chhattisgarh, and the Northeastern States.
* The non-conventional energy space in India has become highly attractive for investors and received an FDI inflow of US$ 17.88 billion between April 2000-March 2024

1. **GOVERNMENT INITIATIVE:**

In order to achieve the above target, Government of India have launched various schemes to encourage generation of solar power in the country like Solar Park Scheme, VGF Schemes, CPSU Scheme, Defence Scheme, Canal bank & Canal top Scheme, Bundling Scheme, Grid Connected Solar Rooftop Scheme etc. Government has taken several steps for promotion of solar energy in the country. These include:

1. Permitting Foreign Direct Investment (FDI) up to 100 percent under the automatic route,
2. Waiver of Inter State Transmission System (ISTS) charges for inter-state sale of solar and wind power for projects to be commissioned by 30th June 2025,
3. Declaration of trajectory for Renewable Purchase Obligation (RPO) up to the year 2029-30,
4. Notification of standards for deployment of solar photovoltaic system/devices,
5. Setting up of Project Development Cell for attracting and facilitating investments,
6. Standard Bidding Guidelines for tariff based competitive bidding process for procurement of Power from Grid Connected Solar PV and Wind Projects.
7. Government has issued orders that power shall be dispatched against Letter of Credit (LC) or advance payment to ensure timely payment by distribution licensees to RE generators.
8. Notification of Promoting Renewable Energy through Green Energy Open Access Rules 2022.
9. Notification of “The electricity (Late Payment Surcharge and related matters) Rules 2002 (LPS rules).
10. Launch of Green Term Ahead Market (GTAM) to facilitate sale of Renewable Energy power including Solar power through exchanges.

As per the MNRE website, India now stands 5th in solar PV deployment across the globe at the end of 2022 (Ref. REN21’s Global Status Report 2023 & IRENA’s Renewable Capacity Statistics 2023). Solar power installed capacity has reached around 70.10 GW as on 30-06-2023.

1. **WAY FORWARD:**

The power from green sources such as wind and solar are aimed to fulfill several goals such as energy security, economic development, climate change mitigation, rural development and employment generation.

India aims to decrease the carbon intensity of its economy by over 45% by the close of the decade, attain a 50% cumulative share of renewable energy in its electric power capacity by 2030, and accomplish net-zero carbon emissions by the year 2070. The adoption of low-carbon technologies has the potential to generate a market valued at up to $80 billion in India by 2030.

India's formidable renewable energy objectives are reshaping its power sector. The increasing population and the extensive electrification of rural households are driving the need for energy to fuel homes, businesses, and communities. The adoption of clean energy is poised to lower pollution levels, enabling villages to achieve self-sustainability through the utilization of clean energy sources. Anticipated for 2022 is a significant surge in India's renewable energy sector, with an expected investment of US$ 15 billion this year. The government's attention is particularly directed towards electric vehicles, green hydrogen, and the production of solar equipment.

By the year 2040, it is expected that approximately 49% of the total electricity will be produced from renewable sources, propelled by the utilization of more efficient batteries for electricity storage. This advancement is projected to reduce solar energy costs by 66% compared to the current expenses. Substituting renewables for coal is expected to result in annual savings of Rs. 54,000 crore (US$ 8.43 billion) for India.

As per the Central Electricity Authority (CEA) estimates, by 2029-30, the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%. The CEA also estimates India’s power requirement to grow to reach 817 GW by 2030.

|  |  |
| --- | --- |
| **PART E** | **FINANCIAL PERFORMANCE** |

As per the audited financial statements provided by the company/client, below table shows the historical performance of the company from FY 2019-20 to FY 2024-25 (Till December 2024).

1. **HISTORICAL PROFIT & LOSS STATEMENT: (FY 2019-20 to FY 2024-25-Till Dec 24)**

***(Figures in INR Crores)***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particular** | **FY 2020 A** | **FY 2021 A** | **FY 2022 A** | **FY 2023 A** | **FY 2024 A** | **Dec 2024 P** |
| Revenue | 3.89 | 8.04 | 19.86 | 17.34 | 16.50 | 11.50 |
| Other Income | 0.13 | 0.22 | 1.85 | 0.00 | 0.00 | 0.00 |
| **Total Revenue** | **4.02** | **8.26** | **21.71** | **17.34** | **16.51** | **11.51** |
| Operational & Maintenance | 0.56 | 0.73 | 1.18 | 0.74 | 0.68 | 0.62 |
| Employee Benefit Expenses | 0.07 | 0.00 | 0.10 | 0.15 | 0.06 | 0.05 |
| Other Expenses | 5.18 | 10.35 | 1.93 | 1.34 | 2.60 | 2.28 |
| **Total Expenses** | **5.81** | **11.08** | **3.20** | **2.23** | **3.34** | **2.95** |
| EBITDA | -1.79 | -2.82 | 18.51 | 15.12 | 13.16 | 8.56 |
| Depreciation & Amortization | 27.49 | 24.39 | 22.26 | 19.95 | 17.70 | 15.70 |
| **EBIT** | **-29.28** | **-27.21** | **-3.75** | **-4.84** | **-4.54** | **-7.14** |
| Finance cost | 21.55 | 18.74 | 16.11 | 15.59 | 0.01 | 0.00 |
| **Profit Before Exceptional Item and Taxes** | **-50.83** | **-45.95** | **-19.86** | **-20.43** | **-4.54** | **-7.14** |
| Exceptional Item | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit Before Taxes | **-50.83** | **-45.95** | **-19.86** | **-20.43** | **-4.54** | **-7.14** |
| Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Profit After Taxes** | **-50.83** | **-45.95** | **-19.86** | **-20.43** | **-4.54** | **-7.14** |

***Source:*** *Audited Financials shared by the client/company except Dec, 2024 which are unaudited.*

1. **KEY FINANCIAL RATIOS:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particular** | **FY 2020 A** | **FY 2021 A** | **FY 2022 A** | **FY 2023 A** | **FY 2024 A** | **Dec 2024 P** |
| ***EBITDA Margin %*** | -45.92% | -35.06% | 93.17% | 87.17% | 79.77% | 74.39% |
| ***EBIT Margin %*** | -752.42% | -338.52% | -18.88% | -27.88% | -27.50% | -62.09% |
| ***Net Profit Margin %*** | -1306.19% | -571.68% | -100.01% | -117.79% | -27.53% | -62.09% |
| ***Revenue Growth % (Y.O.Y.)*** |  | 106.55% | 147.10% | -12.69% | -4.85% | -30.28% |

1. **GRAPHICAL REPRESENTATION OF THE KEY FINANCIALS OF THE COMPANY:** Below graphs shows the historical operating and profit margins of the company.

**EBITDA MARGIN %**

**EBIT MARGIN %**

**NET PROFIT MARGIN %**

**REVENUE GROWTH% (Y.O.Y.)**

1. **PROJECTED PROFIT & LOSS STATEMENT (From JAN 2025 to FY 2044):** Based on the data/ information/ inputs provided by the Client/ company, projected P&L is shown in the below table:

*(In INR crore, except unit generated)*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Particular (INR Crore)** | **FY 2025** | **FY 2026** | **FY 2027** | **FY 2028** | **FY 2029** | **FY 2030** | **FY 2031** |
| **Months** | **3** | **12** | **12** | **12** | **12** | **12** | **12** |
| Installed Capacity (KWh) **(A)** | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 |
| Plant Load Factor **(B)** | 15.54% | 15.43% | 15.32% | 15.22% | 15.11% | 15.00% | 14.90% |
| Degradation Factor **(C)** | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% |
| Units generated per years (KWh) **D** = (A\*B) | 81,67,824 | 3,24,42,597 | 3,22,15,499 | 3,19,89,990 | 3,17,66,060 | 3,15,43,698 | 3,13,22,892 |
| Less- Transmission Losses **(E )** | 40,839.12 | 1,62,212.98 | 1,61,077.49 | 1,59,949.95 | 1,58,830.30 | 1,57,718.49 | 1,56,614.46 |
| Net Unit generated Pa (KWh) **F** = (D-E) | 81,26,985 | 3,22,80,384 | 3,20,54,421 | 3,18,30,040 | 3,16,07,230 | 3,13,85,979 | 3,11,66,278 |
| Units Generated (Mwh) **G**= (F/1000) | 8,126.98 | 32,280.38 | 32,054.42 | 31,830.04 | 31,607.23 | 31,385.98 | 31,166.28 |
| Minimum generation (MWh) **(H)** | 14,676.00 | 58,704.00 | 58,704.00 | 58,704.00 | 55,251.00 | 55,251.00 | 55,251.00 |
| Generation unit liable for penalty (MWh) **(I)** | 6,549.02 | 26,423.62 | 26,649.58 | 26,873.96 | 23,643.77 | 23,865.02 | 24,084.72 |
| **Revenue:** | | | | | | | |
| Tariff Revenue (Per KWh) | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 |
| **Total Revenue** | **3.33** | **13.23** | **13.14** | **13.05** | **12.96** | **12.87** | **12.78** |
| **Expense:** |  |  |  |  |  |  |  |
| Operational Expense | 0.14 | 0.59 | 0.60 | 0.61 | 0.63 | 0.64 | 0.65 |
| Employee Benefit expenses | 0.02 | 0.07 | 0.07 | 0.07 | 0.06 | 0.06 | 0.06 |
| Penalty-Less unit generated (I\* Rs.205 per MWh) | 0.13 | 0.54 | 0.55 | 0.55 | 0.48 | 0.49 | 0.49 |
| Other Expenses | 0.28 | 1.12 | 1.12 | 1.11 | 1.10 | 1.09 | 1.09 |
| **Total Expenses** | **0.58** | **2.32** | **2.33** | **2.34** | **2.28** | **2.29** | **2.29** |
| **EBITDA** | **2.75** | **10.91** | **10.81** | **10.71** | **10.68** | **10.58** | **10.48** |
| Depreciation & Amortization | 3.48 | 15.40 | 13.66 | 12.12 | 10.75 | 9.54 | 9.14 |
| **EBIT** | **-0.73** | **-4.49** | **-2.85** | **-1.41** | **-0.07** | **1.05** | **1.35** |
| Finance cost (Interest) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Profit Before Taxes (PBT)** | **-0.73** | **-4.49** | **-2.85** | **-1.41** | **-0.07** | **1.05** | **1.35** |
| Tax @29.12% | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.30 | 0.39 |
| **Profit After Taxes (PAT)** | **-0.73** | **-4.49** | **-2.85** | **-1.41** | **-0.07** | **0.74** | **0.96** |

*(In INR crore, except unit generated)*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Particular (INR Crore)** | **FY 2032** | **FY 2033** | **FY 2034** | **FY 2035** | **FY 2036** | **FY 2037** | **FY 2038** |
| **Months** | **12** | **12** | **12** | **12** | **12** | **12** | **12** |
| Installed Capacity (KWh) **(A)** | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 |
| Plant Load Factor **(B)** | 14.79% | 14.69% | 14.59% | 14.49% | 14.38% | 14.28% | 14.18% |
| Degradation Factor **(C)** | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% |
| Units generated per years (KWh) **D** = (A\*B) | 3,11,03,632 | 3,08,85,906 | 3,06,69,705 | 3,04,55,017 | 3,02,41,832 | 3,00,30,139 | 2,98,19,928 |
| Less- Transmission Losses **(E )** | 1,55,518.16 | 1,54,429.53 | 1,53,348.53 | 1,52,275.09 | 1,51,209.16 | 1,50,150.70 | 1,49,099.64 |
| Net Unit generated Pa (KWh) **F** = (D-E) | 3,09,48,114 | 3,07,31,477 | 3,05,16,356 | 3,03,02,742 | 3,00,90,623 | 2,98,79,988 | 2,96,70,829 |
| Units Generated (Mwh) **G**= (F/1000) | 30,948.11 | 30,731.48 | 30,516.36 | 30,302.74 | 30,090.62 | 29,879.99 | 29,670.83 |
| Minimum generation (MWh) **(H)** | 55,251.00 | 55,251.00 | 55,251.00 | 55,251.00 | 55,251.00 | 55,251.00 | 55,251.00 |
| Generation unit liable for penalty (MWh) **(I)** | 24,302.89 | 24,519.52 | 24,734.64 | 24,948.26 | 25,160.38 | 25,371.01 | 25,580.17 |
| **Revenue:** | | | | | | | |
| Tariff Revenue (Per KWh) | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 |
| **Total Revenue** | **12.69** | **12.60** | **12.51** | **12.42** | **12.34** | **12.25** | **12.17** |
| **Expense:** |  |  |  |  |  |  |  |
| Operational Expense | 0.66 | 0.68 | 0.69 | 0.70 | 0.72 | 0.73 | 0.75 |
| Employee Benefit expenses | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| Penalty-Less unit generated (I\* Rs.205 per MWh) | 0.50 | 0.50 | 0.51 | 0.51 | 0.52 | 0.52 | 0.52 |
| Other Expenses | 1.08 | 1.07 | 1.06 | 1.06 | 1.05 | 1.04 | 1.03 |
| **Total Expenses** | **2.30** | **2.31** | **2.32** | **2.33** | **2.34** | **2.36** | **2.37** |
| **EBITDA** | **10.39** | **10.29** | **10.19** | **10.09** | **9.99** | **9.90** | **9.80** |
| Depreciation & Amortization | 8.10 | 7.19 | 6.38 | 5.66 | 5.78 | 5.13 | 4.55 |
| **EBIT** | **2.28** | **3.10** | **3.81** | **4.43** | **4.21** | **4.77** | **5.25** |
| Finance cost (Interest) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Profit Before Taxes (PBT)** | **2.28** | **3.10** | **3.81** | **4.43** | **4.21** | **4.77** | **5.25** |
| Tax @29.12% | 0.66 | 0.90 | 1.11 | 1.29 | 1.23 | 1.39 | 1.53 |
| **Profit After Taxes(PAT)** | **1.62** | **2.19** | **2.70** | **3.14** | **2.99** | **3.38** | **3.72** |

*(In INR crore, except unit generated)*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particular (INR Crore)** | **FY 2039** | **FY 2040** | **FY 2041** | **FY 2042** | **FY 2043** | **18 January 2044** |
| **Months** | **12** | **12** | **12** | **12** | **12** | **9.5** |
| Installed Capacity (KWh) **(A)** | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 |
| Plant Load Factor **(B)** | 14.08% | 13.99% | 13.89% | 13.79% | 13.69% | 13.60% |
| Degradation Factor **(C)** | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% |
| Units generated per years (KWh) **D** = (A\*B) | 2,96,11,189 | 2,94,03,910 | 2,91,98,083 | 2,89,93,696 | 2,87,90,741 | 2,26,33,121 |
| Less- Transmission Losses **(E )** | 1,48,055.94 | 1,47,019.55 | 1,45,990.41 | 1,44,968.48 | 1,43,953.70 | 1,13,165.60 |
| Net Unit generated Pa (KWh) **F** = (D-E) | 2,94,63,133 | 2,92,56,891 | 2,90,52,093 | 2,88,48,728 | 2,86,46,787 | 2,25,19,955 |
| Units Generated (Mwh) **G**= (F/1000) | 29,463.13 | 29,256.89 | 29,052.09 | 28,848.73 | 28,646.79 | 22,519.96 |
| Minimum generation (MWh) **(H)** | 55,251.00 | 55,251.00 | 55,251.00 | 55,251.00 | 55,251.00 | 43,740.38 |
| Generation unit liable for penalty (MWh) **(I)** | 25,787.87 | 25,994.11 | 26,198.91 | 26,402.27 | 26,604.21 | 21,220.42 |
| **Revenue:** | | | | | | |
| Tariff Revenue (Per KWh) | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 |
| **Total Revenue** | **12.08** | **12.00** | **11.91** | **11.83** | **11.75** | **9.23** |
| **Expense:** |  |  |  |  |  |  |
| Operational Expense | 0.76 | 0.78 | 0.79 | 0.81 | 0.82 | 0.84 |
| Employee Benefit expenses | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 0.05 |
| Penalty-Less unit generated (I\* Rs.205 per MWh) | 0.53 | 0.53 | 0.54 | 0.54 | 0.55 | 0.44 |
| Other Expenses | 1.03 | 1.02 | 1.01 | 1.01 | 1.00 | 0.78 |
| **Total Expenses** | **2.38** | **2.39** | **2.40** | **2.41** | **2.43** | **2.11** |
| **EBITDA** | **9.70** | **9.61** | **9.51** | **9.41** | **9.32** | **7.13** |
| Depreciation & Amortization | 4.03 | 3.58 | 4.03 | 3.57 | 3.17 | 2.81 |
| **EBIT** | **5.67** | **6.03** | **5.48** | **5.84** | **6.15** | **4.32** |
| Finance cost (Interest) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Profit Before Taxes (PBT)** | **5.67** | **6.03** | **5.48** | **5.84** | **6.15** | **4.32** |
| Tax @29.12% | 1.65 | 1.76 | 1.60 | 1.70 | 1.79 | 1.26 |
| **Profit After Taxes(PAT)** | **4.02** | **4.27** | **3.89** | **4.14** | **4.36** | **3.06** |

1. **KEY PROJECTED FINANCIAL RATIOS:**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Particular** | **FY 2025 E** | **FY 2026 E** | **FY 2027 E** | **FY 2028 E** | **FY 2029 E** | **FY 2030 E** | **FY 2031 E** | **FY 2032 E** | **FY 2033 E** | **FY 2034 E** |
| **EBITDA Margin %** | 82.64% | 82.46% | 82.27% | 82.08% | 82.44% | 82.24% | 82.05% | 81.85% | 81.64% | 81.43% |
| **EBIT Margin %** | -21.87% | -33.89% | -21.67% | -10.77% | -0.52% | 8.14% | 10.55% | 17.97% | 24.58% | 30.45% |
| **Net Profit Margin %** | -21.87% | -33.89% | -21.67% | -10.77% | -0.52% | 5.77% | 7.47% | 12.74% | 17.42% | 21.59% |
| **Revenue Growth % (Y.O.Y.)** | - | -2.80% | -0.70% | -0.70% | -0.70% | -0.70% | -0.70% | -0.70% | -0.70% | -0.70% |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Particular** | **FY 2035 E** | **FY 2036 E** | **FY 2037 E** | **FY 2038 E** | **FY 2039 E** | **FY 2040 E** | **FY 2041 E** | **FY 2042 E** | **FY 2043 E** | **FY 2044 E** |
| **EBITDA Margin %** | 81.22% | 81.00% | 80.78% | 80.55% | 80.32% | 80.08% | 79.84% | 79.59% | 79.33% | 77.18% |
| **EBIT Margin %** | 35.68% | 34.16% | 38.93% | 43.17% | 46.92% | 50.25% | 46.04% | 49.40% | 52.36% | 46.74% |
| **Net Profit Margin %** | 25.29% | 24.21% | 27.60% | 30.60% | 33.26% | 35.61% | 32.63% | 35.01% | 37.12% | 33.13% |
| **Revenue Growth % (Y.O.Y.)** | -0.70% | -0.70% | -0.70% | -0.70% | -0.70% | -0.70% | -0.70% | -0.70% | -0.70% | -21.39% |

1. **GRAPHICAL REPRESENTATION OF THE KEY FINANCIALS OF THE COMPANY:** Below graphs shows the historical operating and profit margins of the company.

**EBITDA MARGIN %**

**EBIT MARGIN %**

**NET PROFIT MARGIN %**

**REVENUE GROWTH % (Y.O.Y)**

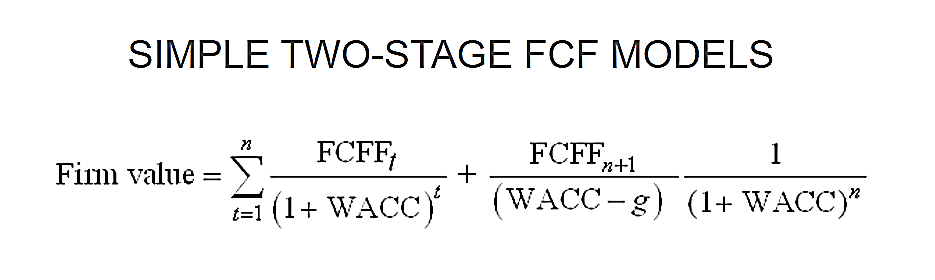
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| --- | --- |
| **PART F** | **VALUATION OF THE COMPANY** |

1. **METHODOLOGY/ MODEL ADOPTED:** Out of the various models & theories available, we have adopted the most widely used & acceptable approach to calculate the Entity Value of the Company by two following methods-
   1. Income based approach (Discounted Cash Flow Model) and
   2. Net Asset Value (NAV) Method.
2. **INCOME BASED APPROACH (DISCOUNTED CASH FLOW MODEL)**
3. The free cash flow method is similar to the method used for public companies.
4. FCFF is more practical when substantial capital changes are expected because weighted average cost of capital (WACC) is less sensitive to the cost of equity.
5. In this method, we calculate the free cash flow to firm (FCFF) for the projected period.
6. Finally, we calculate the present value of future cash flows by using a required rate of return based on the riskiness of the project, which we determine by using the Weighted Average Cost of Capital (WACC).

**RATIONALE FOR USING DCF METHOD FOR ENTERPRISE VALUATION:**

1. The three broadly used approaches of the company/Business Valuations are – Income based approach (Discounted Cash Flow Model), Asset Based Approach (Net Asset Value Method) and Relative Valuation Approach (Market Multiple method).
2. Market Multiple Approach is also not suitable approach as the company/project/business is not a listed and no proper similar recent comparable transactions are available.
3. Instead, DCF method is used which determines the value of a business based on its ability to generate desired economic benefit/ cash flows for the owners. Thus, considering the nature of business, we have used DCF method for valuing the Company.
4. The DCF Model gives us a variety of input options to use while calculating the Value of the firm - Dividend, Free Cash Flow to the Firm, Free Cash Flow to Equity, Capitalized Cash Flows and Residual Earnings.
5. Dividends cannot be used as the Company has no history of paying dividends and we don’t foresee any dividend payments to occur in the future due to the high leverage of the firm.
6. The best method input option for the PV Model in the case of M/s Vento Power Infra Pvt Ltd will be FCFF as it represents the benefits accruable to all the stakeholders in the Business enterprise.
7. Further, the valuation is conducted based on the data/information provided by the company/client and based on our independent analysis.

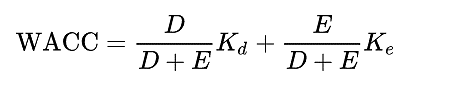
**FCFF Model Formula and Key Inputs:**



* **Free Cash Flow to Firm (FCFF):** FCFF is the [cash](http://www.investinganswers.com/node/5011) available to pay investors/stakeholders after a company pays its costs of doing business, invests in short-term assets like [inventory](http://www.investinganswers.com/node/2474), and invests in assets like property, plants and equipment.

**FCFF = Net Income + Non-Cash Charges + Interest (1 - tax rate) – Working Capital Investment – Fixed Capital Investment.**

* **Weighted Average Cost of Capital (WACC):**The weighted average cost of capital (WACC) is the rate that a company is expected to pay on average to all its security holders to finance its assets. The WACC is commonly referred to as the firm’s cost of capital. WACC is used as the discount rate to discount FCFF.

******

Where D is the total debt, E is the shareholders equity and Kd and Ke are the cost of debt and cost of equity, respectively.

1. **Net Asset Value (NAV) Method**
2. The NAV approach used here, is based on the present value/fair market value of all its fixed asset and its financial assets.
3. Fair value of fixed assets of the company including property, plant and equipment is calculated based on the Market and Cost Approach as-is-where-is basis for estimating the Current Depreciated Replacement value of the assets.
4. Present value of the financial/ current assets is estimated based on the document/ information provided by the company.
5. Further, the liabilities of the company will be net off with the Fair market value of Total asset value estimated based on the present scenario.

**RATIONALE FOR USING NAV METHOD FOR ENTERPRISE VALUATION:**

1. Asset Based Model is a more appropriate approach for estimating the Company’s present value/fair market value based on the present value calculation of the assets (fixed asset and financial assets).
2. Therefore, the most appropriate Model left to Value M/s Vento Power Infra Private Limited is Net Asset Value approach since there is an uncertainty regarding company’s futuristic operations.
3. The best method input option for the NAV Model in the case of M/s Vento Power Infra Private Limited will be current fair value of the fixed assets based on the market and cost-based approach and financial assets valuation based on the documents/information made available us by the client/company
4. Hence, NAV method is used in the valuation process of the company.
5. **VALUATION OF THE COMPANY:**
6. **METHOD- I: DISCOUNTED CASH FLOW METHOD (DCF):**
7. **CALCULATION OF FREE CASH FLOW TO FIRM:**

***(INR Crore)***

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **FY 25** | **FY 26** | **FY 27** | **FY 28** | **FY 29** | **FY 30** | **FY 31** | **FY 32** | **FY 33** | **FY 34** |
| **Months** | **3** | **12** | **12** | **12** | **12** | **12** | **12** | **12** | **12** | **12** |
| EBITDA | 2.75 | 10.91 | 10.81 | 10.71 | 10.68 | 10.58 | 10.48 | 10.39 | 10.29 | 10.19 |
| Depreciation | 3.48 | 15.40 | 13.66 | 12.12 | 10.75 | 9.54 | 9.14 | 8.10 | 7.19 | 6.38 |
| EBIT | -0.73 | -4.49 | -2.85 | -1.41 | -0.07 | 1.05 | 1.35 | 2.28 | 3.10 | 3.81 |
| Less: Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.30 | 0.39 | 0.66 | 0.90 | 1.11 |
| NOPAT | -0.73 | -4.49 | -2.85 | -1.41 | -0.07 | 0.74 | 0.96 | 1.62 | 2.19 | 2.70 |
| Add: Depreciation | 3.48 | 15.40 | 13.66 | 12.12 | 10.75 | 9.54 | 9.14 | 8.10 | 7.19 | 6.38 |
| Less: Capex | 0.80 | 0.00 | 0.00 | 0.00 | 0.00 | 6.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Change in WC | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Unlevered Free Cash Flow (UFCF)/ FCFF** | **1.95** | **10.91** | **10.81** | **10.71** | **10.68** | **4.28** | **10.09** | **9.72** | **9.38** | **9.08** |
| **Terminal Value** |  |  |  |  |  |  |  |  |  |  |
| **FCFF +TV** | **1.95** | **10.91** | **10.81** | **10.71** | **10.68** | **4.28** | **10.09** | **9.72** | **9.38** | **9.08** |
| **Discount Rate** | **14.15%** | | | | | | | | | |
| **Valuation Date** | **31st December, 2024** | | | | | | | | | |
| Period | 0.25 | 1.25 | 2.25 | 3.25 | 4.25 | 5.25 | 6.25 | 7.25 | 8.25 | 9.25 |
| Discount Factor | 0.97 | 0.85 | 0.74 | 0.65 | 0.57 | 0.50 | 0.44 | 0.38 | 0.34 | 0.29 |
| **PV of FCFF** | **1.89** | **9.25** | **8.03** | **6.97** | **6.09** | **2.14** | **4.41** | **3.72** | **3.15** | **2.67** |

***(INR Crore)***

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **FY 35** | **FY 36** | **FY 37** | **FY 38** | **FY 39** | **FY 40** | **FY 41** | **FY 42** | **FY 43** | **FY 44** |
| **Months** | **12** | **12** | **12** | **12** | **12** | **12** | **12** | **12** | **12** | **9.5** |
| EBITDA | 10.09 | 9.99 | 9.90 | 9.80 | 9.70 | 9.61 | 9.51 | 9.41 | 9.32 | 7.13 |
| Depreciation | 5.66 | 5.78 | 5.13 | 4.55 | 4.03 | 3.58 | 4.03 | 3.57 | 3.17 | 2.81 |
| EBIT | 4.43 | 4.21 | 4.77 | 5.25 | 5.67 | 6.03 | 5.48 | 5.84 | 6.15 | 4.32 |
| Less: Taxes | 1.29 | 1.23 | 1.39 | 1.53 | 1.65 | 1.76 | 1.60 | 1.70 | 1.79 | 1.26 |
| NOPAT | 3.14 | 2.99 | 3.38 | 3.72 | 4.02 | 4.27 | 3.89 | 4.14 | 4.36 | 3.06 |
| Add: Depreciation | 5.66 | 5.78 | 5.13 | 4.55 | 4.03 | 3.58 | 4.03 | 3.57 | 3.17 | 2.81 |
| Less: Capex | 6.72 | 0.00 | 0.00 | 0.00 | 0.00 | 7.54 | 0.00 | 0.00 | 0.00 | 0.00 |
| Less: Change in WC | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Unlevered Free Cash Flow (UFCF)/ FCFF** | **2.08** | **8.77** | **8.51** | **8.27** | **8.05** | **0.31** | **7.91** | **7.71** | **7.53** | **5.87** |
| **Terminal Value** |  |  |  |  |  |  |  |  |  | **35.49** |
| **FCFF +TV** | **2.08** | **8.77** | **8.51** | **8.27** | **8.05** | **0.31** | **7.91** | **7.71** | **7.53** | **41.36** |
| **Discount Rate** | **14.15%** | | | | | | | | | |
| **Valuation Date** | **31st December, 2024** | | | | | | | | | |
| Period | 10.25 | 10.25 | 11.25 | 12.25 | 13.25 | 14.25 | 15.26 | 16.26 | 17.26 | 18.26 |
| Discount Factor | 0.26 | 0.26 | 0.23 | 0.20 | 0.17 | 0.15 | 0.13 | 0.12 | 0.10 | 0.09 |
| **PV of FCFF** | **0.53** | **2.26** | **1.92** | **1.63** | **1.39** | **0.05** | **1.05** | **0.90** | **0.77** | **3.69** |
| **Enterprise Value** | **INR 62.50 Crores** | | | | | | | | | |

1. **SENSITIVITY ANALYSIS:**

Weighted Average Cost of Capital (WACC) is the key input which has strong impact on the firm’s value with respect to percentage change. We have considered a change of **1%** to perform the sensitivity analysis.

|  |  |  |
| --- | --- | --- |
| **Scenario** | **Discount Rate** | **Enterprise Value (In INR Crore)** |
| **Bull Case** | 13.15% | 66.15 |
| **Present Case** | **14.15%** | **62.50** |
| **Bear Case** | 15.15% | 59.20 |

Thus, in the base case M/s Vento Power Infra Private Limited is having the Enterprise Value **INR 62.50 Crore** and it may vary up to **INR 66.15 Crore** as optimistic case and **INR 59.20 Crore** as the pessimistic case. However, as per sensitivity analysis, the final transaction price will be dependent on the bargaining power of market participants to reach out to a successful outcome for all the concerned parties.

1. **CALCULATION OF EQUITY VALUE:**

|  |  |
| --- | --- |
| **Particulars** | **As Per DCF (INR in Crore)** |
| Enterprise value of Firm | 62.50 |
| Less- Total Debt as on 31.12.2024 | 219.40 |
| Add- Cash & Cash equivalent | 0.74 |
| **Value of Equity** | **-156.15** |

Therefore, using DCF Model, considering as a base case the Enterprise Value of “M/s Vento Power Infra Private Limited” is being calculated as **INR 62.50 Crore**, subject to the current assumptions and inputs used during the forecasted period, as well as the revenue growth rate and WACC used to calculate the EV. Hence, the value of the equity is **INR -156.15 Crores (Negative)** as on the valuation date. Therefore, we have assigned **NIL** value to the equity as per DCF method.

***NOTE:***

* As per the agreement between SECI and the company, if the expected output is less than the agreement, the penalties will be levied by SECI.
* We have not considered any contingent Dues / Liability/ Payables / Receivables / Pendency on or of the company in future years, which should be assessed separately by the parties, wanting to enter in the transaction, unless otherwise mentioned.
* The enterprise valuation of the project is just the reflection of the present value of its cash flow generating capacity in future years
* No claim amount or tenable claim amount has been considered in the financial projections.

1. **METHOD- II: NET ASSET VALUE (NAV) METHOD:**
2. **CALCULATION OF NET ASSET VALUE (NAV):**

***(Amount in Crores)***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Particulars** | **Book Value as on 31.12.2024** | **Fair Market Value as on 31.12.2024** | **Realisable Value as on 31.12.2024** | **Distress Value 31.12.2024** |
| **Non-Current assets** |  |  |  |  |
| **Property Plant & equipment** | | | | |
| Freehold Land | 6.94 | 13.14 | 11.40 | 10.06 |
| Plant & Machinery | 123.37 | 73.32 | 62.32 | 54.99 |
| **Total Non- Current Assets** | **130.31** | **86.73** | **73.72** | **65.05** |
| **Current Assets** |  |  |  |  |
| **Financial Assets** |  |  |  |  |
| Trade Receivable |  |  |  |  |
| Unsecured considered good | 2.71 | 2.71 | 2.71 | 2.71 |
| **Cash & Cash Equivalent** |  |  |  |  |
| In current Accounts | 0.78 | 0.74 | 0.74 | 0.74 |
| Bank balance other than above | - |  |  |  |
| Other Financial Assets |  |  |  |  |
| Unbilled Revenue | 1.15 | - | - | - |
| Security Deposit | 0.01 | 0.01 | 0.01 | 0.01 |
| **Total Current Assets** | **4.64** | **3.45** | **3.45** | **3.45** |
| **Other Current Assets** |  |  |  |  |
| Advance to Vendor | 0.48 | 0.48 | 0.00 | 0.00 |
| Advance to Employees | 0.00 | 0.00 | 0.00 | 0.00 |
| Prepaid Expense | 0.17 | 0.17 | 0.00 | 0.00 |
| TDS/TCS Receivable | 0.06 | 0.06 | 0.06 | 0.06 |
| **Total Other Current Assets** | **0.71** | **0.71** | **0.06** | **0.06** |
| **TOTAL ASSETS** | **135.66** | **90.89** | **77.24** | **68.56** |
| **Less: Liabilities** |  |  |  |  |
| **Trade Payables** |  |  |  |  |
| Dues of creditors other than Micro | 0.55 | 0.55 | 0.55 | 0.55 |
| **Other Current Liabilities** |  |  |  |  |
| Statutory Liability | 0.01 | 0.01 | 0.01 | 0.01 |
| **Provisions** |  |  |  |  |
| Provision for Expense Payable | 2.58 | 2.58 | 2.58 | 2.58 |
| **TOTAL LIABILITIES** | **3.14** | **3.14** | **3.14** | **3.14** |
| **Net Assets** | **132.52** | **87.75** | **74.09** | **65.42** |

1. **CALCULATION OF EQUITY VALUE:**

|  |  |
| --- | --- |
| **Particulars** | **As per NAV Method (INR in Crores)** |
| Enterprise value of Firm | 87.75 |
| Less- Total Debt as on 31.12.2024 | 219.40 |
| Add- Cash & Cash equivalent | 0.74 |
| **Value of Equity** | **-130.91** |

Therefore, using NAV method, the fair enterprise Value of “M/s Vento Power Infra Private Limited” is being calculated as **INR 87.75 Crore**, Hence, the value of the equity is **INR -130.91 Crores (Negative)** as on the valuation date. Therefore, we have assigned **NIL** value to the equity as per NAV method.

**Note:** NAV calculated based on the provisional Balance sheet dated 31st December 2024 shared by the client, has been considered as a proxy of Enterprise Value/Business Value/Fair Market Value of the company as on Valuation date. After adjusting Total Debt and cash & bank balance with EV of the company, Equity value of the company is determined as shown in the tables above.

1. **VALUATION OF CORPORATE GUARANTEE**

**METHODOLOGY/ MODEL/PROVISIONS ADOPTED:**

Out of the various models & theories available, we have adopted the most widely used & acceptable approach to calculate the fair value of the Corporate Guarantee given by M/s Essel Infra projects Limited to M/s Vento Power Infra Private Limited, which is, Net Assets Value approach (Net Worth Model) based on provisional balance sheet as on

**RATIONALE FOR USING NET WORTH METHOD:**

As per the Audited Financial Statements and in accordance with the auditor's opinion, the standalone financial results indicate the existence of material uncertainty, which cast significant doubts about the company's ability to continue as a going concern and the ability of the company to realize its assets and discharge its liabilities in the normal course of business. Hence, in the scenario, where the issuer company has defaulted on the payment of the security and the financial condition of the company is also not stable, in that case, the most appropriate/suitable method will be Net worth Method.

*(INR Crore)*

|  |  |
| --- | --- |
| **Particulars** | **Book value as on 31.03.2024** |
| **Assets** |  |
| 1. **Non-Current Assets** |  |
| 1. Property, Plant & Equipment | 1,185.04 |
| 1. Investments in subsidiaries & Associates | 560.51 |
| 1. Financial Assets |  |
| 1. Investments | 0.56 |
| 1. Other Financial Assets | 1.03 |
| 1. Other Assets | 5.79 |
| 1. Income tax Assets (Net) | 28.29 |
| 1. **Current Assets** |  |
| 1. Financial Assets |  |
| 1. Trade Receivable | 4.59 |
| 1. Cash & Cash Equivalent | 0.20 |
| 1. Loans | 1,472.17 |
| 1. Other Financial Assets | 129.40 |
| 1. Non-Current Assets classified as held for sale | 0.01 |
| **Total Assets** | **3,387.59** |
| **Equity & Liabilities** |  |
| 1. Equity Share Capital | 405.87 |
| 1. Compulsory Convertible debentures | 1,501.00 |
| 1. Other Equity | (3,266.34) |
| **Total Equity** | (1,359.46) |
| 1. **Non-Current Liabilities** |  |
| **Financial Liabilities** |  |
| 1. Other Financial Liabilities | 37.63 |
| 1. Deferred Tax Liabilities (Net) | 4.95 |
| 1. **Current Liabilities** |  |
| 1. **Financial Liabilities** |  |
| 1. Borrowings | 3,311.72 |
| 1. Trade Payables | 66.83 |
| 1. Other Financial Liabilities | 1,315.29 |
| 1. Other Current Liabilities | 10.63 |
| **Total Liabilities** | **4,747.05** |
| **Total Equity & Liabilities** | **3,387.59** |

As per the analysis of audited balance sheet dated 31st March 2024 shared by the client, M/s Essel Infraprojects Limited is having a negative net worth of INR 1,359.46 Crore (Negative) as on valuation date. In this case corporate guarantor will not be able to fulfil its terms & conditions with the financial institution in case of any default.

Therefore, we cannot assign any value to the corporate guarantee given by M/s Essel Infraprojects Limited and considered the value of corporate guarantee is nil. Hence, the value of corporate guarantee given by **M/s Essel Infraprojects Limited** is **nil** as on valuation date.

*This is only a general assessment of the Enterprise/Business Value of the firm based on the data/ input that the client/company officials could provide to us against our questions/ queries and information available in the public domain. In no manner this should be regarded as an audit activity/ report and NO micro analysis or detailed or forensic audit/ scrutiny of the financial transactions or accounts of any kind has been carried out at our end.*

1. **ASSUMPTIONS FOR FINANCIAL PROJECTIONS:**

Assumptions in the Valuation assessment have been taken based on data/ information/ documents shared by the Client/Company, Operating History of the Project.

* + - * 1. **KEY ASSUMPTION OF THE PROJECT FOR DCF:**

As per the data/information provided by the client, below table represents the key Inputs/assumption considered during the projected period:

|  |  |  |  |
| --- | --- | --- | --- |
| **Key Input/Assumptions of M/s Vento Power Infra Private Limited** | | | |
| **Particular** | **Unit** | **VPIPL** | **Remarks** |
| Life of Plant | Years | 25 | As per the PPA dated 30th May, 2017, the contracted period is 25 years, therefore we have considered the life of the solar power plant as 25 years. |
| Current operational Capacity of Solar Power plant | MWAC | 24 | As per the Power Purchase Agreement (PPA), the contracted capacity for the project is 40AC MW (49.20DCMW). However, the company has installed 28AC MW against sanctioned capacity 40AC MW and as per the Power Load Factor (PLF) shared by the client/company operating at 24AC MW (29.80DC MW) capacity. |
| Capacity utilization factor (Average of last 5 years) | % | 15.54% | PLF of last 60 months of the solar plant has been shared by the client. According to which, average PLF of comes out to 15.54%, which has been considered during the preparation of financial projection initially and applicable degradation factor has been applied. |
| Specific Yield Generation |  | 3,26,71,296 | Specific Yield Generation as on valuation date i.e. 31st December, 2024 is 3,26,71,296, which has been calculated by multiplying the operating capacity of the plant with applicable PLP. |
| Annual Degradation | % | 0.70% | As per information shared by client/company |
| Auxiliary Power Consumption | % | 0.89% |
| Transmission Losses | % | 0.50% |
| Tariff | Rs/P. U | 4.10 |
| Minimum Generation Till 10 years from COD | MWh | 58,704 | As per PPA Agreement between VPIPL and SECI dated 30th May, 2017 |
| Minimum Generation post 10 years from COD | MWh | 55,251 |
| Maximum Generation | MWh | 75,970 |
| Current year’s output for 9 months | MWh | 28,317 | As per information shared by company |
| O& M Expense P.a. for initial 5 year from 05.11.2019 | MWDC | 1,90,000 | As per O&M Agreement shared by the client/company |
| O& M Expense P.a. from 6th year till 10th year | MWDC | 2% escalation p.a. |
| Penalty rate | Rs | 205 | Average price of Cleared Price (Rs/ REC) per MWh has been considered.  Average Price for 12 months from January, 2024 to December 2024. For Ref:  [*https://www.iexindia.com/market-data/REC-market-from-dec22?year=2024&instrumentType=REC&viewGraph=false&toDate=12&fromDate=1*](https://www.iexindia.com/market-data/REC-market-from-dec22?year=2024&instrumentType=REC&viewGraph=false&toDate=12&fromDate=1) |

* + - * 1. **REVENUE/ INCOME:**

M/s Vento Power Infra Pvt. Ltd. is having Purchasing Power Agreement with solar Energy Corporation of India (SECI). According to PPA the selling price is Rs. 4.43/kWh fixed for 25 years. Further, post completion of DRC process, SECI has issued the letter on 27th May, 2021 with revised tariff for the project which was improved from Rs.3.06/unit along with refund of Rs. 8.28 Cr of FC extension charges and Rs. 8 Cr LD was levied for the project by SECI which was recovered by way of encashment of the Performance Bank Guarantee (PBG) deposited with SECI. Currently, the applicable rate is INR 4.10 per unit as per information shared by client/company.

Below table shows the total revenue during the estimated period:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Particular** | **FY 2025** | **FY 2026** | **FY 2027** | **FY 2028** | **FY 2029** | **FY 2030** | **FY 2031** |
| **Months** | **3** | **12** | **12** | **12** | **12** | **12** | **12** |
| Installed Capacity (KWh) **(A)** | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 |
| Plant Load Factor **(B)** | 15.54% | 15.43% | 15.32% | 15.22% | 15.11% | 15.00% | 14.90% |
| Degradation Factor **(C)** | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% |
| Units generated per years (KWh) D = (A\*B) | 81,67,824 | 3,24,42,597 | 3,22,15,499 | 3,19,89,990 | 3,17,66,060 | 3,15,43,698 | 3,13,22,892 |
| Less- Transmission Losses ( E) | 40,839.12 | 1,62,212.98 | 1,61,077.49 | 1,59,949.95 | 1,58,830.30 | 1,57,718.49 | 1,56,614.46 |
| Net Unit generated Pa (KWh) F = (D-E) | 81,26,985 | 3,22,80,384 | 3,20,54,421 | 3,18,30,040 | 3,16,07,230 | 3,13,85,979 | 3,11,66,278 |
| Tariff Revenue (Per KWh) | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 |
| **Total Revenue (In Crore)** | **3.33** | **13.23** | **13.14** | **13.05** | **12.96** | **12.87** | **12.78** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Particular** | **FY 2032** | **FY 2033** | **FY 2034** | **FY 2035** | **FY 2036** | **FY 2037** | **FY 2038** |
| **Months** | **12** | **12** | **12** | **12** | **12** | **12** | **12** |
| Installed Capacity (KWh) **(A)** | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 |
| Plant Load Factor **(B)** | 14.79% | 14.69% | 14.59% | 14.49% | 14.38% | 14.28% | 14.18% |
| Degradation Factor **(C)** | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% |
| Units generated per years (KWh) D = (A\*B) | 3,11,03,632 | 3,08,85,906 | 3,06,69,705 | 3,04,55,017 | 3,02,41,832 | 3,00,30,139 | 2,98,19,928 |
| Less- Transmission Losses ( E) | 1,55,518.16 | 1,54,429.53 | 1,53,348.53 | 1,52,275.09 | 1,51,209.16 | 1,50,150.70 | 1,49,099.64 |
| Net Unit generated Pa (KWh) F = (D-E) | 3,09,48,114 | 3,07,31,477 | 3,05,16,356 | 3,03,02,742 | 3,00,90,623 | 2,98,79,988 | 2,96,70,829 |
| Tariff Revenue (Per KWh) | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 |
| **Total Revenue (In Crore)** | **12.69** | **12.60** | **12.51** | **12.42** | **12.34** | **12.25** | **12.17** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particular** | **FY 2039** | **FY 2040** | **FY 2041** | **FY 2042** | **FY 2043** | **FY 2044** |
| **Months** | **12** | **12** | **12** | **12** | **12** | **9.5** |
| Installed Capacity (KWh) **(A)** | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 | 21,02,40,000 |
| Plant Load Factor **(B)** | 14.08% | 13.99% | 13.89% | 13.79% | 13.69% | 13.60% |
| Degradation Factor **(C)** | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% | 0.70% |
| Units generated per years (KWh) D = (A\*B) | 2,96,11,189 | 2,94,03,910 | 2,91,98,083 | 2,89,93,696 | 2,87,90,741 | 2,26,33,121 |
| Less- Transmission Losses ( E) | 1,48,055.94 | 1,47,019.55 | 1,45,990.41 | 1,44,968.48 | 1,43,953.70 | 1,13,165.60 |
| Net Unit generated Pa (KWh) F = (D-E) | 2,94,63,133 | 2,92,56,891 | 2,90,52,093 | 2,88,48,728 | 2,86,46,787 | 2,25,19,955 |
| Tariff Revenue (Per KWh) | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 | 4.10 |
| **Total Revenue (In Crore)** | **12.08** | **12.00** | **11.91** | **11.83** | **11.75** | **9.23** |

**Note:**

* Projections have been made for remaining 3 months for FY 2024-25, thus the first full operating year would be FY 2025-26 as on valuation date.
* For FY 2024-25, the units generated is estimated on the basis of the current years’ export output provided by the company/client.
  + - * 1. **OPERATING & MAINTENANCE EXPENSES:**

As per the provision made by Sterling and Wilson Solar Limited in respect of O&M Expenses in the Terms and Conditions for determination of tariff is INR 1.90 Lakhs/MWDC per annum for initial 5 years from the effective date and annual escalation of 2% from 6th year till 10th year. The agreement is valid for a period of 10 years from the date of handover of individually completed site, from the owner/client to the contractor. The term of agreement may be extended at the discretion of the owner by giving a notice of not less than 3 months from the expiry of the term. Given below is the detail of the operation & maintenance cost-

|  |  |
| --- | --- |
| **Particular** | **Rate/MWDC Per annum** |
| O&M Cost per MW as per | 1,60,000 |
| Module Clean System | 30,000 |
| **Total** | **1,90,000** |
| Annual Escalation | 2% |

* + - * 1. **EMPLOYEE BENEFIT EXPENSES & OTHER EXPENSES:**

Employee Benefit Expenses are estimated based on the average of previous years’ expenses with respect to the operating revenues (from FY 2020-22 to FY 2024-25), i.e. 0.50% of the revenue.

In the absence of the relevant information available with us, we have estimated the other expenses during the projection period by using the average of the historical expenses with respect to the operating revenues as per the best practices used in the industry. Hence, we have taken the other expenses as 8.50% of the operating revenues.

* + - * 1. **DEPRECIATION SCHEDULE:**

As per historical trend, we have calculated depreciation by using Written down Value Method (WDV) till FY 2044 and the gross block has been considered from the audited balance sheet as on 31st March, 2024 shared by the client/company.

* + - * 1. **CAPEX:**

As per the information/ shared by the client/company installed capacity is 28AC MW and each inverter is of 2 MW of INR 40 lakhs each therefore it requires 14 inverters to be installed. Further it has been informed that the inverters will replace in each 5 years.

While calculation of capex, Wholesale Price Index (WPI) of 2.31% year-on-year growth rate has been considered.

* + - * 1. **CALCULATION OF DISCOUNT RATE/WACC:**

The valuation date is 31st December, 2024 and it is informed by PFS that as per the Recovery Policy of PFS, for valuation of the assets, *“The discount rate used by PFS in the valuation exercise shall be higher of PFS Base Rate (PFSBR) or the interest rate (including the penal) as per facility agreement”.* Therefore, the discount rate is considered as 14.15% (current ROI being charged + penal) while calculating the entity value.

***Note:*** *Discount Rate Change of 1% is used to calculate the Sensitivity of the Enterprise Valuation with +/- changes in discount rate.*

**Note:** The company has an outstanding Loan from PFS for INR 135.10 Crore with an interest rate of 12.15% along with the interest overdue for Rs.23.93 Crores (including liquidated damages, additional interest etc.) as on 31st December, 2024.

* + - * 1. **TAXATION:**

Effective tax rate has been considered as 29.12% as per applicability of taxation for fiscal year FY 2024-25 and onwards. Information for DTL and related information is not available with us. As such it is presumed that there will not be tax liabilities in view of the unabsorbed depreciation and carry forward losses. Determination of effective tax rate is shown in the below table:

|  |  |
| --- | --- |
| **Effective Tax Rates** | |
| **Particular** | **Description** |
| **Basic rate** | 22% |
| **(+) Cess/Health & education** | 4.00% |
| **(+) Surcharge** | 12% |
| **Effective tax rate** | **29.12%** |

* + - * 1. **CHANGE IN WORKING CAPITAL:**

In the absence of relevant information to estimate the working capital, we have assumed that the working capital will remain constant during the forecasted period, hence the changes in working capital is considered as zero.

1. **KEY ASSUMPTIONS OF NAV METHOD:**
2. **NON-CURRENT ASSETS:**
3. **PROPERTY PLANT & EQUIPMENT**

|  |  |  |
| --- | --- | --- |
| **S. No.** | **Particulars** | **Indicative & Estimated Prospective Fair Market Value** |
| **1.** | Land Value (A) | Rs.12,75,32,622/- |
| **2.** | Total Building & Civil Works (B) | Rs.15,04,178/- |
| **3.** | Additional Aesthetic Works Value (C) | Rs.51,00,000/- |
| **4.** | Plant & Machinery Value (D) | Rs. 73,32,23,580 /- |
|  | **Total Add** **(A+B+C+D)** | **Rs. 86,73,60,380/-** |

**Note:** *For detailed working, assumptions and calculations of the above valuation, please refer to the report* ***VIS (2024-25)-PL706-634-879*** *for Land & Building and Annexure A for plant & machinery.*

1. **CURRENT ASSETS:**
2. **TRADE RECEIVABLES**

As per provisional financial statement as on 31.12.2024, Trade Receivables had a book value of INR 2.71 Crores. As per the information provided by client/company, it has been informed to us that the total amount of trade receivable is of Solar Energy Corporation of India (SECI) and same is outstanding for less than180 days. Thus, we have assigned 100% fair market value, realizable value and distress value to these trade receivables.

1. **CASH & BANK BALANCE**

As per provisional financial statement as on 31.12.2024, Cash & Bank Balance had a book value of INR 0.78 Crores. The company has provided the bank statement of TRA account and the closing balance as on 31.12.2024 is Rs. 0.74 Crores. Thus, we have assigned 100% fair market value, realizable value and distress value to cash & bank balance i.e. INR 0.74 Crores

1. **SECURITY DEPOSITS**

As per provisional financial statement as on 31.12.2024, Security Deposit had a book value of INR 77000.The company has provided the details of security deposit of FY 2023-24 of State Load Despatch Centre (Odisha Power Transmission Corporation Limited) of dated October, 2023 and the amount of security deposit is INR 61,338. Therefore, we have assigned the Fair Market Value, realizable value and Distress value as on 31.12.2024 as INR 61,338.

1. **ADVANCE TO VENDORS/ EMPLOYEES/ PRE-PAID EXPENSE**

As per provisional financial statement as on 31.12.2024, the book value of Advance to Vendors, employees and pre-paid expense is INR 0.65 Crores. Therefore, we have assigned fair market value as 100% of book value and assigned realizable value and distress value as zero due to its nature as in case of distress sale the company will not be going concern.

1. **TDS/TCS RECEIVABLE**

As per provisional financial statement as on 31.12.2024, the book value of TDS/TCS Receivable as INR 0.06 Crores as on 31.12.2024 and it is assumed that the same will be refunded or adjust against the liability, if any. Therefore, we have assigned fair market value, realizable value and distress value as 100% to the book value.

**Thus, the Fair Market Value, realizable value and distress value of Total Assets is being calculated as INR 90.89 Crores, INR 77.24 Crores and INR 68.56 Crores respectively as on valuation date.**

1. The fair market value, realizable value and distress value of Total liabilities has been considered as 100% of the book value as on 31st December, 2024.

**Thus, the fair market value, realizable value and distress value of Total Liabilities is being calculated as INR 3.14 Crores as on valuation date.**

1. As the fair value of the assets is more than the fair value of the liabilities. Hence, the Net Asset Value (NAV) of M/s Vento Power Infra Private Limited is estimated to be INR 87.75 crores, realizable value is NIR 74.09 Crores and distress value 65.42 Crores.

|  |  |
| --- | --- |
| **PART G** | **SUMMARY** |

1. **ENTERPRISE VALUE FROM DISCOUNTED CASH FLOW (DCF) METHOD-**

|  |  |  |
| --- | --- | --- |
| **S. No** | **Particulars** | **INR Crores** |
| 1 | Fair Value | 62.50 |
| 2 | Market Value/ Realizable Value | 53.13 |
| 3 | Distress Value | 46.88 |

1. **ENTERPRISE VALUE FROM NET ASSET VALUE (NAV) METHOD-**

|  |  |  |
| --- | --- | --- |
| **S. No** | **Particulars** | **INR Crores** |
| 1 | Fair Value | 87.75 |
| 2 | Market Value/ Realizable Value | 74.09 |
| 3 | Distress Value | 65.42 |

1. **VALUATION OF EQUITY-**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **As Per DCF** | **As per NAV Method** |
| Enterprise value of Firm | 62.50 | 87.75 |
| Less- Total Debt as on 31.12.2024 | 219.40 | 219.40 |
| Add- Cash & Cash equivalent | 0.74 | 0.74 |
| **Value of Equity** | **-156.15** | **-130.91** |

Using the DCF method, the company's equity value is determined to be nil due to its substantial debt outweighing its fair market value. Consequently, the fair market value of 100% Compulsory Convertible Debentures (CCDs) and 99% of the equity shares pledged with PFS is also considered NIL.

**By using DCF Model, considering as a base case the Enterprise Value of “M/s Vento Power Infra Private Limited” is being calculated as INR 62.50 Crore, subject to the current assumptions and inputs used during the forecasted period, as well as the revenue growth rate and WACC used to calculate the EV. Hence, the value of the equity is INR -156.15 Crores (Negative) as on the valuation date. Therefore, we have assigned NIL value to the equity as per DCF method.**

**By using NAV method, the fair enterprise Value of “M/s Vento Power Infra Private Limited” is being calculated as INR 87.75 Crore, Hence, the value of the equity is INR -130.91 Crores (Negative) as on the valuation date. Therefore, we have assigned NIL value to the equity as per NAV method.**

***RECOMMENDATION:***

The primary objective is to determine the fair market value based on the company's operational performance and future earning potential. Therefore, the Discounted Cash Flow (DCF) method is recommended as the most appropriate approach. The Net Asset Value (NAV) method should only be used as a secondary measure to cross-verify the valuation in cases where asset values significantly impact the business.

In this case, as the company is a going concern, the DCF method is preferred due to its scientific statistical approach in comparison to the NAV method. The DCF valuation incorporates revenue projections for the contracted period and applies a discount rate that accounts for key factors such as risk premium, growth potential, and market conditions.

**Accordingly, it is recommended to determine the company’s equity value using the Discounted Cash Flow (DCF) method. According to DCF method Equity Value is NIL.**

1. **VALUATION OF CORPORATE GUARANTEE GIVEN:**

As per the analysis of audited balance sheet dated 31st March 2024 shared by the client, M/s Essel Infraprojects Limited is having a negative net worth of INR 1,359.46 Crore (Negative) as on valuation date. In this case corporate guarantor will not be able to fulfil its terms & conditions with the financial institution in case of any default.

Therefore, we cannot assign any value to the corporate guarantee given by M/s Essel Infraprojects Limited and considered the value of corporate guarantee is nil. Hence, the value of corporate guarantee given by **M/s Essel Infraprojects Limited** is **nil** as on valuation date.

1. **POSSIBILITY OF ENHANCING THE CAPACITY WITHIN AVAILABLE LAND**

M/s. Vento Power Infra Pvt. Ltd. has informed that they have purchased a total of 213 acres of land, with the current solar plant occupying approximately 102 acres. This leaves 111 acres land available for future expansion of the solar plant.

Through market research, it has been determined that approximately 3 to 3.5 acres of land are required per MW of capacity, although this can vary depending on the capacity of the solar panels used. Based on this information, the available land of 111 acres is estimated to accommodate approximately 30.2 MW (DC) of additional capacity.

Additionally, we have conducted the same calculation using the latest technology panels, the results of which are attached below:

|  |  |  |  |
| --- | --- | --- | --- |
| **S no.** | **Land area**  **(In Acre)** | **Solar panel Capacity (Watts)** | **Plant Capacity**  **(Kw)** |
|  | 0.35 | 445/550/535 | 100 |
|  | 1.75 | 445/550/535 | 500 |
|  | 3.5 | 445/550/535 | 1000 |

|  |  |
| --- | --- |
| **Declaration** | 1. *The undersigned does not have any direct/indirect interest in the Project Company.* 2. *The information furnished herein is true and correct to the best of our knowledge.* 3. *This valuation work is carried out by our Financial & Market Research Analysis team on the request from* ***PTC India Financial Services Ltd. at 7th floor, Telephone Exchange building, 8 Bhikaji Cama Place, New Delhi-110066****We have submitted Valuation report directly to the Bank.* |
| **Number of Pages in the Repost** | 57 |
| **Enclosed Documents** | Disclaimer & Remarks 52-57 |
| **Place** | Noida |
| **Date** | 27th February 2025 |

|  |  |
| --- | --- |
| **FOR ON BEHALF OF**  **M/S. R.K. ASSOCIATES VALUER & TECHNO ENGINEERING CONSULTANTS PVT. LTD.** | |
| **PREPARED BY** | **REVIEWED BY** |
| **Ms. Shivani** | **Mr. Gaurav Kumar** |
|  |  |

|  |  |
| --- | --- |
| **PART H** | **IMPORTANT DEFINITION** |

***Definitions:***

* ***Enterprise Value:*** *Enterprise value (EV) is the corporate valuation of a company, determined by using market capitalization and total debt. Market cap comprises preference stocks, common stocks, and minority interest; total debt comprises short-term and long-term liabilities of the company. Enterprise value (EV) refers to the overall valuation—equity, debt, cash, and cash equivalents. In other words, it is the cost of acquiring a firm. The EV/EBITDA is an enterprise multiple. It correlates EV with earnings before interest, taxes, depreciation, and amortization. The metric determines whether the firm is undervalued or overvalued.*
* ***Fair Market Value****suggested by the competent Valuer is that prospective estimated amount in his expert & prudent opinion of the subject asset without any prejudice after he has carefully & exhaustively evaluated the facts & information came in front of him related to the subject asset at which the subject asset should be exchanged between a willing buyer and willing seller at an arm’s length transaction in an open & unrestricted market, after proper marketing, wherein the parties, each acted knowledgeably, prudently and without any compulsion on the date of the Valuation.*

*Forced, under compulsion & constraint, obligatory sales transactions data doesn’t indicate the Fair Market Value.*

* ***Realizable Value*** *is the minimum prospective estimated value of the Company which it may be able to realize at the time of actual transaction factoring in the potential prospects of deep negotiations carried out between the buyer & seller for ultimately finalizing the transaction across the table. Realizable value may be 10-20% less than the Fair Market Value depending on the various salability prospects of the subject asset and the needs of the buyer & the seller.*
* ***Forced/ Distress Sale Value*** *is the value when the company has to be sold due to any compulsion or constraint like financial encumbrances, dispute, as a part of a recovery process, legal issues or any such condition or situation. In this type of sale, minimum fetch value is assessed which can be 15-25% less than the estimated Fair Market Value. In this type of sale, negotiation power of the buyer is always more than the seller and eagerness & pressure of selling the asset is more than buying it. Therefore, the Forced/ Distress Sale Value will always fetch significantly less value compare to the estimated Fair Market Value.*
* ***Liquidation Value*** *is the amount that would be realized when an asset or group of assets are sold on a piecemeal basis that is without consideration of benefits (or detriments) associated with a going-concern business. Liquidation value can be either in an orderly transaction with a typical marketing period or in a forced transaction with a shortened marketing period.*
* ***Difference between Costs, Price & Value:*** *Generally, these words are used and understood synonymously. However, in reality each of these has a completely different meaning, premise and also have different definitions in the professional & legal terms. Therefore, to avoid confusion, it is our professional responsibility to describe the definitions of these words to avoid ambiguity & confusion in the minds of the user of this report.*
* *The* ***Cost*** *of an asset represents the actual amount spend in the construction/ actual creation of the asset.*
* *The* ***Price*** *is the amount paid for the procurement of the same asset.*
* *The* ***Value*** *is defined as the present worth of future rights in the asset and depends to a great extent on combination of various factors such as demand and supply, market situation, purpose, situation & needs of the buyer & seller, salability outlook, usability factor, market perception & reputation. Needs of the buyer & seller, salability outlook, usability factor, market perception & reputation.*
* *Therefore, in actual for the same asset, cost, price & value remain different since these terms have different usage & meaning.*

|  |  |
| --- | --- |
| **PART I** | **DISCLAIMER | REMARKS** |

* + - 1. No employee or member of R.K Associates has any direct/ indirect interest in the Project.
      2. This is just an opinion report on Valuation based on the copy of the documents/ information provided to us by the client which has been relied upon in good faith and the assessment and assumptions done by us.
      3. This report is prepared based on the copies of the documents/ information which the Bank/ Company has provided to us out of the standard checklist of documents sought from them and further based on our assumptions and limiting conditions. The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. All such information provided to us has been relied upon in good faith and we have assumed that it is true and correct in all respect. I/We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the owner, company, its directors, employee, representative or agents. Verification or cross checking of the documents provided to us from the originals or from any Govt. departments/ Record of Registrar has not been done at our end since this is beyond the scope of our work. If at any time in future, it is found or came to our knowledge that misrepresentation of facts or incomplete or distorted information has been provided to us then this report shall automatically become null & void.
      4. This Valuation is prepared based on the current financial status of the company, financial data, other facts & information provided by the client in writing & during verbal discussion during the course of the assignment and based on certain assumptions which are specifically mentioned in the Valuation section of the Report.
      5. Key assumptions in the report are taken based on data, information, inputs, financial statements etc. provided by the client to us during the course of the assessment and on the basis of the assessment done by us and we have assumed that all such information is true & factual to the best of the knowledge of the promoter company.
      6. Sale transaction method of the asset is assumed as free market transaction while assessing Prospective Fair Market Value of the asset.
      7. Legal aspects for e.g., investigation of title, ownership rights, lien, charge, mortgage, lease, sanctioned maps, verification of documents, etc. have not been done at our end and same has to be taken care by legal expert/ Advocate. It is assumed that the concerned Lender/ Financial Institution has satisfied them with the authenticity of the documents, information given to us and for which the legal verification has been already taken and cleared by the competent Advocate before requesting for this report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.
      8. All observations mentioned in the report is only based on the visual observation and the documents/ data/ information provided by the client. No mechanical/ technical tests, measurements or any design review have been performed or carried out from our side during Project assessment.
      9. Bank/FII should ONLY take this report as an Advisory document from the Financial/ Chartered Engineering firm and its specifically advised to the creditor to cross verify the original documents for the facts mentioned in the report which can be availed from the borrowing company directly.
      10. In case of any default in loans or the credit facility extended to the borrowing company, R.K Associates shall not be held responsible for whatsoever reason may be and any request for seeking any explanation from the employee/s of R.K Associates will not be entertained at any instance or situation.
      11. We have relied on data from third party, external sources & information available on public domain also to conclude this report. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context, however still we can’t vouch its authenticity, correctness or accuracy.
      12. This Report is prepared by our competent technical team which includes financial experts & analysts. This report is a general analysis of the project based on the scope mentioned in the report. This is not an Audit report, Design document, DPR or Techno feasibility study. All the information gathered is based on the facts seen on the site during survey, verbal discussion & documentary evidence provided by the client and is believed that information given by the company is true best of their knowledge.
      13. Value varies with the Purpose/ Date/ Condition of the market. This report should not to be referred if any of these points are different from the one mentioned aforesaid in the Report.
      14. Analysis and conclusions adopted in the report are limited to the reported assumptions, conditions and information came to our knowledge during the course of the work.
      15. This report is having limited scope as per its fields to provide only the general indication of the Value of the company prevailing in the market based on the documents/ data/ information/ financial statements provided by the client and the assessment and assumption taken by us. The suggested value should be considered only if transaction is happened as free market transaction.
      16. Secondary/ Tertiary costs related to transaction like Stamp Duty, Registration charges, Brokerage, etc. pertaining to the sale/ purchase of the company are not considered while assessing the Market Value.
      17. Appropriate methodology & assumptions are rationally adopted based on the facts of the case came to our knowledge during the course of the assignment considering many factors like nature of Industry, current market situation and trends.
      18. Valuation is a subjective field and opinion may differ from consultant to consultant. To check the right opinion, it is important to evaluate the methodology adopted and various factors/ basis considered during the course of assessment before reaching to any conclusion.
      19. At the outset, it is to be noted that Value analysis cannot be regarded as an exact science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. Given the same set of facts and using the same assumptions, expert opinions may differ due to the number of different factors, which have to be made. Therefore, there can be no standard formulae to establish an indisputable exchange ratio. In the event of a transaction, the actual transaction value achieved may be higher or lower than our indicative analysis of value depending upon the circumstances of the transaction. The knowledge, negotiability and motivations of the buyers and sellers and the applicability of a discount or premium for control will also affect actual price achieved. Accordingly, our indicative analysis of value will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree. However, our Valuation analysis can definitely help the stakeholders to make them informed and wise decision about the Value of the asset and can help in facilitating the arm’s length transaction.
      20. This report is prepared on the Enterprise Valuation/Equity Valuation format as per the client requirement. This report is having limited scope as per its fields to provide only the indicative Fair value of the company based on the current financial position, future prospects & current Industry trends. The Valuation assessed in this Valuation Report should hold well only if transaction is happened as per free market transaction. No detailed analysis or verification of the information is carried upon pertaining to the value of the shares of the subject companies. No claim for any extra information will be entertained whatsoever be the reason. For any extra work over and above the fields mentioned in the report will have an extra cost which has to be borne by the customer.
      21. As per the scope of the report no site survey has been carried out by us and no thorough vetting of the documents/ information provided to us has been done at our end.
      22. This is just an opinion report and doesn’t hold any binding on anyone. It is requested from the concerned stakeholder which is using this report that they should consider all the different associated relevant & related factors also before taking any business decision based on the content of this report.
      23. Though adequate care has been taken while preparing this report as per its scope, but still, we can’t rule out typing, human errors, over sightedness of any information or any other mistakes. Therefore, the concerned organization is advised to satisfy themselves that the report is complete & satisfactory in all respect. Intimation regarding any discrepancy shall be brought into our notice immediately. If no intimation is received within 15 (Fifteen) days in writing from the date of issuance of the report, to rectify these timely, then it shall be considered that the report is complete in all respect and has been accepted by the client up to their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner.
      24. This Valuation report is prepared based on the facts of the companies provided to us during the course of the assignment. However, in future the assumptions taken may change or may go worse due to impact of Govt. policies or effect of World economy, Industry/ market scenario may change, etc. Hence before taking any business decision the user of this report should take into consideration all such future risk.
      25. The documents, information, data provided to us during the course of this assessment by the client is reviewed only up to the extent required in relation to the scope of the work. No document has been reviewed beyond the scope of the work.
      26. In case of any default in repayment of credit facility extended to the borrowing company, as estimated by us, R.K Associates shall not be held responsible for whatsoever reason may be and any request for seeking any explanation from the officials/employee/s of R.K Associates will not be entertained at any instance or situation. This report, in any way does not confirm the repayment or capability of the repayment by the borrower.
      27. This report only contains general assessment & opinion as per the scope of work evaluated and based on technical & market information which came to knowledge during course of the assignment as per the information given in the copy of documents, information, data provided to us and/ and confirmed by the owner/ owner representative to us at site which has been relied upon in good faith. It doesn’t contain any other recommendations of any sort including but not limited to express of any opinion on the suitability or otherwise of entering into any transaction with the borrower.
      28. This Valuation is conducted based on the macro analysis of the asset/ property and operations of the companies and not based on the micro, component or item wise analysis. Analysis done is a general assessment and is not investigative in nature.
      29. This report is prepared following our Standard Operating Procedures & Best Practices, Limitations, Conditions, Remarks, Important Notes, Valuation TOR.
      30. Valuation is done based on the industry wide general accepted norms and based on the international standards & best practices for equity valuations.
      31. Any kind of unpaid statutory, utilities, lease, interest or any other pecuniary dues on the asset has not been factored in the Valuation.
      32. All Pages of the report including annexures are signed and stamped from our office. In case any paper in the report is without stamp & signature then this should not be considered a valid paper issued from this office.
      33. Defect Liability Period is **15 DAYS**. We request the concerned authorized reader of this report to check the contents, data and calculations in the report within this period and intimate us in writing if any corrections are required or in case of any other concern with the contents or opinion mentioned in the report. Corrections only related to typographical, calculation, spelling mistakes, incorrect data/ figures/ statement will be entertained within the defect liability period. Any new changes for any additional information in already approved report will be regarded as additional work for which additional fees may be charged. No request for any illegitimate change in regard to any facts & figures will be entertained.
      34. R.K Associates encourages its customers to give feedback or inform concerns over its services through proper channel at valuers@rkassociates.org in writing within 15 days of report delivery. After this period no concern/ complaint/ proceedings in connection with the Financial Feasibility Study Services will be entertained due to possible change in situation and condition of the subject Project.
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