

**Prepared for:**  
**Anzen India Energy Yield Plus Trust (“the Trust”)**

**EAAA Real Assets Managers Limited**  
**(“the Investment Manager”)**

## **Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended**

**Fair Enterprise Valuation**

**Valuation Date: 31<sup>st</sup> March 2025**

**Report Date: 26<sup>th</sup> May 2025**

**Mr. S Sundararaman,**  
**Registered Valuer,**  
IBBI Registration No - IBBI/RV/06/2018/10238  
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**GST No: 33AHUPS0102L1Z8**

**RV/SSR/04/R01**

**Date: 26<sup>th</sup> May 2025**

**Anzen India Energy Yield Plus Trust**

*(acting through Axis Trustee Services Limited [in its capacity as "the Trustee" of the Trust])*

Plot 294/3, Edelweiss House,  
Off CST Road, Kalina,  
Santacruz (E), Mumbai - 400 098,  
Maharashtra, India.

**EAAA Real Assets Managers Limited**

*(acting as the Investment Manager to Anzen India Energy Yield Plus Trust)*

Plot 294/3, Edelweiss House,  
Off CST Road, Kalina,  
Santacruz (E), Mumbai - 400 098,  
Maharashtra, India.

**Sub: Financial Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended**  
**("the SEBI InvIT Regulations")**

Dear Sir(s)/ Madam(s),

I, Mr. S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238, have been appointed vide letter dated 3<sup>rd</sup> April, 2025 as an independent valuer, as defined as per Regulation 2(zzf) of the SEBI InvIT Regulations, by **EAAA Real Assets Managers Limited** ("**ERAML**" or "**the Investment Manager**") acting as the investment manager for **Anzen India Energy Yield Plus Trust** ("**the Trust**" or "**InvIT**") and **Axis Trustee Services Limited** ("**the Trustee**") acting on behalf of the Trust for the purpose of the financial valuation of the special purpose vehicles (defined below and hereinafter together referred as "**the SPVs**") of the Trust as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("**SEBI InvIT Regulations**").

The Trust operates and maintains the following special purpose vehicles which are to be valued as per Regulation 21 read with Chapter V of the SEBI InvIT Regulations:

<b>Sr. No</b>	<b>Name of the SPV</b>	<b>Term</b>
1	Darbhangra-Motihari Transmission Company Limited	DMTCL
2	NRSS XXXI (B) Transmission Limited	NRSSB
3	Solzen Urja Private Limited (Previously known as "Renew Sun Waves Private Limited")	SUPL

I am enclosing the Report providing opinion on the fair enterprise value of the SPVs as defined hereinafter on a going concern basis as at 31<sup>st</sup> March 2025 ("**Valuation Date**").

Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed, and the conclusion reached with respect to this valuation.

I have relied on explanations and information provided by the Investment Manager. Although I have reviewed such data for consistency, those are not independently investigated or otherwise verified. My team and I have no present or planned future interest in the Trust, the SPVs or the Investment Manager except to the extent of this appointment as an independent valuer and the fee for this Valuation Report ("**Report**") which is not contingent upon the values reported herein. The valuation analysis should not be construed as investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

The analysis must be considered as a whole. Selecting portions of any analysis or the factors that are considered in this Report, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The information provided to me by the Investment Manager in relation to the SPVs included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

By nature, valuation is based on estimates, however, the risks and uncertainties relating to the events occurring in the future, the actual figures in future may differ from these estimates and may have an impact on the valuation of the SPVs.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiry to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

The valuation provided by RV and the valuation conclusion are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by the Securities and Exchange Board of India ("**SEBI**") thereunder as amended from time to time.

Please note that all comments in the Report must be read in conjunction with the caveats to the Report, which are contained in Section 11 of this Report. This letter, the Report and the summary of valuation included herein can be provided to Trust's advisors and may be made available for the inspection to the public and with the SEBI, the stock exchanges and any other regulatory and supervisory authority, as may be required.

I draw your attention to the limitation of liability clauses in Section 11 of this Report.

This letter should be read in conjunction with the attached Report.

Yours faithfully,



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**S. Sundararaman**

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Asset Class: Securities or Financial Assets

Place: Chennai

UDIN: 25028423BMOMXL4086

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**Definition, abbreviation & glossary of terms**

Abbreviations	Meaning
BOOM	Build-Own-Operate-Maintain
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CCM	Comparable Companies Multiples
COD	Commercial Operation Date
CTM	Comparable Transactions Multiples
DMTCL	Darbhanga-Motihari Transmission Company Limited
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EIYP Fund	Edelweiss Infrastructure Yield Plus
ERP	Equity Risk Premium
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FDI	Foreign Direct Investment
FY	Financial Year Ended 31 <sup>st</sup> March
GAAP	Generally Accepted Accounting Principles
GW	Giga Watts
Ind AS	Indian Accounting Standards
INR	Indian Rupee
Investment Manager/ ERAML	EAAA Real Assets Managers Limited
IVS	ICAI Valuation Standards 2018
Mn	Million
NAV	Net Asset Value Method
NCA	Net Current Assets, Excluding Cash and Bank Balances
NRSSB	NRSS XXXI (B) Transmission Limited
O&M	Operation & Maintenance
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
Sponsor/ SEPL	SEPL Energy Private Limited
SPV	Special Purpose Vehicle
SUPL	Solzen Urja Private Limited(Previously known as "Renew Sun Waves Private Limited")
RSWPL	Renew Sun Waves Private Limited
RV	Registered Valuer
TBCB	Tariff Based Competitive Bidding
the Trust or InvIT	Anzen India Energy Yield Plus Trust
the Trustee	Axis Trustee Services Limited
WACC	Weighted Average Cost of Capital

## 1. Executive Summary

### 1.1. Background

#### The Trust

- 1.1.1. The Sponsor has settled **Anzen India Energy Yield Plus Trust** ("the InvIT" or "the Trust") as an irrevocable trust under the trust deed on 1<sup>st</sup> November, 2021, being registered under the Indian Registration Act, 1908, in accordance with the provisions of the Indian Trusts Act, 1882. The Trust is registered with Securities and Exchange Board of India ("SEBI") pursuant to the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("SEBI InvIT Regulations") with effect from 18<sup>th</sup> January 2022, bearing registration number IN/InvIT/21-22/0020.
- 1.1.2. The objectives of the Trust is to undertake activities as an infrastructure investment trust in accordance with the provisions of the InvIT Regulations and the Trust Deed. The principal activity of the Trust is to own and invest in power transmission assets and renewable energy assets in India with the objective of producing stable and sustainable distributions to unitholders.
- 1.1.3. Axis Trustee Services Limited ("the Trustee") has been appointed as the Trustee of the Trust.
- 1.1.4. The units of the trust are listed on National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") since 16<sup>th</sup> November, 2022.
- 1.1.5. Unitholding of the Trust as on 31<sup>st</sup> March 2025 is as under:

Sr. No	Particulars	No. of Units	%
1	Sponsor & Sponsor Group	11,22,00,000	57.19
2	Institutional investors	74,85,100	3.82
3	Non-institutional investors	7,65,08,800	39.00
	<b>Total</b>	<b>19,61,93,900</b>	<b>100%</b>

Source: Investment Manager

#### Investment Manager

- 1.1.6. EAAA Real Assets Managers Limited ("ERAML" or "the Investment Manager") has been appointed as the Investment Manager to the Trust by the Trustee and will be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations.
- 1.1.7. Shareholding of the Investment Manager as on the Valuation Date is as under:

Sr. No	Particulars	No. of shares	%
1	EAAA India Alternatives Limited*	62,000	100.00%
	<b>Total</b>	<b>62,000</b>	<b>100.00%</b>

Source: Investment Manager

\* Includes Shares held by nominees of EAAA India Alternatives Limited

#### The Sponsor

- 1.1.8. SEPL Energy Private Limited ("the Sponsor" or "SEPL") has floated an infrastructure investment trust under the SEBI InvIT Regulations called Anzen India Energy Yield Plus Trust. SEPL is a portfolio company of Edelweiss Infrastructure Yield Plus fund ("EIYP Fund"). EIYP Fund is an alternative investment fund having SEBI Registration Number IN/AIF1/17-18/0511 dated 9<sup>th</sup> January 2018. EIYP Fund is mainly engaged in investment activities primarily with an objective of generating stable returns and earning long-term capital appreciation.
- 1.1.9. Shareholding of the Sponsor as on the Valuation Date is as under:

Sr. No	Particulars	No. of shares	%
1	Edelweiss Infrastructure Yield Plus*	87,50,000	100.00%
	<b>Total</b>	<b>87,50,000</b>	<b>100.00%</b>

Source: Investment Manager

\* Includes Shares held by nominees of EIYP Fund

## 1.2. Purpose and Scope of Valuation

### Financial Assets to be Valued

- 1.2.1. The following SPVs are to be considered for Fair Enterprise Valuation:

Sr. No	Name of the SPV	Term
1	Darbhangha-Motihari Transmission Company Limited	DMTCL
2	NRSS XXXI (B) Transmission Limited	NRSSB
3	Solzen Urja Private Limited (Previously known as "Renew Sun Waves Private Limited")	SUPL

(DMTCL, NRSSB and SUPL are hereinafter together referred to as "the **SPVs**")

### Purpose of Valuation

- 1.2.2. As per Regulation 21(4) of Chapter V of the SEBI InvIT Regulations,  
"A full valuation shall be conducted by the valuer not less than once in every financial year: Provided that such full valuation shall be conducted at the end of the financial year ending March 31<sup>st</sup> within two months from the date of end of such year."  
In this regard, the Investment Manager intends to undertake the fair enterprise valuation of the SPVs as on 31<sup>st</sup> March 2025.
- 1.2.3. In this regard, the Investment Manager has appointed me, S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake fair valuation of the SPVs at the enterprise level as per the extant provisions of the SEBI InvIT Regulations issued by SEBI. Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.
- 1.2.4. I declare that:
- (i) I am competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;
  - (ii) I am not an associate of the Sponsor or the Investment Manager or the Trustee and I have not less than five years of experience in valuation of infrastructure assets;
  - (iii) I am independent and have prepared the Report on a fair and unbiased basis;
  - (iv) I have valued the SPVs based on the valuation standards as specified / applicable as per SEBI InvIT Regulations.
- 1.2.5. This Report covers all the disclosures required as per the SEBI InvIT Regulations and the Valuation of the SPVs is impartial, true and fair and in compliance with the SEBI InvIT Regulations.  
(Please refer Appendix 6 for further information about myself)

### Scope of Valuation

#### 1.2.6. Nature of the Asset to be Valued

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value ("**EV**") of the SPVs. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

#### 1.2.7. Valuation Base

Valuation Base means the indication of the type of value being used in an engagement. In the present case, I have determined the fair value of the SPVs at the enterprise level. Fair Value Bases defined as under:

##### Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or Market value is usually synonymous to each other except in certain circumstances where characteristics of an asset translate into a special asset value for the party(ies) involved.

**1.2.8. Valuation Date**

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the fair enterprise valuation of the SPVs is 31<sup>st</sup> March 2025 ("**Valuation Date**"). The RV is not aware of any other events having occurred since 31<sup>st</sup> March 2025 till date of this Report which he deems to be significant for his valuation analysis.

**1.2.9. Premise of Value**

Premise of Value refers to the conditions and circumstances of how an asset is deployed. In the present case, RV has determined the fair enterprise value of the SPVs on a Going Concern Value defined as under:

**Going Concern Value**

Going Concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, necessary licenses, systems, and procedures in place etc.

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### 1.3. Summary of Valuation

I have assessed the fair enterprise value of each of the SPVs on a stand-alone basis by using the Discounted Cash Flow ("DCF") method under the income approach. Following table summarizes my explanation on the usage or non usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business. Hence, NAV method has been considered for background reference only.
Income Approach	Discounted Cash Flow	Yes	All the SPVs are generating income based on pre-determined TSA/ PPA. Hence, the growth potential of the SPVs and the true worth of its business would be reflected in its future earnings potential and therefore, DCF method under the income approach has been considered as an appropriate method for the present valuation exercise.
Market Approach	Market Price	No	The equity shares of the SPVs are not listed on any recognized stock exchange in India. Hence, I was unable to apply the market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, I am unable to consider this method for the current valuation.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the DCF Method, the Free Cash Flow to Firm ("FCFF") has been used for the purpose of valuation of each of the SPVs. In order to arrive at the fair EV of the individual SPVs under the DCF Method, I have relied on the Unaudited provisional financial statements as at 31<sup>st</sup> March 2025 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the respective SPVs prepared by the Investment Manager as at the Valuation Date based on their best judgement.

The discount rate considered for the respective SPVs for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital ("WACC") for each of the SPVs. As all the Transmission SPVs under consideration have executed projects under the Build-Own-Operate and Maintain ("BOOM") and the ownership of the underlying assets shall remain with the SPVs even after the expiry of the concession period. Accordingly, terminal period value i.e. value on account of cash flows to be generated even after the expiry of concession period has been considered in the current valuation exercise.

The Solar SPV has entered into a PPA agreement with SECI for a period of 25 years. As represented by the Investment Manager, the asset is expected to have a total life of 30 years, even after its PPA term of till 4<sup>th</sup> October 2051. The ownership of the underlying assets (tangible assets) except the leasehold land shall remain with the SPVs even after the expiry of PPA term. the terminal period value (i.e. value on account of cash flows to be generated after the expiry of the period) has been considered based on the salvage value of the plant & machinery, sale of freehold land and realization of working capital at the end of the tenure.

Based on the methodology and assumptions discussed further, RV has arrived at the fair enterprise value of the SPVs as on the Valuation Date:

INR Mn				
Sr No	SPVs	Projection Period	WACC	Fair EV*
1	DMTCL	~27 Years and 4 Months	7.76%	13,501
2	NRSSB	~27 Years and 0 Months	7.79%	10,144
3	SUPL**	~25 Years and 7 Months	8.34%	15,685
<b>Total</b>				<b>39,330</b>

(Refer Appendix 1 & 2 for the detailed workings)

\* Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

\*\*The Current Fair EV of SUPL is calculated excluding the value of CIL. Further, Balance Project period of SUPL is calculated as the weighted average balance period of the asset life from the Valuation date till the end date of the asset life developed on the leased (~67.20%) and owned land (~32.80%) as mentioned above.

Further to above considering that present valuation exercise is based on the future financial performance and based on opinions on the future credit risk, cost of debt assumptions, etc., which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and variations may be material. Accordingly, a quantitative sensitivity analysis is considered on the following unobservable inputs:

1. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 0.5%
2. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 1.0%
3. Total Expenses considered during the projected period by increasing / decreasing it by 20%
4. Terminal period value considered for the SPVs increasing / decreasing it by 20% (For DMTCL and NRSS)
5. PLF by increasing/decreasing it by 1.0% (Only for SUPL)

#### 1. Fair Enterprise Valuation Range based on WACC parameter (0.5%)

INR Mn							
Sr No.	SPVs	WACC +0.5%	EV	Base WACC	EV	WACC -0.5%	EV
1	DMTCL	8.26%	12,776	7.76%	13,501	7.26%	14,321
2	NRSSB	8.29%	9,588	7.79%	10,144	7.29%	10,774
3	SUPL	8.84%	15,114	8.34%	15,685	7.84%	16,295
<b>Total of all SPVs</b>			<b>37,478</b>		<b>39,330</b>		<b>41,390</b>

#### 2. Fair Enterprise Valuation Range based on WACC parameter (1.0%)

INR Mn							
Sr No.	SPVs	WACC +1%	EV	Base WACC	EV	WACC -1%	EV
1	DMTCL	8.76%	12,130	7.76%	13,501	6.76%	15,257
2	NRSSB	8.79%	9,093	7.79%	10,144	6.79%	11,492
3	SUPL	9.34%	14,580	8.34%	15,685	7.34%	16,947
<b>Total of all SPVs</b>			<b>35,803</b>		<b>39,330</b>		<b>43,696</b>

**3. Fair Enterprise Valuation Range based on Operating Expense parameter (20%)**

INR Mn

Sr No.	SPVs	EV at expenses +20%	EV at Base Expenses	EV at expenses -20%
1	DMTCL	13,138	13,501	13,863
2	NRSSB	9,988	10,144	10,300
3	SUPL	15,225	15,685	16,141
<b>Total of all SPVs</b>		<b>38,351</b>	<b>39,330</b>	<b>40,304</b>

**4. Fair Enterprise Valuation Range based on Terminal Period Value ("TV") parameter (20%) (For DMTCL and NRSS)**

INR Mn

Sr No.	SPVs	EV at TV +20%	EV at Base TV	EV at TV -20%
1	DMTCL	13,793	13,501	13,209
2	NRSSB	10,382	10,144	9,907
<b>Total of all SPVs</b>		<b>24,175</b>	<b>23,645</b>	<b>23,116</b>

**5. PLF by increasing/decreasing it by 1.0% (For SUPL Only)**

INR Mn

Sr No.	SPVs	EV +1.0% PLF	Base EV	EV -1.0% PLF
1	SUPL	16,509	15,685	14,852
<b>Total of all SPVs</b>		<b>16,509</b>	<b>15,685</b>	<b>14,852</b>

The above represents a reasonable range of fair enterprise valuation of the SPVs.

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## 2. Procedures adopted for current valuation exercise

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2.1. I have performed the valuation analysis, to the extent applicable, in accordance with ICAI Valuation Standards 2018 ("IVS") issued by the Institute of Chartered Accountants of India.

2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:

- (i) Requested and received financial and qualitative information relating to the SPVs;
- (ii) Obtained and analyzed data available in public domain, as considered relevant by me;
- (iii) Discussions with the Investment Manager on:
  - Understanding of the business of the SPVs – business and fundamental factors that affect its earning-generating capacity including strengths, weaknesses, opportunities and threats analysis and historical and expected financial performance;
- (iv) Undertook industry analysis:
  - Research publicly available market data including economic factors and industry trends that may impact the valuation;
  - Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by me;
- (v) Analysis of other publicly available information;
- (vi) Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by me;
- (vii) Conducted physical site visit of the road stretch of the SPVs;
- (viii) Determination of fair value of the EV of the SPVs on a going concern basis till the end of the concession period as at the Valuation Date and determination of fair value of the Adjusted EV of the SPVs on a going concern basis till the end of the concession period as at the Valuation Date on request of the Investment Manager.

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### 3. Overview of InvIT and SPVs

#### 3.1. The Trust

- 3.1.1. **Anzen India Energy Yield Plus Trust** ("the Trust" or "InvIT"), was established on 1<sup>st</sup> November 2021 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882. The trust is registered with the Securities and Exchange Board of India ("SEBI") with effect from 18<sup>th</sup> January 2022 bearing SEBI Reg. No. IN/InvIT/21-22/0020, pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time ("the SEBI InvIT Regulations").
- 3.1.2. I understand that Anzen India Energy Yield Plus Trust, acting through the Trustee, has acquired the equity held by EIYP Fund in the 2 SPVs following which units had been issued to EIYP Fund by the Trust in 2022, additionally the trust has made an acquisition of 1 SPV from ReNew Private Limited in 2025. Accordingly, the Purchase Price of the SPVs are as follow:

Sr. No	SPV	Acquisition Date	Equity stake	Acquisition Cost of the Trust's equity stake
1	DMTCL	11-Nov-22	100%	4,700 Mn
2	NRSSB	11-Nov-22	100%	3,600 Mn
3	SUPL	07-Mar-25	100%	5196 Mn*

\*Acquisition cost is excluding consideration for Change in Law.

The Historical Fair Enterprise Valuation of the existing SPVs are as follows:

Valuation (INR Mn)	DMTCL	NRSSB	SUPL
31-Mar-22	13,100	10,100	NA
30-Jun-22	12,907	9,897	NA
31-Mar-23	13,205	9,981	NA
31-Mar-24	13,180	9,857	NA
30-June-24*	NA	NA	16,385

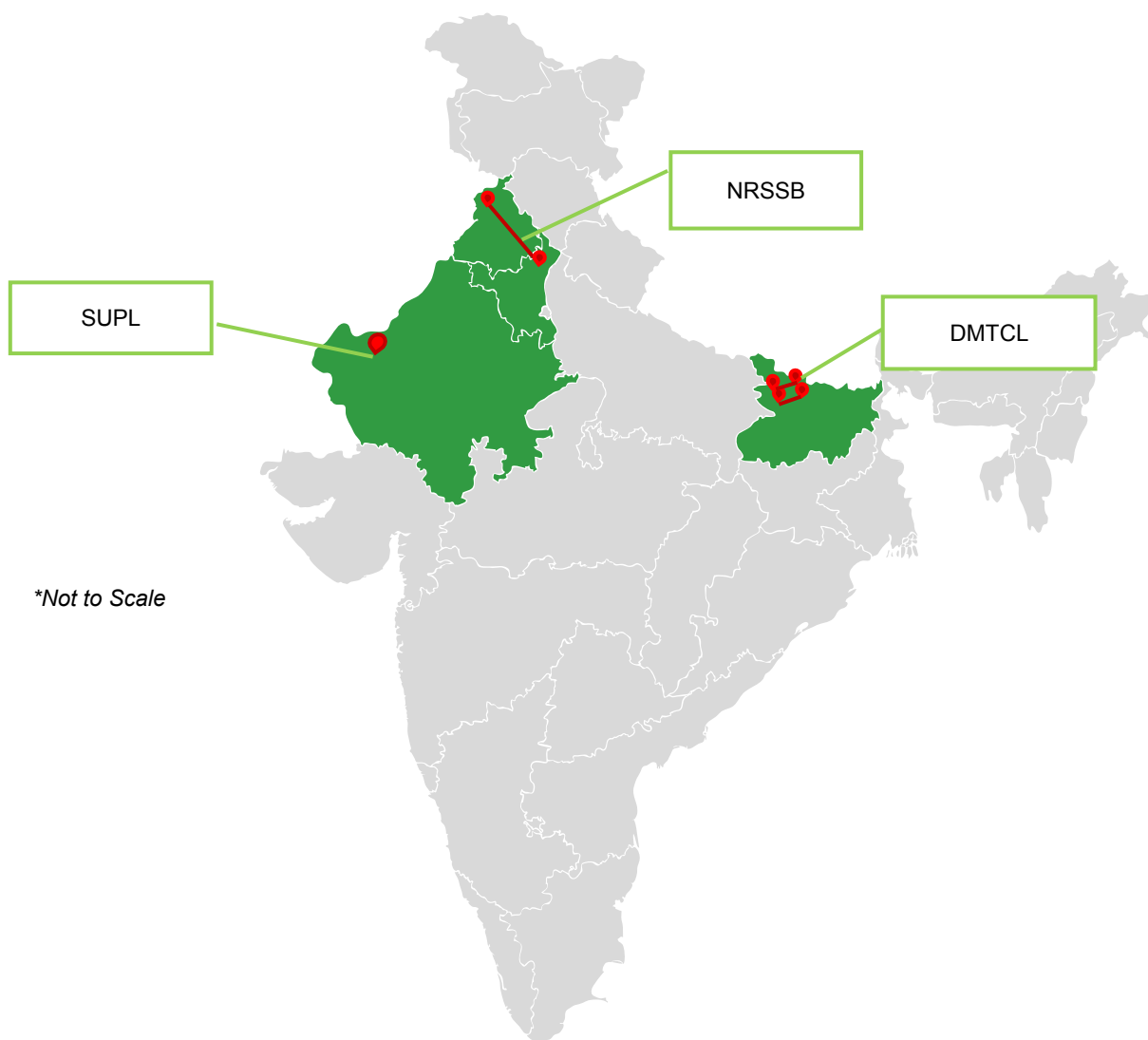
\*Fair Enterprise Value of SUPL as of 30<sup>th</sup> June 2024 includes value of CIL claim of Rs INR 971 Million. The fair value excluding CIL claim was INR 15,414 Mn.

The Current Fair EV of SUPL as on 31<sup>st</sup> March 2025 is calculated excluding the value of CIL, since, as of now all parties are still in the process of reconciliation of the CIL claim amount and there is an ongoing appeal and considering the uncertainty around timing and the exact amount of the claim to be received

- 3.1.3. Following is the table of the Trust as on the Report date displaying the amount of debt outstanding in the SPVs provided by the Trust:

						INR Mn
Sr. No	SPV	Equity stake	Seller	Whether seller is related party of Trust at acquisition date.	Outstanding Debt from the Trust to the SPV as at valuation date	
1	DMTCL	100%	Edelweiss Infrastructure Yield Plus Fund	Yes		6,373
2	NRSSB	100%	Edelweiss Infrastructure Yield Plus Fund	Yes		4,814
3	SUPL	100%	ReNew Private Limited	No		10,001

Following is a map of India showing the area covered by the SPVs of the Trust:



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**Background of the SPVs****3.3. Darbhanga-Motihari Transmission Company Limited ("DMTCL"):**

Summary of project details of DMTCL are as follows:

Parameters	Details – DMTCL
Project Cost	INR 10,927 Mn
Total Length	277.2 Ckms
Location of Assets	Bihar
TSA signing Date	6 <sup>th</sup> August 2013
SCOD as per TSA	9 <sup>th</sup> August 2016
Revised SCOD	10 <sup>th</sup> August 2017
TL issuance Date	30 <sup>th</sup> May 2014
Expiry Date of License	25 years from issue of Transmission License
Concession period	35 years from Revised SCOD
COD of last element of the SPV	10 <sup>th</sup> August 2017

Source: Investment Manager

- 3.3.1. DMTCL was incorporated on December 18, 2012 and entered into a transmission service agreement dated August 6, 2013 with its LTTCs for transmission of electricity for transmission system for Eastern Region System Strengthening Scheme – VI on a BOOM basis. The project was awarded on October 17, 2013, through the tariff based competitive bidding ("TBCB") mechanism, for a period of 35 years from the SCOD.
- 3.3.2. DMTCL operates two transmission lines of approximately 277.2 ckms comprising one 400 kV double circuit line of approximately 125.7 ckms from Darbhanga (Bihar) to Muzaffarpur (Bihar) and another, LILO of Barh (Bihar) - Gorakhpur (Uttar Pradesh) of 400 KV double circuit transmission line at 400/132 kv Motihari GIS substation of approximately 151.5 ckms. The DMTCL project was fully commissioned in August 2017.
- 3.3.3. The project consists of the following transmission lines and substations:

Particulars	Kms	COD	Location
400 kV Double Circuit Triple Snowbird Conductor Transmission System	62.8	31-Mar-17	Darbhangha (Bihar) to Muzaffarpur (Bihar)
LILO of 400 kV D/C Quad Moose Barh – Gorakhpur Transmission Line at 400/132 kV Motihari GIS Sub-station	75.8	10-Aug-17	Barh to Motihari (Bihar) - 37.6 km Motihari to Gorakhpur (Uttar Pradesh) - 38.2 km
2 X 500 MVA 400/220 kV Darbhanga Gas Insulated Substations (GIS)	NA	31-Mar-17	Substation Darbhanga (Bihar)
2 X 200 MVA 400/132 kV Motihari Gas Insulated Substations (GIS)	NA	10-Aug-17	Substation Motihari (Bihar)

Source: Investment Manager

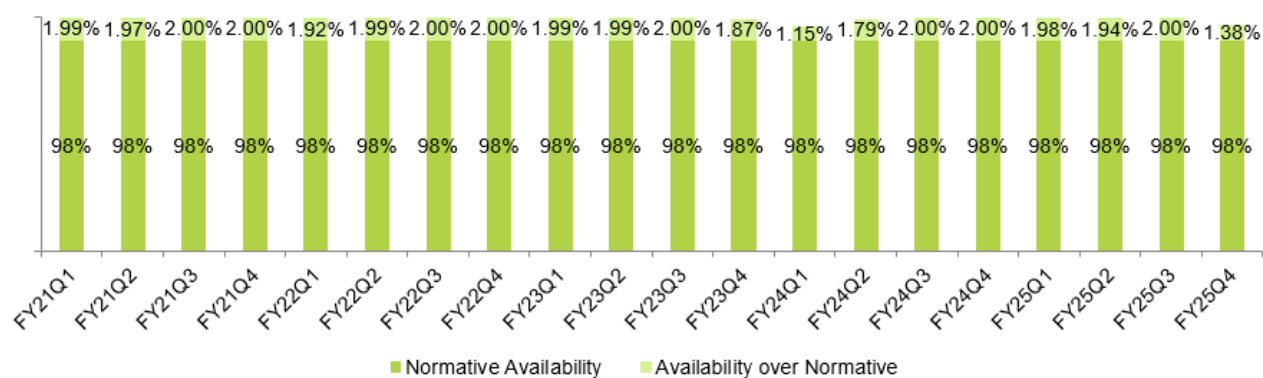
- 3.3.4. The equity shareholding of DMTCL as on Report Date is as follows:

Sr. No.	Particulars	No. of shares	%
1	Anzen India Energy Yield Plus Trust*	1,62,96,667	100.0%
	<b>Total</b>	<b>1,62,96,667</b>	<b>100.0%</b>

\* Including shares held by nominees of the Trust

Source: Investment Manager

## 3.3.5. Operating Efficiency history of DMTCL:



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- 3.3.6. My team had conducted physical site visit of the transmission assets of DMTCL on 17<sup>th</sup> May 2025, to the extent appropriate. Refer below for the pictures of DMTCL transmission assets:



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**3.4. NRSS XXXI (B) Transmission Limited ("NRSSB")****3.4.1. Summary of project details of NRSSB are as follows:**

Parameters	Details
Project Cost	INR 6,680 Mn
Total Length	577.7 Ckms
Location of Assets	Punjab and Haryana
TSA signing Date	2 <sup>nd</sup> January 2014
SCOD as per TSA	11 <sup>th</sup> September 2016
Revised SCOD	27 <sup>th</sup> March 2017
TL issuance Date	25 <sup>th</sup> August 2014
Expiry Date of License	25 years from issue of Transmission License
Concession period	35 years from Revised SCOD
COD of last element of the SPV	27 <sup>th</sup> March 2017

Source: Investment Manager

3.4.2. NRSSB was incorporated on July 29, 2013 and entered into a transmission service agreement dated January 2, 2014 with its LTTCs (for transmission of electricity for transmission system for Northern Region System Strengthening Scheme – XXXI(B) on a BOOM basis). The project was awarded on February 26, 2014 through the TBCB mechanism, for a period of 35 years from the SCOD.

3.4.3. NRSSB operates two transmission lines of approximately 577.7 ckms comprising one 400 kV double circuit line of approximately 278.4 ckms from Kurukshetra (Haryana) to Malerkotla (Punjab) and another 400 kV double circuit line of approximately 299.3 ckms from Malerkotla (Punjab) to Amritsar (Punjab). The NRSS project was fully commissioned in March 2017.

3.4.4. The project consists of the following transmission lines and substations:

Particulars	Kms	COD	Location
400 kV Double Circuit Transmission System	139.2	18-Jan-17	Kurukshetra (Haryana) to Malerkotla (Punjab)
400 kV Double Circuit Transmission System	149.7	27-Mar-17	Malerkotla (Punjab) to Amritsar (Punjab)

Source: Investment Manager

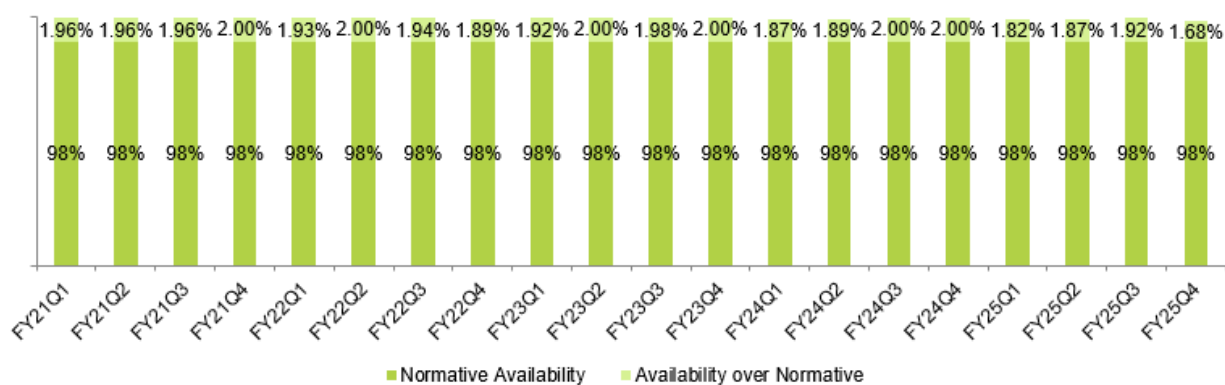
3.4.5. The equity shareholding of NRSSB as on Report Date is as follows:

Sr. No	Particulars	No. of shares	%
1	Anzen India Energy Yield Plus Trust*	98,32,143	100.0%
	<b>Total</b>	<b>98,32,143</b>	<b>100.0%</b>

\* Including shares held by nominees of the Trust

Source: Investment Manager

## 3.4.6. Operating Efficiency history of NRSSB:



Source: Investment Manager

3.4.7. My team has conducted physical site visit of the transmission assets of NRSSB on 19<sup>th</sup> May 2025, to the extent appropriate. Refer below for the pictures of NRSSB transmission assets:

**3.5. Solzen Urja Private Limited ("SUPL") [Previously known as Renew Sun Waves Private Limited] :**

SUPL is located in the region of Jaisalmer and is mainly engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic solar modules having a fixed tilt of 16 degrees, photo voltaic solar system/subsystem, concentrated solar power and to provide related services. Summary of the project details of SUPL are as follows:

**3.5.1. Summary of project details of SUPL are as follows:**

Parameters	Details
Installed Capacity (AC)	300.00 MW
Installed Capacity (DC)	~420.00 MWp
Plant Location	Jaisalmer, Rajasthan
Actual COD	5th October 2021
Land Area	~1,062 Acres
O&M Contractor	Current: Mahindra Teqo
PPA Counterparty	SECI
PPA Date	13th August 2019
PPA Term	25 years from Actual COD
PPA Tariff	2.55 INR/KWh
CER Registry	Not registered
CER Registration Status	Not registered
Trust's stake	100% ownership

Source: Investment Manager

Solzen Urja Private Limited is engaged in carrying on the business of setting up, generating and selling of renewable power from its ground mounted solar power plants located at Jaisalmer, Rajasthan. SUPL has entered into a PPA with SECI on 13th August 2019 for implementation of a ~420.00 MWp Solar Photovoltaic Power Generation Unit in the State of Rajasthan, under which it has a commitment to sell electricity for a period of 25 years. The Mono Crystalline panels are kept at a fixed tilt of 16 degrees and are spread over 1,062 acres.

**3.5.2. The equity shareholding of SUPL as on Report Date is as follows:**

Sr. No	Particulars	No. of shares	%
1	Anzen India Energy Yield Plus Trust*	29,59,444	100.0%
	<b>Total</b>	<b>29,59,444</b>	<b>100.0%</b>

\* Including shares held by nominees of the Trust

Source: Investment Manager



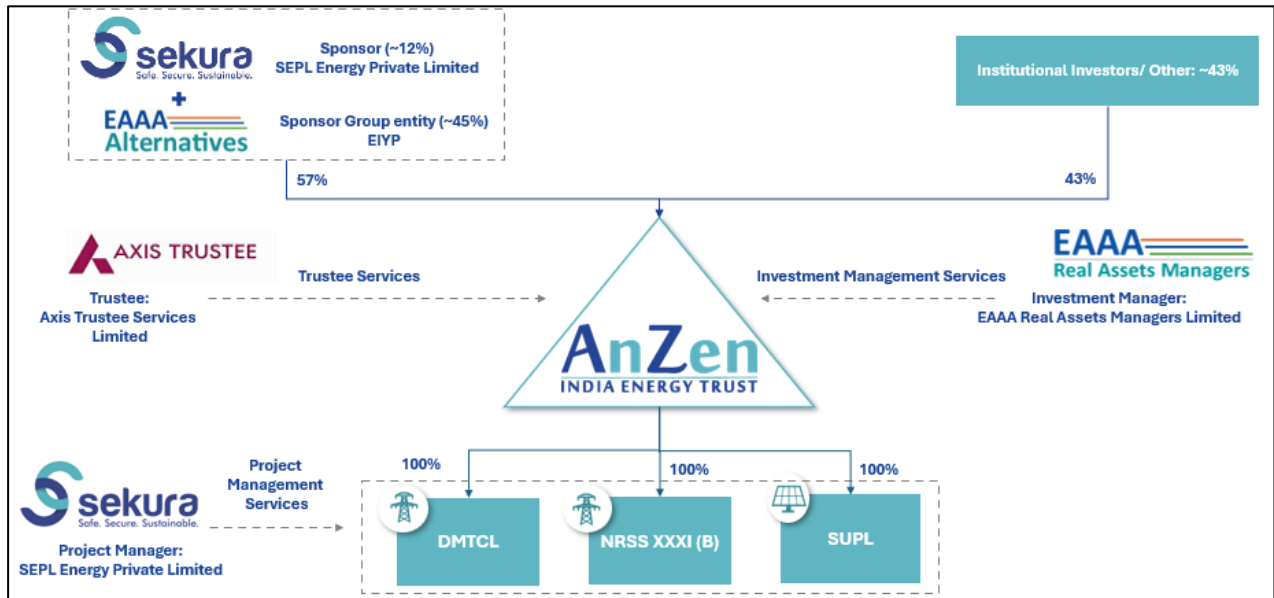
My team had conducted physical site visit of SUPL on 21<sup>st</sup> November 2024 to the extent appropriate. Refer below for the pictures of the plant site:

**Solzen Urja Private Limited, Jaisalmer, Rajasthan**



#### 4. Structure of the Trust

4.1. Following is the structure of Anzen InvIT as on 31<sup>st</sup> March 2025:



4.2 Disclosure of the fact whether the transaction is a related party or not:

Sr. No	SPV	Acquisition Date	Seller	Share Acquired	Whether seller is related party of Trust at acquisition date.
1	DMTCL	11-Nov-22	Edelweiss Infrastructure Yield Plus Fund	100%	Yes
2	NRSSB	11-Nov-22	Edelweiss Infrastructure Yield Plus Fund	100%	Yes
3	SUPL	07-Mar-25	ReNew Private Limited	100%	No

## 5. Overview of the Industries

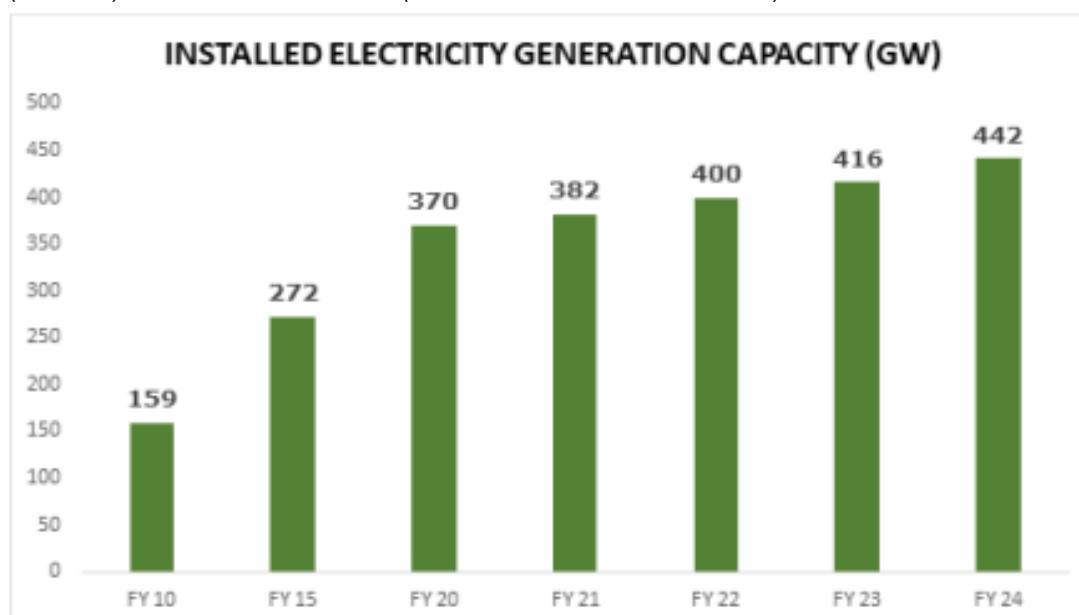
### Part A: Transmission Sector

#### 5.4. Introduction:

- 5.4.1 India is the third largest producer and third largest consumer of electricity in the world, with the installed power capacity reaching 475.2 GW as of 31<sup>st</sup> March 2025 (*Source: Central Electricity Authority*). The country also has the fifth largest installed capacity in the world. The country has 4<sup>th</sup> ranking for renewable energy installed capacity.
- 5.4.2 While conventional sources currently account for 52% of installed capacity, with the Government of India's ("GOI") ambitious projects and targets, power generated from Renewable Energy Sources ("RES"), which currently accounts for 48% of installed capacity, is expected to quickly overtake power generated from conventional sources. With a consistent focus on the renewable sector, the percentage share of installed capacity is expected to shift towards renewable capacity.
- 5.4.3 Peak Energy Demand grew at a compounded annual growth rate ("**CAGR**") of 4.7% from 148 GW in FY 2014 to 216 GW in FY 2023, while peak supply grew at a CAGR of 5% over the same period. As a result, the peak shortage dropped from 3 GW to 1 GW. The peak power demand in the country stood at 249.85 GW in September 2024.
- 5.4.4 The transmission sector is divided into inter-state and intra-state transmission projects. In addition, transmission network also includes cross-border interconnections with neighboring countries viz, Bangladesh, Bhutan, Nepal and Myanmar to facilitate optimal utilization of resources.

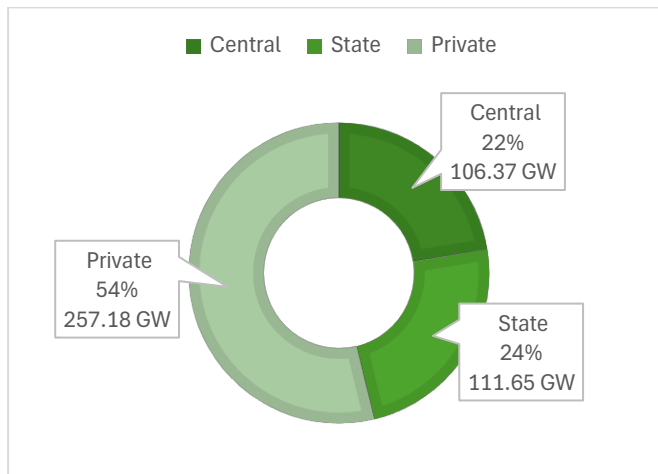
#### 5.5. Power Demand and Supply:

- 5.5.1 India has seen a robust growth in the installed power generation capacity in the past four years. With a generation of 1,844 Terawatt hour ("**TWh**"), India is the third largest producer and the third largest consumer of electricity in the world.
- 5.5.2 The Government plans to double the share of installed electricity generation capacity of renewable energy to 40% till 2030. With a commitment to achieving 500 GW of non-fossil fuel-based energy capacity by 2030, India is emerging as a global leader in clean energy. As on 20th Jan 2025, India's total non-fossil fuel-based energy capacity has reached 217.62 GW.
- 5.5.3 New renewable energy infrastructure can now be built within two years from initial plans through to completion, years faster than any new coal or LNG fired plants. Unlike conventional thermal generation capacity which takes more than 5 years, renewable capacity addition takes less than 2 years to develop.
- 5.5.4 Per capita electricity consumption in India has surged to 1,395 kWh in 2023-24, marking a **45.8%** increase (438 kWh) from 957 kWh in 2013-14 (*Source: Press Information Bureau*).



5.5.5. Details of Installed power capacity in India are as follows: -

**Sector-wise total installed capacity as at 31<sup>st</sup> March 2025:**



(Source: Central Electricity Authority)

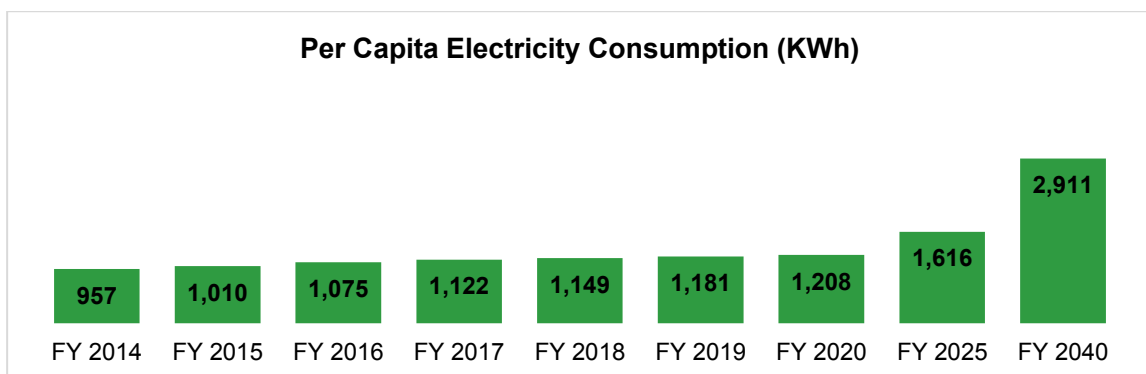
5.5.6. **India's Total Installed Power Capacity as on 31<sup>st</sup> March 2025 (in GW):**

Particulars	Total Capacity (GW)	% of Total
Thermal:		
- Coal	215.2	45.3%
- Lignite	6.6	1.4%
- Gas	24.5	5.2%
- Diesel	0.6	0.1%
Nuclear	8.2	1.7%
Hydro	47.7	10.0%
Renewable Energy Source		
- Small Hydro	5.1	1.1%
- Wind	50.0	10.5%
- Bio-power	11.6	2.4%
- Solar	105.6	22.2%
<b>Total</b>	<b>475.2</b>	<b>100.0%</b>

(Source: Central Electricity Authority)

5.5.7. New renewable energy infrastructure can now be built within two years from initial plans through to completion, years faster than any new coal or LNG fired plants. Unlike conventional thermal generation capacity which takes more than 5 years, renewable capacity addition takes less than 2 years to develop.

5.5.8. Per capita electricity consumption in India has surged to 1,395 kWh in 2023-24, marking a 45.8% increase (438 kWh) from 957 kWh in 2013-14.





- 5.5.9. In addition, various initiatives introduced by the GOI, such as Power for All, Deendayal Upadhyaya Gram Jyoti Yojana, Integrated Power Development Scheme (IPDS) and Ujwal DISCOM Assurance Yojana Scheme will improve and strengthen the demand and supply of electricity in India as well as assist the DISCOMs in improving operational and financial efficiencies.

## 5.6. Global Renewable Energy Outlook

- 5.6.1. In FY24 Solar and wind energy dominated new capacity additions, with solar capacity growing by 88% and surpassing hydropower and nuclear.
- 5.6.2. Under existing policies and market conditions, global renewable capacity is forecast to reach 7,300 GW by 2028. This growth trajectory would see global capacity increase to 2.5 times its current level by 2030, falling short of the tripling goal.
- 5.6.3. The driving forces behind growth in renewable energy capacity includes robust policy support, energy security priorities and improved competitiveness against fossil fuels, outweighing challenges like higher costs and supply chain issues
- 5.6.4. Escalating electricity prices from the energy crisis prompted policymakers, particularly in Europe, to prioritize energy security and seek alternatives to imported fossil fuels. This shift favors solar PV, especially for quick installation of residential and commercial systems to meet surging requirement for renewable energy.
- 5.6.5. According to IEA's Renewable 2024 Report, over the coming six years several renewable energy milestones are expected to be achieved:
- In 2024, solar PV and wind generation together surpass hydropower generation.
  - In 2025, renewables-based electricity generation overtakes coal-fired.
  - In 2026, wind and solar power generation both surpasses nuclear.
  - In 2027, solar PV electricity generation surpasses wind.
  - In 2029, solar PV electricity generation surpasses hydropower and becomes largest renewable power source.
  - In 2030, wind-based generation surpasses hydropower.
- 5.6.6. The rapid expansion of ever cheaper solar PV is expected to account for roughly half of global electricity demand growth to 2027, up from 40% in 2024. Globally, solar PV generation hit the 2 000 TWh mark in 2024, producing 7% of global electricity generation, up from 5% in 2023.
- 5.6.7. Renewable energy sector is expected to focus on various areas, including advanced solar photovoltaic (PV) technology, robotics, artificial intelligence (AI), large-scale data analysis (big data), decentralized energy storage systems, integration with power grids, blockchain technology, the production of green hydrogen, bioenergy, hydropower and wind power.

## 5.7. India's economic outlook:

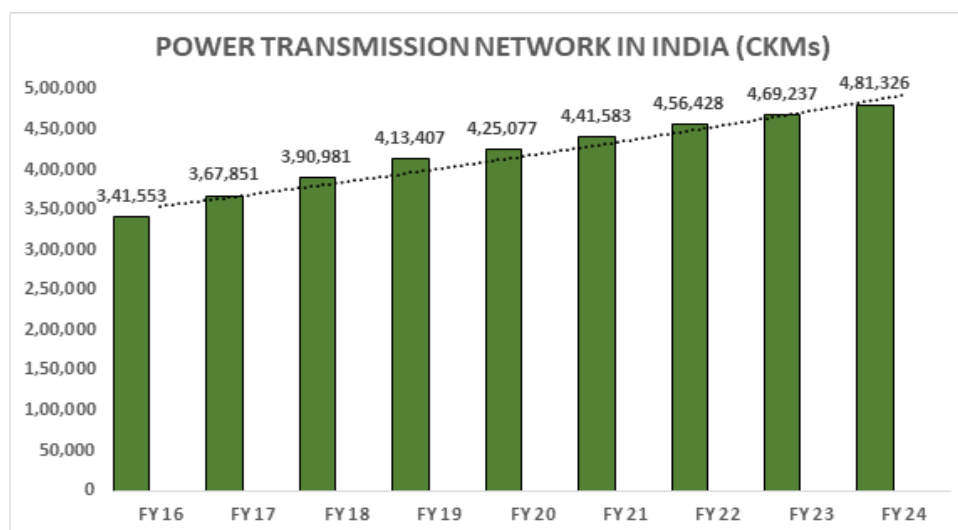
India's economic landscape has seen remarkable developments in recent times, showcasing its robust growth and strategic shifts:

- 5.7.1 In 2024-25, India's economic growth surged to an impressive 6.4%, positioning the country as one of the fastest-growing economy within the G20. Additionally, India has surpassed the UK to become the fifth largest global economy and overtaken China to emerge as the world's most populous nation.
- 5.7.2 The pace of planned thermal capacity additions has decelerated significantly, reflecting a strategic shift by the Government of India (GoI) towards renewable energy. The GoI has set ambitious targets, aiming for a renewable power capacity of 500GW by 2030. This aggressive target underscores the policy makers' strong commitment to sustainable energy.

- 5.7.3 The power sector remains a pivotal area for attracting Foreign Direct Investment (FDI) into India, with the government allowing 100 percent FDI in this sector. This openness to foreign investment highlights the sector's critical role in India's economic strategy.
- 5.7.4 The Union Budget 2025-26 allocates ₹26,549.38 crore to the Ministry of New & Renewable Energy (MNRE) a massive 53.48% jump from last year's revised ₹17,298.44 crore, demonstrating the government's enhanced focus on solar energy initiatives.
- 5.7.5 According to the Economic Survey 2018-19, additional investments in renewable energy plants up to the year 2022 were projected at approximately US\$ 80 billion. For the period from 2023 to 2030, the required investment is estimated to be around US\$ 250 billion. These figures highlight the substantial financial commitment needed to achieve the renewable energy targets.
- 5.7.6 India's macroeconomic stability has improved, coupled with increased government expenditure in infrastructure sectors. These factors have contributed to enhancing India's ranking in the Global Competitiveness Index (GCI), which rose to 39th in 2024 from 43rd in 2019-20. This improved ranking reflects the country's strengthened economic fundamentals and competitiveness on the global stage.

## 5.8. Power transmission network in India:

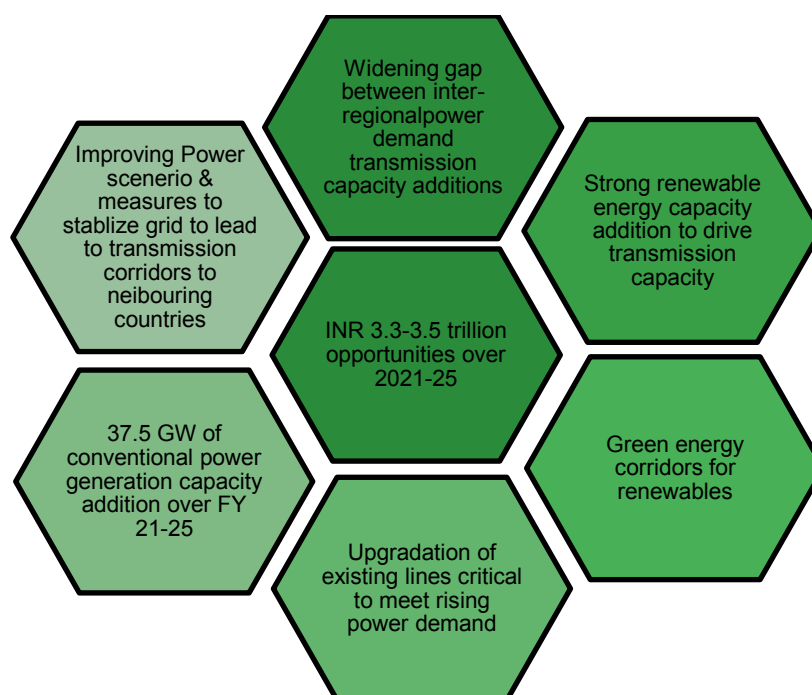
- 5.8.1. The government's focus on providing electricity to rural areas has led to the T&D system being extended to remote villages. Total Transformation Capacity addition during FY 2024-25 is 86433 MVA and the Total Transformation Capacity is 13.37 Lakh MVA. The total transmission network has increased from ~3.13 Lakhs Ckms in FY 15 to around ~4.81 Lakhs Ckms in FY24.
- 5.8.2. Inter-state transmission has seen considerable growth in the past decade, which led to the creation of a synchronous National Grid, achievement of 'One Nation-One Grid-One Frequency', which has been an enabler for power markets in the country. The total inter-regional transmission capacity of the National Grid was 1,16,570 MW as on March, 2024.



(Source: NIP & CEA Executive Summary)

- 5.8.3. As on January 2019 approx. 7.2% of total transmission network is owned by private players which showcase the need of more private sector participation in this space. India has been underinvested as far as transmission is concerned.
- 5.8.4. PGCIL has remained the single largest player in inter regional power transmission capacity addition contributing to 45%-50% of the total investment in the sector with a vast transmission network covering over 1,77,699 Ckm (circuit kilometers) of lines and 278 substations boasting a transformation capacity exceeding 5,27,446 MVA,
- 5.8.5. Of the total capacity-addition projects in transmission during the 12th FYP, about 42% can be attributed to the state sector. The share of private sector in transmission line and substation additions since the beginning of 12th FYP is 14% and 7%, respectively, as the majority of high-capacity, long-distance transmission projects were executed by PGCIL and state transmission utilities during this period.

- 5.8.6. In order to strengthen the power system and ensure free flow of power, significant investments would be required in the T&D segment. Moreover, commissioning of additional generation capacity, rising penetration of renewable energy, regional demand-supply mismatches, up gradation of existing lines, rising cross border power trading would necessitate huge investments in transmission sector in India.
- 5.8.7. Over the past five years, India's T&D sector has attracted significant investments to enhance grid reliability, reduce losses and support renewable energy integration. Between fiscals 2019 and 2024, the total investments in the transmission sector amounted to Rs 2,63,800 crore, of which Rs 3,000 crore was dedicated to GEC projects. Further, the total investments in the distribution sector amounted to Rs 4,22,400 crore, of which Rs 4,500 crore was dedicated to smart metering projects
- 5.8.8. Key growth drivers in the transmission sector:



## 5.9. Factors Encouraging Investments in Power Transmission in India:

### 5.9.1. Operational power transmission projects have minimal risks:

In the project construction phase, transmission assets face execution risks including right of way, forest and environment clearances, increase in raw material prices etc. However, post commissioning, with the implementation of the Point of Connection (PoC) mechanism, there is limited offtake and price risk. Thus, operational transmission projects have annuity like cash flows and steady project returns.

### 5.9.2. Availability based regime:

As per the TSA, the transmission line developer is entitled to get an incentive amount in the ratio of the transmission charge paid or actually payable at the end of the contract year. Maintaining availability in excess of the targeted availability gives the relevant asset the right to claim incentives at pre-determined rates, ensuring an adequate upside to maintaining availability.

### 5.9.3. Counter-party risk diversified:

Given PAN-India aggregation of revenue among all TSPs and not asset specific billing, the counter party risk is diversified. If a particular beneficiary delays or defaults, the delay or shortfall is prorated amongst all the licensees. Thus, delays or defaults by a particular beneficiary will have limited impact, which will be proportionate to its share in overall ISTS.

**5.9.1 Payment security:**

The TSA includes an arrangement for payment security, which reduces under recovery of revenues. Payment security is available in terms of a revolving letter of credit of required amount that can be utilized to meet the revenue requirement in case of a shortfall.

**5.9.2 Collection risk offset owing to the presence of CTU:**

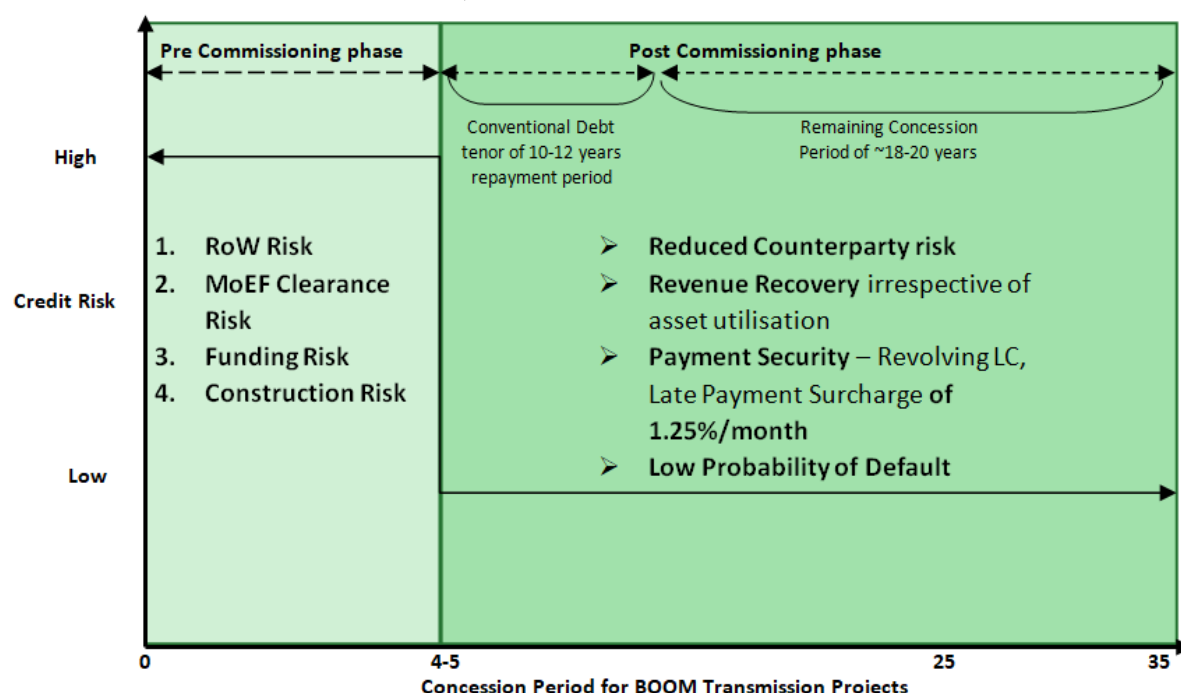
According to CERC (sharing of inter-state transmission charges and losses) regulations, 2010, CTU has been assigned the responsibility of carrying out activities including raising of transmission charge bills on behalf of all ISTS licensees, collecting the amount and disbursing the same to ISTS licenses. Thus, a private transmission licensee no longer needs to collect transmission charges from multiple DISCOMs for each transmission project. Instead, the transmission revenue payable to the licensee is disbursed by the CTU on a monthly basis.

**5.9.3 Increase in Pace of Awarding Projects under TBCB :**

Between 2010-11 and 2014-15, the pace of award of project was slow with only Rs. 180-190 billion (~USD 2.48-2.62 billion) of projects being awarded. However, the pace of award of project has significantly increased. In fact, in 2015-16, projects aggregating to ~Rs. 260 billion (~USD 3.58 billion) were awarded. Awarding of projects through TBCB picked up from fiscal 2017 onwards. In fact, between fiscals 2017 and 2020, projects worth ~312 billion have been awarded by BPCs (REC, PFC).

**5.9.4 Power Transmission infrastructure has better risk return profile as compared to other infrastructure projects:**

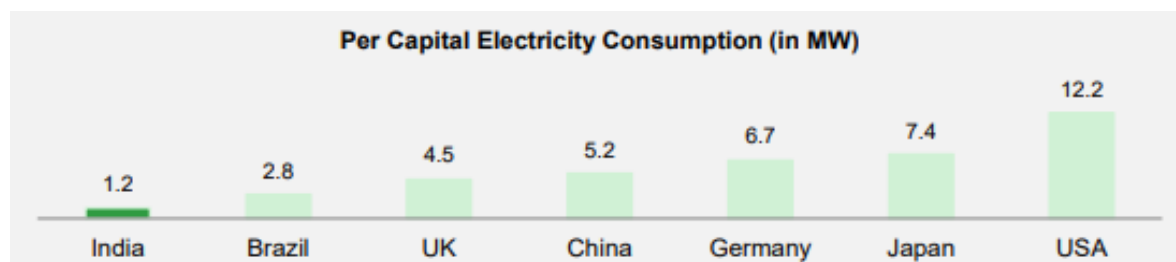
Returns from various infrastructure projects (other than transmission line projects) like roads, ports and power generation rely mostly on the operational performance of the assets, which in turn is dependent on factors where developers have limited control. For instance, in the roads sector (non-annuity based project) the company's profits are dependent on collection of toll revenues, the port sector bears risk of cargo traffic, while in the case of power generation, it depends on availability of fuel and offtake by distribution companies while in the case of ISTS transmission projects the charges are independent of the total power transmitted through the transmission lines and hence factors such as volume, traffic do not fluctuate the revenues.



(Sources: CRISIL Infrastructure Yearbook 2025, CEA Executive Summary on Power Sector: March 2025, Installed capacity report FY 2025, PGCIL Annual Report, Growth Summary of Transformation Capacity, All India Installed Capacity of Power Stations March 2025-Central Electricity Authority of India, Press Information Bureau)

## Part B: Renewable Sector

- 5.10** India is the most populous democracy in the world with a population of more than 1.4 billion. India's GDP grew 6.2% in the third quarter of Financial Year 2025, following a 5.6% increase in the preceding quarter. The overall GDP growth for the fiscal year is projected at 6.5%. An efficient, resilient, and financially robust power sector is essential for the growth of the Indian economy. A series of reforms in the 1990s and the Electricity Act 2003 as amended from time to time have moved the Indian power sector towards being a competitive market with multiple buyers and sellers supported by regulatory and oversight bodies



- India is the 3rd largest energy consuming country in the world. It stands 4th globally in renewable energy installed capacity, 4th wind power capacity and in 5th solar power capacity (as per REN21 Renewables 2023 Global Status Report). The country has set an enhanced target at the COP26 of 500 GW of non-fossil fuel-based energy by 2030. This has been a key pledge under the Panchamrit Scheme. This is the world's largest expansion plan in renewable energy.
- In the financial year 2024–25, India added 29.52 GW of new renewable energy capacity, bringing the total installed renewable energy capacity to 220.10 GW as of March 31, 2025, up from 198.75 GW at the end of the previous fiscal year.
- India's installed non-fossil fuel capacity has increased 396% in the last 8.5 years and stands at more than 211.36 Giga Watts (including large Hydro and nuclear). In addition, 183.19 GW of capacity is under implementation and 55.13 GW capacity is under tendering. The installed solar energy capacity has increased 24.4 times in the last 9 years and stands at 105.65 GW as of March 2025. The installed Renewable energy capacity (including large hydro) has increased by around 128 % since 2014.
- Electricity security has improved through the creation of one national power system and major investments in clean energy. India is now working on integrating higher shares of variable renewable energy into the energy mix.
- The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. As the economy grows, the electricity consumption is projected to reach 15,280 TWh in 2040 from 4,926 TWh in 2012. Most of the demand will come from the real estate and transport sectors.

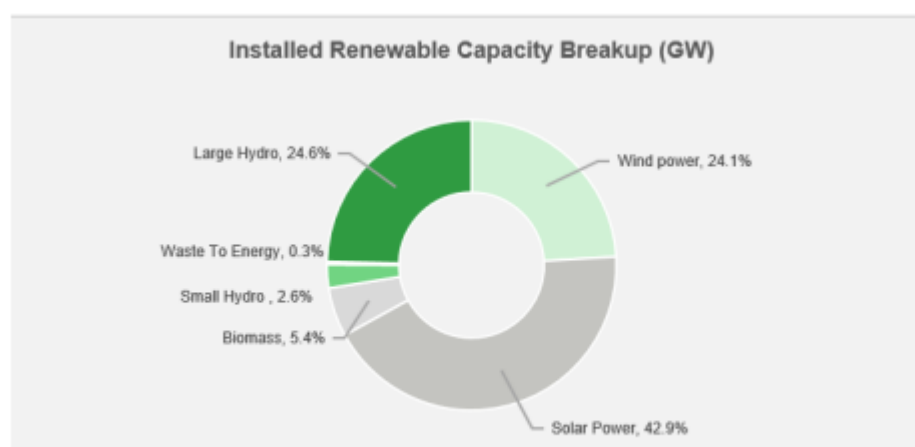
## 5.11 Global Renewable Energy Outlook

- 5.11.1 Under existing policies and market conditions, global renewable capacity is forecast to reach 7,300 GW by 2028. This growth trajectory would see global capacity increase to 2.5 times its current level by 2030, falling short of the tripling goal
- 5.11.2 The driving forces behind growth in renewable energy capacity includes robust policy support, energy security priorities and improved competitiveness against fossil fuels, outweighing challenges like higher costs and supply chain issues.
- 5.11.3 Escalating electricity prices from the energy crisis prompted policymakers, particularly in Europe, to prioritize energy security and seek alternatives to imported fossil fuels. This shift favors solar PV, especially for quick installation of residential and commercial systems to meet surging requirement for renewable energy.

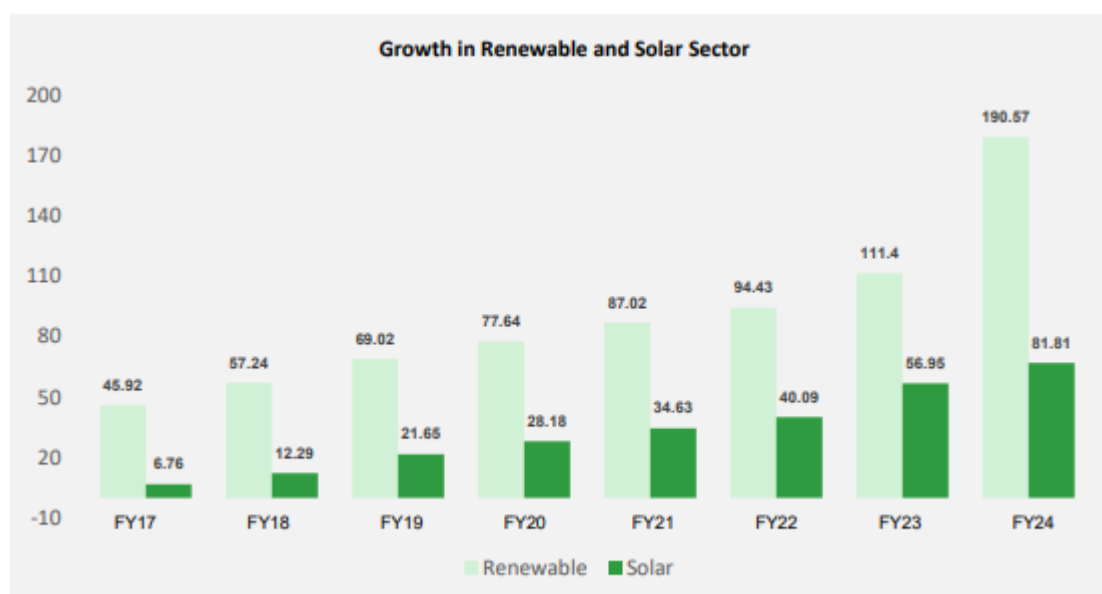
- 5.11.4 The rapid expansion of ever cheaper solar PV is expected to account for roughly half of global electricity demand growth to 2027, up from 40% in 2024. Globally, solar PV generation hit the 2 000 TWh mark in 2024, producing 7% of global electricity generation, up from 5% in 2023.
- 5.11.5 According to IEA's Renewable 2024 Report, over the coming five years several renewable energy milestones are expected to be achieved:
- In 2024, solar PV and wind generation together surpass hydropower generation.
  - In 2025, renewables-based electricity generation overtakes coal-fired.
  - In 2026, wind and solar power generation both surpasses nuclear.
  - In 2027, solar PV electricity generation surpasses wind.
  - In 2029, solar PV electricity generation surpasses hydropower and becomes largest renewable power source.
  - In 2030, wind-based generation surpasses hydropower.
- 5.11.6 The renewable energy sector is expected to focus on various areas, including advanced solar photovoltaic (PV) technology, robotics, artificial intelligence (AI), large-scale data analysis (big data), decentralized energy storage systems, integration with power grids, blockchain technology, the production of green hydrogen, bioenergy, hydropower and wind power

## 5.12 Indian Renewable Energy Outlook

- 5.12.1 Renewable energy sources have a combined installed capacity of 220.10+ GW. As of March 2025, Renewable energy sources, including large hydropower, have a combined installed capacity of 190.57 GW. The following is the installed capacity for Renewables:



Source: PIB



Source: PIB

- 5.12.2 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.
- 5.12.3 As March 2024, there are a total of 58 solar parks in India with a sanctioned capacity of 40 GW, in contrast to March 2016, when there were only 34 solar parks with 20 GW sanctioned capacity.

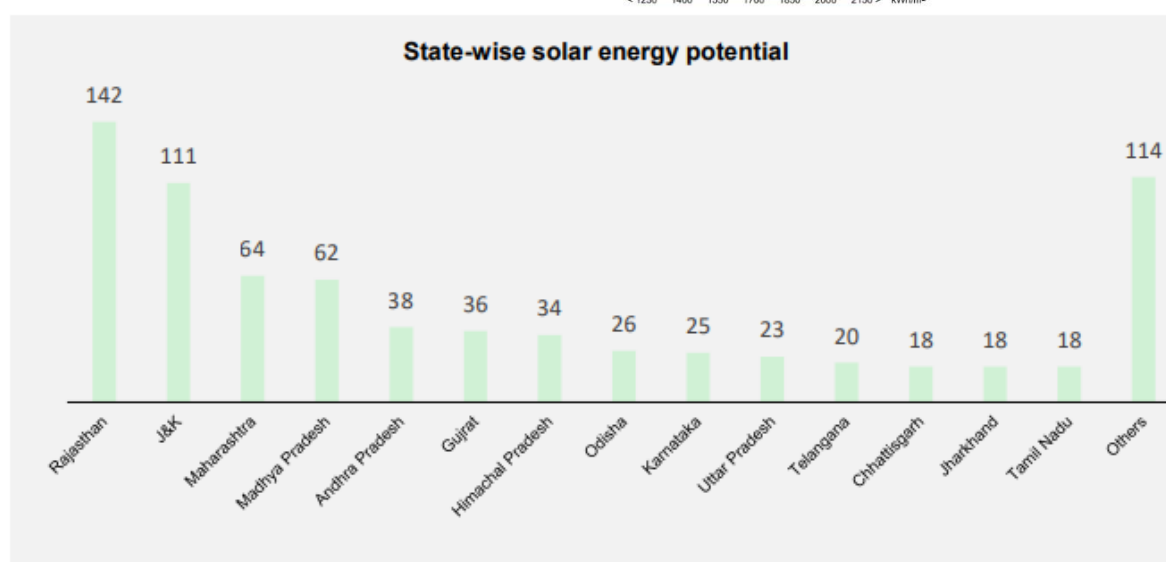
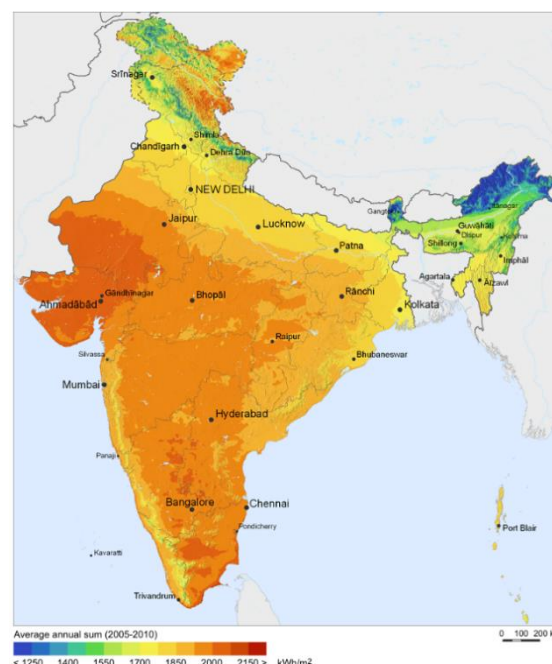
### 5.13 Budget Overview: Renewable Energy Sector

- 5.13.1 The 2024-25 Interim Budget provided for a budgetary allocation of Rs 10,000 Cr to solar power grid projects in FY2025 BE, which is massive 110% increase from Rs 4,557 Cr allocated in FY2024 Revised Estimates.
- 5.13.2 Through rooftop solarization, one crore households will be enabled to obtain up to 300 units free electricity every month. Each household is expected to save Rs.15000 to Rs.18000 annually.
- 5.13.3 Viability gap funding will be provided for harnessing offshore wind energy potential for initial capacity of one giga-watt
- 5.13.4 Coal gasification and liquefaction capacity of 100 MT will be set up by 2030. This will also help in reducing imports of natural gas, methanol, and ammonia.
- 5.13.5 Phased mandatory blending of compressed biogas (CBG) in compressed natural gas (CNG) for transport and piped natural gas (PNG) for domestic purposes will be mandated.
- 5.13.6 Financial assistance will be provided for procurement of biomass aggregation machinery to support collection.



## 5.14 Indian Solar Industry Outlook

5.14.1 India is endowed with vast solar energy potential. About 5,000 trillion kWh per year energy is incident over India's land area with most parts receiving 4-7 kWh per sq. m per day. Solar photovoltaic power can effectively be harnessed providing huge scalability in India. Solar also provides the ability to generate power on a distributed basis and enables rapid capacity addition with short lead times. Off-grid decentralized and low-temperature applications will be advantageous from a rural application perspective and meeting other energy needs for power, heating and cooling in both rural and urban areas. From an energy security perspective, solar is the most secure of all sources, since it is abundantly available. Theoretically, a small fraction of the total incident solar energy (if captured effectively) can meet the entire country's power requirements.



Source: PIB

5.14.2 National Institute of Solar Energy has assessed the Country's solar potential of about 748 GW assuming 3% of the waste land area to be covered by Solar PV modules. Solar energy has taken a central place in India's National Action Plan on Climate Change with National Solar Mission as one of the key Missions. National Solar Mission (NSM) was launched on 11th January, 2010. NSM is a major initiative of the Government of India with active participation from States to promote ecological sustainable growth while addressing India's energy security challenges. It will also constitute a major contribution by India to the global effort to meet the challenges of climate change. The Mission's objective is to establish India as a global leader in solar energy by creating the policy conditions for solar technology diffusion across the country as quickly as possible. The Mission targets installing 100 GW grid-connected solar power plants by the year 2022. This is in line with India's Intended Nationally Determined Contributions (INDCs) target to achieve about 40 percent cumulative electric power installed capacity from non-fossil fuel based energy resources and to reduce the emission intensity of its GDP by 33 to 35 percent from 2005 level by 2030.



5.14.3 Recently, India stands 4<sup>th</sup> in solar PV deployment across the globe as on end of 2023. Solar power installed capacity has reached around 82 GW as on 31<sup>st</sup> March, 2024. Presently, solar tariff in India is very competitive and has achieved grid parity.

5.14.4 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 share of solar energy of overall RE installed capacity has increased from 7.5% in 2014 to around 39.7% in 2020, growing at a CAGR of 53.7%.

## 5.15 Understanding key terms used in the solar industry

### 5.15.1 Plant Load Factor (PLF)

- The Central Electricity Regulatory Commission defines Plant Load Factor as a percentage of energy sent out by the power plant corresponding to installed capacity in that period. In the context of solar power plants, it reflects how efficiently the plant is utilizing its installed solar panel capacity to generate electricity over a specific period, often a year. In India, the Ministry of Power has, since the early 90s, used the Plant Load Factor as a metric to check the efficiency of a plant. A PLF norm has been set, and incentives are being given to those producers who produce power in excess of the norm.

$$PLF = (\text{Actual Energy Output} / (\text{Installed Capacity} * \text{Total Time})) * 100$$

where, Actual Energy Output: The total amount of energy generated by the solar power plant over the chosen time period.

Installed Capacity: The maximum power output the solar panels are designed to produce under ideal conditions (rated capacity).

Total Time: The duration for which the plant has been operating (usually measured in hours).

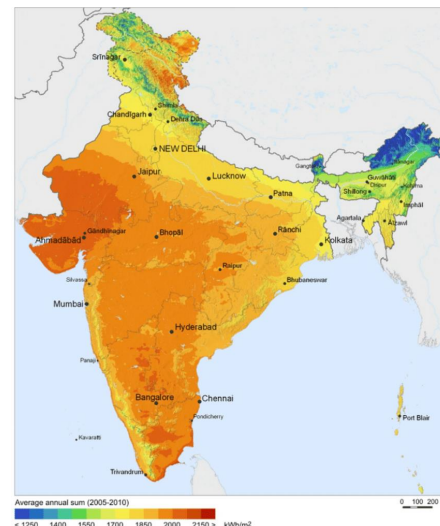
- A low PLF is bad for the power plant as it indicates that the plant is not being used to its optimal capacity. This will increase the per-unit cost of the power thus produced, making it unattractive for purchase by DISCOMs. A higher PLF, on the other hand, will generate a greater total output which will reduce the cost per unit of energy generated. The higher the output, the lesser will be cost per unit. The additional energy produced would also result in an increase in revenue of the plant.
- The average Plant Load Factor (PLF) for solar power plants can vary significantly depending on factors such as location, technology, weather conditions, maintenance practices, and the design of the solar plant. Generally, PLF for solar power plants is influenced by the availability of sunlight, which can vary based on the geographical location and weather patterns
- On average, well-designed and efficiently operated solar power plants can achieve PLFs in the range of 15% to 25%. However, some high-performing solar installations can achieve even higher PLFs, exceeding 25%.
- The trend in PLF in the solar industry has been improving over the years due to advancements in solar technology, improved design practices, better site selection, and increased experience in operation and maintenance. As technology has progressed, solar panels have become more efficient at converting sunlight into electricity, and better forecasting and monitoring systems have allowed operators to optimize their plants' performance. Additionally, the growth of solar power capacity in regions with abundant sunlight has contributed to better overall PLF figures.
- The PLF is not the same as the availability factor. The availability factor of a power plant is the amount of time that it is able to produce electricity over a certain period, divided by the amount of the time in the period. The availability of a power plant varies greatly depending on the type of design of the plant and how the plant is operated. The variability in the PLF is a result of seasonality, cloud covers, air pollution, and daily rotation of the earth, equipment efficiency losses, breakdown of transmission system and grid availability.

Another factor that affects the PLF is the performance ratio of the plant. The performance ratio is a measure of the quality of a PV plant that is independent of location, and it therefore often described as a quality factor. The

performance ratio (PR) describes the relationship between the actual and theoretical energy outputs of the PV plant. The plant load factor is effective in measuring the performance of the power plants. Higher plant load factor at a plant indicates increased electricity generation

### 5.15.2 Solar Irradiation

- Solar irradiance is the output of light energy from the sun that reaches the earth. It is measured in terms of the amount of sunlight that hits a square meter of a surface in one second.
- Solar irradiance is a key factor in determining the energy output of solar power plants. By understanding the local solar irradiance conditions, engineers can design solar installations to capture the maximum amount of available sunlight. It also plays a crucial role in sizing solar panels, predicting energy production, and optimizing the orientation and tilt angles of panels to achieve higher energy yields.
- In conclusion, solar irradiance is the foundation of solar energy generation. It's the primary resource that solar panels capture and convert into electricity. Understanding local irradiance patterns is crucial for effective solar power plant design, operation, and energy yield optimization.
- Solar irradiance is influenced by various factors, including:



**Time of Day:** Irradiance is highest when the sun is directly overhead (solar noon) and decreases in the morning and evening.

**Season:** Irradiance varies with the sun's angle in the sky, which changes with the seasons.

**Geographical Location:** Solar irradiance is generally higher near the equator and lower toward the poles.

**Weather Conditions:** Cloud cover, air pollution, and atmospheric conditions can attenuate or scatter sunlight, affecting irradiance levels

### 5.15.3 Degradation

Solar panels convert solar radiation into electrical energy. The ability to do so declines steadily and irreversibly over time. The degradation may be in a cell or parts of a module or both. The ability to accurately predict power delivery over time is vital to assess the credit risk profile of a project. The thumb rule in the industry is 0.50% system degradation per annum. Anything higher is considered a risk to cash generating ability and, by extension, to debt servicing ability. Degradation depends on many factors such as technology, panel quality

### 5.15.4 Global Horizontal Irradiance (GHI)

Global Horizontal Irradiance (GHI) is the amount of terrestrial irradiance falling on a surface horizontal to the surface of the earth. GHI can be measured with a variety of instruments. The most common instrument used to measure GHI is called a pyranometer which has a hemispherical (180°) view angle.

### 5.15.5 Performance Ratio (PR)

The performance ratio (PR) is a metric used in the PV industry to measure the relationship between a plant's actual and theoretical energy outputs. It's calculated by dividing the energy generated by the plant (kWh), by the irradiance (kWh/m<sup>2</sup>), then multiplying by the active area of the PV module (m<sup>2</sup>), and finally multiplying by the PV module efficiency. The PR is stated as a percentage and is independent of location.

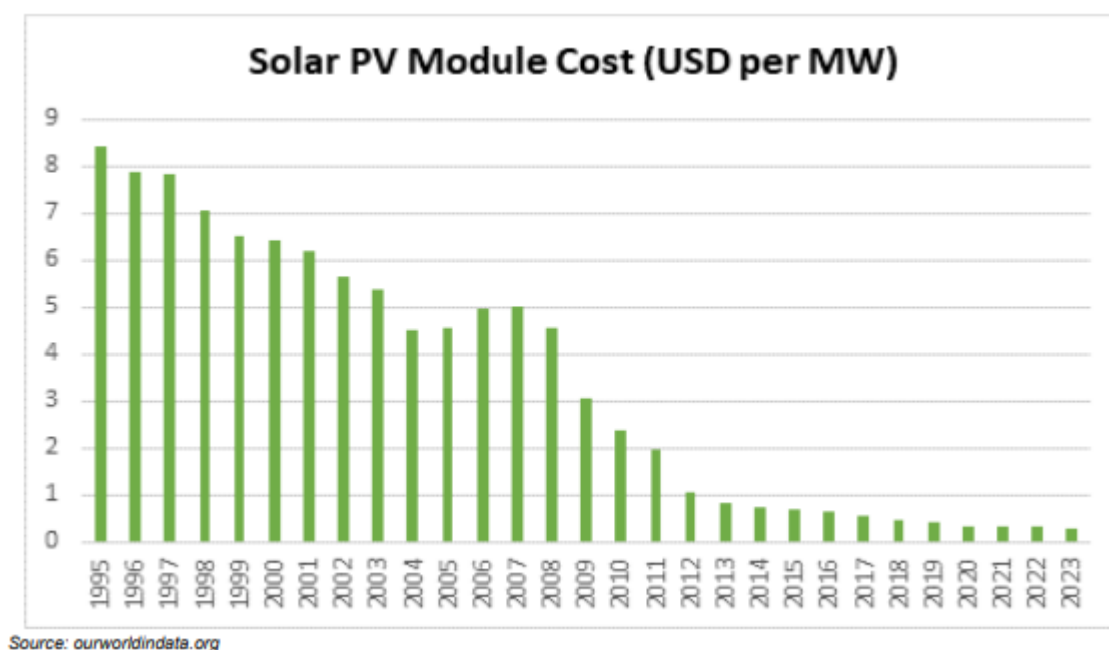
5.15.6 **Plant Availability Factor (PAF)**

Plant Availability Factor (PAF) is the ratio of a power plant's actual operating hours to its scheduled operating hours during a given period. In a solar PV power plant, PAF is an important factor that depends on the functioning of its components and grid regulation. A high PAF indicates that the plant is operating efficiently and reliably, while a low PAF can lead to higher downtime and revenue loss.

5.15.7 **Deviation Settlement Mechanism Charges (DSM Charges)**

Any demand-supply imbalance of electricity leads to a fluctuation in the grid frequency from the standard value, which is set at 50 Hertz (Hz) in India. A significant drop or rise in frequency could lead to a power system blackout. Therefore, the Indian Electricity Grid Code (IEGC) 2010 restricts the operational frequency between 49.90 to 50.05 Hz. To maintain the frequency within the band, the power distribution companies must predict demand accurately and schedule supply accordingly. Deviation Settlement Mechanism (DSM) is a regulatory mechanism by which grid stability is achieved by imposing penalty and incentives for over draw/injection or under draw/injection from the schedule. DSM is a frequency linked mechanism. It is not related to any market conditions.

5.15.8 India's solar power tariffs are expected to touch ₹2.6-2.7 per unit due to the increase in the goods and services tax (GST) on renewable energy equipment and a proposed customs duty on imported solar modules, according to Crisil Ratings. According to a recent research report released by India Ratings, the decline in solar tariffs is being driven by (a) Advancement in panel designs enabling a higher capacity utilisation factor (CUF); (b) Lower financing costs due to declining interest rates and (c) Lower capital cost/MW of around ₹ 40 million/MW due to declining Panel costs as can be seen in the below chart:



### **5.16 Challenges**

- There are several challenges to overcome, including regulatory and policy inconsistencies, changes in duties, and payment delays by distribution companies (DISCOMs), among others.
- Payment disputes by DISCOMs were also rampant, slowing down any progress made by developers. The government's introduction of credit mechanisms and amendments to policies has done little in the way of negating these issues. A 25% Safeguard Duty (SGD) was announced on solar cell and module imports from China and Malaysia between July 30, 2018, and July 29, 2019. The duty was set at 25% for the first year, followed by a phased down approach for the second year, with the rate set to be lowered by 5% every six months until July 2020.
- Manufacturers of solar modules, ancillary products, system integrators, and raw material suppliers in the solar photovoltaic space complained that the government's protectionist policies were increasing costs for smaller local manufacturers and had loopholes. Tender cancellations, tariff re-negotiations by a few states had increased the uncertainty of some of the large-scale projects and hence delayed their executions.

## 6 Valuation Methodology and Approach

- 6.1 The present valuation exercise is being undertaken in order to derive the fair EV of the SPVs.
- 6.2 The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.
- 6.3 There are three generally accepted approaches to valuation:
- (a) "Cost" approach
  - (b) "Market" approach
  - (c) "Income" approach

### 6.4 Cost Approach

The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if desired.

#### Net Asset Value ("NAV") Method

The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in cases where the firm is to be liquidated, i.e. it does not meet the "Going Concern" criteria.

As an indicator of the total value of the entity, the NAV method has the disadvantage of only considering the status of the business at one point in time.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many aspects, NAV represents the minimum benchmark value of an operating business.

### 6.5 Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies, and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors perception about the true worth of the company.

#### Comparable Companies Multiples ("CCM") Method

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

#### Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("EBITDA") multiple and EV/Revenue multiple.

#### Market Price Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors perception about the true worth of the company.

**6.6 Income Approach**

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

**DCF Method**

Under DCF Method value of a company can be assessed using the Free Cash Flow to Firm Method ("FCFF") or Free Cash Flow to Equity Method ("FCFE"). Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the WACC. The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in cash flows over the last year of forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

**Conclusion on Valuation Approach**

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

6.8 The goal in selection of valuation approaches and methods for any business is to find out the most appropriate method under particular circumstances on the basis of available information. No one method is suitable in every possible situation. Before selecting the appropriate valuation approach and method, I have considered various factors, inter-alia, the basis and premise of current valuation exercise, purpose of valuation exercise, respective strengths and weaknesses of the possible valuation approach and methods, availability of adequate inputs or information and its reliability and valuation approach and methods considered by the market participants.

**6.9 Cost Approach**

The existing book value of EV of the SPVs comprising of the value of its Net fixed assets, Net intangible assets and working capital based on the Unaudited provisional financial statements as at 31<sup>st</sup> March 2025 and audited financial statements as at 31<sup>st</sup> March 2024 prepared as per Indian Accounting Standards (Ind AS) are as under:

Sr No	SPVs	Book EV*	
		Unaudited 31 <sup>st</sup> Mar 25	Audited 31 <sup>st</sup> Mar 24
1	DMTCL	6,289	6,894
2	NRSSB	3,589	3,939
3	SUPL	12,033	12,277
<b>Total</b>		<b>21,911</b>	<b>23,110</b>

\* Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

In the present case, since the SPVs have entered into TSA/PPA, the revenue of the SPVs are pre-determined for the life of the projects. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the cost of the project. Accordingly, since the NAV does not capture the future earning potential of the businesses, I have not considered the Cost approach for the current valuation exercise.

#### 6.10 Market Approach

The present valuation exercise is to arrive at the Fair EV of the SPVs engaged in the power transmission business for a specific tenure. Further, the tariff revenue expenses are very specific to the SPVs depending on the nature of their geographical location, stage of project, terms of profitability. In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, I have not considered CCM method in the present case. In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method. Currently, the equity shares of the SPVs are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

#### 6.11 Income Approach

Currently, each of the SPVs are completed and are revenue generating SPVs. The cash flows of the SPVs for the projected period are driven by the contracts entered by the SPVs as on date like the TSA, O&M Agreements, etc. The revenues of the projects are defined for 35 years under the TSA. Hence, the growth potential of the SPVs and the true worth of its business would be reflected in its future earnings potential and therefore, DCF method under the income approach has been considered as an appropriate method for the present valuation exercise.



## 7 Valuation of the SPVs

- 7.1** In the present exercise, my objective is to determine the Fair Enterprise Value of the SPV as per the DCF Method. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities. Accordingly, in the present case, I have considered it appropriate to consider cash flows at FCFF (Free Cash Flow to Firm) level i.e., cash flows that are available to all the providers of capital (equity shareholders, preference shareholders and lenders). Therefore, cash flows required to service lenders and preference shareholders such as interest, dividend, repayment of principal amount and even additional fund raising are not considered in the calculation of FCFF.
- 7.2** While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statement of the SPV as provided by the Investment Manager. I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information. However, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis. Notwithstanding anything above, I cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.
- 7.3** The following are the major steps I have considered in order to arrive at the EV of the SPV as per the DCF Method:
1. Determination of Free Cash Flows to Firm which included:
    - a) Obtaining the financial projections to determine the cash flows expected to be generated by the SPV from the Investment Manager;
    - b) Analyzed the projections and its underlying assumptions to assess the reasonableness of the cash flows;
  2. Determination of the discount rate; and
  3. Applying the discount rate to arrive at the present value of the cash flows.
- 7.4** The key assumptions for transmission revenue, incentives and penalty of the DMTCL and NRSS, are as follows:
- 7.4.1** Transmission Revenue:
- Power transmission projects, including the SPVs, earn revenue from electricity transmission tariffs pursuant to TSAs read with the Tariff Adoption Order ("TAO") passed by CERC in accordance with the Electricity Act. These SPVs receive availability-based tariffs under the TSAs irrespective of the actual quantum of power transmitted through the line. The tariff for the SPVs is contracted for the period of the relevant TSA, which is up to 35 years from the scheduled commissioning date.
- 7.4.2** The SPVs have entered into TSAs with long-term transmission customers to set up projects on a BOOM basis and to provide transmission services on a long-term basis to such customers on the terms and conditions contained in the TSAs. The term of each TSA is 35 years from the scheduled commercial date of operation of the applicable project, unless terminated earlier in accordance with the terms of the TSA. The TSAs provide for, among other things, details and procedures for project execution, development and construction, operation and maintenance.
- 7.4.3** Tariffs under these TSAs are billed and collected pursuant to the 'Point of Connection' (PoC) mechanism, a regulatory payment pooling system offered to interstate transmission system (ISTS) such as the systems operated by majority of the SPVs. Under the PoC mechanism, payments are made to a central payment pool and the proceeds are distributed proportionately to all transmission services providers, such as the SPVs.
- 7.4.4** The tariff rates are comprised of a fixed levelised non-escalable transmission charges and incentives for maintaining targeted availability. There are no escalable transmission charges as per the terms of the respective adoption of tariff order for the SPVs.
- **Non Escalable Transmission Revenue:** As mentioned before, the Non-Escalable Transmission Revenue remains fixed for the entire life of the project. I have corroborated the revenue considered in the financial projections with the respective TSA read with TAO and documents provided to me by the Investment Manager.
  - **In case of NRSSB,** The Central Electricity Regulatory Commission ("CERC"), vide its order dated December 27, 2023, has directed NRSS to install 139 km OPGW at its transmission line under the RCS. NRSS has been



directed to follow a transparent competitive bidding process to implement the installation with the approval of the competent authority. The implementation of the OPGW installation will be carried out in a phased manner and is expected to be completed by Q1FY2026. As per the CERC order, the additional expenditure shall be treated in the manner as expenditure under "Change in Law" provision of the Transmission Service Agreement.

CERC has opined in its order that the implications of the above will be considered under the Change in Law provision of the Transmission Service Agreement (TSA). The Change in Law will be administered by either of the two mechanisms as presented below:

- a. One-time reimbursement of Capital Expenditure incurred
  - b. Tariff increase for Capital Expenditure incurred
- In case of both the transmission SPVs, the transmission lines could not be commissioned on their scheduled commissioning dates due to change in law and force majeure events, including the amendment of Forest Guidelines, delay in grant of forest clearance, change in Gantry coordinates, Right of Way Issues, etc. The scheduled commercial operation dates have been revised to actual commercial operation dates of the respective SPVs vide CERC orders dated 29<sup>th</sup> March 2019. These delays have also been acknowledged by APTEL in its Order dated 3<sup>rd</sup> December 2021. Further details relating to the CERC Orders are provided below:

SPVs	Order date	Status	Description
DMTCL	13 <sup>th</sup> January 2020	Received	In terms of the CERC Order passed in Review Petition no. 08/RP/2019 of Original Petition no. 238/MP/2017, CERC has granted relief to DMTCL by admitting INR 1,848.21 Lakhs incurred during project construction as an expenditure allowed to recover as per the TSA Provision of "Change in Law", which ultimately translated an increase of 3.38% of yearly transmission charges to recover with effect from Project Actual Commercial Operation Date.
NRSSB	15 <sup>th</sup> January 2020	Received	In terms of CERC Order passed in Review Petition no. 07/RP/2019 of Original Petition no. 195/MP/2017, CERC has granted relief to NRSSB by admitting INR 1,029.71 Lakhs incurred during project construction as an expenditure allowed to recover as per the TSA Provision of "Change in Law", which ultimately translated an increase of 2.78% of yearly transmission charges to recover with effect from Project Actual Commercial Operation Date.
DMTCL & NRSSB	13 <sup>th</sup> May 2022 (DMTCL) 11 <sup>th</sup> May 2022 (NRSSB)	Received	CERC has granted relief to the SPVs on account of certain events including the additional Interest During Construction incurred due to Force Majeure Events by allowing an increase of 8.30% (for NRSSB) & 13.64% (for DMTCL) of yearly transmission charges with effect from the actual Commercial Operation Date of respective SPVs.

Accordingly, I have received computation of such incremental revenue from the Investment Manager.

- Escalable Transmission Revenue:**

Escalable Transmission Revenue is the revenue component where the revenue is duly escalated based on the rationale as provided in the respective TSA read with TAO. There are Nil escalable transmission charges as per the terms of the respective adoption of tariff order for the SPVs.

#### 7.4.5 **Incentives:**

As provided in the respective TSA, if the annual availability exceeds 98%, the SPVs shall be entitled to an annual incentive as provided in TSA. Provided no incentives shall be payable above the availability of 99.75%. Based on the past track record of the SPVs and the general industry standard, the annual availability shall be above 98% where the SPVs shall be entitled to the incentives as provided in their respective TSA, as represented to us by the Investment Manager.

**7.4.6 Penalty:**

If the annual availability in a contract year falls below 95%, the SPVs shall be liable for an annual penalty as provided in the TSA. Based on my analysis, in the present case, it is assumed that the annual availability will not fall below 95% and hence, penalty is not considered in the financial projections.

**7.4.7 Expenses:**

Expenses are estimated by the Investment Manager for the projected period based on the inflation rate as determined for the SPVs. I have relied on the projections provided by the Investment Manager.

- **Operations & Maintenance ("O&M"):** O&M expenditure is estimated by the Investment Manager for the projected period based on the inflation rate as determined for the SPVs. The Investment Manager has projected expenses to be incurred for the O&M of the SPVs including, but not limited to, transmission line maintenance expenses, rates and taxes, legal and professional fees and other general and administration expenses. I have relied on the projections provided by the Investment Manager on the O&M expenses for the projected period.
- **Insurance Expenses:** I understand from the Investment Manager that the insurance expenses of the SPVs are not reasonably expected to inflate for the projected period. I have relied on the projections provided by the Investment Manager on the insurance expenses for the projected period.

SPV wise expenses expected to be incurred for FY26 have been presented below:

Particulars	DMTCL	NRSS
O&M Expense*	30	13
PM Fees	17	5
Other Cost	94	40
<b>Total expense</b>	<b>141</b>	<b>59</b>

\*O&M Expense includes contracted O&M expenditure.

O&M expenses are projected to escalate by ~5% p.a for FY 2026-27 and ~3% p.a from FY 2027-28 onwards for NRSSB. For DMTCL, O&M Expenses are projected to escalate ~2.5% p.a from FY 2026-27 onwards. PM fees is observed to be escalating at 3% p.a in line with operating expenses (excluding Insurance and any expense which is statutory in nature). Other costs are escalated at ~2.5% p.a for both the SPVs.

**7.4.8 Depreciation:**

The book depreciation has been provided by the Investment Manager till the life of the SPVs. For calculating depreciation as per the Income Tax Act for the projected period, I have considered the depreciation rate as specified in the Income Tax Act and WDV as provided by the Investment Manager.

**7.4.9 Capex:**

As represented by the Investment Manager, the maintenance capex has already been considered in the Operations and Maintenance expenditure for the projected period. Further, a Capex of INR 10.17Mn has been considered for DMTCL for FY26 towards Procurement of Critical spare parts, Battery cells etc.

The Investment Manager does not expect any other capex in the projected period for DMTCL.

In case of NRSSB, The Central Electricity Regulatory Commission ("CERC"), vide its order dated December 27, 2023, has directed NRSS to install 139 km OPGW at its transmission line under the Regional Connectivity Scheme. NRSS has been directed to follow a transparent competitive bidding process to implement the installation with the approval of the competent authority. The implementation of the OPGW installation will be carried out in a phased manner and is expected to be completed by H1FY2026 and the expected Capex to be incurred will be INR 110 Mn.

**7.4.10 Tax and Tax Incentive:**

There have been changes in tax regime pursuant to introduction of Taxation Laws (Amendment) Ordinance 2019 made on 20<sup>th</sup> September 2019 which was enacted to make certain amendments in the Income Tax Act 1961 and the Finance (No. 2) Act 2019.

As per the discussions with the Investment Manager, the old provisions of the Income Tax Act have been considered for the projected period of the SPVs for the current valuation exercise, which inter alia provide benefits of additional depreciation, section 115JB and section 80-IA (Section 80-IA is not applicable for DMTCL). After the utilization / lapse of such benefits, the tax outflows are calculated as per the new provisions of Income Tax Act (i.e. Section 115BAA, with base corporate tax rate of 22%) the SPVs.

**7.4.11 Working Capital:**

The Investment Manager has represented the working capital requirement of the SPVs for the projected period. The operating working capital assumptions for the projections provided by the Investment Manager comprises of prepaid expense, security deposit, trade receivables, trade payables and others.

Tariffs under the ISTS project TSAs, which contribute to the majority of the SPVs, are billed and collected pursuant to the PoC mechanism. Under the PoC mechanism, payments are made to a central payment pool and the proceeds are distributed proportionately to all transmission services providers, such as the SPVs. Any shortfall in collection of transmission charges by the CTU is shared on a pro rata basis by all transmission service providers. Payment securities in the form of a revolving letter of credit, a late payment surcharge of 1.25% per month for delay in payment beyond 60 days from the date of billing, pursuant to provisions of the project TSAs (and a late payment surcharge of 1.50% per month pursuant to the Sharing of Charges and Losses Regulations) and lack of alternate power infrastructure, deter beneficiaries from defaulting. I have obtained the working capital assumptions from the Investment Manager and have corroborated the debtor assumptions of 90 days with the past receivable collection days and other data points to extent appropriate.

**7.4.12 Terminal Period Cash Flows:**

Terminal value represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life.

I understand, based on the representation of the Investment Manager, that the SPVs are expected to generate cash flow even after the expiry of concession period as the projects are on BOOM model and the ownership will remain with the respective SPVs even after the expiry of concession period. The value of SPVs at the end of the concession period may be dependent on the expected renewal/extension of concession period with limited capital expenditure or the estimated salvage value the assets of the SPVs can fetch.

Considering the estimation uncertainty involved in determining the salvage value and basis my discussion with the Investment Manager on the cash flow estimates for the period after the concession period, I found it appropriate to derive terminal period value, which represents the present value at the end of explicit forecast period/concession period of all subsequent cash flows to the end of the life of the asset, based on the perpetuity value derivation / Gordon growth model with 0% terminal growth rate. Accordingly, for the terminal period (i.e. after the expiry of 35 years), a terminal growth rate of 0% has been applied on cash flows based on the Investment Manager's estimate for the SPVs.

**7.5 The key assumptions of the projections provided to us by the Investment Manager for SUPL:****Key Assumptions for Cash Flows dependent on the terms of PPA:**

Cash Flows falling under this category are mainly driven by the revenue and operations required as per the terms of the respective SPV PPA, O&M Agreement, etc

**7.5.1 Project Life:**

The SPV has entered into a PPA agreement with SECI for a period of 25 years. As represented by the Investment Manager, the asset is expected to have a total life of 30 years, even after its PPA term of till 4<sup>th</sup> October 2051. The asset is located on a total land parcel of ~1,062 acres, out of which ~67.20% of the land is on leasehold basis and ~32.80% is on freehold land. According to the Investment Manager and the lease agreements, the leases have an average expiry date of 30<sup>th</sup> June 2050 and the leases are mutually extendable between the parties. Correspondingly, the Investment Manager assumes a lease end date till 30th June 2050. Accordingly, the capacity, income and expense are considered to reduce after the average lease period ends. The salvage value of the plant located on the leasehold land have been factored accordingly. Correspondingly, the modules located on the freehold land are considered to remain operational and generating electricity till the project end date i.e 4<sup>th</sup> October 2051

**7.5.2 Revenue from Sale of electricity units:**

The revenues generated by the SPV are correlated to the amount of electricity generated, which in turn is dependent upon available irradiance and weather conditions. Irradiance and weather conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. The total kilowatt hour units expected to be generated annually during the tenure of PPA are estimated using budgeted plant load factors based on inter-alia the forecasted irradiance and weather conditions.

The contractual tariff rates are applied to this annual estimate to determine the total estimated revenue till 4th October 2051 as mentioned above at the tariff rate mentioned in the PPA agreement. The Investment Manager

believes that the SPV will be able to sell electricity at the tariff rate even after the expiration of the PPA Agreement. I have relied on the same.

Further, the Plant Load Factor ("PLF") is the ratio of the actual output of a solar power plant over the reporting period to their potential output if it were possible for them to operate at full rated capacity.

In the present valuation, the technical team of the Investment Manager has prepared the PLF estimates for the projected period basis historical performance after considering the variance on account of seasonal factors and any one-time instances or events. I have relied on the projections provided by the Investment Manager for the projected PLF of the SPVs. I have corroborated the assumptions made by the Investment Manager in relation to the projected PLF of the SPVs with an independent technical report (SgurrEnergy Private Limited).

Sr. No.	SPV	Tariff rate as per PPA	Tenure	Customer
1	SUPL	2.55	~25 Years and 7 Months*	SECI

\*Tenure includes 5-year extended period beyond the PPA term of 25 years from the date of Commencement of Operations (as represented by investment manager and based on life of plant mentioned in FDD report of SUPL as on August 2024).

#### 7.5.3 **Revenue in relation to the Change in Law ("CIL") Claim in case of the SPV:**

If there is any additional increase in BCD, SGD and/or IGST which increases the Project Cost during execution of the Project, then Project developer can claim the additional expenditure under PPA provision of 'Change in Law - CIL'.

SUPL had filed a petition to claim the same with CERC and the order was issued in December 2023 in favor of SUPL and allowing to claim additional expenditure to the tune of about INR 1,114 Mn. Same is submitted for reconciliation to SECI (i.e. counter party of PPA) and Bihar Discom (i.e. Buying Entity) of the Power generated from the Project. SUPL awaits confirmation of the reconciliation amount stated above.

There is additional petition filed in APTEL to claim Carrying cost which was not considered in CERC order of December 2023.

Since, as of now all parties are still in the process of reconciliation of the CIL claim amount and there is an ongoing appeal and considering the uncertainty around timing and the exact amount of the claim to be received, the value of CIL is not considered in the current valuation exercise.

#### 7.5.4 **Expenses:**

I have relied on the projections provided by the Investment Manager for expenses and have checked the reasonableness of the same, by analyzing the past trend in expenses and the expenses projected by the SPV.

**Operations & Maintenance ("O&M"):** O&M expenditure is estimated by the Investment Manager for the projected period on the basis of the O&M Agreement entered by the SPV with an adequate escalation considered by the Investment Manager.

The Investment Manager has escalated these costs by approximately ~3% p.a. The Investment Manager has provided the estimated O&M costs for the projected period and I have corroborated the said expenses with O&M Contract signed

**Lease Charge:** The amount of lease charges is corroborated with the lease agreements entered into by the SPV. As represented by the Investment manager, Escalation in Govt Land Lease charges is 5% p.a and for Non- Gov. Land lease charges 5% every 3 years.

I have relied on the projected lease expenses working and Lease agreements provided by the Investment Manager.

**Insurance Expenses:** I understand from the Investment Manager that the insurance expenses of the SPVs are not reasonably expected to inflate for the projected period. I have relied on the projections provided by the Investment Manager on insurance expenses for the projected period, which are based on the existing insurance costs of the SPVs.

**Other Expenses:** Other Expenses represented by the Investment Manager includes Statutory fees, Rajasthan Renewable Energy Development Fund Charges (RREDF), Spares, Inverter Charges/ Replacements costs, Overheads which include expenses related to IT, HR, Admin, Compliance, Audit fees, etc. I have relied on the estimate of these expenses as provided by the Investment Manager.

Expenses expected to be incurred for SUPL for FY26 have been presented below:

Particulars	SUPL
O&M Expense	90
PM Fees	21
Other Cost	99
<b>Total expense</b>	<b>210</b>

O&M expenses are projected to escalate ~3% year on year basis. PM fees is observed to be escalating at 3% p.a in line with operating expenses (excluding Insurance and any expense which is statutory in nature). other costs are escalated at ~2.5% p.a.

#### 7.5.5 **Capital Expenditure ("Capex"):**

As per the Investment Manager, the SPV will incur capex to improve the plants efficiency. I have relied on the figures provided by the Investment Manager for the same. **(Refer Appendix 1.3)**

Further, The Project manager (SEPL Energy Private Limited) informed that the tripping of 70 inverters (approximately 4.6% of total installed units) was caused by overcurrent and earth fault due to HT cable failure. Although the inverters are under warranty until August 2026, both SEPL and the supplier, Sungrow, determined that the issue was caused by external faults not covered under the warranty. After evaluating options, management has decided to procure new inverters due to the obsolescence of the current model. The new SG320HX-20 inverters, which are technically feasible for installation, will cost INR 41.3 million. The procurement and installation process is expected to be completed within 6-7 weeks, with a net cash outflow of INR 6.8 million for FY 2026, as approved in the interim budget.

#### 7.5.6 **Taxes and Tax Incentive:**

As provided in the ITR, the SPV is in the new tax regime under section 115BAA (with a base rate of tax of 22%, surcharge of 10%). As per the discussions with the Investment Manager, the new provisions of the Income Tax Act under section 115BAA have been considered and accordingly the effective tax rate has been considered.

#### 7.5.7 **Working Capital:**

The Investment Manager has represented the working capital requirement of the SPV for the projected period in terms of trade payables days and trade receivables (Debtors & Unbilled revenue) days.

The trade payables days are considered conservatively to be 0 days (of annual expenses), and the trade receivables days are considered to be 35 days (of annual revenue) as represented by the investment manager, based on the PPA counterparty and the historical collection trends.

#### 7.5.8 **Terminal Value:**

Terminal value represents the present value at the end of explicit forecast period of all subsequent cash flows till the end of the life of the asset or into perpetuity if the asset has an indefinite life. As the ownership of the underlying assets (tangible assets) shall remain with the SPV even after the expiry of PPA term and as the cash flows beyond the end of tenure i.e. 30 years are relatively uncertain, the terminal period value (i.e. value on account of cash flows to be generated after the expiry of the period) has been considered based on the salvage value of the plant & machinery, sale of freehold land and realization of working capital at the end of the tenure.

### 7.6 **Impact of Ongoing Material Litigation on Valuation**

As on 31<sup>st</sup> March 2025, there are ongoing litigations as shown in Appendix 4. Further, the Investment Manager has informed us that majority of the cases are low to medium risk and accordingly no material outflow is expected against the litigations.

In case of SUPL, There is an ongoing material litigation in relation to Change in Law events on account of imposition of safeguarding duty on solar cells/modules and rescission of Notification No. 1/2011 – customs dated 01.02.2021, which has resulted in increase in rate of basic customs duty on import of solar inverters, in terms of Article 12 of the Power Purchase Agreements dated 13.08.2019 between M/s Solzen Urja Private Limited(Previously known as Renew Sun Waves Private Limited) and Solar Energy Corporation of India Limited.

The SPV has incurred cost on account of the introduction of SGD, increase in BCD, etc. in the FY2021 amounting to INR 1,114 Mn. The same is corroborated with the CA certificates provided by the Investment



Manager. In relation, the SPV has received an interim order dated 19th December 2023 from CERC that specifies that the Compensation is to be paid on a monthly annuity basis within 15 years at a rate of 9%.

As per the order, CERC has also granted carrying cost for the period of actual date of payment of duties till date of the order on the basis of the lowest of the following 3 rates –

- a) the actual rate of interest paid by SUPL for arranging funds (supported by the Auditors certificate)
- b) the rate of interest on working capital as per the applicable RE Tariff Regulations prevailing at that time
- c) the late payment surcharge rate as per the PPA

## 7.7 Calculation of Weighted Average Cost of Capital for the SPVs

### 7.7.5 Cost of Equity:

Cost of Equity (CoE) is a discounting factor to calculate the returns expected by the equity holders depending on the perceived level of risk associated with the business and the industry in which the business operates.

For this purpose, I have used the Capital Asset Pricing Model (CAPM), which is a commonly used model to determine the appropriate cost of equity for the SPVs.

$$K(e) = R_f + (ERP \times \text{Beta}) + \text{CSRP}$$

Wherein:

K(e) = cost of equity

R<sub>f</sub> = risk free rate

ERP = Equity Risk Premium

Beta = a measure of the sensitivity of assets to returns of the overall market

CSRP = Company Specific Risk Premium (In general, an additional company-specific risk premium will be added to the cost of equity calculated pursuant to CAPM).

For valuation exercise, I have arrived at adjusted cost of equity of the SPVs based on the above calculation (Refer Appendix 2).

### 7.7.6 Risk Free Rate:

I have applied a risk free rate of return of 6.55% on the basis of the zero coupon yield curve as on 31st March 2025 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited. For comparison, the previous valuation as of March 2024 used a risk-free rate of 6.97%.

### 7.7.7 Equity Risk Premium ("ERP"):

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds. For my estimation of the ERP, I have considered rolling historical returns of 10, 15 & 20 year of Nifty 50 index from year 2000 to 2025. The 10 year rolling return, 15 year rolling return and the 20 year return for several periods were calculated. I have computed equity risk premium for each rolling period and accordingly I have arrived at ERP in the range of 6.2%, 6.4% & 8.1% which averages to ~7.0%. Based on the aforementioned, a 7% equity risk premium for India is considered appropriate. For comparison, the previous valuation as of March 2024 used an Equity Risk Premium of 7.00%

### 7.7.8 Beta:

Beta is a measure of the sensitivity of a company's stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPVs for an appropriate period.

Based on my analysis of the listed InvITs and other companies in power and infrastructure sectors, I find it appropriate to consider the beta of Power Grid Corporation of India Limited ("PGCIL") and Powergrid Infrastructure Investment Trust for the current valuation exercise of DMTCL and NRSS.

For SUPL, I find it appropriate to consider the beta of Powergrid Infrastructure Investment Trust, NTPC LTD and PGCIL for the current valuation exercise.

I have further unlevered the beta of PGCIL based on market debt-equity of the respective company using the following formula:

$$\text{Unlevered Beta} = \text{Levered Beta} / [1 + (\text{Debt} / \text{Equity}) \times (1 - T)]$$

Hence, further I have re-levered it based on debt-equity at 70:30 based on the industry standard using the following formula:

$$\text{Re-levered Beta} = \text{Unlevered Beta} * [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Accordingly, as per above, I have arrived at re-levered betas of the SPVs. (Refer Appendix 2)

#### 7.7.9 Company Specific Risk Premium (“CSRP”):

Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In the present case, considering the length of the explicit period, the basis of deriving the underlying cash flows and basis my discussion with Investment Manager, I found it appropriate to consider 0% CSRP for all SPVs.

#### 7.7.10 Cost of Debt:

The calculation of Cost of Debt post-tax can be defined as follows:

$$K(d) = K(d) \text{ pre-tax} * (1 - T)$$

Wherein:

$$K(d) = \text{Cost of debt}$$

T = tax rate as applicable

For the current valuation exercise, pre-tax cost of debt has been considered as 8.01%, as represented by the Investment Manager. For comparison, the previous valuation as of March 2024 used a Cost of Debt of 8.14%

#### 7.7.11 Debt : Equity Ratio:

In the present valuation exercise, I have considered debt : equity ratio of 70:30 based on industry standards and as per the guidance provided by various statutes governing the industry. I have considered the industry benchmark since the cost of capital is a forward-looking measure and captures the cost of raising new funds to buy the asset at any valuation date (not the current actually deployed). Specifically, such benchmark is required to consider the nature of the asset class, and the comparative facts from the industry to arrive at the correct assumption.

Moreover, Regulation 20 of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 permits an InvIT to raise debt upto 70 percent of the value of assets subject to the fulfillment of specific conditions including:

- (i) obtaining a credit rating of “AAA” or equivalent for its consolidated borrowing and the proposed borrowing, from a credit rating agency registered with the Board;
- (ii) have a track record of at least six distributions, in terms of sub-regulation (6) of regulation 18, on a continuous basis, post listing, as at the end of the quarter preceding the date on which the enhanced borrowings are proposed to be made.
- (iii) utilize the funds only for acquisition or development of infrastructure projects.
- (iv) obtain the approval of unitholders in the manner specified in sub-regulation (5A) of regulation 22.]

Given the risk profile of Solar and Transmission projects and considering the leverage at 70% of the total project cost based on rating agencies reports available in public domain, and further considering the InvIT Regulations allowing in general upto 70% leverage in assets where the AAA rating has been obtained, a debt-to-equity ratio of 70% for Solar asset was found to be appropriate.

Accordingly, I have considered the same weightage to arrive at the WACC of the SPVs. For comparison, the previous valuation of March 2024 used a Debt Equity Ratio of 70%.



**7.7.12 Weighted Average Cost of Capital (WACC):**

The discount rate, or the WACC, is the weighted average of the expected return on equity and the cost of debt. The weight of each factor is determined based on the company's optimal capital structure.

Formula for calculation of WACC:

$$WACC = [K(d) * \text{Debt} / (\text{Debt} + \text{Equity})] + [K(e) * (1 - \text{Debt} / (\text{Debt} + \text{Equity}))]$$

Accordingly, as per above, I have arrived the WACC for the explicit period of the SPVs.

(Refer Appendix 2 for detailed workings).

Particulars	DMTCL	NRSS
March -25	7.76%	7.79%
March-24	8.02%	8.07%

**7.7.13 Cash Accrual Factor (CAF) and Discounting Factor**

Discounted cash flow require to forecast cash flows in future and discount them to the present in order to arrive at present value of the asset as on Valuation Date.

To discount back the projections we use the Cash Accrual Factor ("CAF"). The Cash Accrual Factor refers to the duration between the Valuation date and the point at which each cash flow is expected to accrue. Discounted cash flow is equal to sum of the cash flow in each period divided by discounting factor, where the discounting factor is determined by raising one plus discount rate (WACC) to the power of the CAF.

$$DCF = [CF_1 / (1+r)^{CAF_1}] + [CF_2 / (1+r)^{CAF_2}] + \dots + [CF_n / (1+r)^{CAF_n}]$$

Where,

CF = Cash Flows,

CAF = Cash accrual factor for particular period , R = Discount Rate (i.e. WACC)

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## 8 Valuation Conclusion

- 8.5 The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations were given due consideration.
- 8.6 I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact has been factored in to arrive at fair EV of the SPVs.
- 8.7 Based on the above analysis, the fair EV as on the Valuation Date of the SPVs is as mentioned below:

Sr No	SPVs	Projection Period	WACC	Fair EV (INR Mn)
1	DMTCL	~27 Years and 4 Months	7.76%	13,501
2	NRSSB	~27 Years and 0 Months	7.79%	10,144
3	SUPL	~25 Years and 7 Months	8.34%	15,685
<b>Total</b>				<b>39,330</b>

(Refer Appendix 1 for detailed workings)

- 8.8 EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.
- 8.9 The EV as described above is not inclusive of cash and cash equivalents of the SPVs as on the Valuation Date.
- 8.10 The fair EV of the SPVs is estimated using DCF method. The valuation requires the Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.
- 8.11 Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 8.12 Accordingly, I have conducted sensitivity analysis on certain model inputs, the results of which are as indicated below:
1. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 0.5%
  2. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 1.0%
  3. Total Expenses considered during the projected period by increasing / decreasing it by 20%
  4. Terminal period value considered for the SPVs increasing / decreasing it by 20% (For DMTCL and NRSSB)
  5. PLF by increasing/decreasing it by 1.0% (For SUPL Only)

### 1. Fair Enterprise Valuation Range based on WACC parameter (0.5%)

							INR Mn
Sr No.	SPVs	WACC +0.5%	EV	Base WACC	EV	WACC -0.5%	EV
1	DMTCL	8.26%	12,776	7.76%	13,501	7.26%	14,321
2	NRSSB	8.29%	9,588	7.79%	10,144	7.29%	10,774
3	SUPL	8.84%	15,114	8.34%	15,685	7.84%	16,295
<b>Total of all SPVs</b>			<b>37,478</b>		<b>39,330</b>		<b>41,390</b>

**2. Fair Enterprise Valuation Range based on WACC parameter (1.0%)**

							INR Mn
Sr No.	SPVs	WACC +1%	EV	Base WACC	EV	WACC -1%	EV
1	DMTCL	8.76%	12,130	7.76%	13,501	6.76%	15,257
2	NRSSB	8.79%	9,093	7.79%	10,144	6.79%	11,492
3	SUPL	9.34%	14,580	8.34%	15,685	7.34%	16,947
Total of all SPVs			35,803		39,330		43,696

**3. Fair Enterprise Valuation Range based on Operating Expense parameter (20%)**

				INR Mn
Sr No.	SPVs	EV at expenses +20%	EV at Base Expenses	EV at expenses -20%
1	DMTCL	13,138	13,501	13,863
2	NRSSB	9,988	10,144	10,300
3	SUPL	15,225	15,685	16,141
Total of all SPVs		38,351	39,330	40,304

**4. Fair Enterprise Valuation Range based on Terminal Period Value ("TV") parameter (20%)**

				INR Mn
Sr No.	SPVs	EV at TV +20%	EV at Base TV	EV at TV -20%
1	DMTCL	13,793	13,501	13,209
2	NRSSB	10,382	10,144	9,907
Total of all SPVs		24,175	23,645	23,116

The above represents reasonable range of fair enterprise valuation of the SPVs

**5. PLF by increasing/decreasing it by 1.0% (For SUPL Only)**

				INR Mn
Sr No.	SPVs	EV +1.0% PLF	Base EV	EV -1.0% PLF
1	SUPL	16,509	15,686	14,852
Total of all SPVs		16,509	15,685	14,852

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## 9. Additional Procedures to be complied with in accordance with InvIT regulations

### 9.1 Scope of Work

The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT.

The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of the SPVs are as follows:

- Purchase Price of the SPVs by the InvIT
- Valuation of the SPVs in the previous 3 years (for existing projects of the InvIT)
- List of one-time sanctions/approvals which are obtained or pending;
- List of up to date/overdue periodic clearances;
- Statement of assets;
- Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
- Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
- On-going material litigations including tax disputes in relation to the assets, if any;
- Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

### 9.2 Limitations:

- This Report is based on the information provided by the representatives of the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to me. I have not verified the information independently with any other external source.
- I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.
- I have assumed that the documents submitted to me by the representatives of Investment Manager in connection with any particular issue are the only documents related to such issue.
- I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

### 9.3 Analysis of Additional Set of Disclosures for the SPVs

#### A. Purchase Price of the SPVs by the InvIT:

Sr. No	SPV	Acquisition Date	Equity stake	Acquisition Cost of the Trust's equity stake
1	DMTCL	11-Nov-22	100%	4,700 Mn
2	NRSSB	11-Nov-22	100%	3,600 Mn
3	SUPL	07-Mar-25	100%	5196 Mn*

\*Acquisition cost is excluding consideration for Change in Law.

**B. Valuation of the SPVs in the previous 3 years (for existing projects of the InvIT)**

INR Mn			
Valuation	DMTCL	NRSSB	SUPL
31-Mar-22	13,100	10,100	NA
30-Jun-22	12,907	9,897	NA
31-Mar-23	13,205	9,981	NA
31-Mar-24	13,180	9,857	NA
30-June-24*	NA	NA	16,385

\*Fair Enterprise Value of SUPL as of 30<sup>th</sup> June 2024 includes value of CIL claim of Rs INR 971 million. The fair value excluding CIL claim was INR 15,414 Mn.

The Current Fair EV of SUPL as on 31<sup>st</sup> March 2025 is calculated excluding the value of CIL, since, as of now all parties are still in the process of reconciliation of the CIL claim amount and there is an ongoing appeal and considering the uncertainty around timing and the exact amount of the claim to be received

**C. List of one-time sanctions/approvals which are obtained or pending:**

The list of sanctions/ approvals obtained by the SPVs till the date of this Report is provided in Appendix 3.1 to Appendix 3.2. As informed by the Investment Manager, there are no applications for government sanctions/licenses by the SPVs for which approval is pending as on 31<sup>st</sup> March 2025.

**D. List of up to date/ overdue periodic clearances:**

The list of clearances obtained by the SPVs till the date of this Report is provided in Appendix 3.1 to Appendix 3.2. The Investment Manager has confirmed that the SPVs are not required to take any periodic clearances other than those mentioned in Appendix 3.1 and Appendix 3.2.

**E. Statement of assets included:**

The details of assets of the SPVs as per unaudited provisional financial statements as at 31<sup>st</sup> March 2025 are as mentioned below:

INR Mn			
Sr. No.	SPVs	Net Fixed Assets	Current Assets
1	DMTCL	6,020	422
2	NRSSB	3,396	291
3	SUPL	12,176	350
<b>Total</b>		<b>21,592</b>	<b>1,063</b>

**F. Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion:**

I have been informed that maintenance is regularly carried out by the SPVs in order to maintain the working condition of the assets and there are no material maintenance charges which has been deferred to the upcoming year, as the maintenance activities are carried out regularly.

The maintenance charges of Transmission Lines and Solar incurred by the SPVs for the period from 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025 are given in the table below:

INR Mn		
Sr. No	Name of the SPVs	Operation and maintenance Charges
1	DMTCL	58
2	NRSSB	17
3	SUPL	97
		172

\* Includes Fixed O&M Contract fees and other maintenance charges

G. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any:

Investment Manager has informed me that there are no material dues including local authority taxes (such as Municipal Tax, Property Tax, etc.) pending to be payable to the government authorities with respect to the SPVs (proposed InvIT assets).

H. On-going material litigations including tax disputes in relation to the assets, if any:

As informed by the Investment Manager, the status of ongoing litigations and tax assessments as on 31<sup>st</sup> March 2025 are updated in Appendix 4 and 5 respectively.

The Investment Manager has informed us that it expects majority of the cases to be settled in favour of the SPVs. Further, the Investment Manager has informed us that majority of the cases are having low to medium risk and accordingly no material outflow is expected against the litigations.

I. Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control:

The Investment Manager has confirmed to me that there are no such natural or induced hazards which have not been considered in town planning/ building control.

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## 10 Sources of Information

For the purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the Investment Manager:

- 10.1 Audited financial statements of the SPVs for the Financial Year ("FY") ended 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021, 31<sup>st</sup> March 2022, 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024.
- 10.2 Provisional financial statements of the SPVs for the Financial Year ("FY") ended 31<sup>st</sup> March 2025:
- 10.3 Projected incremental tariff revenue workings (including due to change in law claims in NRSSB, DMTCL and SUPL);
- 10.4 Projected financial information for the remaining project life for each of the SPVs;
- 10.5 Details of projected Major Repairs & Capital Expenditure (Capex);
- 10.6 Details of brought forward losses and MAT credit (as per Income Tax Act) of the SPVs as at 31<sup>st</sup> March 2025:
- 10.7 Details of Written Down Value (WDV) (as per Income Tax Act) of SPVs as at 31<sup>st</sup> March 2025;
- 10.8 Shareholding pattern of the equity shares issued by the SPVs and other entities mentioned in this Report as at 31<sup>st</sup> March 2025 and as at the date of this report;
- 10.9 Power Purchase Agreements (PPA) entered into by the SPV with SECI (for SUPL)
- 10.10 Technical Report issued in the month of September 2024 by M/s SgurrEnergy Private Limited (For SUPL)
- 10.11 Transmission Service Agreement of the SPVs with Long Term Transmission Customers and Tariff Adoption Order issued by CERC;
- 10.12 List of licenses / approvals, details of tax litigations, civil proceedings and arbitrations of the SPVs;
- 10.13 Management Representation Letter by the Investment Manager dated 23<sup>rd</sup> May 2025;
- 10.14 Relevant data and information about the SPVs provided to us by the Investment Manager either in written or oral form or in the form of soft copy;
- 10.15 Information provided by leading database sources, market research reports and other published data.

The information provided to me by the Investment Manager in relation to the SPVs included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

For the purpose of Calculation of Raw beta, we have sourced the data from S&P Capital IQ.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.



## 11 Exclusions and Limitations

- 11.1 My Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 11.2 Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than the valuation date of 31<sup>st</sup> March 2025 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 11.3 This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date; and (iii) are based on the financial information of the SPVs till 31<sup>st</sup> March 2025. The Investment Manager has represented that the business activities of the SPVs have been carried out in normal and ordinary course between 31<sup>st</sup> March 2025 and the Report Date and that no material changes have occurred in the operations and financial position between 31<sup>st</sup> March 2025 and the Report date.
- 11.4 The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPVs or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPVs in their regulatory filings or in submissions, oral or written, made to me.
- 11.5 In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out herein which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.
- 11.6 I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the SPVs or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base my Report.
- 11.7 This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.
- 11.8 It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- 11.9 Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.
- 11.10 This Report is based on the information received from the sources as mentioned in Section 9 of this Report and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.
- 11.11 Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based on an analysis of information available to me and within the scope of my engagement, others may place a different value on this business.
- 11.12 Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.

- 11.13 Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 11.14 I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.
- 11.15 My conclusion assumes that the assets and liabilities of the SPVs, reflected in their respective latest balance sheets remain intact as of the Report date, except for changes occurring due to ordinary course of business.
- 11.16 Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither myself, nor any of my associates, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.
- 11.17 The scope of my work has been limited both in terms of the areas of the business & operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- 11.18 For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by me.
- 11.19 In the particular circumstances of this case, my liability (in contract or under any statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter for such valuation work. However, such cap shall not be applicable to damages arising from fraud or wilful default or gross negligence as established in civil or criminal proceedings.
- 11.20 In rendering this Report, I have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly I do not assume any responsibility or liability in respect thereof.
- 11.21 This Report does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 11.22 I am not an advisor with respect to legal, tax and regulatory matters for the proposed transaction. No investigation of the SPVs' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 11.23 I have no present or planned future interest in the Trustee, Investment Manager or the SPVs and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or SPVs.
- 11.24 I have submitted the draft valuation report to the Trust & Investment Manager for confirmation of accuracy of factual data used in my analysis and to prevent any error or inaccuracy in this Report.
- 11.25 **Limitation of Liabilities**
- i. It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Investment Manager and the Trust will not bring any claim in respect of any damage against the RV personally.
  - ii. In no circumstances RV shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages or expenses (including loss of profits, data, business, opportunity cost, goodwill or indemnification) in connection with the performance of the services whether such damages are based on breach of contract, tort, strict liability, breach of warranty, or otherwise, even if the Investment Manager had

contemplated and communicated to RV the likelihood of such damages. Any decision to act upon the deliverables (including this Report) is to be made by the Investment Manager and no communication by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable(s).

- iii. It is clarified that the Investment Manager will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.
- iv. RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by the Investment Manager.

11.26 Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

Yours faithfully,



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**S. Sundararaman**

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Asset Class: Securities or Financial Assets

Place: Chennai

UDIN: 25028423BMOMXL4086

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## Appendix 1 – Valuation of SPVs as on 31st March 2025

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Abbreviations	Meaning
EBITDA	Operating Earnings Before Interest, Taxes, Depreciation and Amortization
Capex	Capital Expenditure
WC	Working Capital
FCFF	Free Cash Flow to the Firm
CAF	Cash Accrual Factor
PV	Present value
PLF	Plant Load Factor
CIL	Change In Law

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## Appendix 1.1 – Valuation of DMTCL as on 31<sup>st</sup> March 2025

INR Mn												
Year	Revenue	Expenses	EBITDA	EBITDA Margin	CAPEX	Change in Wcap	Tax	FCFF	CAF	WACC	DF	PV of Cash Flows
			A		B	C	D	E= A-B-C-D	F	G	H	I= E*H
FY26	1,409	141	1,268	90%	10	118.5	135	1,004	0.50	7.76%	0.96	968
FY27	1,409	131	1,278	91%	-	0.1	144	1,134	1.50	7.76%	0.89	1,014
FY28	1,433	134	1,299	91%	-	4.9	154	1,140	2.50	7.76%	0.83	945
FY29	1,410	138	1,273	90%	-	(4.6)	155	1,122	3.50	7.76%	0.77	864
FY30	1,411	141	1,270	90%	-	0.2	160	1,109	4.50	7.76%	0.71	792
FY31	1,412	147	1,265	90%	-	0.2	165	1,100	5.50	7.76%	0.66	729
FY32	1,413	149	1,264	89%	-	(0.8)	169	1,095	6.50	7.76%	0.62	674
FY33	1,413	153	1,260	89%	-	1.1	173	1,086	7.50	7.76%	0.57	620
FY34	1,414	157	1,257	89%	-	0.2	176	1,081	8.50	7.76%	0.53	573
FY35	1,415	162	1,253	89%	-	0.2	179	1,074	9.50	7.76%	0.49	528
FY36	1,416	168	1,248	88%	-	(0.7)	181	1,067	10.50	7.76%	0.46	487
FY37	1,417	171	1,246	88%	-	1.2	184	1,061	11.50	7.76%	0.42	449
FY38	1,417	176	1,242	88%	-	0.2	319	922	12.50	7.76%	0.39	362
FY39	1,418	181	1,237	87%	-	0.2	299	938	13.50	7.76%	0.36	342
FY40	1,419	186	1,233	87%	-	(0.7)	300	934	14.50	7.76%	0.34	316
FY41	1,420	194	1,226	86%	-	1.2	300	926	15.50	7.76%	0.31	291
FY42	1,421	197	1,224	86%	-	0.3	300	923	16.50	7.76%	0.29	269
FY43	1,422	204	1,219	86%	-	0.3	300	918	17.50	7.76%	0.27	248
FY44	1,423	210	1,214	85%	-	(0.7)	300	914	18.50	7.76%	0.25	229
FY45	1,425	216	1,208	85%	-	1.2	299	908	19.50	7.76%	0.23	211
FY46	1,426	225	1,200	84%	-	0.3	298	902	20.50	7.76%	0.22	195
FY47	1,427	230	1,197	84%	-	0.3	298	899	21.50	7.76%	0.20	180
FY48	1,428	238	1,190	83%	-	(0.7)	297	894	22.50	7.76%	0.19	166
FY49	1,429	245	1,184	83%	-	1.3	296	887	23.50	7.76%	0.17	153
FY50	1,431	253	1,177	82%	-	0.3	294	883	24.50	7.76%	0.16	141
FY51	1,432	264	1,168	82%	-	0.3	292	875	25.50	7.76%	0.15	130
FY52	1,434	271	1,163	81%	-	(0.6)	291	872	26.50	7.76%	0.14	120
FY53*	517	100	417	81%	-	(1.6)	105	314	27.18	7.76%	0.13	41
TV	1,435	280	1,155	81%	-	-	291	865	27.18	7.76%	0.13	113
Present value of Explicit period Cash Flows												12,040
Present Value of Terminal period Cash Flows												1,461
Enterprise Value												13,501

## Appendix 1.2 – Valuation of NRSSB as on 31<sup>st</sup> March 2025

INR Mn												
Year	Revenue	Expenses	EBITDA	EBITDA Margin	CAPEX	Change in Wcap	Tax	FCFF	CAF	WACC	DF	PV of Cash Flows
			A		B	C	D	E= A-B-C-D	F	G	H	I= E*H
FY26	1,013	59	954	94%	110	71.7	118	655	0.50	7.79%	0.96	631
FY27	1,013	54	959	95%	-	-	123	836	1.50	7.79%	0.89	747
FY28	1,013	55	957	95%	-	(0.7)	126	832	2.50	7.79%	0.83	690
FY29	1,123	57	1,066	95%	-	0.6	149	917	3.50	7.79%	0.77	705
FY30	1,013	58	955	94%	-	0.1	132	822	4.50	7.79%	0.71	587
FY31	1,013	60	953	94%	-	-	135	818	5.50	7.79%	0.66	542
FY32	1,013	61	952	94%	-	(0.7)	137	815	6.50	7.79%	0.61	501
FY33	1,013	63	950	94%	-	0.7	139	810	7.50	7.79%	0.57	461
FY34	1,013	65	948	94%	-	-	141	807	8.50	7.79%	0.53	427
FY35	1,013	66	946	93%	-	-	143	804	9.50	7.79%	0.49	394
FY36	1,013	68	945	93%	-	(0.7)	144	801	10.50	7.79%	0.45	364
FY37	1,013	70	943	93%	-	0.7	146	796	11.50	7.79%	0.42	336
FY38	1,013	72	941	93%	-	-	174	766	12.50	7.79%	0.39	300
FY39	1,013	74	939	93%	-	-	229	710	13.50	7.79%	0.36	258
FY40	1,013	76	936	92%	-	(0.7)	229	708	14.50	7.79%	0.34	239
FY41	1,013	79	934	92%	-	0.7	230	704	15.50	7.79%	0.31	220
FY42	1,013	81	932	92%	-	-	230	702	16.50	7.79%	0.29	204
FY43	1,013	84	929	92%	-	-	230	699	17.50	7.79%	0.27	188
FY44	1,013	86	927	92%	-	(0.7)	230	698	18.50	7.79%	0.25	174
FY45	1,013	89	924	91%	-	0.7	230	694	19.50	7.79%	0.23	161
FY46	1,013	92	921	91%	-	-	229	692	20.50	7.79%	0.21	149
FY47	1,013	94	918	91%	-	-	229	689	21.50	7.79%	0.20	137
FY48	1,013	98	915	90%	-	(0.7)	229	687	22.50	7.79%	0.18	127
FY49	1,013	101	912	90%	-	0.7	228	683	23.50	7.79%	0.17	117
FY50	1,013	104	909	90%	-	-	227	681	24.50	7.79%	0.16	108
FY51	1,013	108	905	89%	-	-	227	679	25.50	7.79%	0.15	100
FY52	1,002	111	891	89%	-	0.0	223	667	26.49	7.79%	0.14	91
TV	1,013	111	902	89%	-	-	227	675	26.49	7.79%	0.14	92
Present value of Explicit period Cash Flows												8,957
Present Value of Terminal period Cash Flows												1,187
Enterprise Value												10,144

### Appendix 1.3 – Valuation of SUPL as on 31<sup>st</sup> March 2025

INR Mn														
Year	PLF%	Units Generated (in Gwh)	Revenue	Expenses	Cashflows pertaining to Sale of Electricity									
					EBITDA	EBITDA Margin	CAPEX	Change in Wcap	Tax	FCFF	CAF	WACC	DF	PV of Cash Flows
					A		B	C	D	E = A- B-C-D	F	G	H	I = E*H
FY26	20.03%	746	1,845	210	1,635	89%	464		4	-	1,167	0.50	8.34%	1,121
FY27	20.69%	776	1,919	204	1,715	89%	-		6	-	1,709	1.50	8.34%	1,515
FY28	20.69%	775	1,916	219	1,697	89%	-		(1)	-	1,698	2.50	8.34%	1,390
FY29	20.69%	777	1,931	224	1,708	88%	63		2	-	1,643	3.50	8.34%	1,241
FY30	20.69%	774	1,924	229	1,694	88%	-		(1)	-	1,695	4.50	8.34%	1,182
FY31	20.69%	771	1,916	234	1,681	88%	-		(1)	-	1,682	5.50	8.34%	1,083
FY32	20.69%	777	1,931	240	1,691	88%	63		1	-	1,627	6.50	8.34%	967
FY33	20.69%	772	1,918	246	1,672	87%	-		(1)	-	1,673	7.50	8.34%	917
FY34	20.69%	768	1,910	252	1,659	87%	-		(1)	27	1,633	8.50	8.34%	826
FY35	20.69%	772	1,920	258	1,663	87%	63		1	409	1,189	9.50	8.34%	556
FY36	20.69%	771	1,918	264	1,653	86%	-		(1)	409	1,245	10.50	8.34%	537
FY37	20.69%	766	1,904	271	1,634	86%	-		(1)	407	1,228	11.50	8.34%	489
FY38	20.69%	770	1,914	277	1,637	86%	63		1	405	1,168	12.50	8.34%	429
FY39	20.69%	767	1,906	284	1,622	85%	-		(1)	402	1,220	13.50	8.34%	414
FY40	20.69%	766	1,903	292	1,612	85%	-		(1)	402	1,210	14.50	8.34%	379
FY41	20.69%	767	1,908	299	1,609	84%	63		1	398	1,147	15.50	8.34%	331
FY42	20.69%	764	1,899	306	1,593	84%	-		(1)	395	1,199	16.50	8.34%	320
FY43	20.69%	761	1,891	314	1,577	83%	-		(1)	394	1,185	17.50	8.34%	292
FY44	20.69%	767	1,906	323	1,583	83%	63		1	392	1,128	18.50	8.34%	256
FY45	20.69%	761	1,892	330	1,562	83%	-		(1)	387	1,175	19.50	8.34%	246
FY46	20.69%	758	1,884	339	1,545	82%	-		(1)	386	1,160	20.50	8.34%	225
FY47	20.69%	761	1,893	348	1,545	82%	63		1	382	1,099	21.50	8.34%	196
FY48	20.69%	760	1,890	357	1,533	81%	-		(1)	380	1,153	22.50	8.34%	190
FY49	20.69%	755	1,876	366	1,510	80%	-		(1)	377	1,134	23.50	8.34%	173
FY50	20.69%	751	1,868	376	1,492	80%	-		(1)	374	1,120	24.50	8.34%	157
FY51	20.69%	371	922	202	720	78%	-		(78)	180	618	25.50	8.34%	80
FY52	20.69%	125	311	86	225	72%	-		(26)	56	195	26.26	8.34%	24
Present Value of Explicit Period Cash Flows														15,536
Adjustments:-														
PV of Working Capital Released as on 4-10-2051														13
PV of Sale of Own Land - Net of Tax 4-10-2051														86
PV of ARO as on 30-06-2050														(36)
PV of Net Scrap (Terminal)														85
Enterprise Value														15,685

\* 4<sup>th</sup> October 2051



## Appendix 2.1 – Calculation of Beta for SUPL – 31<sup>st</sup> March 2025

### a. Calculation of Unlevered Beta

$$\text{Unlevered Beta} = \text{Levered Beta} / [1 + (\text{Debt} / \text{Equity}) * (1 - T)]$$

Ticker	Particulars (Comparable companies)	Raw Beta	Debt to Market Capitalisation	Effective Tax Rate (%)	Unlevered Beta
NSEI: PGINVIT	Powergrid Infrastructure Investment Trust	0.14	5.27%	25.17%	0.14
NSEI: NTPC	NTPC LTD	0.78	161.40%	25.17%	0.36
NSEI: POWERGRID	PGCIL	0.62	111.89%	25.17%	0.34
<b>Average</b>					<b>0.28</b>

### b. Calculation of Re-levered Beta

$$\text{Re-levered Beta} = \text{Unlevered Beta} * [1 + (\text{Debt}/\text{Equity}) * (1 - T)]$$

Particulars	SUPL
Unlevered Beta	0.28
Debt Equity Ratio	2.33
Effective Tax Rate of SPV	16.84%
<b>Relevered beta</b>	<b>0.82</b>

Source: Information provided by S&P Capital IQ, database sources, market research, other published data and internal workings

### **Justification of Companies used for calculation of Beta for Solar SPV:**

The following companies are integral players in the Indian infrastructure sector and contributes significantly to the development, operation and maintenance of infrastructure project. Their strong market presence, diversified portfolios and consistent involvement in the key infrastructure projects make them relevant for the computation of beta of Solar SPV in the context of solar business valuation:

#### **1. PG InvIT**

PowerGrid InvIT (PG InvIT) primarily owns and operates high-voltage power transmission lines, which form a critical component of India's electricity infrastructure. The trust earns regulated revenues through long-term, fixed-fee contracts with utilities, offering predictable and stable cash flows over extended periods. PGInvIT has been included as a comparable for beta calculation in the valuation of Solar generation company primarily due to its Structure as an Infrastructure Investment Trust (InvIT). Due to lack of directly listed solar generation InvIT, PGInvIT – being part of broader InvIT category—serves as a relevant proxy given the structural and financial similarities shared across InvITs. PGInvIT Operated Capital-intensive, regulated infrastructure assets that generates predictable cash flows. This stability in earnings and business model alignment reinforces the rationale for selecting PGInvIT as a comparable entity, particularly when exact matches within the solar segment are not available.

#### **2. PGCIL**

Power Grid Corporation of India Limited (PGCIL) is mainly engaged in transmitting total electricity generated in the country. PGCIL has been considered as a comparable for beta calculation in the valuation of the solar generation company due to its structural and operational alignment with the InvIT model. In the absence of a directly listed solar InvIT PGCIL serves as a suitable proxy within the broader infrastructure category. The company operates capital-intensive, regulated transmission asset with stable and predictable cashflows—Characteristics that closely align with those of solar generation businesses. Furthermore, the operational stability and low market volatility associated with PGCIL resonate well with the risk profile of the company being valued, justifying its inclusion as a relevant comparable for beta estimation.

#### **3. NTPC Ltd.**

NTPC Ltd is mainly engaged in power generation and has very limited percentage of its portfolio under construction majority of revenue is through selling of electric units to various distribution companies in India through PPAs. NTPC shares several key characteristics with standalone solar companies including capital intensity, Long – term power purchase agreements (PPAs), regulated returns and government linked policy frameworks. Except for the generation risk on account of its Efficacy, the cashflows of NTPC are predictable based on the long-term PPAs and infrastructure setup of the business which makes it comparable to the solar business of the trust.

## Appendix 2.2 – Calculation of Beta for DMTCL and NRSSB – 31<sup>st</sup> March 2025

### a. Calculation of Unlevered Beta

$$\text{Unlevered Beta} = \text{Levered Beta} / [1 + (\text{Debt} / \text{Equity}) * (1 - T)]$$

Ticker	Particulars (Comparable Companies)	Raw Beta	Debt to Market Capitalisation	Effective Tax Rate (%)	Unlevered Beta
NSEI: PGINVIT	Powergrid Infrastructure Investment Trust	0.14	5.27%	25.17%	0.14
NSEI: POWERGRID	PGCIL	0.62	111.89%	25.17%	0.34
<b>Average</b>					<b>0.24</b>

### b. Calculation of Re-levered Beta

$$\text{Re-levered Beta} = \text{Unlevered Beta} * [1 + (\text{Debt}/\text{Equity}) * (1 - T)]$$

Particulars	DMTCL	NRSSB
Unlevered Beta	0.24	0.24
Debt Equity Ratio	2.33	2.33
Effective Tax Rate of SPV	21.93%	21.53%
<b>Relevered beta</b>	<b>0.67</b>	<b>0.68</b>

Source: Information provided by S&P Capital IQ, database sources, market research, other published data and internal workings

#### **Justification of Companies used for calculation of Beta for Transmission SPV:**

The following companies are integral players in the Indian infrastructure sector and contributes significantly to the development, operation and maintenance of infrastructure project. Their strong market presence, diversified portfolios and consistent involvement in the key infrastructure projects make them relevant for the computation of beta of transmission SPVs in the context of transmission business valuation:

##### **1. PG InvIT**

PowerGrid InvIT (PG InvIT) primarily owns and operates high-voltage power transmission lines, which form a critical component of India's electricity infrastructure. The trust earns regulated revenues through long-term, fixed-fee contracts with utilities, offering predictable and stable cash flows over extended periods. Accordingly, PG InvIT has been included as a comparable for beta calculation in the valuation of transmission company.

##### **2. PGCIL**

Power Grid Corporation of India Limited (PGCIL) is mainly engaged in transmitting total electricity generated in the country. PGCIL has been considered as a comparable for beta calculation in the valuation of the Transmission company due to its operational alignment with the transmission business. The company operates capital-Intensive, regulated transmission asset with stable and predictable cashflows—Characteristics that closely align with those of Transmission businesses. Accordingly, PGCIL has been included as a comparable for beta calculation in the valuation of transmission company.

## Appendix 2.3 – Weighted Average Cost of Capital of DMTCL and NRSSB – 31<sup>st</sup> March 2025

Particulars	DMTCL	NRSSB	Remarks
<b>Risk Free Rate</b>	6.55%	6.55%	Risk free rate has been considered based on zero coupon yield curve as at 28 <sup>th</sup> March 2025 of Government Securities having Maturity period of 10 years, as quoted on CCIL's Website.
<b>Market Risk Premium</b>	7.00%	7.00%	Based on the historical realized returns on equity investments over a risk-free rate of as represented by 10-year government bonds, a 7% equity risk premium is considered appropriate for India.
<b>Beta</b>	0.67	0.68	Beta has been considered based on the betas of companies operating in the similar kind of business in India.
<b>COE</b>	11.27%	11.28%	Base $K_e = R_f + (\beta \times ERP)$
<b>Company Specific Risk Premium</b>	0.00%	0.00%	Risk premium/ (Discount) specific to the SPV
<b>Adjusted Cost of Equity</b>	<b>11.27%</b>	<b>11.28%</b>	<b>Adjusted <math>K_e = R_f + (\beta \times ERP) + CSRP</math></b>
<b>Cost of debt</b>	8.01%	8.01%	As represented by the Investment Manager
<b>Tax Rate</b>	21.93%	21.53%	Average tax rate for the life of the SPV has been considered
<b>Post-tax cost of debt</b>	<b>6.25%</b>	<b>6.28%</b>	<b>Effective <math>K_d = \text{Pre Tax } K_d \times (1 - \text{Effective Tax Rate})</math></b>
<b>D/(D+E)</b>	<b>70.00%</b>	<b>70.00%</b>	<b>The Debt-Equity ratio computed as D/(D+E) is considered as 70% as per industry standard.</b>
<b>WACC</b>	<b>7.76%</b>	<b>7.79%</b>	<b><math>WACC = K_e \times [D/(D+E)] + K_d \times (1-t) \times [D/(D+E)]</math></b>

## Appendix 2.4 – Weighted Average Cost of Capital of SUPL – 31<sup>st</sup> March 2025

Particulars	SUPL	Remarks
<b>Risk Free Rate</b>	6.55%	Risk free rate has been considered based on zero coupon yield curve as at 28 <sup>th</sup> March 2025 of Government Securities having Maturity period of 10 years, as quoted on CCIL's Website.
<b>Market Risk Premium</b>	7.00%	Based on the historical realized returns on equity investments over a risk-free rate of as represented by 10-year government bonds, a 7% equity risk premium is considered appropriate for India.
<b>Beta</b>	0.82	Beta has been considered based on the betas of companies operating in the similar kind of business in India.
<b>COE</b>	<b>12.26%</b>	Base $K_e = R_f + (\beta \times ERP)$
<b>Company Specific Risk Premium</b>	0.00%	Risk premium/ (Discount) specific to the SPV
<b>Adjusted Cost of Equity</b>	<b>12.26%</b>	<b>Adjusted <math>K_e = R_f + (\beta \times ERP) + CSR_P</math></b>
<b>Cost of debt</b>	8.01%	As represented by the Investment Manager
<b>Tax Rate</b>	16.84%	Average tax rate for the life of the SPV has been considered
<b>Post-tax cost of debt</b>	<b>6.66%</b>	<b>Effective <math>K_d = \text{Pre Tax } K_d \times (1 - \text{Effective Tax Rate})</math></b>
<b>D/(D+E)</b>	<b>70.00%</b>	<b>The Debt-Equity ratio computed as D/(D+E) is considered as 70% as per industry standard.</b>
<b>WACC</b>	<b>8.34%</b>	<b><math>WACC = K_e \times [D/(D+E)] + K_d \times (1-t) \times [D/(D+E)]</math></b>

### Appendix 3.1 – DMTCL: Summary of approvals and licences (1/2)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
1	Transmission License	30-May-14	25	Central Electricity Regulatory Commission
2	<b><u>Transmission Service Agreement</u></b>			
	Transmission Service Agreement between DMTCL & LTTCs	6-Aug-13	Valid	
	Supplementary Transmission Service Agreement between DMTCL & Power Grid Corporation of India Ltd	4-Aug-16	Valid	
	Revenue Sharing Agreement between DMTCL & Power Grid Corporation of India Ltd	4-Aug-16	Valid	
3	Approval under section 68(1) of Electricity Act, 2003	24-Jul-13	Valid	Ministry of Power, Government of India
4	Approval from GOI under section 164 of Electricity Act, 2003 - Under Gazette of India	4-Sep-14	25	Ministry of Power, Government of India
5	Connection Agreement between DMTCL and the CTU (Power Grid Corporation of India Ltd)	2-Mar-17	Valid	
6	Tariff Adoption order under section 63 of the Electricity Act, 2003	20-May-14	Valid	Central Electricity Regulatory Commission
7	<b><u>Approval for Energisation under regulation 43 of CEA</u></b>			
	Electrical installations of 62.79 km of 400 kV D/C Muzaffarnagar – Darbhanga Transmission Line	3-Jan-24	Valid	Central Electricity Authority, Ministry of Power, GOI
	400/220 kV GIS substation at Darbhanga, Bihar	3-Jan-24	Valid	Central Electricity Authority, Ministry of Power, GOI
	LILO section of 400 kV D/C Barh – Motihari - Gorakhpur Line at 400 kV substation of DMTCL	31-May-22	Valid	Central Electricity Authority, Ministry of Power, GOI
	400/132 kV GIS substation at Motihari, Bihar	31-May-22	Valid	Central Electricity Authority, Ministry of Power, GOI
8	<b><u>Defence Clearance</u></b>			
	NOC from aviation angle for construction of Transmission line by DMTCL	18-Oct-16	Valid	Air HQ, Ministry of Defence
9	<b><u>Aviation Clearance</u></b>			
	NOC for Height Clearance for Pole ID 61	16-Sep-16	7	Airports Authority Of India
	NOC for Height Clearance for Pole ID 47	20-Sep-16	7	Airports Authority Of India

Source: Investment Manager



### Appendix 3.1 – DMTCL: Summary of approvals and licences (2/2)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
10	<b>Power &amp; Telecommunication Coordination Committee ("PTCC") Clearance</b>			
	Approval to the route of 400 KV D/C triple snowbird Muzaffarpur - Darbhanga transmission line	11-Jul-16	Valid	Power & Telecom Co-ordination Committee, GOI
	Approval to the route of LILO of 400 KV D/C Barh - Gorakhpur at Motihari transmission line	20-Aug-16	Valid	Power & Telecom Co-ordination Committee, GOI
11	<b>Road Crossing</b>			
	NOC for crossings of 400 KV D/C Muzaffarpur-Darbhangha lines over NH-28	23-Nov-16	Valid	National Highway Authority of India
	NH-28, at Gorakhpur-Gopalganj, for Barh-Gorakhpur transmission line	07-Sep-16	Valid	National Highway Authority of India
	NOC for crossing of 400 kV D/C Muzaffarpur-Darbhangha lines over NH-77	01-Sep-16	Valid	National Highway Authority of India
12	<b>Railway Crossing</b>			
	Narayanpur anant-Silaut Railway Stations	29-Sep-16	Valid	East Central Railway, Sonpur
13	<b>Diversion of Forest Land/ Permission for felling of trees</b>			
	Diversion of Forest land in favour of DMTCL (Gopalganj and Motihari)	5-Jun-18	Valid	Ministry of Environment, Forests & Climate Change, GOI
	Diversion of Forest land in favour of DMTCL (Gopalganj and East Champaran)	9-Jan-17	Valid	Ministry of Environment, Forests & Climate Change, GOI
14	<b>Power Line Crossing</b>			
	Approval for crossing of 400 KV D/C Muzaffarpur-Darbhangha line with Muzaffarpur-Samastipur Line	16-May-15	Valid	Bihar State Power Transmission Co Ltd, Patna
	Approval for crossing of 400 KV D/C Muzaffarpur-Darbhangha line with Muzaffarpur-Gopalganj Line at Loop in Loop out	19-Sep-15	Valid	Bihar State Power Transmission Co Ltd, Patna
	NOC for under pass gantry power line crossing of 400 KV D/C Muzaffarpur-Darbhangha at Muzaffarpur, Bihar with Purnea-Muzaffarpur transmission line	02-Nov-15	Valid	Powerlinks Transmission Limited
	NOC for power line crossing arrangement for LILO of 400 KV D/C Barh-Gorakhpur transmission line up to 400/132 GIS substation with Muzaffarpur-Gorakhpur transmission line	06-Jul-15	Valid	Powerlinks Transmission Limited

Source: Investment Manager

## Appendix 3.2 – NRSSB: Summary of approvals and licences

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
1	Transmission License	25-Aug-14	25	Central Electricity Regulatory Commission
2	<b><u>Transmission Service Agreement</u></b>			
	Transmission Service Agreement between NRSS & LTTCs	2-Jan-14	Valid	
	Supplementary Transmission Service Agreement between NRSSB & Power Grid Corporation of India Ltd	4-Aug-16	Valid	
3	Approval under section 68(1) of Electricity Act, 2003	16-Sep-13	Valid	Ministry of Power, Government of India
4	Approval from GOI under section 164 of Electricity Act, 2003 - Under Gazette of India	15-Oct-14	25	Ministry of Power, Government of India
5	Connection Agreement between NRSS XXXI (B) TL and the CTU (Power Grid Corporation of India	14-Dec-16	Valid	
6	Tariff Adoption order under section 63 of the Electricity Act, 2003	7-Aug-14	Valid	Central Electricity Regulatory Commission
7	Approval for Energisation under regulation 43 of CEA - Malerkotla-Amritsar	24-Jun-22	Valid	Central Electricity Authority, Ministry of Power, GOI
8	Approval for Energisation under regulation 43 of CEA - Kurukshetra-Malerkotla	24-Jun-22	Valid	Central Electricity Authority, Ministry of Power, GOI
9	<b><u>Defence Clearance</u></b>			
	NOC from aviation angle for construction of Transmission line Malerkotla-Amritsar	14-Feb-17	Valid	Air HQ, Ministry of Defence
	NOC from aviation angle for construction of Transmission line Kurukshetra-Malerkotla	17-Oct-16	Valid	Air HQ, Ministry of Defence
	NOC of PTCC for 400 kV D/C transmission line from PGCIL substation at Kurukshetra to PGCIL substation at Malerkotla and PGCIL substation at Malerkotla to PGCIL substation at Amritsar	18-Jan-16	Valid	Directorate General of Signals, Integrated HQ of Ministry of Defense (Army)
10	<b><u>Aviation Clearance</u></b>			
	NOC for Height Clearance Malerkotla-Amritsar	22-Feb-16	7	Airports Authority Of India
	NOC for Height Clearance Kurukshetra-Malerkotla	6-Apr-16	7	Airports Authority Of India
11	<b><u>Power &amp; Telecommunication Coordination Committee ("PTCC") Clearance</u></b>			
	Approval to the route of 400 kV D/C Kurukshetra-Malerkotla transmission Line	2-Dec-17	Valid	Power & Telecom Co-ordination Committee, GOI
	Approval to the route of 400 KV D/C Malerkotla-Amritsar transmission line	14-Mar-17	Valid	Power & Telecom Co-ordination Committee, GOI

Source: Investment Manager

### Appendix 3.3 – SUPL: Summary of approvals and licences

Sr. No.	Approvals	Date of issue	Issuing Authority
<b>Commissioning related</b>			
1	Commissioning certificate - 150MW	13-08-2021	Solar Energy Corporation of India
2	Commissioning certificate - 50MW	17-08-2021	Solar Energy Corporation of India
3	Commissioning certificate - 50MW	04-09-2021	Solar Energy Corporation of India
4	Commissioning certificate - 50MW	04-10-2021	Solar Energy Corporation of India
5	Extension of Time in due date of Financial Closure, Land Acquisition and Commissioning due to COVID-19	07-09-2020	Solar Energy Corporation of India
6	Registration of 300MW Solar PV Power Projected Selected through bidding conducted by SECI	16-12-2019	Rajasthan Renewable Energy Corporation Limited
7	Registration certificate	25-01-2021	Central Electricity Authority
<b>Power evacuation related</b>			
1	Grant of connectivity	16-06-2021	Central Transmission Utility of India Limited
2	Approval of Government of India for Connectivity system	14-12-2020	Central Electricity Authority, Ministry of Power
3	Extension of Approval for Energisation	24-08-2023	Central Electricity Authority, Ministry of Power
4	Approval of procurement of 300MW of solar power from SECI	04-08-2021	Bihar Electricity Regulatory Commission
5	Transfer of connective and LTA from ReNew Solar Energy (Jharkhand Four) Private Ltd to ReNew Sun Waves Private Limited	10-02-2023	Central Transmission Utility of India Limited
6	Grant of 300MW LTA to ReNew Solar Energy (Jharkhand Four) Private Limited for its proposed solar project	18-07-2019	Power Grid Corporation of India
7	Approval u/s 164 of the Electricity Act, 2003 to RSWPL for laying of the electric lines	02-03-2022	
8	Approval to Route of extra high tension power/telecom line	05-06-2021	Power and Telecom Coordination Committee
9	Operationalization of 250 MW Long Term Access Power for the project	22-09-2021	Central Transmission Utility of India Limited
10	Operationalization of 50 MW Long Term Access Power for the project	12-11-2021	Central Transmission Utility of India Limited
11	Grant of deemed GNA under regulation 18.1 of GNA Regulations	25-09-2023	Central Transmission Utility of India Limited
12	Corrigendum to grant of deemed GNA	11-01-2024	Central Transmission Utility of India Limited
13	Letter of Award	05-03-2019	Solar Energy Corporation of India
14	Approval for charging and trial operation (50MW)	10-08-2021	NRLDC
15	Approval for charging and trial operation (50MW)	02-09-2021	NRLDC
16	Approval for charging and trial operation (50MW)	02-10-2021	NRLDC
17	Approval for charging and trial operation (150MW)	10-08-2021	NRLDC
<b>Project Related</b>			
1	No objection certificate	12-06-2021	Gram Panchayat of Chaudiya Vilage
2	Forest NOC	09-03-2021	Conservator of forests, Jodhpur Division
3	Registration and Licence to work a Factory	31-01-2025	Government of Rajasthan
<b>Others</b>			
1	Certificate of Importer Exporter Code	19-03-2020	Ministry of Commerce and Industry

Source : Investment Manager

#### Appendix 4.1 – Summary of Ongoing Litigations – DMTCL (1/3)

Sr. No	Matter	Pending Before	Particulars	Amount Involved (INR Cr)
1	Regulatory	APTEL, New Delhi	<p><b>Background of the case:</b> DMTCL filed a petition dated 26 October 2017, before the CERC against <i>inter alios</i> Bihar State Power Transmission Co. Ltd, for seeking extension of SCOD and compensation for force majeure and change in law events which impacted the ERSS-VI as per the scope of work specified in the Transmission Services Agreement, and for grant of an increase in transmission charges to offset costs on account of additional IDC and IEDC and corresponding carrying cost.</p> <p>CERC passed an order on 29 March 2019, allowing DMTCL to recover expenditure incurred on account of change in law extension of SCOD on account of force majeure, and increase in taxes and duties. However, CERC disallowed recovery of IDC and IEDC beyond scheduled COD till actual COD, and corresponding carrying cost.</p> <p>Thereafter, DMTCL filed an appeal dated 20 June 2020 ("Appeal I") before the Appellate Tribunal for Electricity ("APTEL") at New Delhi, wherein DMTCL challenged, amongst others, the CERC order, claims in relation to IDC and IEDC, grant of relief for compensation due to delay in SCOD and loss of tariff along with seeking grant of consequential interest.</p> <p>APTEL passed an order dated 3 December 2021 and held that, (i) DMTCL would be entitled to be fully compensated for the IDC and IEDC incurred on account of the change in law and force majeure events, (ii) DMTCL would be compensated for the actual change in the length of the transmission lines, (iii) tariff would be levied only for services provided, (iv) DMTCL would be allowed to recover amounts paid to PGCIL along with interest pursuant to order dated 1 September 2017, and (v) compensation for increased number of power lines crossings would be paid, amongst other things, and directed the matter back to CERC for passing appropriate orders.</p> <p>After submissions of requisite information by DMTCL, CERC through order dated 13 May 2022 allowed DMTCL's claims, however, the claims in relation to carrying costs were disallowed. Consequently, DMTCL filed an appeal dated 24 June 2022 challenging the said CERC order seeking the payment of carrying costs in relation to IDC, IEDC and other costs claimed by DMTCL.</p> <p><b>Current Status:</b> Matter included in list of short matters. To be taken up basis our position in the list of short matters at Sr. No 45 and 46.</p>	Our estimate is approx. INR 27 Cr. (till March 22) subject to decision of the tribunal

## Appendix 4.1 – Summary of Ongoing Litigations – DMTCL (2/3)

No	Matter	Pending Before	Particulars	Amount Involved (INR Cr)
			<p><b>Background of the case:</b> DMTCL filed a petition against <i>inter alios</i> Bihar power utilities (such as BSPTCL, NBPDCCL and SBPDCL), for recovery of deemed transmission charges (plus applicable late payment surcharge and carrying cost) from the date of its deemed commercial operations being 31 March 2017, up to 15 April 2017, for its 2 x 500 MVA, 400/220kV Darbhanga sub-station and Muzaffarpur-Darbhangha 400kV D/C line with triple snowbird, which remained unrecovered due to non-availability of 220 kV downstream transmission network developed by BSPTCL.</p> <p>The petition was admitted on 11 August 2023. DMTCL asked to file an amended memo of parties to include all LTTCs along with submission of both substation technical details. BSPHCL has filed its reply on 6 October 2023, and we have to file rejoinder by 24 October 2023. This matter was last heard on 6 Dec 2023 - Bihar holding argued that this is only 15 days and let it be. We argued that liability needs to be settled. We need to present our energization approval. They also argued that this should not be a liability on Bihar holding but we argued that they have the authority for commercial settlement. Bihar transmission also filed a reply and written submission by Bihar holding. We have filed a rejoinder on 12 January 2024.</p>	INR 2.65 Cr plus applicable late payment surcharge
2	Regulatory	CERC	<p><b>Current Status:</b> CERC vide its order dated 30 September 2024, CERC approved the Deemed CoD of Darbhanga Element as 08.04.2017 and allowed DMTCL to recover transmission charges pertaining to Darbhanga element for the period from 8 April 2017 to 15 April 2017 along with differential tariff (as per CERC order June 2022) pertaining to the Darbhanga element for this period. Accordingly by virtue of this order, DMTCL was allowed to recover transmission charges (duration 8 April 2017 - 15 April 2017) of approx. INR 1,15,48,057 along with differential tariff for the said period amounting to approx. INR15,23,585/-.</p> <p><b>DMTCL Review Petition:</b> DMTCL has filed a review petition on the limited and unaddressed issue of carrying costs and late payment surcharge at CERC, which is admitted on 20th Feb 2025 and parties including CTUIL are directed to submit their replies including certain information on records. Next listing is on 15th Apr 25.</p> <p><b>Bihar Utilities filed Appeal at APTEL:</b> Also Bihar Utilities have challenged this CERC Order dt. 30 September 2024, wherein matter has already admitted by APTEL and next listing is on 28th Mar 2025 on stay application filed by Bihar Utilities. Additionally DMTCL has filed its reply on records already.</p> <p><b>DMTCL filed Appeal at APTEL:</b> Recently, DMTCL also filed an appeal challenging this CERC Order dt. 30 September 2024 for the disallowance of transmission tariff of (31 Mar to 07 Apr 17 duration), which is under procedural scrutiny .</p>	INR 0.35 Cr for change in tariff plus applicable carrying cost

#### Appendix 4.1 – Summary of Ongoing Litigations – DMTCL (3/3)

No	Matter	Pending Before	Particulars	Amount Involved (INR Cr)
3	Land matter	Court of Sub-Judge, I, Areraj, Bihar	<p><b>Background of the case:</b> DMTCL and Sishir Kumar had entered into sale deeds dated 15 May 2023 for purchase of certain plots of land adjacent to the Motihari substation, for a total consideration of ~ INR 21,00,000. However, due to certain conditions not being fulfilled by Sishir Kumar, the transaction could not be consummated. Further, the sale deeds erroneously recorded the incorrect consideration amount, description of land, etc.</p> <p>Sishir Kumar filed a petition in the Court of Sub-Judge, I, Areraj, on 21 December 2023 citing that he has not received the consideration amount, and praying that the sale deeds be declared ineffective, inoperative, null and void ab initio.</p> <p>DMTCL filed its Written Statement on 27 March 2024, inter alia stating that they have not paid the consideration as certain pre requisites for payment such as updation of revenue records, NA conversion etc. were not achieved, and hence consideration was not paid, and praying that the sale deeds be declared null and void ab initio.</p> <p><b>Current Status:</b> The matter has been disposed in favour on 24.06.2024 and order and decree have been passed by the court nullyfing the sale deed. The cancellation deed has been registered with the sub-registrar on 30.03.2025.</p>	
4	Contractual	Delhi High Court	<p><b>Background of the case:</b> Virtuous Energy Private Limited (VEPL) ("<b>Petitioner</b>") has filed a petition u/s 11 of the Arbitration and Conciliation Act, 1996 (for appointment of arbitrator) against Smart Power Grid Limited (SPGL) and DMTCL (together referred as "<b>Respondents</b>") on account of non-payment of outstanding dues for the services provided by the Petitioner. Petitioner is seeking for appointment of arbitrator for adjudication of disputes between the parties.</p> <p><b>Current Status:</b> Summons are received from Delhi High Court to appear in this matter on 18 November 2024 to show cause as to why arbitration agreement should not be filed. Upon listing of the matter on 18.11.2024, the Court allowed two weeks time to DMTCL to file its replies in the matter. DMTCL has filed replies in this matter and the next date of hearing is 09.12.2024. On the hearing held on 09.12.2024, the court noted the both the parties arguments and reserved its judgment. The court further directed the parties to file a brief note on arguments within one week and accordingly DMTCL made its filing on 16.12.2024.</p>	Outstanding dues of INR 0.48 Cr along with interest and litigation costs

**Note:** All amounts and outcomes are subject to any judgments/ final orders passed by the appropriate authority.

## Appendix 4.2 – Summary of Ongoing Litigations - NRSSB (1/2)

Sr. No	Matter	Pending Before	Particulars	Amount Involved (INR Cr)
1	Regulatory	APTEL, New Delhi	<p><b>Background of the case:</b> NRSS filed a petition dated 4 September 2017, before the CERC for seeking extension of SCOD and compensation for force majeure and change in law events as per the provisions of the Transmission Services Agreement, and for grant of an increase in transmission charges to offset costs on account of additional IDC and IEDC and carrying cost.</p> <p>CERC passed orders on 29 March 2019, allowing NRSS to recover expenditure incurred on account of change in law, extension of SCOD on account of force majeure, and increase in taxes and duties. However, CERC disallowed recovery of IDC and IEDC beyond scheduled COD till actual COD and carrying cost. Thereafter, NRSS filed an appeal dated 20 June 2020 ("Appeal I") before the Appellate Tribunal for Electricity ("APTEL") at New Delhi, wherein it challenged, amongst others, the CERC order, claims in relation to IDC and IEDC, grant of relief for compensation due to delay in SCOD and loss of tariff along with seeking grant of consequential interest. APTEL passed an order dated 3 December 2021 and held that, (i) NRSS would be entitled to be fully compensated for the IDC and IEDC incurred on account of the change in law and force majeure events, (ii) NRSS would be compensated for the actual change in the length of the transmission lines, and directed the matter back to CERC for passing appropriate orders. After submissions of requisite information by NRSS, CERC through order dated 11 May 2022 allowed DMTCL's claims, however, the claims in relation to carrying costs were disallowed.</p> <p>NRSS has filed an appeal dated 23 June 2022 challenging order dated 11 May 2022 and seeking compensation in relation to the carrying costs for IDC and IEDC.</p> <p><b>Current Status:</b> Matter included in list of short matters. To be taken up basis our position in the list of short matters at Sr. No 45 and 46.</p>	Our estimate is approx. INR 14 Cr. (till March 22) subject to decision of the tribunal
2	Petition	APTEL, New Delhi	<p><b>Background of the case:</b> This is regarding tariff determination of PGCIL's Malerkotla and Amritsar bays for the tariff period of 2014-2019. CERC decided that liability of IDC/ IEDC on account of mismatching of PGCIL constructed terminal bays (upstream network) and NRSS constructed lines (downstream network) is on NRSS.</p> <p>NRSS appealed against the CERC order, and APTEL set aside this order since NRSS transmission line delay was condoned under force majeure provision of TSA and matter was remanded back to CERC to pass a reasoned order based on the present facts of the matter. However, despite APTEL order, vide order dated 26 April 2022, CERC ultimately again decided that liability of IDC/ IEDC pertains to upstream/ downstream element mismatching and is to be recovered from NRSS.</p> <p><b>Current Status:</b> NRSS has filed an appeal challenging the CERC order. Pleadings have been completed from both sides and matter is included in the List of Finals. Both 2 and 3 are being heard jointly and coming up for hearing every few days but cannot be heard due to paucity of time. These Matters already included in list of short matters and will be taken at its own turn (Sr. 07).</p>	INR 1.28 Cr (now this amount has been revised to INR 1.004 Cr)



## Appendix 4.2 – Summary of Ongoing Litigations - NRSSB (2/2)

No	Matter	Pending Before	Particulars	Amount Involved (INR Cr)
3	Regulatory	APTEL, New Delhi	<p><b>Background of the case:</b> This is regarding tariff determination of PGCIL's Kurukshetra bays for the tariff period of 2014- 2019. CERC decided that liability of transmission charges on account of mismatching of PGCIL constructed terminal bays (upstream network) and NRSS constructed lines (downstream network) is on NRSS.</p> <p>NRSS appealed against the CERC order on the grounds that NRSS COD was delayed on account of force majeure events and this situation was beyond their control, and APTEL has upheld similar grounds in other matters.</p> <p><b>Current status:</b> Same as 2 above.</p>	INR 0.20 Cr
5	Civil Suit	Civil Court, Pehowa, Kurukshetra	<p><b>Background of the case:</b> Landowners Jagtar Singh &amp; Mukesh Kumar have filed the existing suit of mandatory injunction and a recovery suit for damage due to the installation of the transmission system, which they allege has led to reduction in the land value, destruction of tubewell, power supply connections, cost required for digging of two new bores, alleged destruction of 22 no. of fruit trees and alleged loss of cultivation at their land. The land is located at Tehsil Pehowa, District Kurukshetra, Haryana, and NRSS has paid them compensation for installation of transmissions towers and lines through their land.</p> <p><b>Current Status:</b> NRSS has filed its written statement, reply to application under O39R1&amp;2 as well as application under O7R11 and under O1R10 of CPC. The plaintiff has also filed its reply to O1R10 and O7R11. We again argued the matter post Judge transfer and made our written submissions .Next date is 07th Apr 2025.</p>	INR 0.20 Cr
6	Civil Suit	Addl. District & Session Court , Ludhiana (Punjab)	<p><b>Background of the case:</b> This suit has been filed by landowner Mr. Amarjeet Singh Ruprai claiming additional compensation for the land over which the transmission lines have been laid, on the ground that the land has become unusable due to stringing of high tension wire above it, and is claiming additional compensation for the total land parcel.</p> <p><b>Current Status:</b> Rajender's cross examination happened on 6 Dec 2023 and 16 Dec 2023. Last hearing on 18/11/24, the Plaintiff counsel informed to Court for the demise of Plaintiff Amarjeet Singh and informed to file the application for the Legal heirs from his side to deal with this matter further. The Next date is 15.04.2025.</p>	INR 7 Cr
7	Contractual	Delhi High Court	<p><b>Background of the case:</b> Virtuous Energy Private Limited (VEPL) ("Petitioner") has filed a petition u/s 11 of the Arbitration and Conciliation Act, 1996 (for appointment of arbitrator) against Smart Power Grid Limited (SPGL) and NRSS (together referred as "Respondents") on account of non-payment of outstanding dues for the services provided by the Petitioner. Petitioner is seeking for appointment of arbitrator for adjudication of disputes between the parties.</p> <p><b>Current Status:</b> Summons are received from Delhi High Court to appear in this matter on 18 November 2024 to show cause as to why arbitration agreement should not be filed. Upon listing of the matter on 18.11.2024, the Court allowed two weeks time to NRSS to file its replies in the matter. NRSS has filed reply in this matter and the next date of hearing is 09.12.2024. On the hearing held on 09.12.2024, the court noted the both the parties arguments and reserved its judgment. The court further directed the parties to file a brief note on arguments within one week and accordingly NRSS made its filing on 16.12.2024. Currently the judgment is resol</p>	Outstanding dues of INR 0.28 Cr along with interest and litigation costs

**Note:** All amounts and outcomes are subject to any judgments/ orders passed by the appropriate authority.

## Appendix 4.3 – Summary of Ongoing Litigations – SUPL

Sr. No	Matter	Pending Before	Particulars	Amount Involved (INR Cr)
1	Land	SDM, Fatehgarh, Jaisalmer	<p><b>Background of the case:</b> Kalu Singh Vs. Bheru Singh S/O. Ganpath Singh Revenue Application No:106/2021</p> <p><b>Brief Facts:</b> The revenue records for Sanwat year 2031-2036 records name of Ganpat Singh s/o. Mahadan Singh. Rectification in revenue records was made in Sanwat year 2037-39 and name was recorded as Ganpat Singh s/o. Aidan Singh. Upon demise of Ganpat Singh s/o. Aidan Singh, mutation no. 85 records devolution in the favour of his legal heirs Bhairo Singh s/o. Ganpant Singh.</p> <p>The applicant has alleged that he is the real legal heir of original land owner Ganpat Singh S/o. Mahadan Singh. It is alleged that without any valid mutation, name was altered in revenue record due to collusion of revenue officials. It is alleged that there was no person with the name of Ganpat Singh S/o. Aidan Singh and therefore subsequent mutation No. 85 is not valid. The Applicant has sought rectification and correction in the revenue records, cancellation of mutations recording subsequent transactions and for his name to be recorded as the owner. The Company was not made a party initially and it was added subsequently at the final stage. The Reply of the Defendant No.1 and report of the Tehsildar has already been filed.</p> <p><b>Current Status:</b> The Application is filed Under Order VII Rule 11 and it is under consideration/ arguments. Previous hearing date - 17.02.2025, Next date- 25.04.2025</p>	NA
2	Regulatory	APTEL, New Delhi	<p><b>Background of the case:</b> Renew Sun Waves Private Limited vs. CERC and ors [DFR 225 OF 2024]</p> <p>Limited appeal has been filed by by ReNew challenging the order passed by CERC in petition no. 171/MP/2021, dt. 19th Dec 23 to the extent 1) it has granted carrying cost on the basis of the "lowest of the three formula" 2) it has allowed the annuity rate at 9% p.a. instead of 14% as proposed by renew. ("<b>CIL CLaim</b>")</p> <p><b>Current Status:</b> The appeal is under list of finals (sr. no. 1091), would be taken up at its own turn.</p>	
3	Regulatory	CERC	<p><b>Background of the case:</b> Northern Regional Load Despatch Centre vs. Renew Sun Waves Pvt. Ltd. and Ors. [415/MP/2024]</p> <p>Petition has been filed seeking directions to the ISTS connected Renewable Energy (RE) Plants Voltage Ride Through (LVRT) and High Voltage Ride Through (HVRT) compliances to be carried out in terms of the Central Electricity Authority (Technical Standards of Connectivity to the Grid) Regulations, 2007 ('CEA Regulations'), as amended from time to time.</p> <p><b>Current Status:</b> The matter is next listed on 24.04.2025, draft of the reply is being discussed and finalised.</p>	
4	Land	SDM, Fatehgarh, Jaisalmer	<p><b>Background of the case:</b> Khet Singh vs. ReNew Sun Waves Pvt. Limited [Revenue Suit No. 115 of 2024]</p> <p>Revenue Suit filed under Section 136 of Rajasthan Land Revenue Act with section 151 &amp; 152 of the Civil Procedure Code 1908 seeking rectification of Mutation No.589 pertaining to Survey No. 34/546 admeasuring 2.6454 Hectare situated in Village Chodiya, Patwar Halka Dandri, Tehsil Fatehgarh and District Jaisalmer in the State of Rajasthan. In the present case, Company has executed and registered an Agreement to Sale in its favor, however, during updating of mutation records, instead of updating Agreement to Sale in the mutation records, inadvertently, mutation record has been updated as Sale Deed has been executed in favour of the Company.</p> <p>Therefore, to rectify such error in Mutation No.589 pertaining to Survey No. 34/546 admeasuring 2.6454 Hectare situated in Village Chodiya, Patwar Halka Dandri, Tehsil Fatehgarh and District Jaisalmer in the State of Rajasthan, the present suit has been filed.</p> <p><b>Current Status:</b> The case is at preliminary stage and Company is in receipt of the summons. Company is in process of filing vakalatnama and written statement.</p>	NA

#### Appendix 4.4 – Summary of Revenue related Litigations – SUPL

Sr. No.	Matter	Pending Before	Particular	Amount Involved
1	Revenue	APTEL, New Delhi	<p><b>Background of the Case :</b> Solzen Urja Private Limited (Previously known as “Renew Sun Waves Private Limited”) Vs.. CERC and ors [DFR 225 OF 2024] Limited appeal has been filed by Renew Challenging the order passed by CERC in petition no. 171/MP/2021 dt. 19<sup>th</sup> Dec 2023 in relation to Change in Law events on account of imposition of safeguarding duty on solar cells/modules and rescission of Notification No. 1/2011 – customs dated 01.02.2021, which has resulted in increase in rate of basic customs duty on import of solar inverters, in terms of Article 12 of the Power Purchase Agreements dated 13.08.2019 between M/s Renew Sun Waves Private Limited and Solar Energy Corporation of India Limited.</p> <p>The SPV has incurred cost on account of introduction of SGD, increase in BCD, etc in the FY2021 amounting to INR 1,114 mn. The same is corroborated with the CA certificates provided by the Investment Manager. In relation, the SPV has received an interim order dated 19th December 2023 from CERC that specifies that the Compensation is to be paid on a monthly annuity basis within 15 years at a rate of 9%.</p> <p>As per the order, CERC has also granted carrying cost for the period of actual date of payment of duties till date of the order on the basis of the lowest of the following 3 rates –</p> <ul style="list-style-type: none"> <li>a) the actual rate of interest paid by SUPL for arranging funds (supported by the Auditors certificate)</li> <li>b) the rate of interest on working capital as per the applicable RE Tariff Regulations prevailing at that time</li> <li>c) the late payment surcharge rate as per the PPA</li> </ul> <p><b>Current Status:</b> The appeal is under list of finals (Sr. no.1091) would be taken up at its own turn.</p>	

## Appendix 5.1 – Summary of Tax Notices – DMTCL

Sr. No.	Act/Law	Period	Brief	Particulars	Tax Amount Involves (INR in Lakhs)
1	Income Tax	AY 2019-20	Proposed Adjustment / Intimation 143(1)	<p>Intimation was re-received on 15.08.2020. As per the intimation order, losses of the said year to be carry forward is disallowed to the extent of Rs.4,97,763 on account of issues identified in proposed adjustment notice.</p> <p>Originally, rectification for reprocesing the return was filed on 09.03.2020, 22.05.2020 &amp; 07.07.2020. However, rectification was processed unchange on 15.08.2020.</p> <p>Thus, a physical submission for rectification will be filed once rectification rights are transferred to AO.</p> <p>Discrepancy is on account of:</p> <p>A] PF contribution paid after due date but before filling of return.</p> <p>B] IFOS income received in AY 2019-20 but was offered to tax in AY 2018-19 on accrual basis.</p> <p>Greivance raised on 07.12.2023 to issue rectification order.Greivance resolution received on 26.04.2024 to email rectification letter.</p>	NA
2	Bihar VAT	AY 2018-19	VAT Notice u/s 31	<p>We had filed requisite details in response to said notice. Notice u/s 24 is received for FY 2017-18 on 13.05.2022 and consultant has attended personal hearing on 31.05.2022. Form N-VIII (Demand Notice) dated 28.04.2023 received on 19.05.2023 raising a total demand of Rs. 7,72,996. Regular followups are done with the consultant as well the officer to issue main order. Case has been transferred to another consultant on 20.02.2024 to visit the department and obtain order.</p>	7.73
3	Bihar VAT	AY 2017-18	VAT Notice u/s 27	<p>Non-furnishing of Tax Audit Report under section 24 of Bihar VAT Act. Personal hearing attended on 05.11.2021 and department has initmated that certain tax audit forms are not filed for FY 2016-17 for which notice will be issued and penalty notice will be raised. Further, another notice for personal hearing is received dated 20.12.2021 to attend in person on 30.12.2021 with required books of accounts. Adjournment letter was filed on 30.12.2021 requesting time for 15 days. Hearing attended by consultant in Feb 2022 and response/clarification submitted on 10.02.2022 and 29.03.2022 for issues raised by the officer. Assessment order is received dated 13.04.2022 issuing a refund of INR 14,08,455/- and imposing penalty of INR 47,000/- and INR 96,250/-. Matter is closed for FY 2016-17. We have advised the consultant to co-ordinate with officer to adjust the demand of FY 2017-18 against refund of FY 2016-17 and issue net refund. Case has been transferred to another consultant on 20.02.2024 to visit the department and obtain order.</p>	NA
4	GST	AY 2018-19	Notice u/s 61 (ASMT-10)	<p>We have received Notice u/s 61 (ASMT-10) dated 29.08.2023. The Officer has raised a demand of INR 3,83,333 for not discharging GST via RCM on Legal Services. Alongwith the demand the Officer has asked for various details. The Company has paid the required RCM of INR 3,83,333 alongwith interest of INR 3,98,166 on 11 September 2023. Further, the Company is in the process of submitting the additional details sought by the Officer. Basis our discussions with the Officer we have been informed that the officer is transferred. The Company has made physical submissions on 25.10.2023.</p>	7.81
5	GST	AY 2021-22	Form GST ADT-01	<p>Notice Form GST ADT-01 issued on 06.05.2024 seeking various details under audit for FY 2020-21. Due date for submission is 28.05.2024. Detailed response was uploaded on 28.05.2024. Additional details have been submitted 15.07.2024 and 18.07.2024. Consultant had been to Bihar for personal hearing also with the AO on 19.07.2024 and 20.07.2024. Further, details are submitted on 31.07.2024 as per requirement of the officer. The officer has issued ADT-02 on 20.09.2024 with a due date of 05.10.2024. Further, Show cause notice was issued on 27.11.2024 with a due date of 27.12.2024 In this regard, the company is in the process of preparing the relevant submission and has filed for an extension for 4 weeks. The Company has made full response on 7 January 2025.</p> <p>Unfavorable order is issued by the Department with demand of Rs. 4,38,228/- on 27.02.2025 against which the Company have paid Rs. 72,204 and is in process of filing Appeal for remaining demand of Rs. 3,82,934."</p>	3.82

**Appendix 5.2 – Summary of Tax Notices – NRSSB**

Sr. No.	Act/Law	Period	Brief	Particulars	Tax Amount Involves (INR in Lakhs)
1	GST	AY 2025-26	No RCM on rent	Notice is received on 13.12.2024 for rent given by registered person to unregistered person on property other than residential dwelling as per Notification no. 09/2024 - Central Tax (Rate) dated 08/10/2024 to deposit rent as per RCM. Due date : 20/12/2024.The Company has duly made the entire submission on 20/12/2024.	NA

## Appendix 6 – Brief Details about the Valuer

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### Professional Experience

Sundararaman is a fellow member from the Institute of Chartered Accountants of India, Graduate member of the Institute of Cost and Works Accountants of India, Information Systems Auditor (DISA of ICAI) and has completed the Post Qualification Certification courses of ICAI on IFRS, Valuation. He is a registered Insolvency Professional and a Registered Valuer for Securities or Financial Assets, having been enrolled with the Insolvency and Bankruptcy Board of India (IBBI) after passing the respective Examinations. He possesses more than 30 years of experience in servicing large and medium-sized clients in the areas of Corporate Advisory including Strategic Restructuring, Governance, Acquisitions and related Valuations and Tax Implications apart from Audit and Assurance Services.

His areas of specialization include valuation for various Infrastructure Companies including valuation for Investment Infrastructure Trusts (InvITs)

### Professional Qualifications & Certifications

- FCA
- Grad CWA
- Certificate Courses on Valuation
- Certificate Course on IFRS
- Information Systems Audit (DISA of ICAI)
- Registered Insolvency Professional
- IBBI Registered Valuer

### Contact Details:

Mr. S. Sundararaman, IBBI Registered Valuer

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### Registration Details

IBBI Registration No - IBBI/RV/06/2018/10238

<<End of Report>>