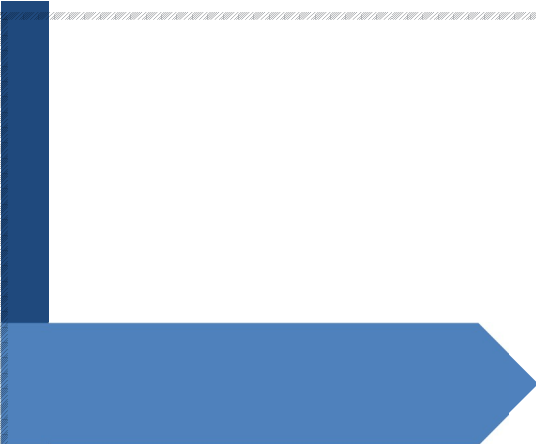




GH2 SOLAR LIMITED

VALUATION REPORT AS AT
MARCH 31, 2025

FAIR VALUATION – EQUITY SHARES

MOHIT JAIN

Registered Valuer - Securities or Financial Assets

Registration No. - IBBI/RV/05/2019/12280

Contact Details: 📞 - 9891646976

✉ - mohitjainrv@gmail.com



To,
The Board of Director(s)
GH2 Solar Limited
CIN: U35105DL2013PLC249995
Regd. Address: Unit no 1, Plot no 2, DDA Building District Centre, Nehru Place, South Delhi, New Delhi, India,
110019.

Subject: Report on Fair Valuation of Equity Shares of GH2 Solar Limited ("the Company").

Dear Sir(s),

I, Mohit Jain, acting as the 'Registered Valuer' or 'We' or 'Us,' make reference to our appointment by the Board of Directors of GH2 Solar Limited referred to as 'GH2' or 'the Company' or 'the Client.' This engagement was formalized through an engagement letter dated **July 31, 2025**, wherein we were designated as the registered valuer responsible for determining the Fair Value of Equity shares of the Company as of March 31, 2025. We are pleased to present our valuation report, which will henceforth be referred to as 'Our Report' or 'the Report' or 'this Report.'

As per the terms outlined in the engagement letter, the valuation date for this undertaking is March 31, 2025, herein referred to as the 'Valuation Date.'

Our analytical procedures and the resulting report are fully aligned with the IVS (International Valuation Standards) established and issued by the IVSC (International Valuation Standards Council).

In fulfilling our responsibilities, we have reviewed and placed reliance upon various materials and information provided by the Management of the Company, denoted as 'the Management.' Our Report is constructed upon the financial information and projections furnished to us by the Management. It is important to acknowledge that, given the limited scope of this Report, the financial information presented within may be incomplete and could deviate from generally accepted accounting principles.

Our report is subject to a comprehensive set of parameters, assumptions, exclusions, limitations, and disclaimers, all of which are delineated below. Therefore, it is imperative that the Report is considered as a whole, not in isolation, and should be viewed in conjunction with the pertinent documents referenced within.

We want to clarify that we have not conducted an audit of the financial information provided by the Management, and consequently, we do not offer any form of assurance regarding its accuracy.

Throughout the course of this engagement, we have shared draft copies of the Report with the Company to solicit their feedback and ensure factual accuracy in the Report's contents.

We have also secured a representation letter from the Management, which affirms that they have supplied us with all relevant information, knowledge, and confirmations in a complete and accurate manner. Additionally, it confirms that there have been no significant changes in the Company's business operations from the valuation date to the date of the Report that would impact the valuation exercise.

Following a thorough examination and comprehensive analytical review procedures, and considering the limitations stipulated in this report, our valuation opinion for the Fair Value of the Shares of the Company, assuming a going-concern basis for the purpose of complying with the valuation requirements under the Companies Act, 2013 and Foreign Exchange Management Act, 1999 as of March 31, 2025 is **INR 932.36/- (Indian Rupees Nine Hundred Thirty-Two and Paise Thirty-Six Only)** per equity share.

We currently do not hold any financial stake in the Company, nor do we anticipate any such interest in the future. Our compensation for this valuation is determined according to our standard billing rates and is entirely independent of the outcomes of our findings. It is important to note that we are under no obligation to revise or update the Report to account for events or developments that occur after the Report's date.

Thank You
Yours Sincerely

For Mohit Vijay and Associates
Chartered Accountants
Firm Registration No.: 030908N

Mohit Jain



CA Mohit Jain
(Partner)
ICAI Membership No.: 527977
Registered Valuer – Securities or Financial Assets
IBBI Registration No.: IBBI/RV/05/2019/12280
COP No.: - ICAI RVO/S&FA/00129

UDIN: 25527977BMLCRW6762

Date: August 14, 2025
Place: Delhi

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1. ENGAGEMENT OVERVIEW

1.1 Purpose and Scope

I, Mohit Jain, a Registered Valuer under the Companies Act, 2013, have been appointed by the Company to conduct a valuation analysis of the Fair Value of Equity shares of the Company as of March 31, 2025 as the Company intends raise funds through issuance of new Shares and therefore require the fair value of Equity share of the Company for complying requirements under the Companies Act, 2013 and Foreign Exchange Management Act, 1999.

I have diligently executed a valuation analysis of the fair value of equity shares to be issued by the Company's Shares in accordance with the valuation date specified in this report. It is understood that the findings of this analysis will be utilized exclusively by the Company's Management for the specific purposes outlined above. Therefore, any use of this analysis for alternative purposes requires prior written consent from the Valuer. It is crucial to recognize that this exercise has been carried out in strict accordance with the Caveats and Limitations detailed in Section 7 of this Report.

1.2 Value Definition

The valuation of securities can take place in various contexts and serve diverse purposes. In commencing any valuation endeavor, it is crucial to first identify the specific type of value pertinent to the transaction or case. Different standards of value can yield distinct valuation figures for the same business interest. In the present context, the appropriate standard of value is considered to be Fair Value.

Fair value is defined as follows:

"The fair value of an asset (or liability) represents the amount at which that asset (or liability) could be feasibly purchased (or incurred) or sold (or settled) in a current transaction involving willing parties, under normal circumstances and not as part of a forced or liquidation sale."

1.3 Premise of Value

The current valuation of Shares is conducted under the assumption of a Going Concern basis, which means that it is presumed that the Company will persist in its operations in the future and generate cash flows.

1.4 Valuation Date

At the behest of the Company's Management, the Valuation analysis has been executed with a reference date of March 31, 2025.

The Management has asserted that there have been no substantial events or developments subsequent to the valuation date that could exert a significant influence on our valuation, and such events have been duly taken into account for the purposes of this Report.

1.5 Conflict of Interest

In our view regarding the valuation analysis of the Company's Securities, there exists no conflict of interest. Our fee is not dependent on the opinion presented in this analysis. The Report is governed by the terms and conditions stipulated in the engagement letter between the Registered Valuer and the Company.

1.6 Source of Information Relied Upon

The Valuer has formulated this Opinion based on information presented and conveyed by the Company's Management. Our comprehensive examination and analysis encompassed, though not confined to, the subsequent facets:

1. Deliberations with the Management, pertaining to the Company's assets, financials, historical performance, and anticipated future operations.
2. Scrutiny of the Company's Audited Financial Statements for the period ended on March 31, 2025.
3. Examination of the Projected Financial Statements, projecting the Company's financial outlook from April 01, 2025, to March 31, 2030.
4. Assessment of the prevailing shareholding structures within the Company.
5. Analysis of any potential contingent liabilities borne by the Company.
6. Scrutiny of the prospective earnings trajectory of the Company.
7. Review of information and documentation provided by the Management, along with pertinent discussions conducted periodically.
8. Incorporation of publicly available information and supplementary secondary data sources.

2. IDENTITY OF THE REGISTERED VALUER AND ANY OTHER EXPERTS INVOLVED IN THE VALUATION

The Companies (Registered Valuers and Valuation) Rules, 2017, were promulgated pursuant to the authority vested by Section 247, in conjunction with Sections 458, 459, and 469, of the Companies Act, 2013 (18 of 2013). These rules provide a definition of a Valuer and establish a framework for governing Valuers, encompassing criteria such as eligibility, qualifications, and the registration process.

I, Mohit Jain, have obtained registration with the Insolvency and Bankruptcy Board of India (the 'Authority') in accordance with the provisions set forth in the Companies (Registered Valuers and Valuation) Rules, 2017 (referred to as 'the Rules'). The pertinent details of my registration are as follows:

S. No.	Particulars	Details
1.	Name of Registered Valuer (RV)	Mohit Jain
2.	IBBI Registration No.	IBBI/RV/05/2019/12280
3.	Name of RVO enrolled with	ICMAI Registered Valuers Organization
4.	Asset Class	Securities or Financial Assets
5.	Date of Registration	September 11, 2019

3. CORPORATE OVERVIEW¹

3.1. Background

Incorporated on March 28, 2013, the Company is engaged in the business of Solar Consulting, EPC, trading, power generation using solar, fossil, and alternate sources of energy.

The registered office is located at Unit no 1, Plot no 2, DDA Building District Centre, Nehru Place, South Delhi, New Delhi, India, 110019.

3.2. Shareholding Pattern

As of March 31, 2025, the Company's shareholding structure is outlined as follows:

S. No.	Name of Shareholder	No. of Shares Issued	Nominal Value per Share (In Rs.)	Paid-up Value (In Rs.)	% of Holding w.r.t. No. of Shares
Shares					
1.	Equity Shares	42,90,167	10.00	4,29,01,670	100.00%
	Total	42,90,167	10.00	4,29,01,670	100.00%

3.3. Historical Performance

Our reliance is based on the audited financial statements for the year ended on March 31, 2025, which have been furnished to us by the Management.

3.3.1. Profit and Loss Statement

(Amounts in ₹ Crore)

Particulars	From April 01, 2024 to March 31, 2025 (Audited)
Revenue	
Revenue from Operations	214.61
Other Income	1.94
Total Income	216.55
Add/(Less): Expenses	
Direct Cost	(176.47)
Employee Benefits Expenses	(4.71)
Other expenses	(5.42)
Depreciation	(0.39)
Finance Cost	(1.71)
Profit/(Loss) before tax	27.85
Add/(Less): Tax Expense	
Current Tax	(8.31)
Deferred tax	0.02
Profit/(Loss) after Tax	19.56
Minority Interest	(0.01)
Owners' of the company	19.55

¹Source: As provided by the Management

3.3.2. Balance Sheet

(Amounts in ₹ Crore)

Particulars	As on March 31, 2025 (Audited)
SOURCES OF FUNDS	
Share Capital	4.29
Securities Premium	30.93
Minority Interest	0.52
Profit & Loss Account	23.78
Non-Current Liabilities	
Long-term borrowings	0.12
Long-term Provision	0.18
Current Liabilities	
Trade Payables	11.95
Other Current Liabilities	6.15
Short-term borrowings	46.41
Short Term Provisions	5.63
TOTAL	129.96
APPLICATION OF FUNDS	
Non-Current Assets	
Tangible assets	5.32
Intangible Assets	0.36
Intangible Assets Under Development	0.46
Other non current assets	40.88
Deferred Tax Assets (Net)	0.08
Current Assets	
Trade Receivables	56.86
Short-Term Loans & Advances	12.17
Other current assets	8.17
Cash and Cash equivalents	5.66
TOTAL	129.96

3.4. Projected Performance

We have placed our reliance upon the projected financial statements provided by the Management.

3.4.1. Projected Profit and Loss Statement

(Amounts in ₹ Crore)

Particulars	From April 01, 2025 to March 31, 2026	From April 01, 2026 to March 31, 2027	From April 01, 2027 to March 31, 2028	From April 01, 2028 to March 31, 2029	From April 01, 2029 to March 31, 2030
Revenue					
Revenue from Operations	471.59	716.72	1,172.69	1,752.73	2,343.56
Other Income	13.92	30.07	55.28	89.67	51.27
Total Income	485.51	746.79	1,227.97	1,842.40	2,394.83
Add/(Less): Expenses					
Direct Cost	(372.14)	(532.71)	(848.42)	(1,257.47)	(1,669.83)

Other expenses	(15.39)	(18.06)	(23.82)	(29.90)	(37.19)
EBITDA	97.99	196.01	355.72	555.04	687.81
Depreciation	(8.11)	(23.61)	(37.91)	(54.49)	(73.01)
Finance Cost	(17.46)	(33.63)	(39.58)	(42.58)	(43.46)
Profit/(Loss) before tax	72.42	138.77	278.23	457.97	571.34
Add/(Less): Tax Expense					
Current Tax	(18.23)	(34.93)	(70.03)	(115.26)	(143.79)
Profit/(Loss) after Tax	54.19	103.84	208.21	342.71	427.54

3.4.2. Projected Balance Sheet

(Amounts in ₹ Crore)

Particulars	As on March 31, 2026	As on March 31, 2027	As on March 31, 2028	As on March 31, 2029	As on March 31, 2030
<u>SOURCES OF FUNDS</u>					
Share Capital	64.29	264.29	264.29	264.29	264.29
Securities Premium	30.93	30.93	30.93	30.93	30.93
Minority Interest	0.52	0.52	0.52	0.52	0.52
Profit & Loss Account	77.97	181.81	390.02	732.73	1,160.27
Non-Current Liabilities					
Long-term borrowings	122.62	140.12	170.62	194.12	180.62
Long-term Provision	0.17	0.17	0.17	0.17	0.17
Current Liabilities					
Trade Payables	171.46	113.17	179.23	264.53	327.37
Short Term Borrowings	66.41	66.41	66.41	66.41	66.41
Short Term Provisions	5.72	5.72	5.72	5.72	5.72
Other Current Liabilities	53.66	64.93	64.11	72.12	74.79
TOTAL	593.76	868.09	1,172.03	1,631.54	2,111.10
<u>APPLICATION OF FUNDS</u>					
Non - current assets					
Tangible assets	275.36	567.75	841.84	1,138.35	1,455.34
Intangible Assets	0.36	0.36	0.36	0.36	0.36
Other non current assets	48.88	48.88	48.88	48.88	48.88
Deferred Tax Assets (Net)	0.08	0.08	0.08	0.08	0.08
Current Assets					
Trade Receivable	58.14	88.36	144.58	216.09	229.94
Short-Term Loans and Advances	0.47	0.72	1.17	1.75	2.34
Other Current Assets	8.73	8.73	8.73	8.73	8.73
Cash and Cash equivalents	201.73	153.21	126.39	217.30	365.43
TOTAL	593.76	868.09	1,172.03	1,631.54	2,111.10

4. INDUSTRY OVERVIEW

Incorporated on March 28, 2013, the Company is engaged in the business of Solar Consulting, EPC, trading, power generation using solar, fossil, and alternate sources of energy.

4.1. Renewable Energy Industry²

Introduction

India's energy demand is expected to increase more than that of any other country in the coming decades due to its sheer size and enormous potential for growth and development. Therefore, most of this new energy demand must be met by low-carbon, renewable sources. India's announcement that it intends to achieve net zero carbon emissions by 2070 and to meet 50% of its electricity needs from renewable sources by 2030 marks a historic point in the global effort to combat climate change.

India was ranked fourth in wind power capacity and solar power capacity, and fourth in renewable energy installed capacity, as of 2023. Installed renewable power generation capacity has increased at a fast pace over the past few years, posting a CAGR of 15.4% between FY16 and FY23. India has 125.15 GW of renewable energy capacity in FY23. India is the market with the fastest growth in renewable electricity, and by 2026, new capacity additions are expected to double.

With the increased support of the Government and improved economics, the sector has become attractive from an investor's perspective. As India looks to meet its energy demand on its own, which is expected to reach 15,820 TWh by 2040, renewable energy is set to play an important role.

Market Size

As of July 2024, Renewable energy sources, including biomass, waste to power and waste to energy, have a combined installed capacity of 150.27 GW.

As of October 2024, 44.72% of the total power installed capacity is from non-fossil-based sources.

India's installed renewable energy capacity is expected to increase to about 170 GW by March 2025 from the level of 135 GW as of December 2023, according to research agency ICRA.

The country is targeting about 450 Gigawatt (GW) of installed renewable energy capacity by 2030 – about 280 GW (over 60%) is expected from solar.

The non-hydro renewable energy capacity addition stood at 4.2 GW for the first three months of FY23 against 2.6 GW for the first three months of FY22. According to research by the Council on Energy, Environment and Water's Centre for Energy Finance (CEEW-CEF), India's total installed power generation capacity reached 416 GW in FY23, of which 125 GW (30%) came from renewable energy (RE) and 47 GW (11%) comes from hydro.

India's National Electricity Plan (Transmission) aims to boost inter-regional capacity to 168 GW by 2031-32, adding 191,474 circuit km of transmission lines and 1,274 GVA of transformation capacity. It includes 33.25 GW of HVDC links, cross-border interconnections, and increased private sector participation to enhance grid efficiency.

According to Mercom Capital, India added 16.4 gigawatts (GW) of solar capacity during January-September 2024, marking a 167% YoY increase. The Q3 FY24 saw solar installations rise by 78%, reaching 3.5 GW, up from 2 GW in Q3 FY23.

As of September 2024, India's cumulative installed solar capacity stood at 89.1 GW, with utility-scale projects comprising over 86% and rooftop solar accounting for nearly 14%. Solar power now constitutes approximately 20% of India's total installed power capacity and over 44% of its renewable energy capacity.

² Source: <https://www.ibef.org/industry/renewable-energy>

The installed solar energy capacity has increased by 26 times in the last 9 years and stands at 73.32 GW as of December 2023. In 2023, India has added 7.5 GW of solar power capacity.

During January 2024, the capacity addition from solar energy stood at 9008.47 MW.

Solar power accounted for 16.9% of the total installed power capacity and 40.1% of the total installed renewable capacity at the end of December 2023. Solar power's share increased by 0.3% from the last quarter, when it accounted for 39.5% of the total renewable capacity.

India has hydroelectric power projects with a total capacity of 15 GW under construction, which will increase the country's total hydro capacity from 42 GW to 67 GW by 2031-32, supported by IMD's prediction of higher rainfall and the government's proactive stance towards accelerated hydropower development.

India has generated 75.57 BU of solar power in the first eleven months of FY24.

India's renewable energy capacity is set to reach 250 GW by 2026, driven by a strong project pipeline.

Power generation from renewable energy sources (excluding hydro) stood at 19.77 billion units (BU) in December 2024, up from 16.76 BU in December 2023.

Power generation from renewable energy sources stood at 189.48 billion units (BU) between April-December 2024, up from 172.48 BU in the same period in the previous year.

With a potential capacity of 363 GW and with policies focused on the renewable energy sector, Northern India is expected to become the hub for renewable energy in India.

Investments/ Developments

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

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

- India is set to significantly boost its renewable energy investments, with a projected increase of 83% to approximately US\$ 16.5 billion in 2024, as part of its strategy to transition to cleaner energy sources and reduce carbon emissions.
- India is set to invest over US\$ 360 billion in renewable energy and infrastructure by 2030, with US\$ 190 billion to US\$ 215 billion needed to achieve 500 GW of renewable capacity. An additional US\$ 150 billion to US\$ 170 billion will be required for electricity transmission and storage.
- Brookfield Asset Management plans to boost its investments in India's renewable energy sector to over US\$ 10 billion in the next three to four years, also exploring electric vehicles and green hydrogen.
- India's renewable energy sector set to attract over US\$ 250 billion in investments, with solar PV projects expecting US\$ 15.5 billion and battery manufacturing US\$ 2.7 billion.
- The Union Budget 2025-26 allocates Rs. 20,000 crore (US\$ 2.30 billion) each for nuclear energy and the PM Surya Ghar Muft Bijli Yojana to expand rooftop solar. It also introduces legislative reforms to enhance energy security.
- Indian companies are outpacing global averages in emissions reporting and reduction, with decarbonisation driving significant financial gains, showcasing immense untapped potential in sustainability and AI-driven innovations.
- India aims to become a global wind power hub, with policy support driving local manufacturing and a target of capturing 10% of global wind energy demand by 2030.

- Radiance Renewables, an Indian renewable energy developer, and the UK's Private Infrastructure Development Group have formed a joint venture called Radiance InfraCo Renewables to develop greenfield solar and wind-solar hybrid projects for commercial and industrial clients in India, leveraging their expertise to support the country's transition towards its net-zero emissions target by 2070.
- Maruti Suzuki India will invest Rs. 450 crore (US\$ 54 million) over the next three years in renewable energy projects, including a biogas plant at Manesar and expanding solar capacity. The pilot biogas plant aims to produce 1 lakh cubic meters of biogas in FY 2024-25, offsetting 190 tonnes of CO2 annually. Solar capacity will grow from 43.2 MWp to 78.2 MWp by FY 2025-26, supporting Suzuki's 'Environment Vision 2050'.
- NTPC Green Energy Ltd. will invest Rs. 80,000 crore (US\$ 9.59 billion) in Maharashtra for green hydrogen, ammonia, and methanol projects, including 2 GW pumped storage and up to 5 GW renewable energy projects, as part of a plan to build 60 GW renewable capacity by 2032.
- On December 4, 2023, Andhra Pradesh announced Rs 6600 crore (US\$ 794 million) clean energy and infrastructure expansion plans, including a 750 MW solar project, 100 MW solar plant, substation enhancements, collaborations with HPCL, Avera AI Mobility's electric vehicle expansion, and SECI contract for solar energy.
- On January 4, 2024, Torrent Power signed four initial pacts with the Gujarat government to invest Rs 47,350 crore (US\$ 5.70 billion) in renewable energy, green hydrogen, and electricity distribution. These investments are aimed at contributing to the state's development and creating employment opportunities.
- On January 8, 2024, Tata Power announced a Rs 70,000 crore (US\$ 8.42 billion) investment to develop 10 GW of solar and wind power capacity in Tamil Nadu over the next 5-7 years. This aligns with its goal of achieving 70% clean energy production by 2030.
- Eco Wave Power and Bharat Petroleum signed an MoU at India Energy Week 2025 to develop wave energy in India, estimated at 40,000 MW. The agreement, witnessed by Minister Hardeep Singh Puri, aims to integrate wave power into India's renewable energy mix.
- Around US\$ 2.8 trillion will be invested in energy in 2023 globally. More than US\$ 1.7 trillion is going to clean energy, including renewable power, nuclear, grids, storage, low-emission fuels, efficiency improvements and end-use renewables and electrification.
- 59 solar parks with an aggregate capacity 40 GW have been approved in India.
- Solar Parks in Pavagada (2 GW), Kurnool (1 GW) and Bhadla-II (648 MW) are included in the top 5 operational solar parks of 7 GW capacity in the country.
- The world's largest renewable energy park of 30 GW capacity solar-wind hybrid project is under installation in Gujarat.
- India offers a great opportunity for investments in the RE sector; \$196.98 Bn worth of projects are underway in India.
- Wind Energy has an offshore target of 30 GW by 2030 with 3 potential sites identified.
- In August 2022, Norfund, who manages the Norwegian Climate Investment Fund, and KLP, Norway's biggest pension company, signed an agreement to buy a 49% share of a 420 MW solar power plant in Rajasthan for Rs. 2.8 billion (US\$ 35.05 million).
- India has generated 47.64 BU of solar power in the first half of 2022, a 34% YoY increase.
- Delhi's Indira Gandhi International Airport (IGIA) has become the first Indian airport to run entirely on hydro and solar power. The onsite solar power plants meet around 6% of the airport's electricity requirement.
- Ayana Renewable Power Pvt Ltd (Ayana) announced plans to set up renewable energy projects totalling 2 gigawatts (GWs) with an investment of Rs. 12,000 crore (US\$ 1.53 billion) in Karnataka.
- The Solar Energy Corporation of India (SECI) implemented large-scale central auctions for solar parks and has awarded contracts for 47 parks with over 25 GW of combined capacity.

Government initiatives

Some initiatives by the Government of India to boost India's renewable energy sector are as follows:

- The Pradhan Mantri Jaiv Indhan - Vatavaran Anukool Fasal Awashesh Nivaran (PM JI-VAN) Yojana, amended in 2024, aims to provide financial support for advanced bioethanol projects using renewable feedstocks. Over Rs. 908 crore (US\$ 106.7 million) has been approved for 2G bioethanol projects, including commercial-scale initiatives in Panipat, Haryana.

- The Rajasthan government signed an MoU with NTPC Green Energy for 28,500 MW of renewable energy-based projects, as part of the total 31,825 MW of power generation projects worth Rs 1.6 lakh crore (US\$ 19.18 billion). This massive renewable energy investment is aimed at making Rajasthan self-reliant in the energy sector and significantly expanding the state's renewable power capacity.
- In the Interim Budget for 2024-2025, The Government of India doubled funding for the National Green Hydrogen Mission, allocating Rs. 600 crores (US\$ 72 million). Additionally, Indian conglomerates plan to invest US\$ 800 billion (Rs. 67,42,400 crore) in green hydrogen, clean energy, semiconductors, and EVs.
- Government plans to invest Rs. 9,12,000 crore (US\$ 107.89 billion) in power transmission infrastructure by 2032 to boost capacity and support growing electricity demand.
- As of January 2, 2024, the Government of India is implementing the Production Linked Incentive (PLI) Scheme for the National Programme on High Efficiency Solar PV Modules, aimed at achieving gigawatt-scale manufacturing capacity. Under Tranche-II, with a budget allocation of Rs 19,500 crore (US\$ 2.35 billion), Letters of Award were issued in April 2023 for the establishment of 39,600 MW of fully or partially integrated solar PV module manufacturing units.
- The Ministry of New and Renewable Energy (MNRE) has proposed the establishment of a 13,000 MW renewable energy (RE) capacity along with a 12,000 MWh Battery Energy Storage System (BESS) in Ladakh. On October 18, 2023, the Cabinet Committee on Economic Affairs approved the construction of an Inter-State Transmission System (ISTS) to facilitate the power evacuation and grid integration of these RE projects in Ladakh.
- Proposed solar cities and parks: The Solar Park Scheme launched in December 2014 with a capacity of 20,000 MW was expanded to 40,000 MW by March 2017. As of November 30, 2023, 50 solar parks have been approved, totaling around 37,490 MW capacity across 12 states. Of these, 10,401 MW has been commissioned, including 284 MW in 2023.
- On February 13, 2024, Prime Minister Mr. Narendra Modi launched PM Surya Ghar Muft Bijli Yojana, offering free rooftop solar electricity to 1 crore households, backed by subsidies and concessional loans.
- On December 12, 2023, the Union Minister for New & Renewable Energy and Power reported the installation of 140 MW solar power plants and 2.73 lakh standalone solar pumps under PM-KUSUM, aimed at farmer welfare and environmental sustainability.
- In Budget 2023-24, Green Growth was identified as one of the nodes in the SAPTARISHI (7 priorities).
- In Budget 2023-24, pumped storage projects received a push with a detailed framework to be formulated.
- Union Budget 2023-24 envisions to create sustainable cities of tomorrow. To translate this, states and cities will be encouraged to undertake urban planning reforms and actions to transform our cities into 'sustainable cities of tomorrow.'
- The Indian government's commitment to reaching net-zero emissions by 2070 and increasing its renewable energy target to 500 GW by 2030 at the COP26 summit has provided great support to the industry and spurred unprecedented growth.
- In Budget 2023-24, US \$1.02 billion (Rs. 8,300 crore) central sector support for ISTS infrastructure for 13 GW renewable energy from Ladakh was announced.
- On November 19, Prime Minister Mr. Narendra Modi dedicated the 600 MW Kameng Hydro Power Station in Arunachal Pradesh to the country. The project, which covers more than 80 kilometres and costs about Rs. 8,200 crore (US\$ 1 billion), is located in Arunachal Pradesh's West Kameng District.
- On November 9, Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman, approved the final Sovereign Green Bonds framework of India. The Paris Agreement's Nationally Determined Contribution (NDC) targets will be further strengthened by this approval, which will also aid in attracting foreign and domestic capital to green projects.
- In the Union Budget 2022-23, the allocation for the Solar Energy Corporation of India (SECI), which is currently responsible for the development of the entire renewable energy sector, stood at Rs. 1,000 crore (US\$ 132 million).
- In the Budget, the government allocated Rs. 19,500 crore (US\$ 2.57 billion) for a PLI scheme to boost manufacturing of high-efficiency solar modules.

Road Ahead

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% cumulative electric power installed by 2030 from renewables, and achieve net-zero carbon emissions by 2070. Low-carbon technologies could create a market worth up to US\$ 80 billion in India by 2030.

India's target is to produce five million tonnes of green hydrogen by 2030. The Green Hydrogen target is set at India's electrolyser manufacturing capacity is projected to reach 8 GW per year by 2025. The cumulative value of the green hydrogen market in India could reach \$8 Bn by 2030 and India will require at least 50 gigawatts (GW) of electrolysers or more to ramp up hydrogen production.

India's ambitious renewable energy goals are transforming its power sector. The rising population and widespread electrification in rural homes are fueling the demand for energy to power homes, businesses and communities. Clean energy will reduce pollution levels as villages become self-sustainable with their use of clean energy. The non-conventional energy space in India has become highly attractive for investors and received an FDI inflow of Rs. 1,43,692 crore (US\$ 19.98 billion) between April 2000-September 2024.

It is expected that by 2040, around 49% of the total electricity will be generated by renewable energy as more efficient batteries will be used to store electricity, which will further cut the solar energy cost by 66% as compared to the current cost. The use of renewables in place of coal will save India Rs. 54,000 crore (US\$ 8.43 billion) annually. Around 15,000 MW of wind-solar hybrid capacity is expected to be added between 2020-25.

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

References: Central Electricity Authority, Ministry of New and Renewable Energy, Media Reports, Press Releases

5. Global Economic Overview³

5.1. Global Overview

Global growth is projected at 3.3 percent both in 2025 and 2026, below the historical (2000–19) average of 3.7 percent. The forecast for 2025 is broadly unchanged from that in the October 2024 World Economic Outlook (WEO), primarily on account of an upward revision in the United States offsetting downward revisions in other major economies. Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.

Medium-term risks to the baseline are tilted to the downside, while the near-term outlook is characterized by divergent risks. Upside risks could lift already-robust growth in the United States in the short run, whereas risks in other countries are on the downside amid elevated policy uncertainty. Policy-generated disruptions to the ongoing disinflation process could interrupt the pivot to easing monetary policy, with implications for fiscal sustainability and financial stability. Managing these risks requires a keen policy focus on balancing trade-offs between inflation and real activity, rebuilding buffers, and lifting medium-term growth prospects through stepped-up structural reforms as well as stronger multilateral rules and cooperation.

³<https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>

5.2. Indian Economy Growth Rate & Statistics⁴

Introduction

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP for Q2 FY25 is estimated at Rs. 76.60 lakh crore (US\$ 886.16 billion) with growth rate of 8.0%, compared to Rs. 70.90 lakh crore (US\$ 820.22 billion) for Q2 FY24. The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-December 2024, India's exports stood at Rs. 27.56 lakh crore (US\$ 318.96 billion), with Engineering Goods (27.32%), Petroleum Products (14.59%) and Electronic Goods (8.19%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalization of the tariff structure, and the digitization of tax filing.

In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers. The contact-based services sector has demonstrated promise to boost growth by unleashing the pent-up demand. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's appeal as a destination for investments has grown stronger and more sustainable because of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

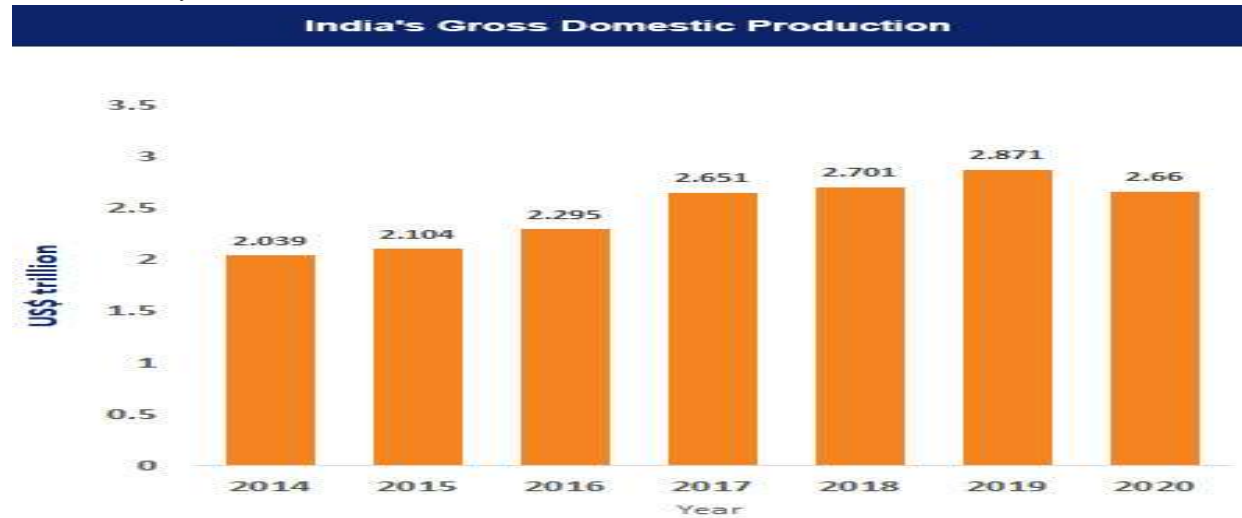
Market size

Real GDP for Q2 of FY25 is estimated at Rs. 44.10 lakh crores (US\$ 509.36 billion) with growth rate of 5.4%, compared to Rs. 41.86 lakh crore (US\$ 484.27 billion) for Q2 of 2023-24. The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's Current Account Deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at Rs. 96,790 crore (US\$ 11.2 billion) for Q2 of FY25 from Rs. 97,655 crore (US\$ 11.3 billion) in Q2 of FY24 or 1.3% of GDP. This was largely due to decrease in merchandise trade deficit.

⁴<https://www.ibef.org/economy/indian-economy-overview>

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.



Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritise lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- According to a report by the State Bank of India (SBI), domestic investment announcements in India have experienced a substantial increase, exceeding Rs. 37 lakh crore (US\$ 428.04 billion) in FY23 and FY24.
- According to data from the Directorate General of Civil Aviation (DGCA), India's domestic air passenger traffic increased by 6.12% in 2024, reaching a total of 161.3 million passengers. This growth follows a substantial YoY increase of 23.36% in 2023, attributed to the ongoing recovery from the pandemic.
- As of January 10, 2025, India's foreign exchange reserves stood at Rs. 53,80,402 crore (US\$ 625.871 billion).
- In 1H 2024, India saw a total of US\$ 31.5 billion in PE-VC investments.
- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks 3rd position in the global number of scientific publications.
- The gross GST (Goods and Services Tax) revenue collection stood at Rs. 1.77 lakh crore (US\$ 20.45 billion) in December 2024.
- Between April 2000–September 2024, cumulative FDI equity inflows to India stood at Rs. 89.30 lakh crore (US\$ 1,033.40 billion).
- In November 2024, the overall IIP (Index of Industrial Production) stood at 148.4. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 133.8, 147.4 and 184.1, respectively.

- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) – Combined inflation was 5.22% in December 2024 against 5.69% in December 2023.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 13.89 billion) in India during January - (up to 15th July) 2024.
- The wheat procurement during Rabi Marketing Season (RMS) 2024-25 (till May) was estimated to be 266 lakh metric tonnes (LMT) and the rice procured in Kharif Marketing Season (KMS) 2024-25 was 400 LMT.

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- According to a report by Wood Mackenzie in January 2025, India, the United States, and West Asia are expected to collectively add 100 Gigawatts (GW) of solar capacity by 2025, while China is anticipated to continue its leadership in the solar industry.
- In July 2024, the Ministry of Finance held the Union Budget and announced that for 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32.07 lakh crore (US\$ 383.93 billion) and Rs. 48.21 lakh crore (US\$ 577.16 billion), respectively.
- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crore (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crore (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.

- On October 7, 2022, the Department for Promotion of Industry, and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).
- Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.
- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for IT companies and start-ups in both countries.
- India and Namibia entered a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (Rs.) to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- The Agnipath Scheme aims to develop a young and skilled armed force backed by an advanced warfare technology scheme by providing youth with an opportunity to serve Indian Army for a 4-year period. It is introduced by the Government of India on June 14, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Rajnath Singh, Minister of Defence, launched 75 newly developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022, Prime Minister Mr. Narendra Modi laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the ground-breaking ceremony of the UP Investors Summit in Lucknow. The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, and Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on June 30, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 'Mission Shakti' was applicable with effect from April 1, 2022, aimed at strengthening interventions for women's safety, security, and empowerment.

- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 trillion (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Strengthening of Pharmaceutical Industry (SPI) was launched in March 2022 by the Ministry of Chemicals & Fertilisers to provide credit linked capital and interest subsidy for Technology Upgradation of MSME units in pharmaceutical sector, as well as support of up to Rs. 20 crore (US\$ 2.4 million) each for common facilities including Research centre, testing labs and ETPs (Effluent Treatment Plant) in Pharma Clusters, to enhance the role of MSMEs.
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, The Ministry of Social Justice & Empowerment launched the Scheme for Economic Empowerment of Denotified/Nomadic/SemiNomadic tribal communities (DNTs) (SEED) to provide basic facilities like good quality coaching, and health insurance. livelihoods initiative at a community level and financial assistance for the construction of houses.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of Aatmanirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 trillion (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production-linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production-linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2,500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production-linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 trillion (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.

- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 trillion (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of the average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system, help fuel liquidity, and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY23; it is expected to raise Rs. 4 trillion (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India, and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

Road Ahead

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and High-Frequency Indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of FY24 highlighted the unwavering support the government gave to its capital expenditure, which, in FY24, stood 37.4% higher than the same period last year. In the Union Budget of 2024-25, capital expenditure took lead by steeply increasing the capital expenditure outlay by 17.1 % to Rs. 11 lakh crore (US\$ 133.51 billion) over Rs. 9.48 lakh crore (US\$ 113.91 billion) in 2023-24. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

India's is experiencing resilient growth despite the global pandemic. India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023.

With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

6. VALUATION APPROACH, METHODOLOGY AND OPINION – FOR SHARES

6.1. Valuation Approaches

Valuing businesses or securities is not a precise science, and ultimately, it hinges on what a serious investor or buyer is willing to pay, potentially encompassing a substantial premium for goodwill. This valuation endeavor can employ various methodologies, with the relative emphasis on each method varying according to:

- Whether the entity is publicly traded on a stock exchange.
- The industry to which the company belongs.
- The historical performance of the business and the ease with which one can estimate the growth rate in cash flows into perpetuity.
- The extent to which industry and comparable company data is readily available.

The outcomes of this valuation exercise can exhibit significant variations contingent on the chosen approach, specific circumstances, and the professional judgment exercised by the valuer. Concerning ongoing businesses, specific valuation techniques have evolved over time and are commonly practiced. These approaches can be broadly categorized as follows:

- Asset Approach
- Income Approach
- Market Approach

6.1.1. Asset Approach

This methodology assesses the value of a business by closely examining its asset holdings, encompassing both tangible and intangible assets. The valuation of intangible assets, in this context, is commonly referred to as the company's goodwill, representing the disparity between the company's tangible assets and its actual intrinsic value.

The outcome derived through this approach relies on an evaluation of the financial statements of the business, often described as the Net Asset Value held by the business. This Net Asset Value is frequently considered the baseline or minimum breakup value for transactions, as this methodology does not take into account the future income potential of the assets. Moreover, it relies on historical accounting data, which may not reflect the true value of the business to a prospective buyer as a going concern.

According to conventional accounting practices, most assets are recorded on the company's books at their original purchase cost, adjusted for applicable depreciation. However, it is essential to adjust these values to fair market value whenever possible. Additionally, the balance sheet figures should be amended to accommodate any contingent liabilities that may reasonably materialize.

Intrinsic value forms the fundamental underpinning of this approach, as it strives to compute the total worth of the business's assets and subsequently compare it to their fair market value.

6.1.2. Income Approach

Income approaches to valuation determine the fair market value by taking the income stream generated by the subject or target company and dividing it by a discount or capitalization rate. This rate serves to convert the future benefits into their present value. Various income approaches exist, including the Capitalization of Earnings or Cash Flows, the Discounted Future Cash Flows (DCF) method, and the Excess Earnings Method, which combines aspects of both asset and income approaches when applied to the benefit stream.

The outcome of a valuation using the income approach typically represents the fair market value of a controlling and marketable interest in the subject company. This is because, in this approach, the entire benefit stream of the subject company is generally assessed, and the capitalization and discount rates are derived from statistical data related to publicly traded companies.

6.1.3. Market Approach

The valuation of a business is established through a comparative analysis of the company's accounting ratios in relation to those of another company with similar characteristics and scale. This approach is employed when estimating the value of a stock by assessing its current price relative to key variables deemed crucial for valuation, such as earnings, cash flow, book value, or sales, observed in various businesses of a similar nature.

Business appraisal encompasses two primary methods: The Comparative Transaction Method and the Publicly Traded Company Method. These methods aim to establish a connection between a business's performance, its revenues, and its selling price, allowing for a comprehensive evaluation of its worth.

6.2. Valuation Methodology Used – FCFE for Shares

Given the specific characteristics and scale of the business in question, the analysis at hand has employed the discounted cash flow (DCF) method to ascertain the value of its shares. It's worth noting that the DCF method is widely regarded as the most theoretically robust and scientifically accepted approach for determining a business's value.

As for the methods that were not considered:

- The assets method was deemed inapplicable in this case, as it is typically utilized when acquiring a business on a basis other than a going concern.
- Given that the Company's Equity Shares are not publicly traded on any stock exchange; the Public Company Comparable Method was considered unsuitable for this valuation.

6.2.1 Valuation analysis of fair value of Shares

Valuation Analysis – Income Approach (DCF Method)

As elucidated in the preceding sections outlining the Valuation Approach, it was deemed that the Income Approach, specifically the DCF Method, represents the most suitable method for ascertaining the fair value of the Company's business. Consequently, the following section provides a detailed explanation of the DCF Method, along with the factors and assumptions underpinning this valuation approach.

DCF Method

In this methodology, the future free cash flows are discounted back to the valuation date to determine the Present Value of the Business or Shares.

Additionally, within the Discounted Cash Flow Method, two distinct approaches are utilized: The Free Cash Flow to Equity approach and the Free Cash Flow to Firm approach.

a. Free Cash Flow to Equity ('FCFE') Valuation

In the FCFE approach, the free cash flows to equity are subjected to discounting using the Company's cost of equity, thereby facilitating the computation of the Equity Value of the Company.

b. Free Cash Flow to Firm ('FCFF') Valuation

In the FCFF approach, the free cash flow to the firm is subjected to discounting using the Company's weighted average cost of capital, resulting in the determination of the Enterprise value of the Company. Subsequently, the net debt is subtracted from the enterprise value to compute the equity value of the Company.

For the scope of this Report, we have opted for the Free Cash Flow to Equity (FCFE) valuation approach.

The detailed analysis of valuation has been done as under:

6.2.2 Value of Equity

Fair Value represents the amount, either in cash or an equivalent form, that a buyer could reasonably be expected to offer, and a seller could reasonably be expected to agree upon, in the event the business was to be openly available for sale in the market for a reasonable duration. In this scenario, both the buyer and seller possess relevant information, and neither is compelled to make a hasty decision. The calculation of this fair value adheres to the formula as mentioned.

Value of Equity = Present Value of the Company attributable to Equity Shareholders*

*Calculated using Cost of Equity as Discounting Rate.

The various components of this formula are discussed below:

Cost of Equity (Ke)

The Cost of Equity is the rate of return that an equity shareholder expects on his investment. It is calculated as per Capital Asset Pricing model ('CAPM') asunder:

$$K_e = R_f + \beta * R_p + SSRP$$

where,

K_e = Cost of Equity

R_f = Risk Free rate

β = Beta and

R_p = Equity Market Risk Premium

SSRP = Small Size Risk Premium

Risk Free Rate ⁵

The Risk-Free rate of return is considered at **6.58%** based on India 10-Year bond yield rate.

⁴Source: -<https://in.investing.com/rates-bonds/india-10-year-bond-yield-historical-data>

Beta

Beta is a metric that gauges the responsiveness of a specific security's returns to the returns of a broader market portfolio. To calculate the beta for a Company, we take into account the betas available for publicly traded companies operating in a similar industry as the Company.

The mean average Beta has been calculated at **1.07**. The Beta of the Company has been derived using the average unlevered Beta of listed Companies such as NTPC Green Energy Ltd., The Tata Power Company Ltd., Solex Energy Ltd., and Zodiac Energy Ltd.

Equity Risk Premium

Equity Market Risk is determined by assessing the market risk, which has been calculated at **15.55%** by analyzing the historical data of BSE Sensex from April 01, 1979, to March 31, 2025.

The Equity Risk Premium is computed by subtracting the Risk-Free Return from the Market Risk Premium and then multiplying the result by Beta, resulting in a value of **9.59%**

Small Size Risk Premium

The Small Size Risk Premium represents the supplementary risk connected to the Company, taking into account factors such as the company's duration of existence, its levels of funding, and other pertinent considerations.

The below table shows the computation of cost of equity as per the Capital Asset Pricing Model:

Particulars	Percentage
Risk free rate (Rf) (India 10-Year Bond Yield)	6.58%
Market return (Rm)	15.55%
Beta – Company	1.07
Equity Risk Premium (Rm – Rf) *Beta	9.59%
Cost of Equity [Rf + Beta (Rm – Rf)]	16.17%
Small Size Risk Premium (SSRP)	5.00%
Cost of Equity to Company [Cost of Equity + SSRP]	21.17%

Thus, Cost of Equity has been computed as **21.17%**.

6.3. Valuation Frame Work & Opinion – Fair Value of Shares

6.3.1. Valuation Framework

This study has been initiated with the objective of calculating the fair value of the Company's Shares as of the specified valuation date.

The overarching methodology employed to arrive at the share value can be outlined as follows:

- 1. Establish the total equity value:** Ascertain the overall equity value designated for common shareholders, while accounting for adjustments (if any) related to non-current investments and non-operational cash and cash equivalents as of the valuation date.
- 2. Compute the per-share value:** Calculate the value per share by dividing the total equity value determined in the first step by the total number of outstanding shares as of the valuation date.

6.3.2. Valuation Opinion

Following our thorough analysis of the Company's business for valuation purposes, we have determined that the fair value of the Shares of the Company, as of March 31, 2025, stands at **INR 932.36/- (Indian Rupees Nine Hundred Thirty-Two and Paise Thirty-Six Only)** per Share.

Please refer to *Exhibit A* for comprehensive details.

7. CONDITIONS AND LIMITATIONS

7.1 Purpose and Distribution of Report

The Report, meticulously crafted by the Valuer, is exclusively intended for the purpose delineated in the Engagement Letter and must not be employed for any other objectives. Unless explicitly mentioned within the Report itself, neither this Report nor its contents, either in entirety or in part, may be cited or referenced in any registration statement, prospectus, public filing, loan agreement, or any other agreement or document, without obtaining the prior written consent of the Valuer.

Furthermore, unless explicitly stated within the Report, it is designed solely for the internal use of the Company and may not be reproduced or disseminated to any third parties without obtaining the Valuer's prior written consent.

7.2 Scope of Analysis

Evaluating any financial instrument or business is a matter that hinges on well-informed judgment. The enclosed appraisal has been meticulously crafted, taking into account the information and assumptions provided within the Report, its associated appendices, our foundational work papers, and the constraints and presumptions outlined herein.

7.3 Nature of Opinion

The opinion and the Report presented or crafted by the Valuer should not be construed as a fairness opinion regarding the equity of an actual or proposed transaction, a solvency opinion, or an investment recommendation. Rather, they represent the Valuer's assessment of the fair value of assets, as determined within the context of an assumed transaction on an assumed valuation date, involving a hypothetical willing buyer and a hypothetical willing seller.

It is essential to acknowledge that, for various reasons, the actual price at which these assets may be transacted in a specific deal between specific parties on a particular date could potentially deviate significantly from the fair market value as outlined in our Report.

7.4 No opinion on Accounting Standards

The opinion and the Report presented or prepared by the Valuer should not be interpreted as an opinion on any specific obligations or criteria, including but not limited to those pertaining to recognition, measurement, or disclosure, that the Company must adhere to in accordance with the accounting standards applicable to them. It is expected that the Company will independently conduct the analysis and fulfill the requirements stipulated by the relevant accounting standards.

7.5 Basis of Analysis and Assumptions considered

The Valuer's analysis is conducted under the following considerations:

- It is founded on the Company's existing financial status and substantial future business strategies, taking into account its assets as of the valuation date.
- It assumes that, as of the valuation date, the Company and its assets will continue to operate in their current configuration as a going concern.

- It presumes that the current level of Management expertise and effectiveness will persist, and that the essential character and integrity of the enterprise will remain unchanged, irrespective of any potential sale, reorganization, exchange, or diminution in owner participation.
- It assumes that the Company does not possess any undisclosed tangible or contingent assets or liabilities, no extraordinary obligations or substantial commitments beyond normal business operations, and has not been involved in any pending or threatened litigation that would significantly impact our analysis, aside from those accounted for in the valuation calculation.
- The analysis is also influenced by various representations made by the Management concerning the fair value of specific assets and liabilities, as well as future business plans.

7.6 Lack of Verification of Information Provided

With the exception of the audited financial statements that were provided to the Valuer, our reliance on information has been based on data supplied by the Company, without the conduct of any independent audit. It is our assumption that all the information provided is comprehensive, accurate, and reflects the sincere efforts of the Company's Management to portray the Company's status and prospects as of the valuation date, both from operational and financial perspectives.

In the course of this engagement, we have also depended on publicly available data from reputable sources of financial, industry, or statistical information, without conducting independent verification. Additionally, it's important to note that we possess limited information regarding the fair value of non-marketable investments. Consequently, we have relied upon the book value of these assets. However, it's essential to acknowledge that the book value of assets may or may not accurately indicate their fair value.

7.7 Subsequent Events

The terms of the Valuer's engagement stipulate that there is no obligation to amend or adjust this Report or the valuation in response to events or transactions occurring after the valuation date, unless the Valuer is specifically engaged to provide such updates in the future.

7.8 Achievability of the forecast results

The Valuer does not offer assurance regarding the attainability of the results projected by the management or owners, recognizing that events and circumstances may unfold differently than expected, potentially resulting in significant variances between actual and anticipated outcomes. The Valuer refrains from forming an opinion on the degree of alignment between the actual results and the projected forecasts, as the realization of forecasted outcomes is contingent upon the actions, strategies, and assumptions made by the management.

7.9 No procedure performed to corroborate information taken from reliable external sources

The Valuer has incorporated data from external sources in the valuation process, deeming these sources to be reliable. Consequently, the Valuer assumes no liability for the veracity or precision of any data, opinions, or estimates provided by third parties and utilized in this analysis. In instances where the Valuer has drawn upon data, opinions, or estimates from external sources, due diligence has been exercised to ensure the accurate extraction and proper presentation of such information within its relevant context.

7.10 Legal Matters

The Valuer does not bear any responsibility for legal matters, including the interpretation of laws or contractual agreements. No legal title investigations have been conducted, and it is assumed that all property claims made by owners are valid. The Valuer has not considered liens or encumbrances, except as explicitly indicated in the financial statements provided to us. Furthermore, it is assumed that all necessary licenses, permits, and similar authorizations

are in full compliance and effect. The Valuer also assumes that the Company has been and continues to comply with all applicable federal, state, local zoning, environmental, and similar laws and regulations.

The Valuer does not assume any responsibility for the suitability of the valuation approaches outlined in our Report as legal evidence in any specific court or jurisdiction. The determination of whether the Valuer's Report and opinion are suitable for any legal context is a matter for the Company and its legal counsel to ascertain.

7.11 Testimony

The Valuer, along with its employees, consultants, and agents, will refrain from offering testimony or participating in any proceedings unless such testimony is coordinated by the Valuer.

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Valuation as of March 31, 2025

Valuation Summary

(Amounts in ₹ Crore)

Particulars		Amount
NPV of Explicit Period	A	26.83
Present Value of Perpetuity	B	368.06
Enterprise Value	C = (A+B)	394.89
Add/(Less): Adjustments		
Cash & Cash Equivalents as on 31-03-2025	D	5.66
Total Value attributable to the Current Equity Shareholders of the Company	E = (C+D)	400.55
Less: CPGPL Minority Interest (24%)	F	0.55
Total Value attributable to the Current Equity Shareholders of the Company	G=(E-F)	400.00
No. of Shares	H	42,90,167
Value per Share in INR	I=G/H	932.36

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Valuation as of March 31, 2025
Projected Cash Flow Statement

(Amounts in ₹ Crore)

Particulars	From April 01, 2025 to March 31, 2025	From April 01, 2025 to March 31, 2026	From April 01, 2026 to March 31, 2027	From April 01, 2027 to March 31, 2028	From April 01, 2028 to March 31, 2030
Profit Before Tax	72.42	138.77	278.23	457.97	571.34
Add/(Less): Depreciation	8.11	23.61	37.91	54.49	73.01
Add/(Less): Finance Cost	17.46	33.63	39.58	42.58	43.46
Add/(Less): Net changes in Working Capital	208.96	(77.48)	8.56	21.22	51.07
Add/(Less): Capital Expenditure	(277.69)	(316.00)	(312.00)	(351.00)	(390.00)
Add/(Less): Tax Payment	(18.23)	(34.93)	(70.03)	(115.26)	(143.79)
Add/(Less): Finance Cost	(17.46)	(33.63)	(39.58)	(42.58)	(43.46)
Add/(Less): Net Borrowing	142.50	17.50	30.50	23.50	(13.50)
Free Cash flow to Equity (FCFE)	136.08	(248.53)	(26.82)	90.91	148.13
Discounting rate	21.17%	21.17%	21.17%	21.17%	21.17%
Discounting Period	1.00	2.00	3.00	4.00	5.00
Discount Factor	0.825	0.681	0.562	0.464	0.383
Present Value of FCFE	112.30	(169.26)	(15.07)	42.17	56.70

Terminal Value Calculation		
Particulars	<i>(Amounts in ₹ Crore)</i>	
FCFE of 2029-30		148.13
Growth Rate		5.00%
FCFE for Perpetuity		155.53
Capitalised Value for Perpetuity		961.58
Discounting Factor		0.383
PV of Terminal Value		368.06

Notes: Long term growth rate has been considered at 5.00% considering industry, management expectations and economic growth rate.