


Addendum to the Valuation Report on Fair Value of Equity Shares and Warrants of Reliance Power Limited

In addition to the Market Price Method while arriving at the fair value of Equity Shares and Warrants of Reliance Power Limited, we have also undertaken our analysis under Income Approach (Discounted Cash Flow (DCF) Method), as per details given herein below:

Particulars	Amount (in INR cr)	
Dhursar Solar Power Private Limited (Annexure - 1)	90	
Rosa Power Supply Company Limited (Annexure - 2)	4598	
Sasan Power Limited (Annexure - 3)	8200	
Total Value of subsidiaries as on August 31, 2022		12,888
Less : liability not considered in above		
Liability at Reliance Power Consol	3735	
Reliance Power Debt	3598	
Outside Debt in Subsidiary	1469	8,802
Net valuation		4,086
No of Shares as on date		340
Value per share (in INR)		12.02

The discounted cash flow depends upon Company's cost of capital, capability to generate cash flows in the future and the risk associated with it. Further, as pointed out by the auditors in their audit report, the Company's continuance as going concern critically depends upon various assumptions and uncertain material events.

Having considered the DCF Method as above, keeping in mind the context and purpose of the Report, we have deemed it appropriate to use the Market Price Method as the Company is a listed Company and its shares are frequently traded, as described in the Valuation Report.



 Litesh Korshi Gada
 Registered Valuer - Securities or Financial Assets
 (Reg No: IBBI/RV/05/2019/12643)
 Date: - September 8, 2022
 Place: Mumbai

Annexure – 1 – Working for valuation of Dhursar Solar Power Private Limited

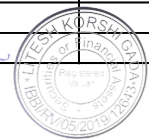
Valuation - DCF:	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037
EBIT*(1-t)	49	48	47	49	47	46	44	42	40	39	37	36	34	33	30
- Change in NWC (non-cash)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
+ Depreciation	22	22	22	18	18	18	18	18	18	18	18	18	18	18	20
Free Cash Flow	71	70	68	67	65	64	61	60	58	57	55	54	52	51	50
PV of FCF	66	59	52	46	41	36	32	28	25	22	19	17	15	13	12
PV of Firm	483														
Net Debt except from related party (June 2022)	466														
Cash and cash equivalents	73														
Equity Value	90														
WACC	10.28%														
g (internal growth rate)	0.0%														
Cost of Equity	13.78%	Cost of Debt	9.25%												
Risk-free	7.188%	Debt/Equity	0.0%												
Risk premium	7.75%	Debt/Assets	0.51												
Beta	0.85	Tax	25.17%												



Annexure – 2 – Working for valuation of Rosa Power Supply Company Limited

Valuation - DCF:	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037
EBIT*(1-t)	568	469	394	377	391	411	434	459	486	515	545	577	612	352	245
- Change in NWC (non-cash)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
+ Depreciation	287	287	287	287	287	287	287	287	287	287	287	287	287	287	287
Free Cash Flow	855	756	681	664	678	698	722	747	773	802	832	865	899	639	533
Terminal Value															
PV of Terminal Value															
PV of FCF	789	626	507	444	407	377	350	325	302	282	263	245	229	146	109
PV of Firm	5,401														
Net Debt except from related party (June 2022)	853														
Cash and cash equivalents	49														
Equity Value	4,598														
WACC	11.33%														
g (internal growth rate)	0.0%														
Cost of Equity	13.78%	Cost of Debt	12.00%												
Risk-free	7.188%	Debt/Equity	0.0%												
Risk premium	7.75%	Debt/Assets	0.51												
Beta	0.85	Tax	25.17%												

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Annexure – 3 – Working for valuation of Sasan Power Limited

Valuation - DCF:	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037
EBIT*(1-t)	1,807	1,813	1,835	1,803	1,258	1,245	1,477	1,397	1,355	1,089	929	928	752	814	402
- Change in NWC (non-cash)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- Capital expenditure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
+ Depreciation	593	593	593	593	593	593	593	593	593	593	593	593	593	593	593
Land Value	3,630														
Add : Revenue from Construction period				1,411											
Add : Forex movement				1,856											
Free Cash Flow	6,030	2,406	2,428	5,664	1,851	1,838	2,070	1,990	1,948	1,682	1,522	1,521	1,345	1,407	995
Terminal Value															
PV of Terminal Value															
PV of FCF	5,564	1,994	1,807	3,787	1,112	992	1,003	866	762	591	480	431	342	322	204
PV of Firm	20,257														
Net Debt except from related party (June 2022)	12,213														
Cash and cash equivalents	156														
Equity Value	8,200														
WACC	11.33%														
g (internal growth rate)	0.0%														
Cost of Equity	13.78%	Cost of Debt	12.00%												
Risk-free	7.188%	Debt/Equity	0.0%												
Risk premium	7.75%	Debt/Assets	0.51												
Beta	0.85	Tax	25.17%												

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