Investment Brochure

The RESCO Model — Own Solar Assets, Earn Predictable Returns

Ray2Volt Solar Private Limited | Tirupati District, Andhra Pradesh | Updated July 2026

Ray2Volt Solar is expanding from EPC (Engineering, Procurement, Construction) into **Asset Management under the RESCO model**. Under this model, Ray2Volt and its investors jointly own solar assets installed on the rooftops of vetted commercial and industrial clients, selling the power generated back to those clients at a discount to grid rates — creating a long-term, asset-backed income stream for investors, while clients save on electricity from day one.

At a Glance (Illustrative 500 kWp Example)

- **Illustrative Scale** — 500 kWp installed across approximately 30 vetted commercial sites in the Tirupati–Srikalahasti belt.
- **Revenue Model** — 20-year Power Purchase Agreement (PPA) at ₹8.00/unit — a 20% discount to grid tariff.
- **Illustrative Investor Yield** — ~25.7% annualized, pre-tax, with payback in under 4 years in this scenario.
- **Risk Coverage** — Default risk backed by a 3-month consumer security deposit.
- **Tax Efficiency** — 40% accelerated depreciation in Year 1, plus 0% GST on power-sale revenue.

About Ray2Volt Solar

Ray2Volt Solar Private Limited was incorporated in March 2025 and has grown into a trusted local solar partner for Tirupati District, Andhra Pradesh, with 600+ installations completed for homes and businesses. Headquartered in Srikalahasti, with operating teams in Tirupati and Puttur, Ray2Volt covers residential and commercial solar installation, PM Surya Ghar subsidy and financing support, DISCOM liaisoning, and local after-sales service.

Having built its track record as an EPC (Engineering, Procurement, Construction) contractor, Ray2Volt is now extending into Asset Management under the RESCO (Renewable Energy Service Company) model — moving from installing systems on behalf of customers to co-owning solar assets alongside investment partners, and earning a share of the electricity revenue those assets generate over their operating life.

Leadership: Palagiri Harsha Vardhan Reddy, Managing Director | Mandi Praveen, Director.

How the RESCO Model Works

RESCO stands for Renewable Energy Service Company. Instead of a commercial or industrial client buying and owning a solar plant outright, Ray2Volt and its investors fund, own, and operate the asset on the client's rooftop, and sell the client the electricity it generates at a fixed discount to their grid tariff under a long-term Power Purchase Agreement (PPA). The client saves on their power bill from day one with zero capital outlay; investors earn a share of the revenue the asset generates for the life of the contract.

1. **Project Selection** — Ray2Volt identifies creditworthy commercial and industrial clients with suitable rooftops and negotiates the Power Purchase Agreement.
2. **Your Investment** — You invest in the solar project. Funds are used for equipment, installation, and commissioning.
3. **Power Generation** — The solar plant generates electricity, which is sold to the host at the agreed PPA rate.
4. **Regular Returns** — You receive your share of revenue as regular payments throughout the contract period.

The Illustrative Portfolio Example

ILLUSTRATIVE EXAMPLE — 500 kWp REPRESENTATIVE PORTFOLIO · ACTUAL TERMS VARY BY PROJECT

The table below shows how the RESCO model's economics work out at a representative 500 kWp scale, based on the assumptions stated. It illustrates the mechanics of the model — it is not a live offering, and actual figures for any specific project will depend on that project's site, tariff, and cost details.

Category	Metric	Value
Asset Specs	Total Capacity	**500 kWp (approx. 30 sites)**
	Avg. Generation / Year	**6,90,000 Units (115 kWh/kWp/mo)**
	Asset Life / PPA Tenure	**20 Years**
Capital Structure	Total Project Cost (CapEx)	**₹2,02,50,000 (@ ₹40.5 / Watt)**
	Investor Equity (80%)	**₹1,62,00,000**
	Ray2Volt Equity (20%)	**₹40,50,000**
Operational P&L	Commercial Grid Tariff	**₹10.00 / kWh**
	PPA Tariff (Illustrative Rate)	**₹8.00 / kWh (20% Discount)**
	Gross Annual Revenue	**₹55,20,000**
	Annual O&M Expenses	**(₹3,00,000) (@ ₹600/kWp)**
	Net Operating Cash Flow	**₹52,20,000**
Investor Returns	Investor Annual Payout	**₹41,76,000 (80% share)**
	Annualized ROI (Yield)	**25.7% (Pre-Tax, Illustrative)**
	Payback Period	**3.88 Years**
Risk Buffer	Consumer Security Deposit	**₹13,80,000 (Holds 3 Months Billing)**

Stakeholder Value

A. For the Investor (Capital Partner)

Based on an illustrative investment of ₹1.62 Cr (80% equity share).

- **High-Yield Cash Flow** — This scenario generates ₹41.76 Lakhs of net income annually for the investor — a ~25.7% pre-tax yield, well above typical Fixed Deposit (~7%) or rental yield (~5%) benchmarks.
- **Tax Benefits** — Solar assets qualify for 40% accelerated depreciation in Year 1. On a ₹1.62 Cr investment that is a depreciation expense of ~₹64.8 Lakhs, which can create a tax saving of ~₹19.4 Lakhs in the first year for an investor in the 30% tax slab — actual benefit depends on the investor's own tax position.
- **GST Treatment** — Sale of electricity is currently exempt from GST (0%), unlike rental income (18% GST), so more of the revenue stream is retained — subject to prevailing tax law.

B. For the Consumer (The Client)

Illustrative target clients: schools, hospitals, and hotels currently paying ~₹10/unit.

- **Zero Investment** — The client gets a solar plant installed for ₹0 CapEx.

- **Projected Savings** — Grid cost (annual): ₹69,00,000 vs. RESCO cost (annual): ₹55,20,000 — a projected net saving of ₹13,80,000/year, portfolio-wide, in this scenario.
- **Risk Transfer** — Ray2Volt handles all maintenance; the consumer pays only for energy delivered.

C. For the Environment

- **Carbon Offset** — Approximately 565 tonnes of CO2 avoided annually in this illustrative scenario.
- **ESG Support** — Hosting an on-site solar asset can support clients' own ESG, CSR, and green-building goals.

Illustrative Year 1 Cash Flow

The breakdown below demonstrates the flow of capital from generation to profit distribution for the illustrative 500 kWp example.

Line Item	Calculation	Amount (₹)
(A) Energy Generated	500 kWp × 115 units × 12 months	**6,90,000 Units**
(B) Revenue	6,90,000 Units × ₹8.00	**₹55,20,000**
(C) Operations (O&M)	₹600 per kWp × 500	**(₹3,00,000)**
(D) Net Distributable Cash	(B) – (C)	**₹52,20,000**
Investor Payout	80% of Net Cash	**₹41,76,000**
Ray2Volt Payout	20% of Net Cash	**₹10,44,000**

O&M includes module cleaning, remote monitoring, insurance, and minor electrical repairs.

Risk Management Strategy

Ray2Volt applies a four-point strategy to protect the asset and revenue stream:

Risk Area	Mitigation Strategy
1. Payment Default	3-Month Security Deposit — Ray2Volt collects ₹13.8 Lakhs upfront. If a customer defaults, this deposit covers the loss while service is suspended or the asset relocated.
2. Vacancy / Low Load	Base Load Sizing — systems are sized to the building's minimum load (e.g. 25kW where peak is 50kW), so generated power is consumed year-round.
3. Credit Risk	Strict Vetting — the client's last 12 months of DISCOM bills are reviewed; only clients with a strong repayment history are signed.
4. Asset Risk	Diversification — capacity is spread across many independent sites, so a single client's failure has limited portfolio impact, and equipment is modular and relocatable.

Opportunity Cost Comparison

Why consider Ray2Volt RESCO alongside traditional investment options:

Investment Type	Annual Return	Asset Backed?	Tax Benefit	GST on Income
Fixed Deposit	7.0%	No	None	N/A
Commercial Real Estate	5% – 7%	Yes	Standard	18% (Applicable)
Mutual Funds	12% – 14%	No	None	N/A
Ray2Volt RESCO (Illustrative)*	25.7%*	Yes	High (40% Depr.)	0% (Exempt)

* Illustrative pre-tax figure for the representative 500 kWp scenario described in this brochure; not a guaranteed or typical return for every project.

Conclusion

The Ray2Volt RESCO model is designed to offer a strong risk-adjusted return profile. By combining potential GST exemption, accelerated depreciation, and asset-backed security, it aims to give investors equity-like return potential while offering host clients projected, risk-reduced savings on their power bills.

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Interested in Investing with Ray2Volt?

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