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January 23, 2024

To  
Bombay Stock Exchange  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai- 400001

Dear Sir/ Madam,

**Sub: Security Cover under Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Ref: Company Code: 10776; Company: GMR Warora Energy Limited**

With reference to the captioned subject, please find enclosed details of security cover available over Non-Convertible Debentures of Rs.75 Crore of GMR Warora Energy Limited with respect to the quarter ended December 31, 2023.

This is for your records.

Yours Faithfully,  
**For GMR Warora Energy Limited**  
**Sanjay Kumar**  
**Babu**  
**Company Secretary**  
M. No. F8649

Digitally signed by Sanjay Kumar Babu  
DN: cn=Sanjay Kumar Babu,  
o=GMR Warora Energy Limited, ou=Warora Energy Limited,  
email=Sanjay.Kumar.Babu@GMRWaroraEnergy.com,  
c=IN, postalCode=400001, street=Daravaka Sector-3,  
South West Dable,  
serialNumber=01523843817220204448617702525702,  
4612605050796144465A, c=PersonID, o=Sanjay Kumar Babu  
Date: 2024.01.23 23:02:59 +05'30'

Independent Auditor's Report on book values of the assets and compliance with respect to financial covenants as at December 31, 2023 for submission to SBICAP Trustee Company Limited (the 'Debenture Trustee')

To

The Board of Directors  
GMR Warora Energy Limited  
Registered Office at 701/704, 7<sup>th</sup> floor,  
Naman Center, A Wing, Bandra Kurla Complex,  
Mumbai- 400051, India.

1. This Report is issued in accordance with the terms of the service scope letter dated November 01, 2023 and master engagement agreement dated April 18, 2022 with GMR Warora Energy Limited (hereinafter the "Company").
2. We S.R. Batliboi & Associates LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the Company to examine the accompanying Statement on book value of assets and compliance status of Financial covenants for secured, rated, listed, redeemable Non-Convertible Debentures (hereinafter the "Series A NCDs") of the Company, as at December 31, 2023 along with Annexure 1 (hereinafter the "Statement") which has been prepared by the Company from the Board approved unaudited Ind AS financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the quarter ended December 31, 2023 and Year to date from April 01, 2023 to December 31, 2023 pursuant to the requirements of the SEBI circular dated May 19, 2022 on Revised format of security cover certificate, monitoring and revision in timelines (hereinafter the "SEBI Circular"), and has been initialed by us for identification purposes only.

This Report is required by the Company for the purpose of submission with SBICAP Trustee Company Limited (hereinafter the "Debenture Trustee") of the Company to ensure compliance with the SEBI Circular in respect of its Series A NCDs having face value of Rs. 1.00 million each amounting to Rs. 750.00 million. The Company has entered into an agreement with the Debenture Trustee vide agreement dated September 15, 2022 in respect of such Debentures.

#### Management's Responsibility

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The management of the Company is responsible for ensuring that the Company complies with all the relevant requirements of the SEBI circular and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including providing all relevant information to the Debenture Trustee.



**Auditor's Responsibility**

5. It is our responsibility to provide a limited assurance and conclude as to whether the:
- (a) Book values of assets as stated in Column 'F' of Annexure 1 to the Statement are in agreement with the books of account underlying the unaudited Ind AS financial results of the Company as at December 31, 2023; and
  - (b) Company is in compliance with financial covenants as mentioned in the Debenture Trust Deed as on December 31, 2023.
6. We have performed a limited review of the unaudited Ind AS financial results of the Company for the quarter ended December 31, 2023 and Year to date from April 01, 2023 to December 31, 2023 prepared by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and issued an unmodified conclusion dated January 23, 2024. Our review of those unaudited Ind AS financial results was conducted in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India ("ICAI").

The Independent Auditor's Review report on the unaudited Ind AS financial result of the Company for the quarter ended December 31, 2023 and Year to date from April 01, 2023 to December 31, 2023 contains the following emphasis of matter:

We draw attention to the following matters in the notes to the accompanying unaudited Ind AS financial results for the quarter ended December 31, 2023 and Year to date from April 01, 2023 to December 31, 2023:

- a. Note 3 in connection with the realization of trade receivables and unbilled revenue (including claims towards change in law events, increased coal cost pass through and carrying costs thereof and capacity charges outstanding from one of its customers during the period of lockdown based on declared capacity) of Rs. 9,600,50 million of the Company, which are pending settlement/realization as on December 31, 2023. The management of the Company based on its internal assessment, legal expert advice and certain interim favourable regulatory orders for claims made by the Company and realization of some of its claims from certain customers thereof as detailed in note 3 to the accompanying unaudited Ind AS financial results is of the view that the aforesaid balances are fully recoverable as at December 31, 2023.
- b. Note 6 in connection with the dispute pertaining to transmission charges with Maharashtra State Electricity Distribution Company Limited ('MSEDCL'). The Company has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by the Company. Accordingly, the Company has not accounted the aforesaid transmission charges in the accompanying unaudited Ind AS financial results for the years from March 17, 2014 up to December 31, 2023 based on a favourable Order received by the Company from APTEL. MSEDCL have preferred an appeal with Hon'ble Supreme Court of India against the aforesaid APTEL order and the matter is pending conclusion.
- c. Note 7 in connection with the amounts due to certain vendors which are outstanding beyond permissible time period under the Foreign Exchange Management Act ('FEMA'). Pending filing for condonation of delay with competent authority no adjustments are made to the accompanying unaudited Ind AS financial results for the quarter ended December 31, 2023 and Year to date from April 01, 2023 to December 31, 2023.

Our conclusion is not modified in respect of the above matters.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our scope of work did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial results of the Company taken as a whole. We have not performed an audit, the objective of which would be the expression of an opinion on the financial results, specified elements, accounts or items thereof, for the purpose of this report. Accordingly, we do not express such opinion.
10. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, our procedures included the following in relation to the Statement:
  - a) Obtained the Board approved unaudited Ind AS financial results of the Company for the quarter ended December 31, 2023 and Year to date from April 01, 2023 to December 31, 2023.
  - b) Traced, on test check basis, the book value of assets with the books of accounts of the Company underlying the unaudited Ind AS financial results of the Company for the quarter ended December 31, 2023 and Year to date from April 01, 2023 to December 31, 2023.
  - c) With respect to compliance with financial covenants included in the Statement, management has represented that as per the Master Restructuring Agreement dated September 07, 2022, financial covenants shall not be tested until account upgradation or two years from implementation of Resolution Plan, whichever is later. Further, Debenture Trust Deed (DTD) specifies that financial covenants would be tested on annual basis based on audited financial statements of the Company upon commencement of financial covenant testing cycle. We have relied on the same and not performed any procedure in this regard.
  - d) Performed necessary inquiries with the management and obtained necessary representations.

## Conclusion

11. Based on the procedures performed by us, as referred to in paragraph 10 above and according to the information and explanations received and management representations obtained, nothing has come to our attention that causes us to believe that:
  - a) The Book values of assets as mentioned in Column 'F' of Annexure 1 to the Statement are not in agreement with the books of accounts of the Company underlying the unaudited Ind AS financial results of the Company as at December 31, 2023.
  - b) Company is not in compliance with financial covenants as mentioned in the Debenture Trust Deed as on December 31, 2023 considering management is not required to test the compliance of financial covenants as at December 31, 2023 due to reasons stated in note 10(c) above.



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

## Restriction on Use

12. The Report has been issued at the request of the Company, solely in connection with the purpose mentioned in paragraph 2 above and to be submitted with the accompanying Statement to the Debenture Trustee and is not to be used or referred to for any other person. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come. We have no responsibility to update this Report for events and circumstances occurring after the date of this report.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**SANDEEP**  
**KARNANI**

Digitally signed by  
SANDEEP KARNANI  
Date: 2024.01.23  
23:00:37 +05'30'



per Sandeep Karnani

Partner

Membership Number: 061207

UDIN: 24061207BKBJUW1378

Place of Signature: Bengaluru

Date: January 23, 2024



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**GMR Warora Energy Limited ('GWEL' or 'the Company')**  
**Statement showing 'Security Cover and compliance status with respect to Financial**  
**Covenants as per SEBI Circular dated May 19, 2022**

This statement contains details of maintenance of security cover including compliance of financial covenants as at December 31, 2023 ("The Statement") as per the requirements of the Securities and Exchange Board of India (SEBI) circular dated May 19, 2022 in relation to 750 secured, rated, listed, redeemable Non- Convertible Debentures ("Series - A NCDs") having face value of Rs.1 million each amounting to Rs.750.00 million. The financial covenants in relation to Series - A NCDs have been specified in the Debenture Trust Deed ("DTD") dated September 15, 2022 entered between the GWEL and SBICAP Trustee Company Limited.

**(a) Maintenance of security cover as per SEBI Circular dated May 19, 2022.**

The calculation of security cover as specified in SEBI Circular dated May 19, 2022 is enclosed as Annexure 1 to this Statement.

**(b) Compliance with financial covenants**

Pursuant to Master Restructuring Agreement (MRA) executed between the Company and Lenders on September 07, 2022, financial covenants shall not be tested until account upgradation or two years from implementation of Resolution Plan, whichever is later. Further, DTD dated September 15, 2022 specifies that financial covenants would be tested on annual basis based on audited financial statements of the Company upon commencement of financial covenant testing cycle.

Accordingly, as per the provisions of MRA and DTD, the financial covenants are not required to be tested for compliance as at December 31, 2023.

We confirm that the aforesaid information is true and correct.

For and on behalf of **GMR Warora Energy Limited**

Dhananjay Vasant  
Deshpande

Digitally signed by Dhananjay Vasant Deshpande, DN: cn=Dhananjay Vasant Deshpande, o=GMR Warora Energy Limited, email=dhananjay.vasant@gmrgroup.in, c=IN

**Dhananjay Deshpande**  
**Whole Time Director**  
DIN: 07663196



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Post and Tehsil-Warora, Dist. Chandrapur,  
Maharashtra 442907

**Annexure 1**

**Computation of Security Cover Ratio as on December 31, 2023 for Series - A NCDs**

(Rs. in millions)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J
Particulars	Description of asset for which this certificate relate	Exclusive Charge		Pari-Passu Charge			Assets not offered as Security	Elimination (amount in negative)	(Total C to H)
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)			
		Book Value	Book Value	Yes/No	Book Value	Book Value			
<b>ASSETS</b>									
Property, Plant and Equipment	Property, Plant and Equipment (refer note 3 below)	-	-	Yes	22,806.94	-	-	-	22,806.94
Capital Work-in-Progress	Capital Work-in-Progress	-	-	Yes	18.40	-	-	-	18.40
Intangible assets	Intangible assets	-	-	Yes	5.41	-	-	-	5.41
Right-of-Use Assets	Right-of-Use Assets	-	-	Yes	328.11	-	-	-	328.11
Inventories	Inventories	-	-	Yes	450.65	-	-	-	450.65
Trade Receivables	Trade Receivables	-	-	Yes	9,600.50	-	-	-	9,600.50
Cash and Cash Equivalent	Cash and cash equivalent	-	-	Yes	128.23	-	-	-	128.23
Others	Investments, Other financial assets, Non-current tax assets (net), Other current and non-current assets	-	-	Yes	2,991.16	-	-	-	2,991.16
<b>TOTAL (I)</b>		-	-		<b>36,329.40</b>	-	-	-	<b>36,329.40</b>
<b>LIABILITIES</b>									
Debt securities to which this certificate pertains	Series - A NCDs	-	-	Yes	654.00	-	-	-	654.00
Other debt sharing pari-passu charge with above debt	Borrowings (excluding Series - A NCDs)			Yes	26,707.49	-	-	-	26,707.49
Trade Payables	Trade payables			No	-	-	654.55	-	654.55
Provisions	Provisions			No	-	-	140.51	-	140.51
Others	Equity share capital, Other equity, Net employee defined benefit liabilities, Other financial liabilities, Other current liabilities and Liabilities for current tax (net) (refer note 3 below)	Not to be filled		No	-	-	8,172.85	-	8,172.85
<b>TOTAL (II)</b>		-	-		<b>27,361.49</b>	-	<b>8,967.91</b>	-	<b>36,329.40</b>
<b>Cover on Book Value [(I) / (II)]</b>		-	-		<b>1.33</b>	-	-	-	<b>-</b>
			<b>Exclusive Security Cover Ratio</b>		<b>Pari-Passu Security Cover Ratio</b>				

1. The above financial information has been prepared from the books of accounts of the Company underlying the unaudited Ind AS financial results and other relevant records of the Company as at and for the quarter ended December 31, 2023 and Year to date from April 01, 2023 to December 31, 2023

2. The secured debt securities issued by the Company, for which this certificate is being issued are secured by first pari passu charge on all present and future assets of the Company. The value of such assets as on December 31, 2023 has been presented in Column F.

3. An amount of Rs. 575.36 million pertains to outstanding liabilities as at December 31, 2023 towards Property, Plant & Equipment for which pari passu charge is created and disclosed in column F. As specified in SEBI Circular dated May 19, 2022, the assets that are not paid for shall not be included as part of any security cover calculation. Accordingly, the aforesaid amount is reduced from the value of Property plant and equipment and other financial liabilities.

4. Asset not offered as security includes liabilities and equity other than debt included in column F.

Dhananjay Vasantrao  
Deshpande

Dhananjay Deshpande  
Whole Time Director  
DIN: 07863198

January 23, 2024

