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EQUITY SHARE VALUATION REPORT

OF

M/S GMR WARORA ENERGY LIMITED

SITUATED AT

701/704, 7TH FLOOR, NAMAN CENTRE, A WING, BKC, BANDRA,
MUMBAI – 400051

REPORT PREPARED FOR

M/S GMR WARORA ENERGY LIMITED

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- Business/ Enterprise/ Equity Valuations
- Lender's Independent Engineers (LIE)
- Techno Economic Viability Consultants (TEV)
- Agency for Specialized Account Monitoring (ASM)
- Project Techno-Financial Advisers
- Chartered Engineers
- Industry/ Trade Rehabilitation Consultants
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1. ABOUT THE REPORT: Share Valuation report to determine the conversion price of the overdue interest of Rs. 33 Cr proposed to be converted to equity of M/s GMR Warora Energy Limited having registered office at 701/704, 7th Floor, Naman Centre, A Wing, BKC, Bandra, Mumbai – 400051.

2. BACKGROUND OF THE PROJECT: M/s GMR Warora Energy Limited (GWEL) has set up a 600 MW (2 x 300 MW), domestic coal based thermal power project of sub-critical technology in Warora Taluka, Chandrapur district in the state of Maharashtra. The Company has been promoted by GMR Energy Limited ("GEL"), a part of the GMR Group and holding company for the group's power/energy businesses.

The Project Company (formerly EMCO Energy Limited (EEL)) was a special purpose vehicle (SPV) initially promoted by EMCO group in 2005 to set up 2 x 135 MW coal-based power plant at MIDC, Warora Taluka, Chandrapur, Maharashtra. The promoters of EEL sold 100% stake in EEL to GEL in July 2009 making it 100% subsidiary of GEL, which is an operating cum holding company of all the power projects of the GMR Group.

Pursuant to the acquisition, the scope of the project was enhanced from 2 x 135 MW to 2 x 300 MW in the view of location advantage (MIDC area) and high demand in western Maharashtra. The COD of the units under Phase-I and Phase-II was achieved on March 19, 2013 and September 01, 2013 respectively.

Below table gives a detailed overview about the Project:

Project Details		
S.No.	Particulars	Description
1.	Company Name	M/s GMR Warora Energy Limited
2.	Date of Incorporation	4 th Aug, 2005
3.	Reg. Address	701/704, 7th Floor, Naman Centre, A Wing, BKC, Bandra, Mumbai – 400 051
4.	Corporate Office	Building No. 302, New Shakti Bhawan, New Udaan Bhawan Complex, Opp. Terminal 3, Indira Gandhi International Airport, New Delhi 110 037
5.	Current Plant Address	Plot No. B1 & B7, Mohabala, MIDC Growth Center, Warora., Chandrapur 442 907, Maharashtra
6.	Capacity	600 MW (2 x 300 MW)
7.	Current Status	Unit 1 COD – March 19, 2013



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		Unit 2 COD – September 01, 2013			
8.	Constitution	Limited company (Limited by share)			
9.	CIN No.	U40100MH2005PLC155140			
10.	Sector	Power			
11.	Land	Total land acquired for the Project is 597.78 acres.			
12.	Plant Equipment & Design	<ul style="list-style-type: none">• The Project consists of two identical units of sub-critical technology each comprising of one Boiler, one Steam Generator and one Steam Turbine Generator along with auxiliaries that were supplied, erected and commissioned by Shanghai Electric Company (SEC), China.• The Station Heat Rate of the plant is about 2,320 kCal/kWh and the plant design can handle coal of GCV ranging from 3,000 KCal/Kg to 4,200 Kcal/Kg.			
13.	Power Sale Arrangement	Utility	Period (Start Date/ End Date)	Contracted Capacity	Gross Tariff FY 22 (Rs./Unit)
		MSEDCL	25 years / (17 March 2014 / 28 February 2039)	200 MW	3.71
		TANGEDCO	15 years / (01 September 2013 / 31 August 2028)	150 MW	4.76
		GUVNL	23 months / (1 November 2021 / 30 September 2023)	150 MW	3.68
		Sale of merchant power	Balance capacity		
14.	Fuel Arrangement	<ul style="list-style-type: none">• MTPA coal has been tied up through long term coal linkages from SECL subsidiary of CIL. Base price of coal will be as notified by SECL / WCL/ CIL from time to time• Unit 1 – FSA with SECL for 20 years – ACQ of 1.3 MTPA (Gevra/ Kusmunda mines) – FSA shall remain in force till the end of 20 years from the Effective Date or life of the Power Plant, whichever is earlier.• Unit 2 – FSA with WCL for 20 years – ACQ of 1.3 MTPA (linkage transferred from SECL to mine specific sources of WCL) – FSA shall remain in force till the end of 20 years from the Effective Date or life of the Power Plant, whichever is earlier.• Rest of coal is procured through e-auction/ special auctions.			

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15.	Water Arrangement	<ul style="list-style-type: none">Raw water source of GWEL is from river Wardha at about 10 km from the plant where pump house arrangement is done. The company has taken approval from State Water Resources authority for 50 MLD.Two reservoirs have been built at plant having storage capacity of 1.75 Lakh cum and 2.65 Lakh cum respectively to facilitate storage and supply to the plant. Current rate is Rs 2.20 per cum.Weir system is also in place to store the water (~21MCM) for lean season requirement
16.	Power Evacuation	The generated power is being evacuated through one double circuit 400 KV transmission line through PGCIL Bhadravati 400 KV substation, which is about 30 km from the project site.

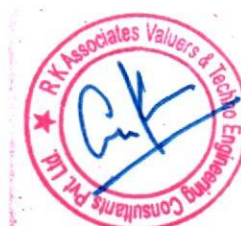
Source: Lenders Information Memorandum shared by the client/company

Below table shows the historical financial performance of the company from FY 2019 to FY 2021:

FY Ending (Rs. Cr.)	Mar 2019 (Aud.)	Mar 2020 (Aud.)	Mar 2021 (Aud.)
Revenue from Operations	1,894	1,844	1,477
EBITDA	589	598	426
Other Income	29	6	6
PBT	92	74	-84
Def. Tax Expense/(Credit)	-170	287	-21
PAT	262	-214	-63
Net fixed assets	3,301	3,166	3,058
TNW	665	441	378
LT Borrowings	3,080	2,876	2,914
Cash Credit	298	306	320

As per the historical analysis, which can be seen above, revenue growth rate and all the margins are continuously declining which can be attributed to the financial stress faced by the company.

Below table shows the Operational performance of the company from FY 2019 to HY 2022:



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Operational Performance							
FY19		FY20		FY21		H1 FY22	
PLF	Availability	PLF	Availability	PLF	Availability	PLF	Availability
74%	89%	79%	90%	74%	92%	53%	63%

- During the FY 2019, FY 2020 and FY2021, the auxiliary power consumption was 8.3%. However, post FGD implementation, the auxiliary power consumption is expected to go up to 9.5%.
- During H1 FY22, PLF is low due to intermittent shortage of coal.

3. REASONS FOR FINANCIAL STRESS:

GWEL faced financial issues from FY 21 mainly on account of the following reasons:

- Lower power demand during COVID-19** –Project operated at a much lower PLF of ~49% during Q1FY21 due to complete lockdown in the wake of COVID-19 pandemic and the resultant lower demand for power. The annualized PLF for FY21 at 74% was about ~5% lower when compared to PLF of 79% in FY20. Due to ongoing pandemic situation, Project's operational and financial performance has been impacted in the past 18 months.
- Non-tie up of plant capacity with PPAs** - During Q1FY21, under post-Covid "Atmanirbhar" scheme of Government of India, privatization of all power distribution companies in Union Territories, including that for Dadra & Nagar Haveli was announced. In the given situation, renewal of PPA is limited.
- Untied Capacity** - In absence of DNH PPA in FY2021, the Company had an untied capacity of 200 MW since July 2020 (till tie up of PPA with GUVNL in October 21), which was sold in merchant/ short term market at average realization of Rs. 3.11 / kWh in FY'21 against average realization of ~Rs. 5+/- kWh from DNH PPA. Non-remunerative realisations from merchant market impacted the company's EBITDA.
- Non-realization of Receivables from DNH Discom** - DNH refused to pay capacity charges amounting to Rs.132 Crore billed during the COVID-19 induced lockdown period (in 2020). Company has filed a petition for the same with CERC. However, delay in realisation put cash flows of the Company in stress. CERC vide order dated Jan 20, 2022 has directed DNH to make payment of capacity charges (with Late Payment Surcharge) for the period of Apr 2020 till June 2020 within 60 days from the date of this order.



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Overdue Receivables: In addition to the capacity charge of Rs. 132 Crore pertaining to DNH, receivables (incl. regulatory receivables) of Rs. 239 Crore related to DNH and MSEDCL have been outstanding for a period of more than 180 days leading to stretched liquidity position.

Past Efforts at Recovery / Resolution: The Lenders had considered the request of Company vide letter dated 26 October 2020 and November 16, 2020, for availing One Time Restructuring (OTR) under Resolution Framework for COVID-19-related Stress of RBI Circular dated 06 August 2020. The invocation of resolution process was done on 30 December 2020. However, the Resolution Plan could not be implemented within the specified timelines due to lapse of time.

Present Resolution Plan: The Project cash flows continue to be under stress. Subsequent to failure of effort to resolve the stress under Resolution Framework for COVID-19-related Stress of RBI Circular dated August 06, 2020, it was agreed among the Lenders and the company to resolve the stress under the Provision 158 (6) (a) of Chapter V Preferential Issue of SEBI ICDR, which in turn refers to the Prudential Framework for Resolution of Stressed Assets vide RBI Circular dated June 07, 2019 Clause 32.

a) Resolution Plan:

Below table shows the details of the Resolution Plan:

S. No.	Particular	Description
1.	Restructuring Framework	Prudential Framework for Resolution of Stressed Assets dated June 07, 2019
2.	Reference Date	June 28, 2021
3.	Date of ICA	July 27, 2021
4.	Effective date	April 01, 2021
5.	Cut-off date	April 01, 2021

Advisors for Resolution Plan: SBI Capital Markets Limited ("SBICAP") and Link Legal India Law Services ("Link Legal") have been mandated by State Bank of India ("SBI"), on behalf of consortium of lenders, to act as the "Lenders' Financial Advisor" and "Legal Advisor" respectively for the proposed Transaction.

4. Debt Outstanding:

Below table shows the lender-wise outstanding debt position as on March 31, 2021

Long Term Loans/ NCDs:



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S.No.	Lenders	Sanctioned (INR Crore)	Outstanding (INR Cr.)
1.	State Bank of India	1,200	992
2.	Union Bank of India (erstwhile Corporation Bank. & Andhra Bank)	864	728
3.	Punjab National Bank (erstwhile United Bank & Oriental Bank of Commerce)	431	364
4.	UCO Bank	271	228
5.	Bank of Baroda	202	170
6.	ICICI Bank Ltd	300	197
7.	Punjab & Sind Bank	144	122
8.	IIFCL – AMC (NCD)	75	75
9.	IFCI Ltd	100	38
10.	Total	3,587	2,914

Fund Based Working Capital Limits (Cash Credit/ LC):

S.No.	Lenders	Sanctioned	Outstanding
1.	Axis Bank	115	108
2.	Union Bank of India (erstwhile Corporation Bank. & Andhra Bank)	121	122
3.	UCO Bank	35	35
4.	Bank of Baroda	54	55
5.	Total	325	320

Non-Fund Based Working Capital Limits (Bank Guarantee):

S.No.	Lenders	Sanctioned	Outstanding
1.	Axis Bank	100	70
2.	Union Bank of India (erstwhile Corporation Bank. & Andhra Bank)	109	50
3.	Bank of Baroda	6	0
4.	IDBI Bank (interchangeable with LC)	40	23
5.	Total	255	143



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Term Loan and NCDs & Overdue Interest to be restructured:

S. No.	Facilities	O/s Amount (INR Crore)
1	Outstanding Principal Debt as on March 31, 2021	
a)	Rupee Term Loans	2839
b)	IIFCL Non-Convertible Debentures (NCD) (IIFCL – MF)	75
	Sub-Total	2914
2	Overdue / Accruing Interest	
a)	Interest overdue / accruing up to June 30, 2022	241
b)	Interest overdue / accruing up to March 31, 2024 for IIFCL	18
	Grand Total	3,173

Post-Restructuring Debt:

Under the Restructuring Plan, the outstanding debt would be divided into following tranches:

Part A (Sustainable Debt): Rs. 2,351 Cr. (80.71 % of the outstanding principal amount) carrying a fixed Interest rate @ 8.5% p.a. It includes:

- Term Loans of Rs 2,276 Cr.
- Non-Convertible Debentures (NCD) (IIFCL – MF) of Rs. 75 Cr.

Part B (Unsustainable Debt): Rs. 562 Cr. (19.29% of the outstanding principal amount)

- NCDs of Rs 562 Cr. carrying annual coupon of 0.01% p.a. to be issued against the amount of unsustainable debt.
- Part B1 (OCDs against part Overdue Interest): Overdue Interest of Rs. 226 Cr. upto June 30, 2022 (upto March 31, 2024 for IIFCL NCDs) is to be converted to Optionally Convertible Debentures (OCDs).
- OCDs of Rs. 208 Cr. against part Overdue Interest on Part A – RTL from April 01, 2021 to June 30, 2022.
- OCDs of Rs. 18 Cr. against part Overdue Interest on Part A – IIFCL (NCD) from Mar 25, 2021 to March 31, 2024.
- **Equity against part Overdue Interest of RTL Lenders: Rs 33 Cr. of Overdue Interest is to be converted to equity of the company.**

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Other Terms:

- Lenders shall have Right of Recompense to recover sacrifices on account of reduction in rate of interest and conversion of outstanding debt into unsustainable debt, under the Resolution Plan.
- Lenders shall have right to revoke the Resolution Plan (as per RBI guidelines) in the event of failure of the company to service its debt as per the terms of the RP.
- Company to maintain a DSRA for ensuing 2 quarter principal and interest for Part A facilities, 1 quarter upfront and 1 quarter subsequently from project cash flows
- A minimum DSRA Rs. 160 Cr shall be maintained from FY 2029 till tenor of Part-A loan.
- Rs. 52 Cr, received by lenders in FY22 to be used for Debt Service Reserve / adjusted against Part A principal repayment for the year
- Post upgradation of account in June 2023, Lenders shall have a right to cash Sweep 100% cash surplus above DSCR level of 1.10 (subject to minimum cash balance of Rs. 100 Cr). Cash Sweep shall be utilized in the following order of priority:
 - a) Redemption of Part B NCD
 - b) Redemption of Part B1 OCD
 - c) Repayment of Part A
 - d) Right of Recompense
- Company to create sinking fund for redemption of NCD/OCD and keep the funds invested in liquid investments/ securities (Government bonds) as required under RBI Master Circular – Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks dated July 1, 2015
- In case of early realization of the regulatory receivables amounting to Rs. 350 Crore, the same shall be utilized towards prepayment (without any prepayment charges) of Part A debt in order of forward maturity in line with utilization projected as per Resolution Plan.
- Part B & Part B1 debt (i.e., NCDs and OCDs issued under the Resolution Plan) will be subordinated to Part A in terms of debt servicing.

Post-Restructuring Debt:



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Facilities	O/s Amount (INR Crore)	Description
Part A – RTL	2,276	<ul style="list-style-type: none"> Sustainable Debt (excluding ICICI) repayable in 61 structured quarterly instalments starting from March 31, 2022 till end of loan tenor i.e., March 31, 2037. ICICI – 1 Facility repayable in 61 structured quarterly instalments starting from March 31, 2022 till end of loan tenor i.e., March 31, 2037. ICICI – 2 Facility repayable in 13 structured quarterly instalments starting from March 31, 2022 till end of loan tenor i.e., March 31, 2025. ICICI – 3 Facility repayable in 33 structured quarterly instalments starting from March 31, 2022 till end of loan tenor i.e., March 31, 2030. Fixed Rate of Interest @ 8.5% p.a. from April 01, 2021 till end of loan tenor. Interest for 15 months from April 01, 2021, till June 30, 2022 to be converted into Optionally Convertible Debentures / Equity.
Part A – IIFCL NCD	75	<ul style="list-style-type: none"> Sustainable Debt repayable in 9 structured quarterly instalments starting from March 31, 2022 up to March 31, 2024 Fixed Interest @ 8.5% p.a. from March 25, 2021 till end of NCD tenor. Interest for 36 months from March 25, 2021, till March 31, 2024 to be converted into Optionally Convertible Debentures.
Total Part A	2351	
Part B – NCD (Series B)	562	<ul style="list-style-type: none"> Unsustainable Debt (Outstanding Debt of Rs. 2,914 Cr. less Sustainable Debt of Rs. 2,351 Cr.) to be converted to NCDs. Annual Coupon of 0.01% p.a. on Unsustainable Debt from April 01, 2021, till redemption of NCDs i.e., September 30, 2038.
Total Part B	562	
Part B1 – Overdue Interest on RTL	208 & 18	<ul style="list-style-type: none"> Interest accrued but not paid on Part A – RTL for a period of 15 months from April 01, 2021 till June 30, 2022 amounting to Rs. 208 Cr. shall be converted to OCDs carrying an annual coupon of 0.01% p.a.



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converted to OCD, Part B1 – Overdue Interest on IIFCL NCD converted to OCD		<ul style="list-style-type: none">Interest accrued but not paid on Part A – IIFCL NCD for a period of 36 months from March 25, 2021 till March 31, 2024 amounting to Rs. 18 Cr. shall be converted to OCDs carrying an annual coupon of 0.01% p.a.Lenders shall have the option to convert OCDs into equity of the company anytime during the tenure of OCDs at the valuation to be done by IBBI registered valuer (to be appointed by lenders) at the time of conversion.Tenor of OCDs - Upto September 30, 2038
Total Part B1	226	
Equity	33	<ul style="list-style-type: none">Overdue Interest for Part A – RTL to the extent of Rs. 33 Cr. is to be converted to equity of the Company
Total	3,173	

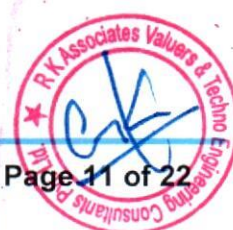
Thus for the purpose of Debt restructuring of this stressed account, M/s GMR Warora Energy Limited has assigned R K Associated to assess & determine the conversion price of the overdue interest of INR 33.00 Cr proposed to be converted to equity as per the scope of work, to execute the proposed resolution plan.

5. TYPE OF REPORT: Share Valuation Report.

6. PURPOSE OF THE REPORT: To determine the conversion price of the overdue interest of INR 33 Cr proposed to be converted to equity under implementation as a whole as required by the lenders.

7. SCOPE OF THE REPORT: To calculate conversion price of the shares of the company considering the Restructure proposal under the Resolution Plan.

- This is just the share valuation of the company based on the restructure plan under the Provision 158 (6) (a) of Chapter V Preferential Issue of SEBI ICDR, which in turn refers to the Prudential Framework for Resolution of Stressed Assets vide RBI Circular dated June 07, 2019 Clause 32.*
- This Valuation only covers the valuation of the share of the company. It does not cover any transaction with the subject company's subsidiary/ associate/ Joint Venture Companies, as per the requirement by the lender.*



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- *This Valuation is prepared based on the financial & operational status of the company considering the resolution plan, financial data, other facts & information provided by the company/ lender/ Client in writing & verbal discussions held during the course of the assignment and based on independent assessment of certain assumptions which are specifically mentioned in the Valuation section of the Report.*
- *We have assumed that the information provided to us is correct and is not manipulated or distorted.*
- *As per information provided by the client, , as Lenders had decided the cut-off/effective date of the restructuring plan as Apr 01, 2021, the Audited Financials as on Mar 31, 2021, have been relied upon for calculating the NAV.*

8. METHODOLOGY/MODEL/PROVISIONS ADOPTED: To determine the conversion price of the overdue interest of INR 33.00 Crore, proposed to be converted to equity as per the Provision 158 (6) (a) of Chapter V Preferential Issue of SEBI ICDR, which in turn refers to the Prudential Framework for Resolution of Stressed Assets vide RBI Circular dated June 07, 2019 Clause 32.

9. DOCUMENTS / DATA REFERRED:

- Audited Financial Statements and notes for the FY 2021 & FY 2022 provided by the Company.
- Lenders Information Memorandum.
- Prudential Framework for Resolution of Stressed Assets vide RBI Circular dated June 07, 2019.



PART B

VALUATION OF THE SHARES OF THE COMPANY

1. SECURITY STRUCTURE:

All Consortium Lenders (including Working Capital Lenders) shall have a common pool of security i.e., first pari-passu charge on all Company/Project assets.

- ICICI Bank that currently has subservient charge on Project Assets for its Corporate Loan shall get first pari-passu charge on all Company/Project Assets in line with other consortium Lenders.
- TRA arrangement at present with Axis Bank to be shifted to State Bank of India post implementation of RP.
- 23% shares of GWEL, currently pledged to ICICI Bank as an exclusive charge, will be shared on pari passu basis among all the Consortium Lenders (including Working Capital Lenders). Inclusive of the equity shares to be issued to the TL Lenders against conversion of Rs. 33 Crore of overdue interest, the Consortium shall have pledge / Control over 76.1% shares.
- Balance ~23.9% shareholding (on diluted basis) of GWEL, currently pledged with Yes Bank will be pledged to the Consortium Lenders as & when balance shareholding is released by Yes Bank.
- FGD lenders shall have first pari-passu charge on all Company Assets and pari-passu pledge of 68.1% shares of GWEL.

Share position pre and post restructuring is shown in the below:

Share Holders Name	Pre-Structuring		Post-Structuring	
	No. of Shares	% of Shares	No. of Shares	% of Shares
ICICI Bank exclusive charge	20.01	23%	-	-
GMR Warora Lenders Consortium				
Shares pledged	44.37	51%	64.38	68.1%
Additional shares against Rs. 33 Cr. OCD B1 at book value of Rs. 4.34/ share	0.00	0.00%	7.60	8.00%
Total	64.38	74.00%	71.98	76.10%



2. METHODOLOGY/ MODEL/PROVISIONS ADOPTED:

The restructuring plan involves conversion of debt (overdue interest of INR 33.00 Cr) to equity. Reference is drawn to Securities and Exchange Board of India (SEBI) Issue of Capital and Disclosure Requirements (ICDR) Regulations, 2018, Chapter V – Preferential Issue, for estimation of the price of conversion of debt into equity.

Provision 158 (6)(a) of Chapter V (Preferential Issue) states that provisions of Chapter V do not apply in case of conversion of debt into equity pursuant to restructuring implemented under RBI guidelines. As per the clause:

*The provisions of this Chapter shall not apply where the preferential issue of specified securities is made to the lenders pursuant to conversion of their debt, as part of a debt restructuring [***]165 implemented in accordance with the guidelines specified by the Reserve Bank of India, subject to the following conditions:*

- a) *guidelines for determining the conversion price have been specified by the Reserve Bank of India in accordance with which the conversion price shall be determined and which shall be in compliance with the applicable provisions of the Companies Act, 2013*

Further, as per the above clause, conversion price shall be determined in accordance with RBI guidelines. Clause 32 of RBI Circular dated June 07, 2019 on Prudential Framework of Resolution of Stressed Assets states that issue price shall be lower of Average of weekly high and low of the volume weighted average price of the related equity shares quoted on the recognized stock exchange during the twenty two/six weeks preceding the 'reference date' or Book Value. Clause 32 of RBI Circular is reproduced below:

With reference to the requirements contained in sub-regulations 158 (6) (a) of ICDR Regulations, 2018, the issue price of the equity shall be the lower of (a) or (b) below:

- a) *The average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the 'reference date' or the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the 'reference date', whichever is lower.*
- b) **Book value:** *Book value per share to be calculated from the latest audited balance sheet (without considering 'revaluation reserves', if any) adjusted for cash flows and financials post the earlier restructuring, if any. The date as on which the latest balance sheet is drawn up should not precede the date of restructuring by more than 18 months. In case*

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the latest audited balance sheet is not available the shares are to be collectively valued at Re.1 per company.

As M/s GMR Warora Energy Limited is an unlisted company, The Book Value has been identified as the conversion price for debt into equity. Further, as Lenders had decided the cut-off/effective date of the restructuring plan as Apr 01, 2021, the day on which the debt shall stand converted to securities proposed to be issued pursuant to the said restructuring plan, the Audited Financials as on Mar 31, 2021, have been relied upon for determination of the Book Value as such, entire INR 33.00 Crore of overdue interest proposed to be converted to equity shall have to be provided for.

Gathering of Information on high level breakup of each head of Balance sheet for assessment (as per RKA Format).

- Review of data/ inputs/ information which company could provide to us against the queries raised by the consultant.
- Final assessment as per the data /information available on record.

Note: Valuation of the shares has been done after considering the resolution plan as per the Provision 158 (6) (a) of Chapter V Preferential Issue of SEBI ICDR, which in turn refers to the Prudential Framework for Resolution of Stressed Assets vide RBI Circular dated June 07, 2019 Clause 32 and the data/ input that the Bank/Client/Company could provide to us against our questions/ queries

3. TERMS OF CONVERSION: (INR 33 CRORE TO EQUITY)

Overdue Interest of Rs. 33 Cr. shall be converted at a price equal to book value of Rs. 4.34 per share (based on Net Worth as on March 31, 2021), resulting in total share pledge with the lenders of ~76.1% on post-restructuring basis (including existing pledge on 74% shares held collectively between consortium lenders and ICICI Bank).



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4. SUMMARY OF VALUATION ASSESSMENT:

As per information shared by the client/company, below table shows the determination of book value per share:

Particulars	Amount as on 31 st March 2021 (in Rs. Crore)
Assets	
Property, plant and equipment	3,057.59
Cash and cash equivalent	9.56
Investment	54.14
Net Working Capital	-169.71
Total Assets	2,951.58
Liabilities	
Borrowing	2,548.01
Deferred tax liabilities	19.53
Other non-financial liabilities	6.15
Total Liabilities	2,573.69
Net Asset Value	377.89
No. of shares (in crores)	87.00
Book value per share (Rs.)	4.34

Net Asset Value (NAV) of the company is being calculated as INR 377.89 Crore, which has been divided by the Number of shares pre-restructure (87 Crore Shares).

Thus we get the per share value as INR 4.34 subject to the Provision 158 (6) (a) of Chapter V Preferential Issue of SEBI ICDR which in turn refers to RBI June 07, 2019 Circular Clause 32.



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5. BOOK VALUE PER SHARE:

BOOK VALUE PER SHARE OF M/S GMR WARORA ENERGY LIMITED
INR 4.34 PER SHARE (INR 4.34 Per Share)


Hence the “Book Value per share” for the overdue Interest of Rs. 33 Cr of “M/s GMR Warora Energy Limited” is INR 4.34 and company is required to issue 7.60 Crore Shares post-restructure.

This is only a general assessment to determine the conversion price of the overdue interest of INR 33.00 Crore, proposed to be converted to equity as per the Provision 158 (6) (a) of Chapter V Preferential Issue of SEBI ICDR, which in turn refers to the Prudential Framework for Resolution of Stressed Assets vide RBI Circular dated June 07, 2019 Clause 32 and the data/ input that the Bank/Client/Company could provide to us against our questions/ queries using the appropriate method with respect to the present scenario. In no manner this should be regarded as an audit activity/ report and NO micro analysis or detailed or forensic audit/ scrutiny of the financial transactions or accounts of any kind has been carried out at our end.



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Declaration	<p>i. Since this is Share Valuation hence no site inspection was carried out by us.</p> <p>ii. The undersigned does not have any direct/indirect interest in the above property.</p> <p>iii. The information furnished herein is true and correct to the best of our knowledge.</p> <p>iv. This valuation work is carried out by our Financial Analyst team on the request from M/s GMR Warora Energy Limited.</p> <p>v. We have submitted Valuation report to the Client.</p>
Name & Address of Valuer company	Signature of the authorized person
M/s R.K. Associates Valuers & Techno Engineering Consultants Pvt. Ltd. D-39, Second Floor, Sector-2, Noida, UP-201301 India	
Number of Pages in the Report	22
Financial Analyst Team worked on the report	PREPARED BY: Mr. Gaurav Kumar
	REVIEWED BY: HOD Valuations

For R.K Associates Valuers & Techno
Engineering Consultants (P) Ltd.

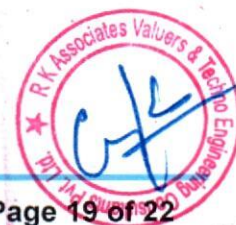
Place : NOIDA
Date : 21st June 2022


(Authorized Signatory)

Valuations

PART C**DISCLAIMER | REMARKS**

1. No employee or member of R.K Associates has any direct/ indirect interest in the Project.
2. This report is prepared based on the copies of the documents/ information which the Bank/ Company has provided to us out of the standard checklist of documents sought from them and further based on our assumptions and limiting conditions. The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. All such information provided to us has been relied upon in good faith and we have assumed that it is true and correct in all respect. I/We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the owner, company, its directors, employee, representative or agents. Verification or cross checking of the documents provided to us from the originals or from any Govt. departments/ Record of Registrar has not been done at our end since this is beyond the scope of our work. If at any time in future, it is found or came to our knowledge that misrepresentation of facts or incomplete or distorted information has been provided to us then this report shall automatically become null & void.
3. Legal aspects for e.g., investigation of title, ownership rights, lien, charge, mortgage, lease, sanctioned maps, verification of documents, etc. have not been done at our end and same has to be taken care by legal expert/ Advocate. It is assumed that the concerned Lender/ Financial Institution has satisfied them with the authenticity of the documents, information given to us and for which the legal verification has been already taken and cleared by the competent Advocate before requesting for this report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.
4. This report is a general analysis of the project based on the scope mentioned in the report. This is not an Audit report, Design document, DPR or Techno feasibility study. All the information gathered is based on the facts seen on the site during survey, verbal discussion & documentary evidence provided by the client and is believed that information given by the company is true best of their knowledge.
5. All observations mentioned in the report is only based on the visual observation and the documents/ data/ information provided by the client. No mechanical/ technical tests, measurements or any design review have been performed or carried out from our side during Project assessment.



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6. Bank/FII should ONLY take this report as an Advisory document from the Financial/ Chartered Engineering firm and its specifically advised to the creditor to cross verify the original documents for the facts mentioned in the report which can be availed from the borrowing company directly.
7. In case of any default in loans or the credit facility extended to the borrowing company, R.K Associates shall not be held responsible for whatsoever reason may be and any request for seeking any explanation from the employee/s of R.K Associates will not be entertained at any instance or situation.
8. The documents, information, data provided to us during the course of this assessment by the client is reviewed only up to the extent required in relation to the scope of the work. No document has been reviewed beyond the scope of the work.
9. This report only contains general assessment & opinion as per the scope of work evaluated as per the information given in the copy of documents, information, data provided to us and/ and confirmed by the owner/ owner representative to us at site which has been relied upon in good faith. It doesn't contain any other recommendations of any sort including but not limited to express of any opinion on the suitability or otherwise of entering into any transaction with the borrower.
10. We have relied on data from third party, external sources & information available on public domain also to conclude this report. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context, however still we can't vouch its authenticity, correctness or accuracy.
11. This Report is prepared by our competent technical team which includes Engineers and financial experts & analysts.
12. This is just an opinion report and doesn't hold any binding on anyone. It is requested from the concerned Financial Institution which is using this report for taking financial decision on the project that they should consider all the different associated relevant & related factors also before taking any business decision based on the content of this report.
13. All Pages of the report including annexures are signed and stamped from our office. In case any paper in the report is without stamp & signature then this should not be considered a valid paper issued from this office.



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14. Though adequate care has been taken while preparing this report as per its scope, but still, we can't rule out typing, human errors, over sightedness of any information or any other mistakes. Therefore, the concerned organization is advised to satisfy themselves that the report is complete & satisfactory in all respect. Intimation regarding any discrepancy shall be brought into our notice immediately. If no intimation is received within 15 (Fifteen) days in writing from the date of issuance of the report, to rectify these timely, then it shall be considered that the report is complete in all respect and has been accepted by the client up to their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner.
15. Defect Liability Period is **15 DAYS**. We request the concerned authorized reader of this report to check the contents, data and calculations in the report within this period and intimate us in writing if any corrections are required or in case of any other concern with the contents or opinion mentioned in the report. Corrections only related to typographical, calculation, spelling mistakes, incorrect data/ figures/ statement will be entertained within the defect liability period. Any new changes for any additional information in already approved report will be regarded as additional work for which additional fees may be charged. No request for any illegitimate change in regard to any facts & figures will be entertained.
16. R.K Associates encourages its customers to give feedback or inform concerns over its services through proper channel at valuers@rkassociates.org in writing within 15 days of report delivery. After this period no concern/ complaint/ proceedings in connection with the Financial Feasibility Study Services will be entertained due to possible change in situation and condition of the subject Project.
17. Our Data retention policy is of **ONE YEAR**. After this period, we remove all the concerned records related to the assignment from our repository. No clarification or query can be answered after this period due to unavailability of the data.
18. This Financial Feasibility Study report is governed by our (1) Internal Policies, Processes & Standard Operating Procedures, (2) Information/ Data/ Inputs given to us by the client and (3) Information/ Data/ Facts given to us by our field/ office technical team. Management of R.K Associates never gives acceptance to any unethical or unprofessional practice which may affect fair, correct & impartial assessment and which is against any prevailing law. In case of any indication of any negligence, default, incorrect, misleading, misrepresentation or distortion of facts in the report then it is the responsibility of the user of this report to immediately or at least within the defect liability period bring all such act into notice of R.K Associates management so that corrective measures can be taken instantly.



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19. R.K Associates never releases any report doing alterations or modifications from pen. In case any information/ figure of this report is found altered with pen then this report will automatically become null & void.

