

REF. No. IAMCL/2021-22/02

Date: 28 March, 2022

To:

GMR Warora Energy Limited,
New Shakti Bhawan First Floor Building No. 302
New Udaan Bhawan, opposite terminal-3
IGI Airport, New Delhi-110037

Sub- GMR Warora Energy Limited Restructuring Proposal

This has reference to your request letter, various discussions during lenders consortium meetings and the detailed Information Memorandum circulated by SBI Capital Markets Limited vide email dated February 23, 2022 for restructuring of credit facilities of GMR Warora Energy Limited including NCDs subscribed by IIFCL Mutual Fund amounting to Rs.75 cr. We would like to inform you that the Competent Authority has sanctioned the following modifications in respect of the credit facilities in your favor:

- Restructuring of the existing credit limits in accordance with the Reserve bank of India circular dated 7th June, 2019 (Prudential Framework for Resolution of Stressed Assets) with aggregate outstanding as on 01.04.2021 of Rs.75 crore (being our share in total credit limits enjoyed from banking system: Rs.2,913.49 crore) into:

Pre-Restructuring		Post-Restructuring			
Facility	Amount (In Crs)	Facility	Amount (In Crs)	Repayment Tenor	RoI
NCD	75.00	NCDs - Part A (sustainable debt)	75.00	9 structured quarterly instalments starting (from March 2022 to March 2024)	Fixed Rate of Interest @ 8.5% p.a. from March 25, 2021 till end of loan tenor.
		NCD - Part B (unsustainable debt)	Nil	NA	NA
		OCD Part B1 (against	18.30	67 structured quarterly	Annual Coupon -0.01% p.a.

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पंजीकृत कार्यालय : पॉंचवी मंजिल, प्लेट-ए, एन.बी.सी.सी. टावर ब्लॉक-02, ईस्ट किदवाई नगर, नई दिल्ली-110023 दूरभाष : +91-11-24665900
Regd. Office : 5th Floor, Plate-A, NBCC Tower Block-02, East Kidwai Nagar, New Delhi-110023 Ph.: +91-11-24665900
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Pre-Restructuring		Post-Restructuring			
Facility	Amount (In Crs)	Facility	Amount (In Crs)	Repayment Tenor	RoI
		overdue interest from Mar 25, 2021 till Mar 31, 2024)		instalments starting (from March 2022 to September 2038)	
		Total	93.30		

- a) Approval for acceptance of the Restructuring proposal for the outstanding debt as per the Resolution Plan. As per the Resolution Plan, o/s NCDs as on March 31, 2021 of Rs. 75 Cr. (Consortium: Rs. 2,913.49 Cr.) to be converted into NCD Part A (sustainable debt) of Rs. 75 Cr. (Consortium: RTL Part A sustainable debt of Rs. 2351.47 Cr.) Part A NCDs (sustainable debt) shall be repaid in 9 structured quarterly instalments from March 31, 2022 to March 31, 2024 (Consortium: 61 structured quarterly instalments from March 31, 2022 to March 31, 2037).
- b) Approval for reduction in rate of interest for NCD-Part A (sustainable debt) to fixed rate of 8.50% (effective from 25 March 2021) during the tenor of the loan i.e., till March 31, 2024 (Consortium: from April 1, 2021 till Mar 31, 2037).
 - o Approval for conversion of the above interest amount of Rs. 18.30 Crore on NCD Part A of Rs 75 Crore (@8.50% p.a. fixed interest rate for ~36 months from March 25, 2021 till March 31, 2024) into Optionally Convertible debentures (OCDs) by way of subscription of OCDs. OCDs shall be repaid in 67 structured quarterly instalments from March 31, 2022 to September 30, 2038 and shall carry coupon of 0.01% p.a. effective from cut-off date i.e., 01 April 2021
- c) Approval for sharing of first pari-passu charge on all Project/Company Assets and pledge of 51% shares of the Company with ICICI for its corporate loan in lieu of sharing of exclusive pledge over 23% equity shares of the company currently held by ICICI Bank on pari-passu basis with all Lenders.
- d) Approval for sharing of security on pari-passu basis with Future FGD lenders for a debt of up to Rs 380 crore
- e) Approval for prepayment of restructured sustainable / unsustainable debt on early receipt of past receivables / as per cash sweep stipulated without charging any prepayment premium.
- f) Approval for signing of Definitive Agreements for restructuring outstanding principal as per the Restructuring Proposal.
- g) No penal interest / charges shall be levied from cut-off date to the date of implementation.
- h) Waiver of testing of all financial covenants (stipulated under earlier loan agreements / DTD) and waiver of any associated penalty as well during the currency of Resolution Plan.
- i) Approval for reversal/waiver of excess interest charged by lenders over fixed interest rate of 8.5% p.a. on Part A debt and WC from effective date i.e. April 01, 2021, till date of implementation of resolution plan. The same shall be refunded/ adjusted against future debt obligations of respective lenders in forward order of maturity.
- j) Approval for reversal/waiver of excess interest charged by lenders over fixed interest rate of 0.01% p.a. on unsustainable principle i.e. Rs. 562.02 Cr., from effective date i.e., April 01, 2021, till date of implementation of resolution plan. The same shall be

refunded/ adjusted against future debt obligations of respective lenders in forward order of maturity.

Security (NCD Part A and OCD Part B1)

- All existing security for IIFCL MF to continue.
- 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 or project assets in line with other consortium Lenders.
- TRA arrangement shall continue with Axis Bank in line with extent RBI guidelines dated 6 August, 2020 on opening of current accounts by banks / or need for discipline.
- 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 below:

Share Position Pre and Post Restructuring

Shareholder	Pre-Restructuring		Post-Restructuring	
	Number of shares (Cr.)	% Share	Number of shares (Cr.)	% share
ICICI Bank exclusive charge	20.01	23.0%	-	-
GMR Warora Lenders Consortium				
Shares pledged	44.37	51.0%	64.38	68.1%
Additional shares against Rs. 33 Cr. OCD B1 at book value of Rs. 4.34/ share - Owned Shares by Lenders	0.00	0.0%	7.60	8.0%

Shareholder	Pre-Restructuring		Post-Restructuring	
	Number of shares (Cr.)	% Share	Number of shares (Cr.)	% share
Total	64.38	74.00 %	71.98	76.10 %

Other Key terms

- 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.
- 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 (sustainable debt) facilities, 1 quarter upfront and 1 quarter subsequently from project cash flows
 - 15% of amount due in current year of maturity to be held in DRR (to be allocated out of DSRA)
- 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:
 - o Redemption of NCD Part B (Unsustainable Debt)
 - o Redemption of Part B1 OCD
 - o Repayment of Part A (sustainable debt)
 - o 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 (sustainable 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 RTL Part A and IIFCL MF NCD (Sustainable Debt) in terms of debt servicing.

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Terms & Conditions

1. Part A (Sustainable Debt)–NCDs

Particulars	Description			
Amount (Rs. Crore)	Lender	Part A		
	IIFCL MF (NCD)	75		
Resolution Plan	9 structured quarterly instalments starting from March 31, 2022 till March 31, 2024.			
Interest Terms	<ul style="list-style-type: none">Fixed Rate of Interest/ Coupon @ 8.5% p.a. from March 25, 2021 till end of NCD/loan tenor.Interest Moratorium for ~36 months from March 25, 2021 to March 31, 2024.The Overdue Interest (Rs. 18.30 Cr.) form March 25,2021 till March 31, 2024 is to be converted to OCD Part B1			
DSRA and Debenture Redemption Reserve (DRR)	15% of amount due in current year of maturity to be held in DRR (to be allocated out of DSRA)			
Redemption Schedule	The annual redemption schedule is given below:			
	Mar-22	Mar-23	Mar-24	
	0.10%	12.40%	87.50%	
	The quarterly redemption schedule is given below:			
	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22
	0.00%	0.00%	0.00%	0.10%
	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23
	0.10%	0.10%	0.10%	12.10%
	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24
	0.10%	0.10%	0.10%	87.20%

2. OCD Part B1 (against part overdue interest)

Particulars	Description
Nature of instrument	Optionally Convertible Debentures (OCD) – Series B1 <i>Subordinate to Part A debt</i>
Amount (Rs. Cr.)	<ul style="list-style-type: none"> Total Overdue Interest calculated at 8.5% p.a. ROI post implementation of RP is Rs. 259 Cr. <ul style="list-style-type: none"> Rs. 208 Cr. Overdue Interest from April 01, 2021 till June 30, 2022 on residual RTL Part A (Sustainable Debt) to be converted to OCD B1 Rs. 18.30 Cr. Overdue Interest on IIFCL MF NCDs from March

Particulars	Description																						
	<p>25, 2021 till March 31, 2024 is proposed to be converted to OCD B1</p> <ul style="list-style-type: none"> Thus, resulting in total OCD Part B1 (against part overdue interest) of Rs. 226 Cr. <p><i>Note: Out of total Overdue Interest of Rs. 259 Cr, Rs. 33 Cr. (IIFCL MF-NIL) to be converted to equity towards Overdue Interest on RTL Part A (Sustainable Debt).</i></p> <table> <tr> <th>Lender</th><th>Amount (Rs. Cr)</th></tr> <tr> <td>SBI</td><td>72.56</td></tr> <tr> <td>Union Bank of India (erstwhile Corporation & Andhra)</td><td>53.29</td></tr> <tr> <td>PNB (erstwhile United & OBC)</td><td>26.64</td></tr> <tr> <td>UCO</td><td>16.69</td></tr> <tr> <td>BOB</td><td>12.43</td></tr> <tr> <td>ICICI</td><td>14.45</td></tr> <tr> <td>P&S</td><td>8.91</td></tr> <tr> <td>IIFCL MF</td><td>18.30</td></tr> <tr> <td>IFCI</td><td>2.79</td></tr> <tr> <td>Total</td><td>226.07</td></tr> </table>	Lender	Amount (Rs. Cr)	SBI	72.56	Union Bank of India (erstwhile Corporation & Andhra)	53.29	PNB (erstwhile United & OBC)	26.64	UCO	16.69	BOB	12.43	ICICI	14.45	P&S	8.91	IIFCL MF	18.30	IFCI	2.79	Total	226.07
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Total	226.07																						
Annual Coupon	0.01% p.a.																						
Tenor	Upto September 2038																						
Redemption schedule	<ul style="list-style-type: none"> 67 structured quarterly instalments from March 31, 2022 to September 30, 2038 FY2022 to FY2038 – 0.004% p.a. FY2039 – 99.925% p.a. 																						
Security	Pari Passu 1st charge with RTL Part A.																						
Part B1 Servicing	OCD Part B1 (against part overdue interest) will be subordinated to RTL Part A (Sustainable Debt) in terms of debt servicing.																						
Conversion to equity	Conversion to equity based on valuation to be done by IBBI registered valuer (to be appointed by lenders) at the time of conversion. Lenders have the option to convert anytime during the tenor of OCD																						
Sinking fund	Sinking fund would be created as per RBI Master Circular – Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Banks dated July 1, 2015.																						

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3. Other key terms

Particulars	Description
Promoter Support	<p>Equity infusion of Rs. 160 Cr. (incl. Rs. 40 Cr towards equity contribution of FGD Capex) over the next 4 years in the following manner:</p> <ul style="list-style-type: none"> Rs. 60 Cr. at the time of implementation of RP Rs. 46 Cr. in FY23 Rs. 34 Cr. in FY24 (including Rs. 20 Crore towards equity for FGD capex) Rs. 20 Cr. in FY25 (towards equity for FGD capex)
TRA Arrangement	TRA arrangement shall continue with Axis Bank in line with extent RBI guidelines dated 6 August, 2020 on opening of current accounts by banks / need for discipline.
DSRA	<ul style="list-style-type: none"> DSRA for ensuing 2 quarter principal and interest for Part A facilities, 1 quarter upfront and 1 quarter subsequently from project cashflows shall be maintained DSRA of Rs. 160 Cr. to be maintained from FY 29 onwards till tenor of Part-A loan.
Right of recompense	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.
Right to reverse the waivers	Lenders will have right to reverse the waivers/ sacrifices in the event of default as per terms of RP.
RP Effectiveness Mechanism	<ul style="list-style-type: none"> Proposed Interest/ Coupon would be applicable as per RP terms with effect from April 01, 2021 (w.e.f. 25 Mar 2021 in case of IIFCL NCD) Pending implementation of RP, if lenders recover principal/ interest/ penal charges more than amount estimated in resolution plan, same would be adjusted against future debt servicing post implementation of RP, on forward maturity basis.
Additional conditions	<ul style="list-style-type: none"> The Company shall not effect any change in management control without prior permission from Lenders. The Borrower shall not incur any capital expenditure/ investment above Rs. 10 Crore in a particular financial year without prior approval of Lenders. It may be clarified that FGD capex or any maintenance capex requirement as per base case financial model will be excluded from above stipulation subject to approval of FGD financing / security stipulations by existing lenders. The Company shall not declare any dividend on its equity shares without prior consent of Lenders. The Borrower shall not escrow its future cash flow (except discounting of bills in the normal course of business) or create any charge or lien or

Particulars	Description
	<p>interest thereon of whatsoever nature except as provided in RP, without the approval of Lenders.</p> <ul style="list-style-type: none"> • The Company shall not make any investments (except in ordinary course of business) in other companies or elsewhere without prior approval of Lenders. • In the event of the Borrower committing default on the repayment of instalment of the Part A (Sustainable Debt) loan or payment of interest on Part A (Sustainable Debt) loan on the due dates, the lenders shall have an unqualified right to disclose the name of the Company and its directors to the Reserve Bank of India (RBI)/Credit Information Bureau of India (CIBIL)/ Central Repository of Information on Large Credits (CRILC) in their absolute discretion. • In the case of any future induction of private equity/ECB/Venture capital funds/any other source for prepayment, the prepayment will be on pro-rata basis amongst different fund-based debt instruments. However, any changes thereof could be approved by Lenders. • The Company shall keep the lenders informed of any legal proceedings, the outcome of which would have a material impact on the debt servicing capability of the Company. In consultation with the lenders, it shall take such remedial actions, as may be required in the best interest of the Company and the lenders. • Save as aforesaid all other terms and conditions of the earlier loan agreements entered into between the Company and the institutions shall apply mutatis-mutandis, to the extent not contrary to the terms of RP. • The borrower cannot open/maintain any account or avail any type of banking services/facilities from any bank (s) other than Banks/FIs from whom the borrower is enjoying credit facilities except if required by law. Any deviation in this regard needs approval by Lenders.
	<ul style="list-style-type: none"> • Lenders shall have the right to revoke the RP in case the Borrower commits an event of default which is not rectified, as described in the Master Restructuring Agreement (MRA). • Individual lenders shall have right to assign/hypothecate/transfer their outstanding to any Asset Reconstruction company/Bank/or any other entity, in terms of RBI guidelines • The Company shall undertake to comply with all applicable statutory regulations.
Financial Covenants	<p>Financial covenants will not be tested till account upgradation or two years, whichever is later. Post commencement of financial covenant testing cycle, the same would be done on annual basis based on audited annual financial statements of the Company. Debt under NCD Part B (Unsustainable Debt) and OCD Part B1 (against part overdue interest) will not be considered for testing of financial covenants.</p>

Particulars	Description
	<p>Financial covenants stipulated post implementation of RP:</p> <p>Y-o-Y DSCR ≥ 1.10</p> <p>Current Ratio ≥ 1.10</p> <p>On breach of financial covenants after upgradation of account, Lenders shall have the right to charge penal interest at 1% p.a. for the period of default.</p> <p>Waiver of testing of all financial covenants (stipulated under earlier loan agreements) and wavier of any associated penalty as well during the currency of Resolution Plan.</p> <p>Definition of ratios:</p> <p>DSCR calculation formula:</p> <p>Cash flow available for debt service / Debt obligation -</p> <p>Cash flow available for debt service to be calculated as:</p> <p>EBITDA+ Equity Infusion by promoters + Realization of overdue receivables above 180 days – Taxes – Maintenance capex (Capital Overhauling or replacement of spares and P&M) - internal accruals utilized for FGD - Interest on working capital</p> <p>Debt obligation calculated as: Interest and Principal for RTL Part A (Sustainable Debt) + Interest and Principal for FGD debt</p> <p>Current Ratio – As defined in the original CLA</p>
Cash flow waterfall	<ul style="list-style-type: none"> • Statutory expenses • Operating expenses • Servicing of Part A and IIFCL NCD (Sustainable Debt) • Servicing of NCD Part B (Unsustainable Debt) and B1 debt • DSRA Creation
Cash sweep	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ Redemption of NCD Part B (Unsustainable Debt) ○ Redemption of OCD Part B1 (against part overdue interest) ○ Repayment of Part A and IIFCL MF NCD (Sustainable Debt) ○ Right of Recompense
Early Realization of Overdue	<p>In case of early realization of receivables (outstanding for >180 days) amounting to Rs. 350 Cr, the same shall be utilized for prepayment of Part</p>

Particulars	Description
Receivables (>180 days)	A (Sustainable Debt) in forward order of maturity without any prepayment penalty.
Corporate Guarantee for Promoter Support	<ul style="list-style-type: none"> • GMR Energy Ltd to provide its corporate guarantee for the proposed Promoter Support of Rs.160 crore. • The Guarantee will be replaced with the corporate guarantee of GMR Power Urban Infrastructure Ltd (GPUIL) upon group business reorganization of Power and Airport verticals (it is understood that GPUIL will be the holding company for energy and urban infrastructure business (excluding airports business)).
Concurrent Auditor	Lenders to appoint a Concurrent Auditor
Trustee	SBICAP Trustee Company Limited to be appointed as the sole Trustee for the Project/Company
Nominee Director	Lenders to appoint a Nominee Director on the board of GWEL.

Regards,

A. Saravana Kumar
Saravana Kumar

Chief Investment Officer