

Independent Auditor's Report on book values of the assets and compliance with respect to financial covenants as at December 31, 2022 for submission to Catalyst Trusteeship Limited (the 'Debenture Trustee')

To

The Board of Directors
Renew Akshay Urja Limited
138, Ansal Chamber-II,
Bikaji Kama Place
New Delhi-110066

1. This Report is issued in accordance with the terms of the service scope letter agreement dated January 27, 2023 and master engagement agreement dated March 30, 2022, as amended with Renew Akshay Urja Limited (hereinafter the "Company").
2. We S.R. Batliboi & CO. 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 senior, secured, rated, listed, partially guaranteed, redeemable, non-convertible debentures having face value of Rs. 10,00,000 (Rupees ten lacs only) each, (Outstanding face value as at December 31, 2022 is Rs. 760,000 for series 2, Rs. 984,146 for series 3) having coupon rate payable quarterly of 9.05% and 9.15% for series 2 and series 3 respectively aggregating up to Rs. 1,900,000,000 due on September 30, 2027 (series 2) and Rs. 4,035,000,076 due on September 30, 2034 (series 3) (hereinafter the "Debentures") Outstanding as at 31 December, 2022 (hereinafter the "Statement") which has been prepared by the Company from the Board approved unaudited standalone financial results, underlying books of account and other relevant records and documents maintained by the Company as at and for the nine month period ended December 31, 2022 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 Catalyst Trusteeship Limited (Trustee appointed to manage the Debenture issued by the Company hereinafter the "Debenture Trustee(s)") to ensure compliance with the SEBI Circular in respect of its senior, secured, rated, listed, partially guaranteed, redeemable, non-convertible debentures having face value of Rs. 10,00,000 (Rupees ten lacs only) each, (Outstanding face value as at December 31, 2022 is Rs. 760,000 for series 2, Rs. 984,146 for series 3) ('Debentures'). The Company has entered into an agreement with the Debenture Trustee(s) vide agreement dated September 20, 2017 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(s).

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 included in the Statement are in agreement with the books of account underlying the unaudited standalone financial results of the Company as at December 31, 2022.
 - (b) Company is in compliance with financial covenants as mentioned in the Debenture Trust Deed.
6. We have performed a limited review of the unaudited standalone financial results of the Company for the period ended December 31, 2022, 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 February 10, 2022. Our review of those financial results was conducted in accordance with the 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").
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:
 - I. Obtained the Board approved financial results of the Company for the period ended December 31, 2022.
 - II. Traced the book value of assets with the books of accounts of the Company underlying the unaudited standalone financial results.

- III. Obtained a list of financial covenants applicable to the listed debt securities.
- IV. With respect to compliance to financial covenants included in the Statement, we have performed the following procedures.
 - (i) Read the terms of the Debenture Trust deed required to be complied with and noted the method of computation of Debt Service coverage ratio defined in the same.
 - (ii) Traced and agreed the balances of a) Profit after tax, b) Revenue from operations, c) Unbilled revenue, d) Trade receivables, e) Deferred tax, f) Finance cost, g) Depreciation and amortization expense, h) Guarantee Fees and j) Principal repayments made during the period ended on 31 December, 2022 from the Board approved unaudited financial results of the Company and the underlying books of account maintained by the Company.
 - (iii) Obtained and verified the credit rating from CARE and India Rating agency.
 - (iv) Obtained the bank statements and traced the date of repayment of principal and interest due during the period April 1, 2022 to December 31, 2022.
 - (v) Examined and tested the arithmetical accuracy of the computation of Debt Service Coverage Ratio. Further, we ensured that the Debt Service Coverage Ratio is computed in accordance with the terms of the Debenture Trust Deed.
- V. 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 included in the Statement are not in agreement with the books of account unaudited standalone financial results of the company as at December 31, 2022.
 - b) Company is not in compliance with financial covenants as mentioned in the Debenture Trust Deed as on December 31, 2022.

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(s) 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 & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Naman Agarwal
Partner
Membership Number: 502405

UDIN: 23502405BGXEDD2775

Place of Signature: Gurugram
Date: February 10, 2022

(All amounts in INR Mn, unless otherwise stated)

Column A	Column B	Column C i	Column D ii	Column E iii	Column F iv	Column G v	Column H vi	Column I vii	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	Pari-Passu Charge	Pari-Passu Charge	Pari- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		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 paripassu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis**	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets** viii	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)
		Book Value	Book Value	Yes/ No	Book Value	Book Value								Relating to Column F
ASSETS														
Property, Plant and Equipment	Property, Plant and Equipment	-	-	Yes	7,390	-	-	-	7,390		7,390	-	-	7,390
Capital Work-in-Progress	Capital Work-in-Progress	-	-	Yes	12	-	-	-	12		12	-	-	12
Right of Use Assets	Right of Use Assets	-	-	NA	-	-	-	-	-		-	-	-	-
Goodwill	Goodwill	-	-	NA	-	-	-	-	-		-	-	-	-
Intangible Assets	Intangible Assets	-	-	NA	-	-	-	-	-		-	-	-	-
Intangible Assets under Development	Intangible Assets under Development	-	-	NA	-	-	-	-	-		-	-	-	-
Investments	Investments	-	-	NA	-	-	-	-	-		-	-	-	-
Loans	Loans	-	-	Yes	1,104	-	-	-	1,104		1,104	-	-	1,104
Inventories	Inventories	-	-	Yes	11	-	-	-	11		11	-	-	11
Trade Receivables	Trade Receivables	-	-	Yes	1,479	-	-	-	1,479		1,479	-	-	1,479
Cash and Cash Equivalents	Cash and Cash Equivalents	-	-	Yes	27	-	-	-	27		27	-	-	27
Bank Balances other than Cash and Cash Equivalents	Bank Balances other than Cash and Cash Equivalents	-	-	Yes	1,018	-	-	-	1,018		1,018	-	-	1,018
Others	Other Assets and prepayment	-	-	Yes	95	-	-	-	95		95	-	-	95
Total		-	-		11,136	-	-	-	11,136		11,136	-	-	11,136
LIABILITIES														
Debt securities to which this certificate pertains	Listed Secured Non-cobertible debenture (Long-term borrowings (NCD) + Current portion of NCD)	-	-	Yes	5,892	-	-	-	5,892		5,892	-	-	5,892
Other debt sharing pari-passu charge with above debt				NA	-	-	-	-	-		-	-	-	-
Other Debt				NA	-	-	-	-	-		-	-	-	-
Subordinated debt				No	-	-	290	-	290		-	-	-	-
Borrowings				NA	-	-	-	-	-		-	-	-	-
Bank				NA	-	-	-	-	-		-	-	-	-
Debt Securities				NA	-	-	-	-	-		-	-	-	-
Others				NA	-	-	-	-	-		-	-	-	-
Trade payables				No	-	-	476	-	476		-	-	-	-
Lease Liabilities				NA	-	-	-	-	-		-	-	-	-
Provisions				No	-	-	35	-	35		-	-	-	-
Others				No	-	-	257	-	257		-	-	-	-
Total					5,892	-	1,058	-	6,950			-	-	
Cover on Book Value														
Cover on Market Value														
		Exclusive Security Cover Ratio				Pari-Passu Security Cover Ratio	1.89	-	-	-	-	-	-	-

i This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

ii This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

iii This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

iv This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c) Other debt sharing pari- passu charge along with debt for which certificate is issued.

v This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

vi This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

vii In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

viii Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.

ix The market value shall be calculated as per the total value of assets mentioned in Column O.

** Management represents that market value for the assets is not ascertainable as on December 31, 2022

For and on behalf of ReNew Akshay Urja Limited

Managing Director

(Rahul Jain)

DIN- 07641891

Place: Gurugram

Date: February 10, 2022

Statement on Compliance of Financial Covenants as at December 31, 2022 under Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and SEBI circular dated May 19, 2022 for submission to Catalyst Trusteeship Limited (the ‘Debenture Trustee’)

List of financial covenants as defined in the Debenture Trust Deed and their compliance status as at and for the period ended December 31, 2022:

1) **Debt service coverage ratio (DSCR) (in times):**

S no.	Particulars	Sub Total	Total Amount
	DSCR= Net operating Income/Total Debt service		
A	Net operating income:		
	Profit after Tax (including Realised Revenues) (Refer Table 1 below)	722,723,165	
	Finance Costs	176,300,283	
	Depreciation and amortization expense (net)	477,286,930	1,376,310,378
B	Total Debt service:		
	- Interest expenses incurred during the period	409,315,564	
	- Principal repayments made during the period	192,500,000	
	- Guarantee Fees	43,814,814	645,630,378
C	Actual Ratio (A/b)		2.12
D	Target ratio		1.20
E	Result (Complied if C>D; Not Complied if C<D)		Complied

Remarks: The Company was able to maintain the Debt Service Coverage Ratio as per the terms of the Debenture Trust Deed for the period ended December 31,2022 solely due to recovery from debtors during the period.

ReNew Akshay Urja Limited
(Formerly known as ReNew Akshay Urja Private Limited)

CIN: U40300DL2015PLC275651

Corporate Office

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Registered Office

138, Ansal Chambers-II, Bhikaji Cama Place, Delhi - 110066, Tel: +91 11 4677 2200, Fax: +91 11 4111 2980

Table 1 – Computation of Profit after Tax (including Realized Revenues)

S No.	Particulars		Amount
A		Profit after Tax	227,456,270
B	Less:	Revenue from operations	(1,029,083,286)
C		Realised Revenue	
D		Revenue from operations	1,029,083,286
E	Add:	Opening Unbilled Revenue	164,294,560
F	Add:	Opening Trade Receivables	1,757,492,635
G	Less:	Closing Unbilled Revenue	(132,888,589)
H	Less:	Closing Trade Receivables	(1,371,360,266)
I		Total D to H	1,446,621,626
J	Add:	Deferred tax	77,728,555
K		Profit after Tax (including Realised Revenues) (A+B+I+J)	722,723,165

For ReNew Akshay Urja Limited

 Authorised Signatory
 Name: Rahul Jain

ReNew Akshay Urja Limited
 (Formerly known as ReNew Akshay Urja Private Limited)

CIN: U40300DL2015PLC275651

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