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<https://avaada.com/SataramH/>

Date: May 22, 2024

To,
Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001

Ref: BSE Scrip Code: 973830, ISIN: INE0CSU07013

Sub: Compliance of Regulation 54(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir /Ma'am,

Pursuant to the provisions of Regulation 54(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Auditors Certificate along with Statement containing details of security cover and financial covenants for listed NCDs of the Company for the year ended March 31, 2024.

Yours faithfully,
For Avaada SataramH Private Limited

Mansi Parekh
Company Secretary & Compliance Officer

CC:

Catalyst Trusteeship Limited

Address: 810, 8th Floor, Kailash Building 26, Kasturba Gandhi Marg, New Delhi - 110001

To
The Board of Directors,
Avaada SataraMH Private Limited
C-11, Sector-65, Noida
Uttar Pradesh, India 201301

Independent Auditor's Certificate on Book Value of Assets of the Company and Compliance Status of Financial Covenants in respect of Listed Non-Convertible Debentures of the Company for period ended and as at March 31, 2024

1. This certificate is issued in accordance with the terms of our engagement letter dated 25th April 2024.
2. We, Goyal Malhotra & Associates, Chartered Accountants (Firm's Registration No. 008015C), are the Statutory Auditors of **Avaada SataraMH Private Limited** ("the Company"), have been requested by the Management of the Company to certify Book Value of Assets of the Company contained in Columns A to J of Part I and Financial Covenants disclosed under Part II of the accompanying statement comprising of (i) Part I containing details of security cover ratio and (ii) Part II containing compliance of covenants as per Debenture trust deed dated February 18, 2022 for listed Non-Convertible Debentures ("Listed NCDs") for year ended and as at March 31, 2024 (hereinafter referred together as "the Statement").

The accompanying Statement is prepared by the Company from the audited books of accounts and other relevant records and documents maintained by the Company as at March 31, 2024 pursuant to requirements of Circular no. SEBI / HO / MIRSD / MIRSD _ CRADT / CIR / P / 2022 / 67 dated May 19, 2022 issued by Securities and Exchange Board of India in terms of regulation 54 read with regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 15(1)(t) of Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 (hereinafter referred together as "the SEBI Regulations"), as amended, for the purpose of submission to Catalyst Trusteeship Limited, Debenture Trustee of the above mentioned Listed Debt Securities (hereinafter referred to as "the Debenture Trustee"). The responsibility for compiling the information contained in the Statement is of the Management of the Company.

The aforesaid Statement is initialed by us for identification purpose only.

Management's Responsibility

3. The Company's management is responsible for the preparation of the Statement on the basis of audited books of account and other relevant records of the Company as at March 31, 2024. The preparation and maintenance of all accounting and other relevant supporting records and documents is the responsibility of the management. 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. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance with the terms and conditions under the guidelines, to the extent applicable.
4. The management of the Company is also responsible for compliance with all the relevant requirement of SEBI Regulations. The management of the Company is also responsible for adherence to the terms of Debenture trust deed as mentioned in para 2 above, entered with Debenture Trustee and is also responsible for providing all relevant information to the Trustee.



Auditor's Responsibility

5. Pursuant to the requirement of Circular no. SEBI / HO / MIRSD / MIRSD _ CRADT / CIR / P / 2022 / 67 dated May 19, 2022 issued by Securities and Exchange Board of India, our responsibility for the purpose of this certificate is to provide a limited assurance whether the Book Value of Assets of the Company contained in Columns A to J of Part I of the Statement and Financial Covenants disclosed under Part II of the Statement furnished by the Company in respect of Listed Non-Convertible Debentures have been accurately extracted and ascertained by the management from the audited books of account and other relevant records and documents maintained by the Company for the year ended and as at March 31, 2024. This did not include the evaluation of adherence by the Company with terms of Debenture Trust Deed and all the applicable SEBI Regulations.
6. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
7. We have performed the following procedures to give limited assurance on the particulars contained in the Statement:
 - a) Read the debenture trust deed mentioned in para 2 above, in respect to listed NCDs to determine the requirement relating to security cover and for compliance with applicable financial covenant as at March 31, 2024, to the extent disclosed in the Statement.
 - b) Verified the information related to book value of the assets of the Company contained in Columns A to J of Part I of the Statement have been accurately extracted and ascertained by the management from the audited books of accounts for the year ended and as at March 31, 2024 and other relevant records and documents maintained by the Company.
 - c) Reads the term relating to financial covenants of the debentures and recomputed the financial covenants.
 - d) Verified the arithmetical accuracy of book value of total assets as per Part I of the Statement.
8. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India (ICAI). This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. 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.

Conclusion

10. Based on our examination, as mentioned in paragraph 8 above, the procedures performed by us as mentioned in paragraph 7 above and according to the information and explanations and representations provided to us by the management of the Company, nothing has come to our attention that causes us to believe that the particulars relating to the Book Value of Assets of the Company contained in Columns A to J of Part I of the Statement and Financial Covenants disclosed under Part II of the Statement furnished by the Company in respect of Listed Non-Convertible Debentures, read with and subject to the notes thereon have not been accurately extracted and ascertained by the management from the audited books of account and other relevant records and documents maintained by the Company for the period ended and as at March 31, 2024.



Restriction on Use

11. This certificate has been issued for the sole use of the Board of Directors of the Company, to whom it is addressed, for submission to Debenture Trustee in terms of the Regulations 56(1)(d) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended and should not be used by any other person or for any other purpose without our prior consent. We neither accept nor assume any liability for any other purpose or to any other party to whom our certificate is shown or into whose hands it may come without our prior consent in writing.

For Goyal Malhotra & Associates
Chartered Accountants
FRN: 008015C



CA (Dr.) Manoj Goyal
Partner
Membership No.: 098958

Place: Noida

Date: May 22, 2024

UDIN: 24098958BKAH0HS407

| Column A | Column B | Column C | Column D | Column E | Column F | Column G | Column H | Column I | Column J | Column K | Column L | Column M | Column N | Column O |
|--|--|--|-------------------------------------|---|--|--|--------------------------------|----------------------------------|-----------------|--|--|---|--|-------------------------|
| Particulars | Description of asset for which this certificate relate | Exclusive Charge which this certificate being issued | Exclusive Charge Other Secured Debt | Pari-Passu Charge which this certificate being issued | Pari-Passu Charge Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge) | Pari-Passu Charge Other assets on which there is pari-passu charge (excluding items covered in Column F) | Assets not offered as Security | Elimination (amount in negative) | (Total C to H) | 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, DSRRA market value is not applicable) (refer note 3) | Market Value for Pari passu charge Assets | Carrying /book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRRA market value is not applicable) | Total Value (=K+L+M+ N) |
| | | Book Value | Book Value | Yes/No | Book Value | Book Value | Book Value | Book Value | Book Value | | | | | |
| LIABILITIES | | | | | | | | | | | | | | |
| Debt securities to which this certificate pertains | | 2,450.90 | - | | | | - | - | 2,450.90 | - | 2,450.90 | - | - | 2,450.90 |
| Other debt sharing pari-passu charge with above debt | | - | - | | | | - | - | - | - | - | - | - | - |
| Other Debt | | - | - | | | | - | - | - | - | - | - | - | - |
| Subordinated debt | | - | - | | | | - | - | - | - | - | - | - | - |
| Borrowings | | - | - | | | | 11.61 | - | 11.61 | - | - | - | - | - |
| Bank | | - | - | | | | - | - | - | - | - | - | - | - |
| Debt securities | | - | - | | | | - | - | - | - | - | - | - | - |
| Others | | - | - | | | | - | - | - | - | - | - | - | - |
| Trade Payable | | - | - | | | | 5.52 | - | 5.52 | - | - | - | - | - |
| Lease Liabilities | | - | - | | | | 315.90 | - | 315.90 | - | - | - | - | - |
| Provisions | | - | - | | | | 0.21 | - | 0.21 | - | - | - | - | - |
| Interest accrued but not due | | - | - | | | | - | - | - | - | - | - | - | - |
| Others | | - | - | | | | 52.75 | - | 52.75 | - | - | - | - | - |
| Total Liabilities | | 2,450.90 | - | - | - | - | 385.99 | - | 2,836.89 | - | 2,450.90 | - | - | 2,450.90 |
| Cover on Book Value | | | | | | | | | | | | | | |
| Cover on Market Value | | | | | | | | | | | | | | |
| Total Security Cover (i) | | | | | | | | | | | | | | 4,418.05 |
| Debt securities to which this certificate pertains including interest accrued but not due (ii) | | | | | | | | | | | | | | 2,450.90 |
| Pari passu Security Cover Ratio (in times) (i)/(ii) | | | | | | | | | | | | | | 1.80 |

for identification only



Part II: Statement of compliance of financial covenants for listed Non- Convertible Debentures (NCDs) as at and for the year ended March 31, 2024

Category A: Financial Covenants

| Sl. No. | Particulars | As at March 31, 2024 | Remarks |
|---------|-----------------------------|----------------------|-----------------------------------|
| 1 | Debt Service Coverage Ratio | 1.42 | Refer A.1 |
| 2 | Project Life Coverage Ratio | 1.46 | Refer A.2 |
| 3 | Debt to EBDITA | 5.33 | Refer A.3 |
| 4 | Security cover | 1.80 | Refer statement of security cover |

Calculation of financial covenants ratios:

As per the debenture trust deed, these financial covenant are to be complied on consolidated basis of the restricted Group. Restricted group includes the Company, Clean Sustainable Energy Private Limited, Avaada Solarise Energy Private Limited and Fermi Solarfarms Private Limited. The Management monitors these covenant on a consolidated basis for the restricted group.

A.1 Deb Service Coverage Ratio

| Particulars | Avaada SataraMH Private Limited (A) | Fermi Solarfarms Private Limited (B) | Clean Sustainable Energy Private Limited (C) | Avaada Solarise Energy Private Limited (D) | As at March 31, 2024 (A+B+C+D) | Remarks |
|---|-------------------------------------|--------------------------------------|--|--|--------------------------------|---------|
| Profit after tax of the relevant period | 139.46 | 202.34 | 8.79 | 193.71 | 544.30 | |
| Viability gap funding received (if any) | - | - | - | - | - | |
| Amortisation/Depreciation for the period including other non-cash items | 163.41 | 180.61 | 202.04 | 268.88 | 814.94 | |
| Deferred tax | 26.06 | 69.33 | 3.89 | 65.64 | 164.92 | |
| Interest and other charges (which form part of the finance charges under the profit and loss statements of the relevant member of the Restricted Group) accrued/payable by any member of the Restricted Group during the relevant period, in respect of any debt incurred by any member of the Restricted Group but excluding any interest payable by the sponsor or its Group. | 211.85 | 232.98 | 246.56 | 366.90 | 1,058.29 | |
| Add: Offtaker Receivable 31st March 2023 | 111.01 | 230.39 | 52.75 | 269.90 | 664.05 | |
| Less: Offtaker Receivable 31st March 2024 | (103.53) | (193.96) | (55.38) | (339.92) | (692.79) | |
| Total (A) | 548.26 | 721.69 | 458.65 | 825.12 | 2,553.72 | |
| Interest and other charges (indicated as finance charges under the financial statements of each member of the restricted Group) accrued/payable during the relevant period, with respect to any debt incurred by each member of the Restricted Group | 211.85 | 232.98 | 246.56 | 366.90 | 1,058.29 | |
| Repayment installments payable by each member of the Restricted Group during the relevant period, with respect to any debt incurred by each member of the restricted Group | 135.00 | 202.20 | 200.40 | 199.60 | 737.20 | |
| Total (B) | 346.85 | 435.18 | 446.96 | 566.50 | 1,795.49 | |
| Deb Service Coverage Ratio (A/B) | 1.58 | 1.66 | 1.03 | 1.46 | 1.42 | |



For Identical use of

A.2 Project Life Coverage Ratio

| Particulars | As at March 31, 2024 | Remarks |
|--|----------------------|---------|
| NPV of all future EBITDA of the members of the Restricted Group discounted using an interest rate of 10 year annualized government securities and spread of 2.05%, calculated using XNPV function in MS Excel (A) | 2,011.33 | |
| Outstanding financial indebtedness availed by the members of the Restricted Group from the persons excluding the Financial Indebtness availed by any member of the Restricted Group from (i) the Promoter (ii) other member of the Group (B) | 1,377.53 | |
| PLCR (A/B) | 1.46 | |

A.3 Debt to EBITDA

| Particulars | Avaada SataramH Private Limited (A) | Fermi Solarfarms Private Limited (B) | Clean Sustainable Energy Private Limited (C) | Avaada Solarise Energy Private Limited (D) | As at March 31, 2024 (A+B+C+D) | Remarks |
|--|-------------------------------------|--------------------------------------|--|--|--------------------------------|---------|
| Debt (A) | 2,778.40 | 3,031.74 | 3,056.43 | 4,908.69 | 13,775.26 | |
| Income of the Restricted Group | 599.33 | 757.80 | 679.02 | 1,023.90 | 3,060.04 | |
| Less: Interest income from loans and/or debt to any other sister concerns and/or associate concerns and/or Group companies and/or associate companies of the Company | | | | | - | |
| Less: Operating expenses (excluding interest and depreciation) | (58.55) | (72.54) | (217.74) | (128.75) | (477.58) | |
| EBITDA (B) | 540.78 | 685.26 | 461.28 | 895.14 | 2,582.46 | |
| Debt to EBITDA (A/B) | 5.14 | 4.42 | 6.63 | 5.48 | 5.33 | |

Category B: Accounts / Funds/ Reserves maintained

| Sl.No | Particulars | As at March 31, 2024 | Remarks |
|-------|------------------------------|----------------------|-----------|
| 1 | Debt Service Reserve Account | 234.14 | Refer B.1 |

Computation of Reserves

B.1 Debt Service Reserve Account

| SI No. | Particulars | As at March 31, 2024 | Remarks |
|--------|--|----------------------|---------|
| 1 | Coupon payable under the Finance Documents during the following 9 months | 123.23 | |
| 2 | Principle Amount payable under the Finance Documents during the following 9 months | 101.25 | |
| 3 | Requirement as per Debenture Trust deed (A) | 224.48 | |
| | Balance as on March 31, 2024 for Debt Service Reserve Account | 234.14 | |
| 4 | Fixed deposit | 234.14 | |
| 5 | Total (B) | 234.14 | |
| 6 | (Excess)/ Shortfall (A-B) | (9.66) | |



For Identification only

Part III
Statement of other financial covenants for listed Non- Convertible Debentures (NCDs) as at March 31, 2024

As per debenture trust deed, the Company is required to monitor certain financial covenants (i.e. Debt Service Coverage Ratio, Project Life Coverage Ratio, Debt to Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) ratio and Security cover ratio). Accordingly, as at March 31, 2024, the Company has monitored the aforesaid financial covenants.

Notes:

1. The above financial information has been extracted from the audited books of account as at March 31, 2024.
2. The Company has determined the security cover as per Regulations 54(1) of SEBI(LODR) Regulations, 2015, as amended.
3. As on March 31, 2024, the Company has considered book value of assets as market value.
4. On March 2, 2022, the Company has issued 2,700 secured, redeemable, rated, listed non-convertible debentures "NCD" having a face value of INR 10,00,000 each at a fixed coupon rate of 6.75% per annum payable quarterly, at par aggregating to INR 2,700 million on private placement basis. These NCDs will be due for maturity on February 28, 2025. As outstanding amount of NCD is due within next twelve month, the entire amount of NCD outstanding of 31 March 2024 has been classified as current. Hence the financial statements has been prepared on going concern basis.

The Management is confident that the Company will able to repay the NCD's through refinancing either from the proceeds of fresh issuance of NCDs or a Term Loan facility. Further, the Parent Company (i.e. Aavaada Energy Private Limited) has confirmed that it will continue to provide the financial support to the company in the foreseeable future as and when required.

These NCDs are secured by:

- a. First ranking pari passu charge on immovable properties of the Company, including project land, both present and future comprising of moveable fixed assets, current assets, all receivables, bank accounts, and all reserves maintained by the Company in relation to the Debentures.
- b. First ranking pari passu security (by way of assignment/charge) over all the rights, title, interest, benefits, claims, and demands under project documents,
- c. Exclusive pledge over up to 74% of the total issued and paid-up share capital of the Company,
- d. Unconditional and irrevocable corporate guarantee from Aavaada Solarise Energy Private Limited, Fermi Solarfarms Private Limited and Clean Sustainable Energy Private Limited (on a joint and several basis) in favor of the Debenture Trustee, in accordance with the terms of the Deed of Guarantee.

For and on behalf of Board of Directors of Aavaada SataraMH Private Limited

Digitally signed
by GULAB SINGH
Date: 2024.05.22
16:38:55 +05'30'

Gulab Singh
Director
DIN: 08561956
Date: May 22, 2024
Place: Noida

Digitally signed by
**SANDEEP
MAHESH**
Date: 2024.05.22
16:39:12 +05'30'

Sandeep Mahesh
Director
DIN: 08193555
Date: May 22, 2024
Place: Noida

MANOJ
KUMAR
GOYAL
Digitally signed
by MANOJ
KUMAR GOYAL
Date: 2024.05.22
16:48:13 +05'30'