

Independent Auditor's Review Report on the Half-yearly Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended


**Review Report to
The Board of Directors
Talwandi Sabo Power Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Talwandi Sabo Power Limited (the "Company") for the half year ended September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005


per Naman Agarwal
Partner
Membership No.: 502405
UDIN: 19502405AAAACI5469
Place: Gurugram
Date: October 22, 2019



<p style="text-align: center;">TALWANDI SABO POWER LIMITED Regd. Office : Village Banawala, Mansa-Talwandi Sabo Road, District Mansa-151302, Punjab CIN: L40101PB2007PLC031035</p>			
<p style="text-align: center;">Unaudited Statement of Assets and Liabilities as at September 30, 2019</p>			
(₹ in crores)			
	Particulars	As at September 30, 2019	As at March 31, 2019
		Unaudited	Audited
I	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	9,754.49	9,941.96
	(b) Capital work-in-progress	2.40	9.02
	(c) Intangible assets	0.64	1.02
	(d) Financial assets		
	(i) Trade receivables	1,381.29	2,258.97
	(ii) Other financial assets	48.08	8.51
	(c) Deferred tax assets (net) (Refer note 4&6)	220.34	-
	(f) Other non-current assets	3.52	3.47
	Total non-current assets	11,410.76	12,222.95
2	Current assets		
	(a) Inventories	364.18	441.62
	(b) Financial Assets		
	(i) Investments	224.13	-
	(ii) Trade receivables	413.36	389.50
	(iii) Cash and cash equivalents	949.23	262.18
	(iv) Bank balances	50.90	-
	(v) Other financial assets	142.20	3.95
	(c) Other current assets	55.10	42.10
	Total current assets	2,199.10	1,139.35
	Total assets	13,609.86	13,362.30
II	EQUITY AND LIABILITIES		
A	EQUITY		
	(a) Equity share capital	3,206.61	3,206.61
	(b) Other equity	(65.56)	(650.80)
	Total Equity	3,141.05	2,555.81
B	LIABILITIES		
1	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	5,052.46	5,898.83
	(ii) Other financial liabilities	3.67	-
	(b) Provisions	0.61	0.42
	(c) Deferred tax liabilities (net)	-	234.59
	Total non-current liabilities	5,056.74	6,133.84
2	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,346.81	1,792.28
	(ii) Trade payables		
	(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	0.76	3.00
	(b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	395.56	389.44
	(iii) Other financial liabilities	2,664.46	2,481.81
	(b) Other current liabilities	3.59	5.26
	(c) Provisions	0.89	0.86
	Total current liabilities	5,412.07	4,672.65
	Total liabilities	10,468.81	10,806.49
	Total equity and liabilities	13,609.86	13,362.30

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TALWANDI SABO POWER LIMITED
 Regd. Office : Village Banawala, Mansa-Talwandi Sabo Road, District Mansa-151302, Punjab
 CIN: L40101PB2007PLC031035

Statement of Unaudited Financial Results for the six months ended September 30, 2019

(₹ in crores except per share data and ratios)

	Particulars	Half year ended	Half year ended	Year Ended
		30-Sep-19	30-Sep-18	31-Mar-19
		Unaudited	Unaudited	Audited
I	Revenue from operations	2,811.66	2,636.22	5,235.60
II	Other operating income	17.26	20.31	49.13
III	Other income	62.85	0.97	1.68
IV	Total Income (I+II+III)	2,891.77	2,657.50	5,286.41
V	Expenses:			
(a)	Power and fuel	2,044.75	1,876.77	3,699.43
(b)	Employee benefits expense	11.97	13.00	25.71
(c)	Finance costs	427.99	395.37	835.86
(d)	Depreciation and amortisation expense	230.37	227.65	454.50
(e)	Other expenses	128.16	124.31	271.71
	Total expenses	2,843.24	2,637.10	5,287.21
VI	Profit / (Loss) before exceptional item and tax (IV-V)	48.53	20.40	(0.80)
VII	Exceptional item (Refer note 4)	82.06	-	-
VIII	Profit / (Loss) before tax (VI+VII)	130.59	20.40	(0.80)
IX	Tax expense / (benefit):			
	On other than exceptional items		4.42	-
(a)	Current tax	13.07	4.71	53.78
(b)	Deferred tax			
	On Exceptional items / Exceptional tax item (Refer note 4)			
(a)	Deferred tax	(468.00)	-	-
	Net Tax expense / (benefit)	(454.93)	9.13	53.78
X	Profit / (Loss) for the year (VIII+IX)	585.52	11.27	(54.58)
XI	Other Comprehensive Income / (Loss)			
	Items that will not be reclassified to the profit and loss			
	Remeasurement of the net defined benefit liability / asset	(0.27)	0.10	(0.27)
XII	Total Other Comprehensive Income / (loss)	(0.27)	0.10	(0.27)
XIII	Total Comprehensive Income / (Loss) for the year (X+XI)	585.25	11.37	(54.85)
	Paid-up equity share capital (Face Value of ₹ 10 each)	3,206.61	3,206.61	3,206.61
	Paid up debt capital	2,999.44	3,049.16	3,249.29
	(Non Convertible Debentures of ₹ 10 Lacs each)			
	Reserves excluding revaluation reserves as per balance sheet	-	-	(650.80)
	Earnings / (Loss) per share (in ₹)			
	(not annualised except for the year ended March 31, 2019)			
	- Basic & Diluted - after exceptional items	1.83	0.04	(0.17)
	- Basic & Diluted - before exceptional items	0.11	0.04	(0.17)
	Debt redemption reserve	26.03	37.29	26.03
	Debt Equity Ratio*	2.74	3.24	3.39
	Debt Service Coverage Ratio*	1.23	1.61	1.56
	Interest Service Coverage Ratio*	1.55	1.61	1.57

*Note: The ratios have been computed as

a) Debt Equity Ratio = Total Debt/Equity,

b) Debt Service Coverage Ratio = EBITDA / (Finance Cost + Principal repayment of debt during the period - Loans taken for principal repayment),

c) Interest Service Coverage Ratio = EBITDA / Finance cost

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TALWANDI SABO POWER LIMITED

Regd. Office : Village Banawala, Mansa-Talwandi Sabo Road, District Mansa-151302, Punjab

NOTES FORMING PART OF THE STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2019:

- 1 The Audit Committee has reviewed the above results and the Board of Directors has approved the above results and its release in their respective meetings held on October 22, 2019. The same has also been reviewed by the auditors of the Company.
- 2 The Company operates only in one segment namely power generation and there are no reportable segments in accordance with IND-AS 108 on 'Operating Segments'.
- 3 Additional disclosures as per Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015:

a) Previous due date of Interest/Principal

Particulars	Previous Due Date (1st April, 2019 to 30th September, 2019)	
	Principal Due Date	Interest Due Date
NCD's- INE694L07115 bearing interest 8.55%	-	23-Apr-19
NCD's- INE694L07123 bearing interest 9.23%	-	30-Jul-19
NCD's- INE694L07107 bearing interest 7.85%	-	04-Aug-19
NCD's- INE694L07099 bearing interest 7.75%	20-Sep-19	20-Sep-19

b) Next due date of Interest/Principal repayments

(₹ in Crores)

Particulars	Following Due Date and Amount due (1st October, 2019 to 31st March, 2020)			
	Principal Due	Amount Due	Interest Due Date	Amount Due
NCD's- INE694L07131 bearing interest 9.00%*	29-Nov-19	200.00	29-Nov-19	17.95
NCD's- INE694L07081 bearing interest 8.20%	29-Nov-19	300.00	29-Nov-19	24.47

* The debenture holders of these NCDs and the company have put and call option which can be exercised on November 29, 2019 by any the parties by giving 30 days notice to the other party.

- c) During the year, CRISIL updated the credit rating suffix of Non-Convertible Debentures (NCD) of CRISIL "AA (SO)/(Stable)" to CRISIL "AA (CE)/(Stable)" issued on September 7, 2019 and India Rating updated the credit rating for NCDs of IND "AA (SO)/(Stable)" to IND "AA (CE)/(Stable)" issued on September 16, 2019.
- d) The Listed Non-Convertible debentures of the company aggregating to face value of ₹ 3,000 Crore as on September 30, 2019 are secured by way of first pari passu charge on assets of the company and the asset cover thereof exceeds one times of the principal amount of the said debentures.
- e) Other Informations:

(₹ in Crores)

Particulars	30-Sep-19	31-Mar-19
a) Net Worth (Equity+Other Equity)	3,141.05	2,555.81
b) Asset Coverage Ratio (Net Fixed Assets / Long Term Borrowing)	1.56	1.45

4 Exceptional items comprises of the following:

(₹ in Crores)

Particulars	Half year ended	Half year ended	Year Ended
	30-Sep-19	30-Sep-18	31-Mar-19
	Unaudited	Unaudited	Audited
Interest income on claims based on Supreme Court order (Refer note 5)	82.06	-	-
Exceptional gain	82.06	-	-
Tax expense on above (a)	20.65	-	-
Exceptional gain, net of tax	61.41	-	-
One-time tax gain due to change in tax regime (Refer note 6) (b)	(488.65)	-	-
Net tax on Exceptional items/Exceptional tax item (a) + (b)	(468.00)	-	-

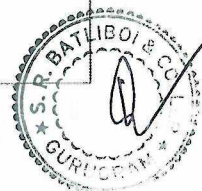
- 5 Based on the Supreme Court orders dated March 7, 2018 and August 7, 2019, PSPCL has paid ₹ 1,002 Crore in the month of Sep'19 & Oct'19 against pending claims. In line with the Supreme Court order, the Company has recognised interest of ₹ 140 Crore, out of which ₹ 82 Crore accrued till March 31, 2019 related to Gross Calorific Value case has been disclosed as exceptional item in the results for the half year ended September 30, 2019.
- 6 As per tax ordinance dated September 20, 2019, a new tax provision has been introduced whereby a company can claim the benefits of reduced tax rates, provided it forgoes certain incentives/exemptions under Income Tax Act, 1961. The Company has opted for the same leading to a Deferred tax credit of ₹ 455 Crore (including ₹ 489 Crore on timing difference as at March 31, 2019) during the half year ended September 30, 2019. As per the Company's projections, there is a convincing evidence that there would be sufficient profits in the future years and Deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available to utilize the same.



By Order of the Board
For Talwandi Sabo Power Limited

Ajay Kapur
(Whole Time Director)

Place: New Delhi
Date: October 22, 2019



Signature