

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, 2020 (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 the 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.

Emphasis of Matter

5. We draw attention to note 5 of accompanying financial results which, describes uncertainties caused to the business operations due to the effects of Covid-19. Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Naman Agarwal
Partner
Membership No.: 502405
UDIN: 20502405AAAADL9168

Place: New Delhi
Date: October 22, 2020

TALWANDI SABO POWER LIMITED
 Regd. Office : Village Banawala, Mansa-Talwandi Sabo Road,
 District Mansa-151302, Punjab
 CIN: U40101PB2007PLC031035

Unaudited Statement of Assets and Liabilities as at September 30, 2020

(₹ in crores)

	Particulars	As at	As at
		September 30, 2020	March 31, 2020
		Unaudited	Audited
I	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	9,352.90	9,546.85
	(b) Capital work-in-progress	2.56	7.20
	(c) Intangible assets	0.45	0.48
	(d) Financial assets		
	(i) Trade receivables	1,686.52	1,544.94
	(ii) Other financial assets	8.86	8.73
	(e) Deferred tax assets (net) (Refer note 6)	179.81	173.07
	(f) Other non current assets	3.00	3.74
	Total non-current assets	11,234.10	11,285.01
2	Current assets		
	(a) Inventories	219.06	533.34
	(b) Financial Assets		
	(i) Trade receivables	1,019.30	462.94
	(ii) Cash and cash equivalents	139.67	75.41
	(iii) Bank balances	41.98	59.14
	(iv) Other financial assets	139.94	183.16
	(c) Other current assets	83.32	53.19
	Total current assets	1,643.27	1,367.18
	Total assets	12,877.37	12,652.19
II	EQUITY AND LIABILITIES		
A	EQUITY		
	(a) Equity share capital	3,206.61	3,206.61
	(b) Other equity	57.26	78.98
	Total Equity	3,263.87	3,285.59
B	LIABILITIES		
1	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	4,896.11	4,869.30
	(ii) Other financial liabilities	749.68	765.18
	(b) Provisions	1.20	0.83
	Total non-current liabilities	5,646.99	5,635.31
2	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	586.57	1,687.76
	(ii) Trade payables		
	(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	0.93	1.32
	(b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	322.45	300.77
	(iii) Other financial liabilities	3,054.16	1,733.60
	(b) Other current liabilities	2.31	6.74
	(c) Provisions	0.09	1.10
	Total current liabilities	3,966.51	3,731.29
	Total liabilities	9,613.50	9,366.60
	Total equity and liabilities	12,877.37	12,652.19



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Statement of Unaudited Financial Results for the six months ended September 30, 2020

(₹ in crores except per share data and ratios)

	Particulars	Half year ended	Half year ended	Year Ended
		30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Audited
I	Revenue from operations	1,992.43	2,811.66	4,771.82
II	Other operating income	13.77	17.26	45.64
III	Other income	2.48	62.85	139.70
IV	Total Income (I+II+III)	2,008.68	2,891.77	4,957.16
V	Expenses:			
(a)	Power and fuel Charges	1,305.15	2,044.75	3,201.26
(b)	Employee benefits expense	8.05	11.97	22.95
(c)	Finance costs	360.84	427.99	764.72
(d)	Depreciation and amortisation expense	230.59	230.36	459.43
(e)	Other expenses	132.85	128.16	268.34
	Total expenses	2,037.48	2,843.24	4,716.70
VI	Profit / (Loss) before exceptional item and tax (IV-V)	(28.79)	48.53	240.46
VII	Exceptional item (Refer note 4)	-	82.06	82.06
VIII	Profit / (Loss) before tax (VI+VII)	(28.79)	130.59	322.52
IX	Tax expense / (benefit):			
	On other than exceptional items			
(a)	Current tax	-	-	-
(b)	Deferred tax (Refer Note 6)	(6.74)	(475.58)	(428.30)
	On Exceptional items / Exceptional tax item (Refer note 4)			
(a)	Deferred tax	-	20.65	20.65
	Net Tax expense / (benefit)	(6.74)	(454.93)	(407.65)
X	Profit / (Loss) for the period (VIII-IX)	(22.05)	585.52	730.17
XI	Other Comprehensive Income / (Loss)			
	Items that will not be reclassified to the profit and loss			
	Remeasurement of the net defined benefit liability / asset	0.35	(0.27)	(0.39)
XII	Total Other Comprehensive Income / (loss)	0.35	(0.27)	(0.39)
XIII	Total Comprehensive Income / (Loss) for the period (X+XI)	(21.71)	585.25	729.78
	Paid-up equity share capital (Face Value of ₹ 10 each)	3,206.61	3,206.61	3,206.61
	Paid up debt capital (Non Convertible Debentures of ₹ 10 Lacs each)	2,149.73	2,999.44	2,649.58
	Reserves excluding revaluation reserves as per balance sheet	-	-	78.98
	Earnings / (Loss) per share (in ₹) (not annualised except for the year ended March 31, 2020)			
	- Basic & Diluted	(0.07)	1.83	2.28
	Debt redemption reserve	26.03	26.03	26.03
	Debt Equity Ratio*	2.39	2.74	2.29
	Debt Service Coverage Ratio*	1.40	1.23	1.40
	Interest Service Coverage Ratio*	1.59	1.55	1.78

*Note: The ratios have been computed as

a) Debt Equity Ratio = Total Debt/Equity,

b) Debt Service Coverage Ratio = EBIDTA / (Finance Cost + Normal Long Term Debt repayments). Any facility prepaid/ refinanced/ substituted by way of fresh facility is not considered.

c) Interest Service Coverage Ratio = EBITDA / Finance cost





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, 2020:

- 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, 2020. 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, 2020 to 30th September, 2020)	
	Principal Due Date	Interest Due Date
NCD's- INE694L07115 bearing interest 8.55%	-	23-Apr-20
NCD's- INE694L07123 bearing interest 9.23%	-	30-Jul-20
NCD's- INE694L07107 bearing interest 7.85%	04-Aug-20	04-Aug-20

b) Next due date of Interest/Principal repayments

Particulars	Following Due Date and Amount due (1st October, 2020 to 31st March, 2021)			
	Principal Due Date	Amount Due	Interest Due Date	Amount Due
NCD's- INE694L07131 bearing interest 9.00%	30-Nov-20	150.00	30-Nov-20	13.57

- c) During the year, CRISIL updated the credit rating suffix of Non-Convertible Debentures (NCDs) from CRISIL "AA (CE)/(Stable)" to CRISIL "AA (CE)/(Negative)" issued on April 3, 2020 and India Rating updated the credit rating for NCDs from IND "AA (CE)/(Negative)" to IND "AA (CE)/(Negative)" issued on June 17, 2020.
- d) The Listed Non-Convertible debentures of the company aggregating to face value of ₹ 2,150 Crore as on September 30, 2020 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:

Particulars	₹ in Crores	
	30-Sep-20	31-Mar-20
a) Net Worth (Equity+Other Equity)	3,263.87	3,285.59
b) Asset Coverage Ratio (Net Fixed Assets / Long Term Borrowing)	1.30	1.64

4 Exceptional items for the previous periods comprises of the following:

Particulars	Half year ended	Half year ended	Year Ended
	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Audited
Interest income on claims based on Supreme Court order	-	82.06	82.06
(a) Exceptional gain	-	82.06	82.06
Tax expense on above (a)	-	20.65	20.65
Exceptional gain, net of tax	-	61.41	61.41

- 5 Due to the prevailing outbreak of COVID-19 globally and in India, the Company has made an assessment of the likely adverse impact on economic environment in general and financial risks to itself on account of the same. The Company is in the business of generation of electricity which is an essential service as emphasized by the Ministry of Power, Government of India. The availability of power plant to generate electricity as per the demand of the customers is important. Hence, the Company has ensured the availability of its power plant to generate power, considering essential service as declared by the Government of India. The Company has ensured that it has sufficient coal stock and manpower to make the plant available to generate power in safe environment. The Company had received force majeure notice from its sole customer PSPCL on March 29, 2020 citing nationwide lockdown declared during the month of March 23, 2020 onwards resulting into significant decline in the demand for power. The notice sought to invoke force majeure owing to the lockdown and therefore to stop scheduling power from TSPL power plant and requested TSPL not to declare availability thereby not paying capacity charges. The notice had been replied to by the Company stating that the said situation is not covered under force majeure clause of PPA, considering electricity generation falls under essential services vide notification dated March 25, 2020 issued by Ministry of Home Affairs. Further, the Power Ministry has also clarified on April 6, 2020 that power purchasers will have to comply with the obligation to pay fixed capacity charges as per the terms of the relevant agreement with the power producers. Later on, the Company has received cessation of force majeure notice on May 25, 2020 from PSPCL and PSPCL had started scheduling power with effect from June 10, 2020. State Load Dispatch Centre ("SLDC") has not considered the declared capacity for the period April 1, 2020 to May 25, 2020 ("Force Majeure period") in State Energy Account and PSPCL has withheld capacity charges for the force majeure period. The company has filed a writ petition in the Honourable Punjab & Haryana High Court against the matter. Meanwhile, the Company has already realised certain sums of monies along with subsequent months payment which has partly reduced the disputed receivable. Based on management assessment and legal opinion, the Company is confident of realising the capacity charges which have been recognized during the half year ended September 30, 2020. Additional effects of COVID-19 including force majeure matter could be different from what is presently assessed and would be known only in due course of time.
- 6 As per the amendments to the tax laws in September, 2019, a new tax provision had been introduced whereby a company could claim the benefits of reduced tax rates, provided it forgoes certain incentives/exemptions under Income Tax Act, 1961. The Company had opted for the same leading to a Deferred tax credit of ₹ 454.93 Crore and ₹ 407.65 Crore (including ₹ 488.46 Crore on timing difference as at March 31, 2019) during the half year ended September 30, 2019 and during the year ended March 31, 2020 respectively.
- 7 The figures for the previous periods have been re-grouped/rearranged, wherever necessary.

By Order of the Board
For Talwandi Sabo Power Limited

Vikas Sharma
(Chief Executive Officer & Whole Time Director)

Place: Mansa
Date: October 22, 2020

