GMR Warora Energy Limited

Corporate Office:
Airport Building 302, 1st Floor,
New Shakti Bhawan
New Udaan Bhawan Complex,
Near Terminal 3, IGI Airport,
New Delhi-110037
CIN U40100MH2005PLC155140
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June 04, 2020

To
Bombay Stock Exchange
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai- 400001

Dear Sir/ Madam,

Sub: Financial Statement under Clause 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Company Code: 10776; Company: GMR Warora Energy Limited

Please find enclosed the annual audited financial statements of the Company along with annual Audit Report for the year ended 31st March, 2021.

Further we hereby declare that the Audit Report has no qualifications or adverse remarks and is an audit report with unmodified opinion.

This is for your records.

Thanking you,

Yours Faithfully,
For GMR Warora Energy Limited

Company Secretary
M. No. F8649

Regd. Office:
701/704, 7th Floor, Naman Centre,
A Wing Bandra Kurla Complex, Bandra (East),
Mumbai, Maharashtra, India - 400051
Site Office:
Plot No. B-1 & B7, Mohabala MIDC Growth Centre,
Post & Tehsil- Warora, Dist. Chandrapur,
Maharashtra 442907

Statement of assets and liabilities

(in Rs. millions)

	Particulars	March 31, 2021 (Audited)	March 31, 2020 (Audited)
A	**ASSETS**		
1	**Non-current assets**		
	Property, plant and equipment	30,575.92	31,660.11
	Capital work in progress	12.92	18.76
	Intangible assets	4.14	7.35
	Right-of-use assets	339.12	404.21
	Investments (Rs. 2,500 (March 31, 2020: Rs. 2,500))	0.00	0.00
	Financial assets		
	Loans	102.52	104.91
	Other financial assets	147.86	112.59
	Non-current tax assets (net)	9.81	15.59
	Other non-current assets	20.59	42.60
	Total non-current assets	**31,212.88**	**32,366.12**
2	**Current assets**		
	Inventories	368.66	1,205.57
	Financial assets		
	Trade receivables	6,434.88	4,513.53
	Cash and cash equivalents	95.57	40.56
	Loans	15.21	32.86
	Other financial assets	805.80	1,205.12
	Other current assets	244.22	388.34
	Total current assets	**7,964.34**	**7,385.98**
	Total assets (1+2)	**39,177.22**	**39,752.10**
B	**EQUITY AND LIABILITIES**		
1	**EQUITY**		
	Equity share capital	8,700.00	8,700.00
	Other equity	(4,921.11)	(4,290.11)
	Total equity	**3,778.89**	**4,409.89**
	LIABILITIES		
2	**Non-current liabilities**		
	Financial liabilities		
	Borrowings	25,480.07	26,103.48
	Lease liabilities	-	48.13
	Provisions	61.55	57.14
	Deferred tax liabilities (net)	195.30	401.41
	Total non-current liabilities	**25,736.92**	**26,610.16**
3	**Current liabilities**		
	Financial liabilities		
	Borrowings	3,222.33	3,064.57
	Lease liabilities	-	19.08
	Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	55.27	30.05
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,122.47	1,718.10
	Other financial liabilities	4,887.03	3,520.39
	Other current liabilities	39.53	34.82
	Provisions	59.62	69.88
	Liabilities for current tax (net)	275.16	275.16
	Total current liabilities	**9,661.41**	**8,732.05**
	Total liabilities	**35,398.33**	**35,342.21**
	Total equity and liabilities (1+2+3)	**39,177.22**	**39,752.10**

S.R. Batliboi & Associates LLP
Bengaluru

GMR Warora Energy Limited
Corporate Identification Number (CIN): U40100MH2005PLC155140
Registered Office: 701/704, 7th Floor, Naman Centre, A-Wing, BKC, Bandra, Mumbai - 400 051

Statement of Ind AS financial results for the six months and year ended March 31, 2021

(in Rs. millions)

Sr. No.	Particulars	Half year ended		Year Ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Refer note 13 below	Refer note 13 below	Audited	Audited
1	**Revenue:**				
	(a) Revenue from operations (refer note 3)	7,470.23	9,828.94	14,773.27	18,442.86
	(b) Other income	24.53	21.81	54.36	46.12
	(c) Finance income	2.17	2.70	5.89	8.99
	Total revenue	**7,496.93**	**9,853.45**	**14,833.52**	**18,497.97**
2	**Expenses**				
	(a) Consumption of fuel	4,460.03	4,548.17	8,442.92	9,311.68
	(b) Purchase of traded goods	-	602.21	-	604.83
	(c) Employee benefit expenses	206.37	215.95	407.38	447.49
	(d) Finance costs	1,941.17	2,020.11	3,905.85	4,085.94
	(e) Depreciation and amortization expenses	591.52	611.12	1,197.91	1,212.38
	(f) Transmission charges (refer note 6)	386.06	643.24	740.65	1,122.78
	(g) Other expenses	617.34	559.84	978.97	977.37
	Total expenses	**8,202.49**	**9,200.64**	**15,673.68**	**17,762.47**
3	**Profit / (loss) before tax (1 - 2)**	**(705.56)**	**652.81**	**(840.16)**	**735.50**
4	**Tax expenses**				
	(a) Current tax	-	-	-	-
	(b) Deferred tax charge / (credit) (refer note 7)	(175.59)	210.75	(206.88)	2,873.57
5	**Profit / (loss) after tax (3 $\pm$ 4)**	**(529.97)**	**442.06**	**(633.28)**	**(2,138.07)**
6	**Other comprehensive income / (expenses) (net of tax)**				
	(A) (i) Items that will not be reclassified to profit or loss	3.59	(0.98)	3.05	(1.10)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.91)	0.25	(0.77)	0.28
	(B) (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
7	**Total comprehensive income** **(Comprising profit / (loss) and other comprehensive income / (expenses) (net of tax) for the period) (5 $\pm$ 6)**	**(527.29)**	**441.33**	**(631.00)**	**(2,138.89)**
8	**Paid-up equity share capital** **(Face value of Rs.10 per share)**	8,700.00	8,700.00	8,700.00	8,700.00
9	**Paid up debt capital (refer note 11)**	748.24	747.63	748.24	747.63
10	**Debenture redemption reserve (refer note 12)**	187.50	187.50	187.50	187.50
11	**Earning per share (EPS) (of Rs 10 each) (not annualised)**				
	(a) Basic EPS	(0.51)	0.43	(0.61)	(2.06)
	(a) Diluted EPS	(0.51)	0.43	(0.61)	(2.06)
12	**Weighted average number of equity shares for calculation of:**				
	(a) Basic EPS	1,040,008,060	1,040,008,060	1,040,008,060	1,040,008,060
	(a) Diluted EPS	1,040,008,060	1,040,008,060	1,040,008,060	1,040,008,060
13	Debt equity ratio (refer note 10)	8.54	7.15	8.54	7.15
14	Debt service coverage ratio (DSCR) (refer note 10)				
	a) DSCR based on EBIT	0.40	0.86	0.61	0.79
	b) DSCR based on EBITDA	0.60	1.06	0.85	0.99
15	Interest service coverage ratio (ISCR) (refer note 10)				
	a) ISCR based on EBIT	0.64	1.32	0.78	1.18
	b) ISCR based on EBITDA	0.94	1.63	1.09	1.47

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Bengaluru

Notes to the Ind AS financial results for the six months and year ended March 31, 2021

1. GMR Warora Energy Limited ('GWEL' or 'the Company') is a public limited Company domiciled in India. The registered office of the Company is located at Naman Centre, Bandra Kurla Complex, Mumbai, India. The Company is engaged in the business of generation and sale of electrical energy from its 600 MW plant situated at Warora, Maharashtra, India.

2. The Ind AS financial results of the Company for the six months and year ended March 31, 2021 have been reviewed by the Audit Committee in their meeting on June 04, 2021 and approved by the Board of Directors in their meeting on June 04, 2021.

3. (a) The Company has claimed compensation for various "change in law" events including coal cost pass through, duties and taxes, carrying cost etc. from its customers under the Power Purchase Agreements ('PPA') and filed petitions with the regulatory authorities for settlement of such claims in favour of the Company. Based on certain interim favourable orders by Central Electricity Regulatory Commission ('CERC') the management is confident of settlement of claims (including interest thereon) made by the Company in its favour and has accordingly accounted Rs. 9,227.09 million till the period ended March 31, 2021 (including Rs. 817.57 million accounted during the year ended March 31, 2021). The Company has trade receivables and unbilled revenue of Rs. 7,147.26 million as at March 31, 2021, including Rs. 3,163.70 million receivable towards the aforementioned claims. The management of the Company based on its internal assessment and certain interim favourable regulatory orders, is of the view that the aforesaid balances are fully recoverable as at March 31, 2021 and accordingly, has not made any adjustments in the accompanying Ind AS financial results for the year ended March 31, 2021.

   (b) The Company received notices from one of its customer disputing payment of capacity charges of Rs 1,320.06 million for the period March 23, 2020 to June 30, 2020 as the customer had not availed power during the said period sighting force majeure on account of COVID 19 pandemic. The Company responded and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. The customer is of the view that the aforesaid clarification by the Ministry of Power cannot override the terms of the PPA and continue to dispute the payment thereof. Also, the PPA with the customer expired in June 2020. Further, during the year ended March 31, 2021, the Company filed petition with CERC for settlement of the dispute. The management of the Company based on its internal assessment, legal expert advice and petition filed with CERC, is of the view that the aforesaid capacity charges are fully recoverable and have accordingly recognised the same as revenue during the year ended March 31, 2021.

   The statutory auditors of the Company have drawn an Emphasis of Matter in their Independent Auditor's Report in this regard.

4. The Company has incurred loss during the current year and has accumulated losses of Rs. 7,038.61 million as at March 31, 2021 which has resulted in substantial erosion of the net worth of the Company and its current liabilities exceed current assets by Rs. 1,697.07 million. There have been delays in repayment of dues to the lenders on account of the delay in the receipt of receivables from its customers as detailed in note 3 above, thereby resulting in lowering of credit ratings for the Company's borrowings. Further, as detailed in note 9 in view of the ongoing COVID-19 pandemic and expiry of the PPA with one of the customer availing 200 MW of power in June 2020 and a consequent cancellation of the fuel supply agreement, there could be impact on the future business operations, financial position and future cash flows of the Company. However, the Company has made profits before taxes for the year ended March 31, 2020 and March 31, 2019 and have favourable interim orders towards the aforementioned claims. Further as detailed in note 9(b), the Company, basis the requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVID-19 related stress prescribed by the Reserve Bank of India ('RBI') on December 30, 2020 and consequently, all the lenders of the Company have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021. Accordingly, the management of the Company based on the future business plans and forecasted cash flows is of the opinion that the Company will generate sufficient profits in the future years, realise its receivables and meet its debt obligations. Accordingly, the Ind AS financial results of the Company continue to be prepared on a going concern basis which the Company contemplates realisation of current assets and settlement of current liabilities in an orderly manner.

   The statutory auditors of the Company have drawn a 'Material Uncertainty Related to Going Concern' in their Independent Auditor's Report in this regard.

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Notes to the Ind AS financial results for the six months and year ended March 31, 2021

5. The management of the Company carried out a valuation assessment of its Property, Plant and Equipment ('PPE') during the year ended March 31, 2021 by an external expert. The valuation assessment includes certain key assumptions such as fully utilizing the untied capacity of 200 MW resulting from the expiry of existing PPA with one of its customers in June 2020, conclusion and timely realisation of claims with Discoms currently under dispute for various change in law events as detailed in note 3 above, enhancement in the operational performance of the plant including ramp up in generation and availability of coal with higher gross calorific value at competitive rates, decline in interest rates, restructuring of loans as detailed in note 9(b) below etc., which the management believes reasonably reflect the future expectations and is of the view that the carrying value of the PPE is appropriate and accordingly has not made any adjustments to the carrying values of PPE as at March 31, 2021.

6. The Company has a PPA with Maharashtra State Electricity Distribution Company Limited ('MSEDCL') for sale of power for an aggregate contracted capacity of 200 MW. MSEDCL disputed place of evacuation of power with Maharashtra Electricity Regulatory Commission ('MERC'), wherein MERC has directed the Company to construct separate lines for evacuation of power through State Transmission Utility ('STU') though the Company was connected to Central Transmission Utility ('CTU'). Aggrieved by the MERC Order, the Company preferred an appeal with Appellate Tribunal for Electricity ('APTEL'). APTEL vide its interim Order dated February 11, 2014 directed the Company to start scheduling the power from the Company's bus bar and bear transmission charges of inter-state transmission system towards supply of power. The Company in terms of the interim order scheduled the power from its bus bar from March 17, 2014 and paid inter-state transmission charges. APTEL vide its final Order dated May 8, 2015 upheld the Company's contention of scheduling the power from bus bar and directed MSEDCL to reimburse the inter-state transmission charges hitherto borne by the Company as per its interim order. Accordingly, as at March 31, 2021, the Company has raised claim of Rs. 6,115.79 million towards reimbursement of transmission charges from March 17, 2014 till March 31, 2021. MSEDCL preferred an appeal with Hon'ble Supreme Court of India and the matter is pending conclusion. Pursuant to notification No. L-1/250/2019/CERC, the transmission charges (other than the deviation charges) is being directly billed to the respective customers (DISCOMS) by Power Grid Corporation of India Limited and accordingly the Company has not received transmission charges (other than the deviation charges) related invoices for the period December'2020 to March'2021. Though there is a change in the invoicing mechanism, the final obligation towards the transmission charges will be decided based on the order of the Hon'ble Supreme Court of India as stated above.

   In view of the favourable Order from APTEL, rejection of stay petition of MSEDCL by the Hon'ble Supreme Court of India, receipt of substantial amounts towards reimbursement of transmission charges and legal expert advice, the Company has recognized the reimbursement of transmission charges of Rs. 6,115.79 million from March 17, 2014 to March 31, 2021 (including Rs. 758.13 million for the year ended March 31, 2021) as reduction in the cost of transmission in the Statement of profit and loss. Further the cost of transmission with effect from December 2020, directly invoiced by Power Grid Corporation of India Limited to DISCOMS has been disclosed as contingent liability pending the final outcome of the matter in the Hon'ble Supreme Court of India.

   The statutory auditors of the Company have drawn an Emphasis of Matter in their Independent Auditor's Report in this regard.

7. On September 20, 2019, the Taxation Laws (Amendment) Ordinance, 2019 ('ordinance') was passed introducing section 115BAA of the Income-tax Act, 1961 which allowed domestic Companies to opt for an alternative tax regime from FY 2019-20. As per the regime, Companies are allowed to pay reduced income tax @ 22% (plus surcharge and cess) subject to foregoing of certain exemptions which were earlier allowed. Central Board of Direct taxes vide circular no 29/2019 clarified that Companies opting for lower rates of taxes will not be allowed to offset brought forward losses on account of additional depreciation and carry forward MAT credit. Pursuant to the aforesaid amendment, the Company had opted for lower rate of tax and accordingly has reversed deferred tax asset on additional depreciation claimed by the Company and MAT credit existing as at March 31, 2019. Further the Company has restated the deferred tax assets and liabilities as on April 01, 2019 at the rate of 25.17%.

8. As at March 31, 2021, the amount payable in foreign currency to certain vendors of USD 5.25 million is outstanding for more than 3 years. The Company is in the process of filing necessary documents with the RBI and is confident that such delays will not require any adjustments to the accompanying Ind AS financial results of the Company.

   The statutory auditors of the Company have drawn an Emphasis of Matter in their Independent Auditor's Report in this regard.

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Notes to the Ind AS financial results for the six months and year ended March 31, 2021

9. (a) The spread of COVID-19 has severely impacted businesses operations around the globe including India. 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. Hence, the Company has ensured continuity in power supply during the period of lockdown. However, as detailed in note 3(b) above, the Company received notices of force majeure from one of its customer disputing payment of capacity charges post March 23, 2020 till June 30, 2020. The Company had responded and clarified that the said situation is not covered under force majeure clause in view of the clarification by the Ministry of Power stating that Discoms will have to comply with the obligation to pay fixed capacity charges as per PPA. However, the customer continues to dispute the aforesaid payment of capacity charges. Further, the customers continue to delay the payment of various change in law/ coal cost pass through and other claims as detailed in note 3(a) above thereby causing significant stress on the cash flows of the Company. The RBI had granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution during the period March 2020 till August 2020 to mitigate the stress on cash flows during the period of COVID-19. The Company has availed the moratorium and the interest during the said moratorium period has been converted into Funded Interest Term Loans (FITL) payable as per the revised repayment schedules. Further as detailed in note 9(b) below, the Company, basis the requisite approval of the lenders, has invoked resolution process as per Resolution Framework for COVID-19 related stress prescribed by the Reserve Bank of India ('RBI') on December 30, 2020 and consequently, all the lenders of the Company have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021. Also refer note 4 above.

   (b) The Reserve Bank of India ('RBI') has issued the Resolution Framework for COVID-19 related stress vide its Circular dated August 6, 2020 "Resolution Framework for COVID-19 related stress". The Company is facing financial stress due to COVID-19 pandemic and other factors as detailed in notes 3 and 4 and accordingly has invoked the aforesaid Resolution Framework by obtaining requisite approvals of majority of lenders as per the guidelines issued by the RBI on December 30, 2020 in respect of all the borrowing facilities (including fund based, non-fund based and investment in non-convertible debentures) availed by the Company as on the invocation date. In this regard, all the lenders of the Company have entered into an Inter Creditors Agreement ('ICA') on January 21, 2021 and a Resolution Plan is to be implemented within 180 days from the invocation date in accordance with the framework issued by RBI. Pursuant to the said framework, the lenders have formed a Core Committee, headed by the Lead Banker and have initiated the process of formulation, review, deliberation, selection and implementation of the Resolution Plan. Considering that the time limit of 180 days for implementation of the Resolution plan has not yet expired and various procedures such as the evaluation of techno-economic viability, financial viability, valuations, draft Resolution Plan etc are still under progress as on the reporting date, the Company owing to the uncertainty involved in regard to the final outcome of the successful implementation of the Resolution Plan at this juncture has not made any adjustments to the Ind AS financial results as at and for the year ended March 31, 2021 with regard to the said Resolution Framework.

   The statutory auditors of the Company have drawn an Emphasis of Matter in their Independent Auditor's Report in this regard.

10. Debt Service Coverage Ratio (DSCR) represents profit and other income before net finance costs (finance costs reduced by interest income) and tax expenses / finance costs plus principal repayment of loan funds during the period based on actual payments (irrespective of due dates). ISCR represents profit and other income before net finance costs and tax expenses / finance costs. Debt-equity ratio represents loan funds (long term borrowings, short term borrowings and current maturity of long-term borrowings included in current liabilities) / shareholders' funds (equity shares + other equity).

11. Paid-up debt capital represents outstanding non-convertible debentures issued by the Company (excluding provision for redemption) as at the year / period end.

12. The Company has created Debenture Redemption Reserve of Rs.187.50 million as per the provisions of Section 71 of the Companies Act, 2013.

13. The figures of six months ended of the current and previous years are the balancing figure between the audited figures for the respective full financial year and the published unaudited year to date figures for the six months ended of the respective financial years.

S.R. Batliboi & Associates LLP
Bengaluru

Notes to the Ind AS financial results for the six months and year ended March 31, 2021

14. Previous period / year's figures have been regrouped / reclassified, wherever necessary to confirm to current period's classification.

For and behalf of the board of Directors of GMR Warora Energy Limited

DHANANJAY VASANTRAO DESHPANDE
Digitally signed by DHANANJAY VASANTRAO DESHPANDE
Date: 2021.06.04 22:07:27 +05'30'

Dhananjay Deshpande
Whole Time Director
DIN : 07663196

ASHIS BASU
Digitally signed by ASHIS BASU
DN: c=IN, o=Personal, pseudonym=baa4f884a1687e281126ba5fc91ff5f183babead225dd4a640065759350ac657, 2.5.4.20=2dd1b88a2c35e4c680e9a5b774eb44a2f6cf5953637cd637648d3eb2e0d1810e, postalCode=560025, st=KARNATAKA, serialNumber=f3afeaf36a0928b52c0b3901ce2df92abc41ed87b271d8a981b828cec722fb51, cn=ASHIS BASU
Date: 2021.06.04 21:54:17 +05'30'

Ashis Basu
Whole time Director
DIN : 01872233

ASHISH VINAY DESHPANDE
Digitally signed by ASHISH VINAY DESHPANDE
Date: 2021.06.04 21:33:19 +05'30'

Ashish Deshpande
Chief Financial Officer
Membership no. – 110081

Place: Warora, Maharashtra
Date: June 04, 2021

S. R. Batliboi & Associates LLP
Bengaluru

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor,
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru – 560 001, India
Tel: +91 80 6648 9000

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

To
The Board of Directors of
GMR Warora Energy Limited

Report on the audit of the Ind AS Financial Results

Opinion

We have audited the accompanying statement of Ind AS financial results of GMR Warora Energy Limited (the "Company"), for the year March 31, 2021 ("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").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information of the Company for the year ended March 31, 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 4 to the accompanying Ind AS financial results as at and for the year ended March 31, 2021, which indicate that the Company has incurred losses during the current year, has accumulated losses of Rs. 7,038.61 million, its net worth has been substantially eroded and its current liabilities exceed current assets by Rs. 1,697.07 million as at March 31, 2021. These conditions, together with the impact of the ongoing COVID-19 pandemic as explained in note 9 including invocation of the Resolution Framework for COVID-19 related stress by the Company as per the guidelines issued by the Reserve Bank of India ('RBI'), non-renewal of long term power purchase agreement with one of its key customer which expired during June 2020 and significant delays in the realization of outstanding receivables as detailed in note 3 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our opinion is not qualified in respect of this matter.

S.R. Batliboi & Associates LLP Bengaluru

Emphasis of Matters

We draw attention to the following matters in the notes to the accompanying Ind AS financial results as at and for the year ended March 31, 2021:

(i) Note 3 in connection with the realization of trade receivables and unbilled revenue (including claims towards change in law events, increased coal cost pass through and carrying costs thereof and capacity charges outstanding from one of its customers during the period of lockdown based on declared capacity) of Rs. 7,147.26 million of the Company, which are pending settlement/ realization as on March 31, 2021. The management of the Company based on its internal assessment as detailed in note 3 and certain interim favourable regulatory orders for claims made by the Company is of the view that the aforesaid balances are fully recoverable as at March 31, 2021.

(ii) Note 6 in connection with the dispute pertaining to transmission charges with Maharashtra State Electricity Distribution Company Limited ('MSEDCL'). The Company has disputed the contention of MSEDCL that the cost of transmission charges are to be paid by the Company. Accordingly, the Company has not accounted the aforesaid transmission charges in its accompanying Ind AS financial results for the respective years from March 17, 2014 up to March 31, 2021 based on a favourable Order received by the Company from APTEL. MSEDCL have preferred an appeal with Hon'ble Supreme Court of India against the aforesaid APTEL order and the matter is pending conclusion.

(iii) Note 8 in connection with the amounts due to certain vendors which are outstanding beyond permissible time period under the Foreign Exchange Management Act ('FEMA'). Pending filing for condonation of delay with competent authority no adjustments are made to the accompanying Ind AS financial results as at and for the year ended March 31, 2021.

(iv) Note 9 in connection with the impact of the outbreak of COVID-19 on the business operations, liquidity position, recoverability of assets, achievement of key assumptions considered in the valuation assessment of the carrying value of the assets and future cash flows of the Company and the invocation of the Resolution Framework for COVID-19 related stress by the Company post obtaining requisite majority approval of lenders as per the guidelines issued by the Reserve Bank of India ('RBI') in respect of all the borrowing facilities availed by the Company. In view of the highly uncertain economic environment, a definitive assessment of impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Ind AS Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness

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of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

S.R. Batliboi & Associates LLP
Bengaluru

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Further, we report that the figures for the half year ended March 31, 2021 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited figures for the half year ended September 30, 2020, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

SANDEEP KARNANI
Digitally signed by SANDEEP KARNANI
Date: 2021.06.04 22:28:11 +05'30'

per Sandeep Karnani
Partner
Membership No.: 061207

UDIN: 21061207AAAACN7814
Place: Bengaluru
Date: June 04, 2021