

Independent Auditor's Report On the 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
ReNew Akshay Urja Limited**

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of financial results of ReNew Akshay Urja Limited (the "Company"), for the year 31 March 2020 ("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 profit and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

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.

Management's Responsibilities for the 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 profit and other comprehensive income 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 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 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 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.

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.

S.R. BATLIBOI & Co. LLP
Chartered Accountants

Further, we report that the figures for the half year ended 31 March 2020 represent the derived figures between the audited figures in respect of the financial year ended 31 March 2020 and the published unaudited figures for the half year ended 30 September 2019, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

AMIT
CHUGH

Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN,
o=Personal,
email=amit.chugh@srb.in
Location: Gurugram
Date: 2020.05.31 22:00:42 +05'30'

per Amit Chugh

Partner

Membership Number: 505224

UDIN: 20505224AAAABE8509

Place of Signature: Gurugram

Date: 31 May 2020

| Particulars | 6 months ended 31 March 2020 (Audited) (refer note 6) | 6 months ended 31 March 2019 (Audited) (refer note 6) | Year ended 31 March 2020 Audited | Year ended 31 March 2019 Audited |
|--|--|--|--|--|
| Total Income from Operations | 723 | 816 | 1,439 | 1,558 |
| Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items) | 110 | 213 | 209 | 335 |
| Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items#) | 110 | 213 | 209 | 335 |
| Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items#) | 74 | 171 | 156 | 136 |
| Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)] | 74 | 171 | 156 | 136 |
| Paid up Equity Share Capital | 133 | 133 | 133 | 133 |
| Reserves (excluding Revaluation Reserve) | 1,971 | 1,815 | 1,971 | 1,815 |
| Equity component of compulsory convertible debentures | 1,144 | 1,144 | 1,144 | 1,144 |
| Net worth** | 3,248 | 3,092 | 3,248 | 3,092 |
| Paid up Debt Capital / Outstanding Debt* | 6,789 | 7,109 | 6,789 | 7,109 |
| Debt Equity Ratio * | 2.20 | 2.44 | 2.20 | 2.44 |
| Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) | | | | |
| 1. Basic: | 3.24 | 7.47 | 6.81 | 5.95 |
| 2. Diluted: | 3.24 | 7.47 | 6.81 | 5.95 |
| Debenture Redemption Reserve * | 304 | 359 | 304 | 359 |
| Debt Service Coverage Ratio * | 1.54 | 0.41 | 1.18 | 0.39 |
| Interest Service Coverage Ratio | 2.25 | 2.38 | 2.13 | 2.21 |

Disclosures pursuant to Regulations 52(4) and 52(7) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Credit Rating: IND AA+ (CE)
- Change in credit rating: No
- Asset Coverage Ratio : 149% (31 March, 2019 : 144%)
- Debt Equity ratio: mentioned above
- Debt Service Coverage Ratio: mentioned above
- Interest Service Coverage Ratio: mentioned above
- Previous due date for the payment of interest/ repayment of principal of non convertible debt securities and whether the same has been paid or not (as on 31 March, 2020)
Previous due date for the payment of interest: 31 March, 2020 and the same was paid
Previous due date for the payment of principal: 31 March, 2020 and the same was paid
- Next due date for the payment of interest/ repayment of principal of non convertible debt securities (as on 31 March, 2020)
Next due date for the payment of interest: 30 June, 2020
Next due date for the payment of principal: 30 September, 2020
- Outstanding redeemable preference shares (Quantity and Value): Not Applicable
- Net Worth ** (31 March, 2020) : INR 3,248 (31 March, 2019 : INR 3,092)
- Net profit after tax: mentioned above
- Earning per share: mentioned above
- Debenture Redemption Reserve (31 March, 2020) : INR 304 (31 March, 2019 : INR 359)
- There are no material deviation in the use of proceeds of issue of Non Convertible Debentures from the objects stated in the offer document (Regulations 52(7))

Notes

- 1 Ratios have been computed as follows:
 - Earning per share (Basic & Diluted) = Profit after Tax / Weighted average number of equity
 - Debt Equity Ratio* = Debt (Amount due to Debenture Holders) / Equity (Equity share capital + share premium + quasi equity i.e. Short term borrowing but excluding unamortize fees)
 - Interest Service Coverage Ratio = Profit before interest, prior period items, tax, extraordinary items and depreciation / (Total Interest Expense + Guarantee fees).
 - Debt Service Coverage Ratio* = ((PAT based on Project Revenues realised (excluding non-cash adjustment, if any) + Depreciation + Interest (Interest, Guarantee Fees, other financing costs payable under Debenture and Project Documents)) / (Interest + Principal Repayment+Guarantee fee).
 - Asset Coverage Ratio = (Total Assets-Current Liabilities) / Debt (Amount due to Debenture Holders)
- *As per Debenture Trust Deed dated 20 September, 2017.
- ** Networth represents issued subscribed and paid up capital plus reserves and surplus. Reserves and Surplus includes Capital reserve, General reserve, Debenture redemption reserve, Securities premium account and Profit and loss account balance.
- 2 The company is in the business of development and operation of solar power. There is only one segment (business and/or geographical) in accordance with the requirements of IND AS - 108 "Operating Segments".
- 3 Tax expense includes Current Tax and Deferred Tax charge.
- 4 The above audited financial results have been approved by the Board of Directors in their meeting held on 30 May 2020.
- 5 The Company prepared its Financial Statements as per Ind AS prescribed under Section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principals generally accepted in India.
- 6 The statement includes results for half year ended 31 March 2020 and half year ended 31 March 2019 being the balancing figures between the audited figures of the respective full financial year and published year to date upto the half year of current and previous financial year which were subject to Limited Review.

For and on behalf of the ReNew Akshay Urja Limited

RAHUL JAIN Digitally signed by RAHUL JAIN
Date: 2020.05.31 15:36:43 +05'30'
Managing Director
(Rahul Jain)
DIN- 07641891
Place: Gurugram
Date: 31 May 2020

Annexure 1**ReNew Akshay Urja Limited**

CIN-U40300DL2015PLC275651

Regd Office: 138, Ansal Chambers-II, Bikaji Cama Place, New Delhi-110066

Corporate Office: ReNew.Hub, Commercial Block-1, Zone 6, Golf Course Road, DLF City Phase-V, Gurugram, 122009, Haryana

Phone No.- 124 489 6670/80,

Balance Sheet as at 31 March 2020

(Amounts in INR millions unless otherwise stated)

| | As at 31 March 2020 (Audited) | As at 31 March 2019 (Audited) |
|---|--|--|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 8,061 | 8,440 |
| Prepayments | - | 16 |
| Non current tax assets (net) | 37 | 0 |
| Other non-current assets | 8 | 8 |
| Total non-current assets | 8,106 | 8,464 |
| Current assets | | |
| Inventories | 5 | 1 |
| Financial assets | | |
| Trade receivables | 1,445 | 1,299 |
| Cash and cash equivalent | 14 | 6 |
| Bank balances other than cash and cash equivalent | 480 | 153 |
| Loans | 1,104 | 1,104 |
| Others | 18 | 11 |
| Prepayments | 47 | 49 |
| Other current assets | 6 | 3 |
| Total current assets | 3,119 | 2,626 |
| Total assets | 11,225 | 11,090 |
| Equity and liabilities | | |
| Equity | | |
| Equity share capital | 133 | 133 |
| Other equity | | |
| Equity component of compulsory convertible debentures | 1,144 | 1,144 |
| Share premium | 1,200 | 1,200 |
| Debenture Redemption Reserve | 304 | 359 |
| Retained earnings | 467 | 256 |
| Total equity | 3,248 | 3,092 |
| Non-current liabilities | | |
| Financial liabilities | | |
| Long-term borrowings | 6,448 | 6,790 |
| Deferred tax liabilities (net) | 53 | |
| Total non-current liabilities | 6,501 | 6,790 |
| Current liabilities | | |
| Financial liabilities | | |
| Short-term borrowings | 678 | 508 |
| Trade payables | | |
| Outstanding dues to micro enterprises and small enterprises | - | - |
| Others | 359 | 316 |
| Other current financial liabilities | 436 | 376 |
| Other current liabilities | 3 | 6 |
| Current tax liabilities (net) | - | 2 |
| Total current liabilities | 1,476 | 1,208 |
| Total liabilities | 7,977 | 7,998 |
| Total equity and liabilities | 11,225 | 11,090 |

For and on behalf of the ReNew Akshay Urja Limited

RAHUL JAINDigitally signed by RAHUL
JAIN
Date: 2020.05.31 15:37:08
+05'30'Managing Director
(Rahul Jain)
DIN- 07641891
Place: Gurugram
Date: 31 May 2020

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Statement of Profit and Loss

(Amounts in INR millions, except share and per share data, unless otherwise stated)

| | For the 6 months ended 31 March 2020 (Audited) (refer note 6) | For the 6 months ended 31 March 2019 (Audited) (refer note 6) | For the year ended 31 March 2020 (Audited) | For the year ended 31 March 2019 (Audited) |
|---|--|--|--|--|
| Income: | | | | |
| Revenue from operations | 723 | 816 | 1,439 | 1,558 |
| Other income | 21 | 7 | 30 | 13 |
| Total Income | 744 | 823 | 1,469 | 1,571 |
| Expenses: | | | | |
| Other expenses | 74 | 57 | 137 | 127 |
| Total expenses | 74 | 57 | 137 | 127 |
| Earning before interest, tax, depreciation and amortization (EBITDA) | 670 | 766 | 1,332 | 1,444 |
| Depreciation and amortization expense | 184 | 184 | 368 | 367 |
| Finance costs | 376 | 369 | 755 | 742 |
| Profit before tax | 110 | 213 | 209 | 335 |
| Tax expense | | | | |
| Current tax | (17) | 46 | - | 72 |
| Deferred tax | 53 | - | 53 | 130 |
| Earlier year tax | - | (3) | - | (3) |
| Profit after tax | 74 | 171 | 156 | 136 |
| Other comprehensive income , net of tax | - | - | - | - |
| Total comprehensive Income | 74 | 171 | 156 | 136 |
| Paid up Equity Share Capital | 133 | 133 | 133 | 133 |
| Paid up Debt Capital | 6,789 | 7,109 | 6,789 | 7,109 |
| Earnings per share: | | | | |
| Basic | 3.24 | 7.47 | 6.81 | 5.95 |
| Diluted | 3.24 | 7.47 | 6.81 | 5.95 |
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6 The statement includes results for half year ended 31 March 2020 and half year ended 31 March 2019 being the balancing figures between the audited figures of the respective full financial year and published year to date upto the half year of current and previous financial year which were subject to Limited Review.

7 The Balance Sheet as at 31 March 2020 and 31 March 2019 as per Schedule III of the Companies Act, 2013 is attached as Annexure 1.

8 India Rating have assigned long term issuer rating and rating for the outstanding non-convertible debentures of the Company to "IND AA+ (CE)" with negative outlook and CARE have assigned long term issuer rating and rating for the outstanding non-convertible debentures of the Company to "IND AA+ (CE)" with stable outlook.

9 On 20 September 2019, vide the Taxation Laws (Amendment) Ordinance, 2019 (the "Ordinance"), the Government of India inserted 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1st April, 2019, subject to certain conditions. The Company has decided to opt for reduced corporate tax rates and accordingly, has recognized current tax and re-measured its deferred taxes as per the provisions of the Ordinance. This has resulted in write-off of MAT credit amounting to INR 155, and creation of Deferred Tax Assets (DTA) amounting to INR 159 on account of re-measurement of deferred tax as at 31 March, 2019. The tax charge for the year have decreased by INR 4.

10 Due to outbreak of COVID-19 in India and globally, the Company has made initial assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. Considering that the Company is in the business of generation of electricity which is granted "Must Run" status by MNRE, the management believes that the impact of outbreak on the business and financial position of the company will not be significant. The management does not see any risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of the unprecedented situation.

For and on behalf of the ReNew Akshay Urja Limited

Digitally signed by
RAHUL JAIN
Date: 2020.05.31
15:37:26 +05'30'
Managing Director
(Rahul Jain)
DIN- 07641891
Place: Gurugram
Date: 31 May 2020