S.R. BATLIBOI & CO. LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of ReNew Power Private Limited ("RPPL")

Report on the Audit of the Special Purpose Combined Financial Statements

Opinion

We have audited the accompanying Special Purpose Combined Financial Statements of Restricted Group (consisting of certain specific subsidiaries of RPPL as listed in note 1 of these financial statements, collectively known as the "Restricted Group"), which comprise the combined Balance Sheet as at 31 March 2021, the combined Statement of Profit and Loss, including the statement of Other Comprehensive Income, the combined Cash Flow Statement and the combined Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (collectively known as the "Combined Financial Statements"). These Combined Financial Statements have been prepared solely for submission by RPPL to the trustees of the INR denominated notes of the Restricted Group as per term sheet.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Combined Financial Statements have been prepared, in all material respects, in accordance with the basis of preparation set out in note 3 of the accompanying Combined Financial Statements.

Basis for Opinion

We conducted our audit of the Combined Financial Statements in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Combined Financial Statements' section of our report. We are independent of the Restricted Group 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 Companies Act, 2013 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Combined Financial Statements.

Emphasis of matter

1) We draw attention to note 2 and 3 to the Combined Financial Statements, which describes that the Restricted Group has not formed a separate legal group of entities during the year ended 31 March 2021, which also describes the basis of preparation, including the approach to and the purpose for preparing them. Consequently, the Restricted Group's Combined Financial Statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group that would have occurred if it had operated as a separate standalone group of entities during the periods presented.

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2) We draw attention to note 44 to the Combined Financial Statements, related to the recoverability of dues under litigation amounting to Rs.886 million from Southern Power Distribution Company of A.P. Limited by certain companies forming part of Restricted Group (the "AP entities"). The AP Entities have filed Writ Petition/appeal before the Hon'ble High Court of Andhra Pradesh related to these matters. Pending the outcome of the cases, which is not presently determinable, no adjustment has been made to the Combined Financial Statements. Our opinion is not modified in respect of these matters.

Responsibilities of Management for the Combined Financial Statements

RPPL's Board of Directors (referred to as the "Management") is responsible for the preparation of these Combined Financial Statements in accordance with basis of preparation set out in note 3 of the accompanying notes to these Combined Financial Statements. This responsibility also includes 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 Combined Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Combined Financial Statements, the Management is responsible for assessing the entities forming part of the Restricted Group'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 management either intends to liquidate any entity forming part of the Restricted Group or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the entities forming part of the Restricted Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the Combined Financial Statements as a whole are 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 these Combined Financial Statements.

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 Combined Financial Statements, 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, but not for the purpose of expressing an opinion on the effectiveness of the Restricted Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 entities forming part of Restricted Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

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required to draw attention in our auditor's report to the related disclosures in the Combined Financial Statements 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 entities forming part of Restricted Group to cease to continue as a going concern.

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.

Other matters - Restriction on use

These special purpose financial statements have been prepared by the management of RPPL solely for the purpose of submission to the trustees of the INR denominated notes of the Restricted Group as per term sheet. Our report on these Combined Financial Statements is issued solely for use by the management of RPPL for aforesaid purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

S. R. BATLIBOI & CO. LLP GURUGRAM

per Amit Chugh
Partner
Membership Number: 505224
UDIN: 21505224AAAAEX5240
Place of Signature: Gurugram
Date: 29th July 2021

Restricted Group
Special Purpose Combined Balance Sheet as at 31 March 2021
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	4	22,970	22,911
Capital work in progress	4	7	6
Goodwill	5	2	2
Other intangible assets	5	442	462
Right of use assets	6	14	15
Financial assets			
Investment	5	0	-
Loans	7	87	87
Others	7	-	0
Deferred tax assets (net)	8	167	120
Prepayments	9	2	12
Other non-current assets	10	21	7
Non current tax assets (net)		68	84
Total non-current assets		**23,780**	**23,706**
Current assets			
Inventories	11	16	15
Financial assets			
Derivative instruments	7	-	34
Loans	7	12,424	935
Trade receivables	12	2,029	1,740
Cash and cash equivalent	13	324	224
Bank balances other than cash and cash equivalent	13	111	2,007
Others	7	585	295
Prepayments	9	27	19
Other current assets	10	100	106
Total current assets		**15,616**	**5,375**
Total assets		**39,396**	**29,081**
Equity and liabilities			
Equity			
Equity share capital	14A	886	439
Instruments entirely equity in nature	14E	112	112
Other equity			
Equity component of preference shares	15B	718	718
Securities premium	15C	7,255	3,229
Debenture redemption reserve	15D	45	-
Hedge reserve	15E	-	13
Retained earnings	15G	(576)	215
Parent's contribution	15G	52	52
Total equity		**8,492**	**4,778**
Non-current liabilities			
Financial liabilities			
Long-term borrowings	16	24,118	14,767
Lease liabilities	17	4	4
Long-term provisions	18	1,054	-
Deferred tax liabilities (net)	8	424	404
Other non-current liabilities	19	346	321
Total non-current liabilities		**25,946**	**15,496**
Current liabilities			
Financial liabilities			
Short-term borrowings	20	1,520	5,588
Trade payables			
Outstanding dues to micro enterprises and small enterprises	21	0	-
Others	21	922	730
Lease Liabilities	17	1	1
Other current financial liabilities	22	2,378	2,439
Other current liabilities	23	133	47
Current tax liabilities (net)		4	2
Total current liabilities		**4,958**	**8,807**
Total liabilities		**30,904**	**24,303**
Total equity and liabilities		**39,396**	**29,081**

Summary of significant accounting policies 3

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 29 July 2021

For and on behalf of the Restricted Group

Sumant Sinha
(Chairman & Managing Director)
DIN- 00972012
Place: Gurugram
Date: 29 July 2021

D. Muthukumaran
(Chief Financial Officer)

Place: Gurugram
Date: 29 July 2021

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram
Date: 29 July 2021

Restricted Group
Special Purpose Combined Statement of Profit and Loss for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income:			
Revenue from operations	24	3,342	3,698
Other income	25	514	239
Total income		**3,856**	**3,937**
Expenses:			
Other expenses	26	608	464
Total expenses		**608**	**464**
Earning before interest, tax, depreciation and amortisation (EBITDA)		**3,248**	**3,473**
Depreciation and amortisation expense	27	985	1,176
Finance costs	28	3,045	2,345
Loss before tax		**(782)**	**(48)**
Tax expense			
Current tax	8	9	31
Deferred tax	8	(45)	157
Adjustment of tax related to earlier years		0	(0)
Loss for the year	**(a)**	**(746)**	**(236)**
Other comprehensive income (OCI)			
Items that will be reclassified to profit and loss in subsequent periods			
Net gain/(loss) on cash flow hedge reserve		7	(14)
Income tax effect		(19)	21
Net other comprehensive (loss) / income that will be reclassified to profit and loss in subsequent periods	**(b)**	**(12)**	**7**
Total comprehensive income for the year	**(a) + (b)**	**(758)**	**(229)**
Earnings per share:			
(face value per share: INR 10)			
(1) Basic	29	(17.03)	(5.37)
(2) Diluted		(17.03)	(5.37)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements
As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 29 July 2021

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Date: 29 July 2021

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram
Date: 29 July 2021

Restricted Group
Special Purpose Combined Statement of Cash Flows for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
(Loss) before tax	**(783)**	**(48)**
Adjustments for:		
Depreciation and amortisation expense	985	1,176
Operation and maintenance reserve	60	113
Interest income	(454)	(156)
Interest expense	2,845	2,324
Unamortised ancillary borrowing cost written off	178	0
Impairment allowance	31	-
Operating profit before working capital changes	**2,862**	**3,409**
Movement in working capital		
(Increase)/decrease in trade receivables	(319)	(344)
(Increase)/decrease in inventories	(1)	(4)
(Increase)/decrease in financial assets	1	8
(Increase)/decrease in other current assets	6	3
(Increase)/decrease in prepayments	3	37
(Increase)/decrease in other non-current assets	3	(2)
Increase/(decrease) in other liabilities	52	(22)
Increase/(decrease) in other current liabilities	-	(40)
Increase/(decrease) in trade payables	187	103
Cash generated from operations	**2,794**	**3,148**
Income tax paid/ (refund)	13	(48)
Net cash generated from operating activities	**2,807**	**3,100**
Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress, intangibles including other intangible assets under development, capital creditors and capital advances	(61)	(605)
(Investments)/Redemption of bank deposits having residual maturity more than 3 months	1,896	(362)
Loan given to related parties	(12,514)	(97)
Loan repaid by related parties	1,025	48
Interest received	163	137
Net cash used in investing activities	**(9,491)**	**(879)**
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium) (net of share issue expenses)	4,474	1
Proceeds from long-term borrowings	27,388	747
Repayment of long-term borrowings	(19,312)	(1,282)
Loan taken from related parties	-	146
Proceeds from short-term borrowings	3,375	1,857
Repayment of short-term borrowings	(7,421)	(1,816)
Gain on settlement of derivative instruments	-	38
Payment of lease liabilities (including payment of interest expense on lease liabilities)	-	(1)
Interest paid	(1,720)	(2,066)
Net cash (used in) / generated from financing activities	**6,784**	**(2,376)**
Net (decrease) / increase in cash and cash equivalents	**100**	**(155)**
Cash and cash equivalents at the beginning of the year	**224**	**379**
Cash and cash equivalents at the end of the year	**324**	**224**

ReNew Power Private Limited

S.R. Batliboi & Co. LLP Gurugram

Restricted Group
Special Purpose Combined Statement of Cash Flows for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

Components of cash and cash equivalents

Balances with banks:		
- On current accounts	309	167
- On deposit accounts with original maturity of less than 3 months	15	57
Total cash and cash equivalents (note 13)	**324**	**224**

Changes in liabilities arising from financial activities:

Particulars	Opening balance as at 1 April 2019	Cash flows (net)	Other changes*	Closing balance as at 31 March 2021
Long-term borrowings (including current maturities)	15,561	8,075	482	24,118
Short-term borrowings	5,588	(4,047)	(21)	1,520
Total liabilities from financing activities	**21,149**	**4,028**	**461**	**25,638**

Particulars	Opening balance as at 1 April 2018	Cash flows (net)	Other changes*	Closing balance as at 31 March 2019
Long-term borrowings (including current maturities)	16,596	(537)	(498)	15,561
Short-term borrowings	4,819	187	582	5,588
Total liabilities from financing activities	**21,415**	**(350)**	**84**	**21,149**

* other changes includes reinstatement of foreign currency borrowing, adjustment of ancillary borrowing cost and reclassification of loan from related parties.
Refer note 31 for movement in lease liabilities.

Summary of significant accounting policies 3

Notes:
The Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 29 July 2021

For and on behalf of the Restricted Group

Sumant Sinha
(Chairman & Managing Director)
DIN- 00972012
Place: Gurugram
Date: 29 July 2021

D. Muthukumaran
(Chief Financial Officer)

Place: Gurugram
Date: 29 July 2021

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram
Date: 29 July 2021

Restricted Group

Special Purpose Combined Statement of changes in equity for the year ended 31 March 2021

(Amounts in INR millions, unless otherwise stated)

Particulars	Attributable to the equity holders of entities forming part of the Restricted Group									Total equity
					Reserves and surplus#				Items of OCI#	
	Equity share capital*	Instruments entirely equity in nature#	Share application money pending allotment#	Equity component of preference shares#	Securities premium	Retained earnings	Parent's contribution	Debenture redemption reserve	Hedge reserve	
	(refer note 14A)	(refer note 14E)	(refer note 15A)	(refer note 15B)	(refer note 15C)	(refer note 15G)	(refer note 15G)	(refer note 15D)	(refer note 15E)	
At 1 April 2019	439	112	-	718	3,228	451	52	-	5	5,005
Loss for the year	-	-	-	-	-	(236)	-	-	-	(236)
Debenture redemption reserve	-	-	-	-	-	-	-	-	-	-
Other comprehensive loss (net of taxes)	-	-	-	-	-	-	-	-	8	8
Total comprehensive loss	-	-	-	-	-	(236)	-	-	8	(227)
Equity shares issued during the year	0	-	(1)	-	1	-	-	-	-	-
Share application money received	-	-	1	-	-	-	-	-	-	1
At 31 March 2020	439	112	-	718	3,229	215	52	-	13	4,778
Loss for the year	-	-	-	-	-	(747)	-	-	-	(747)
Other comprehensive loss (net of taxes)	-	-	-	-	-	-	-	45	(13)	33
Equity shares issued during the year	447	-	-	-	4,026	-	-	-	-	4,473
At 31 March 2021	886	112	-	718	7,255	(576)	52	45	0	8,493

*The Special Purpose Combined Financial Statement do not represent a legal entity structure. The share capital of Restricted Group is the summation of the share capital of the respective entities forming part of the Restricted Group.
#Instruments entirely equity in nature, reserves and surplus and items of OCI represents the aggregate amount of Restricted Group entities as at the respective year ends.

Summary of significant accounting policies 3

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements
As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 29 July 2021

For and on behalf of the Restricted Group

Sumant Sinha
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(Chief Financial Officer)
Place: Gurugram
Date: 29 July 2021

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram
Date: 29 July 2021

Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

1 Corporate information

ReNew Power Private Limited (the "Company" or "Parent" or "RPPL") is a private limited company domiciled in India. The Company was converted into a private limited company with effect from 8 November 2019 and consequently the name of the Company has changed from ReNew Power Limited to ReNew Power Private Limited.

Certain subsidiary companies of the Parent and ReNew Solar Power Private Limited (wholly owned subsidiary of RPPL) which are collectively referred to as the 'Restricted Group' (as more clearly explained in the note below) issued INR denominated Non-Convertible Debentures (referred to as "INR NCDs") which are listed on Singapore Exchange Securities Trading Limited (SGX-ST).

Name of entity	Holding Company	As at 31 March 2021	As at 31 March 2020
ReNew Wind Energy (AP) Private Limited	ReNew Power Private Limited	70%	66%
ReNew Wind Energy (AP 3) Private Limited	ReNew Power Private Limited	100%	100%
Shruti Power Projects Private Limited (acquired on 16 September 16)	ReNew Power Private Limited	100%	100%
Pugalur ReNewable Private Limited	ReNew Power Private Limited	100%	100%
Bidwal ReNewable Private Limited	ReNew Power Private Limited	100%	100%
Zemira ReNewable Energy Limited (acquired on 31 March 18)	ReNew Power Private Limited	100%	100%
ReNew Wind Energy (Rajasthan Four) Private Limited	ReNew Solar Power Private Limited*	100%	100%
ReNew Wind Energy (Maharashtra) Private Limited	ReNew Solar Power Private Limited*	100%	100%
Bhumi Prakash Private Limited	ReNew Solar Power Private Limited*	100%	100%
Tarun Kiran Bhoomi Private Limited	ReNew Solar Power Private Limited*	100%	100%
ReNew Wind Energy (MP Three) Private Limited	ReNew Solar Power Private Limited*	100%	100%

* ReNew Solar Power Private Limited is a wholly owned subsidiary of ReNew Power Private Limited

Entities forming part of the Restricted Group listed above are incorporated in India and are engaged in generation of power through non-conventional and renewable energy sources.
The Special Purpose Combined Financial Statements were approved for issue in accordance with a resolution of the directors of ReNew Power Private Limited on 29 July 2021.

2 Purpose of Special Purpose Combined Financial Statements

The Combined Financial Statements are special purpose financial statements which have been prepared for the purpose of the submission to the trustee's of the INR denominated Non-Convertible Debentures (referred to as "INR NCDs") of the Restricted Group as per term sheet. The Special Purpose Combined Financial Statements presented herein reflect the Restricted Group's results of operations, assets and liabilities and cash flows for the periods presented. The basis of preparation and significant accounting policies used in preparation of these Special Purpose Combined Financial Statements are set out in Note 3 below. These Special Purpose Combined Financial Statements presented herein reflect the Restricted Group's results of operations, assets and liabilities and cash flows for the period presented. The basis of preparation and significant accounting policies used in preparation of these Special Purpose Combined Financial Statements are set out in Note 3 below.

3 Significant accounting policies

3.1 Basis of preparation

The Special Purpose Combined Financial Statements have been prepared in accordance with the recognition, measurement, presentation and disclosure principles specified in the Indian Accounting Standard (Ind AS) notified under Section 133 of the Companies Act, 2013 as amended from time to time, (except Ind AS 33, Earnings per Share), read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) issued there under, presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable and the Guidance Note on Combined and Carve-out Financial Statements issued by the Institute of Chartered Accounts of India (the "Guidance Note") and other accounting principles generally accepted in India.

Management of the Parent company has prepared the Special Purpose Combined Financial Statements which comprise the Combined Balance Sheet as at 31 March 2021, the Combined Statement of Profit and Loss including other comprehensive income, Combined Statement of Cash Flows and Combined Statement of Changes in Equity for the year ended 31 March 2021, a summary of the significant accounting policies and other explanatory Information.

Management has prepared these Special Purpose Combined Financial Statements to depict the historical cost of the Restricted Group except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

All intercompany transactions and balances within the Restricted Group have been eliminated in full. The transactions that have taken place with other related parties of entities forming part of the Restricted Group but not forming part of the Restricted Group have been disclosed in accordance with Ind AS 24 Related Party Disclosures.

The Special Purpose Combined Financial Statements are not necessarily indicative of the financial performance, financial position and cash flows of the Restricted Group that would have occurred if it had operated as a separate stand-alone Group of entities during the period presented nor of the Restricted Group's future performance. The items in the Special Purpose Combined Financial Statements have been classified considering the principles under Ind AS 1, Presentation of Financial Statements and Division II of Schedule III of Companies Act 2013.

3.2 Basis of combination

The Special Purpose Combined Financial Statements have been prepared by combining like items of assets, liabilities, equity, income, expenses and cash flows of the entities forming part of Restricted Group. All the intragroup assets and liabilities, equity, income, expenses and cash flows relating to entities forming part of Restricted Group have been eliminated and profits or losses arising from intragroup transactions that are recognised in assets, such as inventory and fixed assets have been eliminated in full. All the inter-group transactions are undertaken on Arms Lengths basis. The resulting financial position may not be that which might have existed if the combining businesses had been a stand-alone business.

The carrying values pertaining to an entity, as reflected in the consolidated financial statements of the Parent, are used for the purpose of preparing Special Purpose Combined Financial Statements including fair value adjustment to assets and liabilities on acquisition along with corresponding impact on deferred taxes.

The non-controlling interest held by outsiders amount to INR 123 and INR 110 as of 31 March 2020 and 31 March 2019 respectively.

Share capital and reserves disclosed in the Special Purpose combined financial statements is not the legal capital and reserves of the Restricted Group and is the aggregation of the share capital and reserves of the individual combining entities.

Income taxes are arrived at by aggregation of the tax expenses actually incurred by the combining businesses, after considering the tax effects of any adjustments which is in accordance with the Guidance Note.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method in the consolidated financial statements of the Parent

At the acquisition date of an entity being part of the Restricted Group by the Parent, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired are measured at the basis indicated below:

- Deferred tax assets or liabilities are recognised and measured in accordance with Ind AS 12 Income Tax.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12

At the acquisition date of an entity being part of the Restricted Group by the Parent, the Parent assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred by the Parent over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Parent re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised as Parent's contribution in Other Equity.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Restricted Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

There are no business combinations made by any of the entities forming part of Restricted Group.

3.3 Summary of significant accounting policies

a) Current versus non-current classification

The Restricted Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:
- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

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The operating cycle is the time between the acquisition of assets for processing and their realisation/settlement in cash and cash equivalents. The entities forming part of the Restricted Group have identified twelve months as their operating cycle for classification of their current assets and liabilities.

b) Fair value measurement

The entities forming part of the Restricted Group measure financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the entities forming part of the Restricted Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The entities forming part of the Restricted Group use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the entities forming part of the Restricted Group have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. (Refer Note 33 and 34).

At each reporting date, the management of the entities forming part of the Restricted Group analyse the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies of the Restricted Group.

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the entities forming part of the Restricted Group determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises the accounting policy for determination of fair value. Other fair value related disclosures are given in the relevant notes as following:

· Disclosures for significant estimates and assumptions (Refer Note 41)
· Quantitative disclosures of fair value measurement hierarchy (Refer Note 36)
· Financial instruments (including those carried at amortised cost) (Refer Note 35 and 36)

c) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of power

Income from supply of power is recognised over time on the supply of units generated from plant to the grid as per terms of the Power Purchase Agreement (PPA) entered into with the customers.

The entities forming part of Restricted Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the Group considers the effects of variable consideration and consideration payable to the customer (if any).

Transaction price - remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

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(i) Variable consideration
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Rebates
In some PPAs, the Group provide rebates in invoice if payment is made before the due date. Rebates are offset against amounts payable by the customers. To estimate the variable consideration for the expected future rebate, the Group applies the most likely method.

(ii) Consideration payable to customers
In some PPAs, Group has to pay consideration to customers. Consideration payable to customers are offset against the revenue recognised as and when sale of power occurs.

Interest income
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the entities forming part of the Restricted Group estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Special Purpose Combined Statement of Profit and Loss.

Income from government grants
Refer note (f) for accounting policy.

Contract balances :

(i) Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the entities forming part of Restricted Group perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the entities forming part of Restricted Group have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the entities forming part of Restricted Group transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the entities forming part of Restricted Group perform under the contract.

(iii) Trade receivables
A receivable represents the right of entities forming part of Restricted Group to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (n) Financial instruments – initial recognition and subsequent measurement.

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d) Foreign currencies

The Restricted Group Financial Statements are presented in Indian rupees (INR), which is also the functional currency and the currency of the primary economic environment in which the companies operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Restricted Group at their functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit and loss.

e) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India. Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current income tax assets and liabilities are offset if a legally enforceable right exists to set off these.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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(Amounts in INR millions, unless otherwise stated)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In situations where the entities forming part of the Restricted Group are entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period. Deferred taxes in respect of temporary differences which reverse after the tax holiday period are recognized in the year in which the temporary differences originate. However, the entities forming part of the Restricted Group restrict the recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in OCI or equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant is related to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant is related to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the entities forming part of the Restricted Group receive grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

The entities forming part of the Restricted Group presents grants related to an expense item as other income in the Statement of Profit and Loss. Thus, Generation based incentive and Sale of emission renewable certificates have been recognised as other income.

Generation based incentive

Generation based incentive is recognized on the basis of supply of units generated by the entities forming part of the Restricted Group to the state electricity board from the eligible project in accordance with the scheme of the "Generation Based Incentive (GBI) for Grid interactive Wind Power Projects"

g) Property, plant and equipment

Construction work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment except freehold land is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. Freehold land is stated at cost net of accumulated impairment losses and is not depreciated.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions (Note 41) and provisions (Note 18) for further information about the recognised decommissioning provision.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the entities forming part of the Restricted Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in Statement of Profit and Loss as and when incurred.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Special Purpose Combined Statement of Profit and Loss when the asset is derecognised.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

h) Depreciation / amortisation of property, plant and equipment and intangibles

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Life (in years)
Plant and equipment (Wind and Solar power projects till 30 September 2020)*	20-25
Plant and equipment (Wind and Solar power projects) (from 01 October 2020) #	30-35
Office equipment	5
Furniture and fixture	10
Computers	3

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* Based on an external technical assessment, the management believes that the useful lives as given above and residual value of 0%-5%, best represents the period over which management expects to use its assets and its residual value. The useful life of plant and equipment is different from the useful life as prescribed under Part C of Schedule II of Companies Act, 2013.

Based on an external technical assessment, the management believes that the useful lives as given above and residual value of 5%, best represents the period over which management expects to use its assets and its residual value.The useful life of plant and equipment is different from the useful life as prescribed under Part C of Schedule II of Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment and other intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

Entities forming part of the Restricted Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the entities forming part of Restricted Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.
The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the rntities forming part of the Restricted Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the entities forming part of the Restricted Group and payments of penalties for terminating the lease, if the lease term reflects the entities forming part of the Restricted Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the entities forming part of the Restricted Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The entities forming part of the Restricted Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the entities forming part of the Restricted Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Inventories

Inventories are valued at the lower of cost and net realisable value.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:
Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs consist of interest, discount on issue, premium payable on redemption and other costs that an entity incurs in connection with the borrowing of funds (this cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs). The borrowing costs are amortised basis the Effective Interest Rate (EIR) method over the term of the loan. The EIR amortisation is recognised under finance costs in the Statement of Profit and Loss. The amount amortized for the period from disbursement of borrowed funds upto the date of capitalization of the qualifying assets is added to cost of the qualifying assets.

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l) Impairment of non-financial assets

The entities forming part of the Restricted Group assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entities forming part of the Restricted Group estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre -tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The entities forming part of the Restricted Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Restricted Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the entities forming part of the Restricted Group extrapolate cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the entities forming part of the Restricted Group estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying value of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

m) Provisions

Provisions are recognised when the entities forming part of the Restricted Group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the entities forming part of the Restricted Group expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The entities forming part of the Restricted Group considers constructive obligations and records a provision for decommissioning costs of the wind and solar power plants. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the entities forming part of the Restricted Group commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance expense in the Special Purpose Combined Statement of Profit and Loss. The losses arising from impairment are recognised in the Special Purpose Combined Statement of Profit and Loss.

Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the entities forming part of the Restricted Group recognize interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at fair value through profit and loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the entities forming part of the Restricted Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The entities forming part of the Restricted Group have not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the entities forming part of the Restricted Group may make an irrevocable election to present the subsequent changes in the fair value in OCI. The entities forming part of the Restricted Group make such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the entities forming part of the Restricted Group decide to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the entities forming part of the Restricted Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The entities forming part of the respective Restricted Group have transferred their rights to receive cash flows from the asset or have assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

Either the entities forming part of the Restricted Group have transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

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When the entities forming part of the Restricted Group have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if and to what extent they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the entities forming part of the Restricted Group continue to recognise the transferred asset to the extent of the continuing involvement of the entities forming part of the Restricted Group. In that case, the entities forming part of the Restricted Group also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entities forming part of the Restricted Group have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entities forming part of the Restricted Group could be required to repay.

Impairment of financial assets
In accordance with Ind AS 109, the Restricted Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on all the financial assets and credit risk exposure.
The entities forming part of the Restricted Group follows 'simplified approach for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the entities forming part of the Restricted Group to track changes in credit risk. Rather it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the entities forming part of the Restricted Group determine that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Special Purpose Combined Statement of Profit and Loss.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The financial liabilities of the entities forming part of the Restricted Group include trade and other payables, derivative financial instruments, loans and borrowings including bank overdraft.

Subsequent measurement
The measurement of financial liabilities depends on their classification as discussed below:-

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.

The entities forming part of the Restricted Group recognise debt modifications agreed with lenders to restructure their existing debt obligations. Such modifications are done to take advantage of falling interest rates by cancelling the exposure to high interest fixed rate debt, pay a fee or penalty on cancellation and replace it with debt at a lower interest rate (exchange of old debt with new debt). The qualitative factors considered to be relevant for modified financial liabilities include, but are not limited to, the currency that the debt instrument is denominated in, the interest rate (that is fixed versus floating rate), conversion features attached to the instrument and changes in covenants. The accounting treatment is determined depending on whether modifications or exchange of debt instruments represent a settlement of the original debt or merely a renegotiation of that debt. The exchange of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged/ cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets and liabilities
The Restricted Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

Entities forming part of Restricted Group uses derivative financial instruments, such as interest rate swaps and call/put options etc., to hedge its interest rate risks and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:
- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the entities forming part of Restricted Group formally designates and documents the hedge relationship to which the Restricted Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Restricted Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.
Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other expense and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

The Company designates only the forward element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

When option contracts are used, the Company uses only intrinsic value of the option as the hedging instrument. Gains or losses relating to the effective portion of the changes in intrinsic value of the option are recognised in the cash flow hedging reserve which equity. The changes in the time value of money that relate to the hedged item are recognised within other comprehensive income in the cost of hedging reserve within equity.For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

p) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net off bank overdrafts as they considered an integral part of the entities forming part of the Restricted Group's cash management.

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q) Measurement of EBITDA

The Restricted Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Restricted Group measure EBITDA on the basis of profit/ (loss) from continuing operations. In their measurement, the companies include interest income but do not include depreciation and amortization expense, finance costs and tax expense.

r) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entities forming part of the Restricted Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

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Renew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

4 Property, plant and equipment

	Freehold Land#	Plant and equipment	Office equipment	Furniture & fixtures	Computers	Total property, plant and equipment	Capital work in progress**
Cost							
At 1 April 2019	**762**	**25,299**	**0**	**2**	**1**	**26,064**	**35**
Additions during the year	27	36	0	-	2	65	7
Adjustment*	(6)	(1)	-	-	-	(7)	-
Capitalised during the year	-	-	-	-	-	-	(36)
At 31 March 2020	**783**	**25,334**	**0**	**2**	**3**	**26,122**	**6**
Additions during the year	2	1,025	0	-	1	1,028	1
Adjustment*	(3)	(2)	-	-	-	(5)	-
At 31 March 2021	**782**	**26,357**	**0**	**2**	**4**	**27,145**	**7**
Accumulated depreciation							
At 1 April 2019	-	**2,055**	**0**	**1**	**0**	**2,056**	-
Charge for the year (refer note 27)	-	1,154	0	-	1	1,155	-
At 31 March 2020	-	**3,209**	**0**	**1**	**1**	**3,211**	-
Charge for the year (refer note 27)	-	963	-	1	-	964	-
At 31 March 2021	-	**4,172**	-	**2**	**1**	**4,175**	-
Net book value							
At 31 March 2020	**783**	**22,125**	**0**	**1**	**2**	**22,911**	**6**
At 31 March 2021	**782**	**22,185**	**0**	**0**	**3**	**22,970**	**7**

The title of land amounting to INR 86 as on 31 March 2021 (31 March 2020 :INR 86) is not yet in the name of respective entities forming part of the Restricted Group. Further, the title of freehold land amounting to INR 49 as on 31 March 2021 (31 March 2020: INR 161) is held by way General Power of Attorney (GPA). The respective entities forming part of Restricted Group are in process of registration of title deeds of these freehold lands.

*** Adjustment pertains to following**
- Adjustment during the year pertains to actualisation of certain provisional capitalisation on full and final settlement with the vendor

****Asset under construction**
Capital work in progress comprises of expenditure with respect to construction of solar power plants.

Mortgage and hypothecation on Property, plant and equipment:
Property, plant and equipment with a carrying amount of INR 22,979 (31 March 2020: INR 22,918) are subject to a pari passu first charge to respective lenders for term loans from banks and financial institutions and buyer's credit as disclosed in Note 16.

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(Amounts in INR millions, unless otherwise stated)

5 Other intangible assets

	Computer software	Customer contracts	Total intangibles	Goodwill
Cost				
At 1 April 2019	-	**505**	**505**	**2**
At 31 March 2020	-	**505**	**505**	**2**
Additions during the year	**0**	-	-	-
At 31 March 2021	**0**	**505**	**505**	**2**
Amortisation				
At 1 April 2019	-	**23**	**23**	-
Amortisation for the year (refer note 27)	-	20	20	-
At 31 March 2020	-	**43**	**43**	-
Amortisation for the year (refer note 27)	0	20	20	-
At 31 March 2021	**0**	**63**	**63**	-
Net book value				
At 31 March 2020	-	**462**	**462**	**2**
At 31 March 2021	**0**	**442**	**442**	**2**

Mortgage and hypothecation on Customer contracts
Customer contracts with a carrying amount of INR 442 (31 March 2020: INR 462) are subject to a pari passu first charge to respective lenders for term loans from banks and financial institutions and buyer's credit as disclosed in Note 16.

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(Amounts in INR millions, unless otherwise stated)

6 Right of use assets

Particulars	Land	Total
Cost		
At 1 April 2019	16	16
Additions during the year	0	0
At 31 March 2020	**16**	**16**
At 31 March 2021	**16**	**16**
Depreciation		
At 1 April 2019		
Charge for the year(refer note 27)	1	1
At 31 March 2020	**1**	**1**
Charge for the year(refer note 27)	1	1
At 31 March 2021	**2**	**2**
Net book value		
At 31 March 2020	**15**	**15**
At 31 March 2021	**14**	**14**

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(Amounts in INR millions, unless otherwise stated)

7 Financial assets	As at 31 March 2021	As at 31 March 2020
Non-current		
Financial assets at amortised cost		
Loans		
Considered good - Secured	-	-
Considered good - Unsecured		
Security deposits	0	0
Loans to related parties (refer note 30)	87	87
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**87**	**87**
Financial assets at fair value through OCI		
Cash flow hedges		
Derivative instruments	-	34
Total	**-**	**34**
Others		
Bank deposits with remaining maturity for more than twelve months (refer note 13)	-	0
Total	**-**	**0**
Current (unsecured, considered good unless stated otherwise)		
Loans		
Considered good - Secured	-	-
Considered good - Unsecured		
Loan to fellow subsidiary - redeemable non cumulative preference shares (refer note 30)	887	887
Security deposits	0	-
Loans to related parties (refer note 30)	11,537	48
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**12,424**	**935**
Others		
Government grants*		
- Generation based incentive receivable	28	29
Recoverable from related parties (refer note 30)	158	158
Interest accrued on fixed deposits	1	50
Interest accrued on loans to related parties (refer note 30)	398	58
Total	**585**	**295**

*Government grant is receivable for generation of renewable energy. There are no unfulfilled conditions or contingencies attached to these grants.

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the entities forming part of the Restricted Group. The carrying value may be affected by changes in the credit risk of the counterparties.

No loans are due from directors or other officers of the entities forming part of Restricted Group either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

8 Deferred tax

(a) Deferred tax assets (net)

		As at 31 March 2021	As at 31 March 2020
Deferred tax assets (gross)			
Provision for decommissioning cost		65	-
Expected credit loss		7	-
Losses available for offsetting against future taxable income		1,797	1,609
Unused tax credit (MAT)		14	14
Provision for operation and maintenance equalisation		27	25
Lease liabilities		0	0
	(a)	**1,910**	**1,648**
Deferred tax liabilities (gross)			
Difference in written down value as per books of account and tax laws		1,744	1,528
Right of use asset		0	0
	(b)	**1,744**	**1,528**
Deferred tax assets (net)	(c)= (a)-(b)	**167**	**120**

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Renew Power Private Limited

Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

Deferred tax liabilities (net)

Deferred tax assets (gross)			
Provision for decommissioning cost		201	-
Expected credit loss		1	-
Loss on mark to market of derivative instruments		-	19
Losses available for offsetting against future taxable income		1,469	1,468
Provision for operation and maintenance equalisation		74	63
	(d)	1,745	1,550
Deferred tax liabilities (gross)			
Compound financial instruments		235	240
Difference in written down value as per books of account and tax laws		1,933	1,713
Unamortized ancillary borrowing cost		1	1
	(e)	2,169	1,954
Deferred tax liabilities (net)	(f) = (e)- (d)	424	404

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before income tax	(783)	(48)
Tax at the India's tax rate of 25.168% (31 March 2020 : 29.94%)	(197)	(14)
Disallowance of interest u/s 94B of the Income tax Act,1961	184	-
On account of adoption of new tax ordinance		
- MAT credit written off	-	134
- Recognition/(Reduction) in DTL/(Recognition)/Reduction in DTA	3	49
Effect of tax holidays and other tax exemptions	0	(1)
Adjustment of tax relating to earlier periods	(8)	4
Absence of reasonable certainty for recoverability of tax losses in certain entities	-	15
Others non-deductible items	(18)	1
At the effective income tax rate	(36)	188
Current tax expense reported in the Statement of Profit and Loss	9	31
Deferred tax expense reported in the Statement of Profit and Loss	(45)	157
	(36)	188

	Balance of DTA/(DTL) (net) on 1 April 2020	Income/(expense) recognised in profit and loss for Mar'21	Income/(expense) recognised in OCI	Balance of DTA/(DTL) (net) on 31 March 2021
Compound financial instruments	(240)	5	-	**(234)**
Gain/(Loss) on mark to market of derivative instruments	19	0	(19)	**0**
Difference in written down value as per books of account and tax laws	(3,241)	(436)	-	**(3,677)**
Unamortized ancillary borrowing cost	(1)	(0)	-	**(1)**
Provision for decommissioning cost	-	266	-	**266**
Expected credit loss	-	8	-	**8**
Losses available for offsetting against future taxable income	3,077	189	-	**3,266**
Unused tax credit (MAT)	14	0	-	**14**
Provision for operation and maintenance equalisation	88	14	-	**102**
Lease liabilities	0	(0)	-	**0**
Right of use asset	(0)	0	-	**(0)**
	(284)	45	(19)	(257)

	Balance of DTA/(DTL) (net) on 1 April 2019	Income/(expense) recognised in profit and loss for Mar'20	Income/(expense) recognised in OCI	Balance of DTA/(DTL) (net) on 31 March 2020
Compound financial instruments	(252)	13	-	**(240)**
Gain/(Loss) on mark to market of derivative instruments	(2)	-	21	**19**
Difference in written down value as per books of account and tax laws	(3,206)	(34)	-	**(3,241)**
Unamortized ancillary borrowing cost	(0)	(1)	-	**(1)**
Preliminary expenses not written off under tax laws	0	(0)	-	**(0)**
Losses available for offsetting against future taxable income	3,123	(46)	-	**3,077**
Unused tax credit (MAT)	145	(131)	-	**14**
Provision for operation and maintenance equalisation	46	42	-	**88**
Lease liabilities	-	0	-	**0**
Right of use asset	-	(0)	-	**(0)**
	(146)	(157)	21	(284)

The entities forming part of Restricted Group has tax losses and unabsorbed depreciation which arose in India of INR 12,977 (31 March 2020: INR 12,094). The unabsorbed depreciation can be carried forward indefinately as per the Income Tax Act.

Out of this, the tax losses that are available for offsetting for eight years against future taxable profits of the companies in which the losses arose are of INR 40 (31 March 2020: INR 41). The unabsorbed depreciation that will be available for offsetting for against future taxable profits of the companies in which the losses arose are of INR 12,936 (31 March 2020: INR 12,052).

The entities forming part of Restricted Group has recognised deferred tax asset of INR 3,266 (31 March 2020: INR 3,076) utilisation of which is dependent on future taxable profits. The future taxable profits are based on projections made by the management considering the power purchase agreement with power procurer.

The expiry period of Minimum alternate tax recoverable as on 31 March 2021 is 11-14 years (31 March 2020: 11-15 years).

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ReNew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

9 Prepayments	As at 31 March 2021	As at 31 March 2020
Non-current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	2	12
Total	**2**	**12**
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	27	19
Total	**27**	**19**

10 Other assets	As at 31 March 2021	As at 31 March 2020
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Capital advance	21	4
Advances recoverable	0	3
Total	**21**	**7**
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable	100	104
Balances with government authorities	0	2
Total	**100**	**106**

11 Inventories	As at 31 March 2021	As at 31 March 2020
Consumables and spares	16	15
Total	**16**	**15**

12 Trade receivables	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good	2,060	1,740
Secured, considered good	-	-
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
	2,060	1,740
Less: Impairment allowance for bad and doubtful debts	31	-
Total	**2,029**	**1,740**

No trade or other receivables are due from directors or other officers of the entities forming part of the Restricted Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 7-60 days.

	Impairment allowance
As at 1st April 2020	-
Provision for expected credit losses for the year	31
As at 31st March 2021	**31**

13 Cash and cash equivalents	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Balance with bank		
- On current accounts	309	167
- Deposits with original maturity of less than 3 months	15	57
Total	**324**	**224**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months #	111	2,007
- Remaining maturity for more than twelve months #	-	0
	111	**2,007**
Less: amount disclosed under financial assets (others) (Note 7)	-	(0)
Total	**111**	**2,007**

Fixed deposits of INR 0 (31 March 2020: INR 558) are under lien with various banks for the purpose of Debt Service Reserve Account (DSRA) and as margin money for the purpose of letter of credit/bank guarantee.

The bank deposits have an original maturity period of 7 to 1826 days and carry an interest rate of 3.50% to 7.30% which is receivable on maturity.

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(Amounts in INR millions, unless otherwise stated)

14 Share capital

The Special Purpose Combined Financial Statement do not represent a legal entity structure. The share capital of Restricted Group is the summation of the share capital of the respective entities forming part of the Restricted Group.

Authorised share capital	**Number of shares**	**Amount**
Equity shares of INR 10 each		
At 1 April 2018	44,105,000	441
Increase during the year	13,440,000	134
At 1 April 2019	57,545,000	575
At 31 March 2020	57,545,000	575
Increase during the year	33,750,000	338
At 31 March 2021	**91,295,000**	**913**
0.0001% compulsory convertible preference shares of INR 10 each		
At 1 April 2019	13,650,000	137
At 31 March 2020	13,650,000	137
At 31 March 2021	**13,650,000**	**137**
0.0001% redeemable non cumulative preference shares of INR 10 each		
At 1 April 2019	11,875,000	119
At 31 March 2020	11,875,000	119
At 31 March 2021	**11,875,000**	**119**

Issued share capital	**Number of shares**	**Amount**
14A Equity shares of INR 10 each issued, subscribed and paid up		
At 1 April 2019	43,873,930	439
Shares issued during the year	3,650	0
At 31 March 2020	43,877,580	439
Shares issued during the year	44,739,504	447
At 31 March 2021	**88,617,084**	**886**

Terms/rights attached to equity shares

The entities forming part of Restricted Group have only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. If declared, the entities forming part of Restricted Group will pay dividends in Indian rupees.
In the event of liquidation of entities forming part of the Restricted Group, the holders of equity shares of entities forming part of Restricted Group will be entitled to receive remaining assets of the respective entity, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders of the respective entity.

14B Shares held by the holding company of entities forming part of Restricted Group

	As at 31 March 2021		**As at 31 March 2020**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
ReNew Solar Power Private Limited*				
Equity shares of INR 10 each	50,000	1	50,000	1
ReNew Power Private Limited*				
Equity shares of INR 10 each	44,689,504	435	43,705,850	437
0.0001% compulsorily convertible preference shares of INR 10 each	11,153,350	112	11,153,350	112
0.0001% redeemable non cumulative preference shares of INR 10 each	114,735,700	1,147	114,735,700	1,147

*for details of relationship with the respective entities of the Restricted Group refer note 30.

14C Details of shareholders holding more than 5% shares in the Restricted Group

	As at 31 March 2021		**As at 31 March 2020**	
	Number	**% Holding**	**Number**	**% Holding**
Equity shares of INR 10 each				
ReNew Power Private Limited*	44,689,504	101.85%	43,705,850	99.62%
0.0001% redeemable non cumulative preference shares of INR 10 each				
ReNew Power Private Limited*	114,735,700	100.00%	114,735,700	100.00%
0.0001% compulsorily convertible preference shares of INR 10 each				
ReNew Power Private Limited*	11,153,350	100.00%	11,153,350	100.00%

As per the records of the entities forming part of the Restricted Group, including its register of shareholders/members the above shareholding represents both legal and beneficial ownerships of shares.
*for details of relationship with the respective entities of the Restricted Group refer note 30.

14D No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet dat

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ReNew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

14E Instruments entirely equity in nature:

0.0001% compulsorily convertible preference shares of INR 10 each

	Number of shares	Amount
At 1 April 2019	11,153,350	112
At 31 March 2020	11,153,350	112
At 31 March 2021	**11,153,350**	**112**

Terms/rights attached to preference shares

0.0001% compulsorily convertible preference shares (face value Rs 10 each) (CCPS)

Renew Wind Energy (AP) Private Limited issued 3,059,600 CCPS in financial year 2014-15 and 8,093,750 CCPS during the FY ended March 31, 2016 of Rs.10 each fully paid-up at a premium of Rs. 90 per share. CCPS carry non cumulative dividend @ 0.001%. Renew Wind Energy (AP) Private Limited declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

CCPS do not carry voting rights and are transferable. CCPS of 8,093,750 and 3,059,600 shall be compulsorily converted into one equity share for each preference share at the price of Rs. 100 per share in August 2035 and January 2034 respectively.

In the event of Liquidation of Renew Wind Energy (AP) Private Limited, the holders of CCPS shall be entitled to receive an amount that equal to the face value of CCPS. The remaining assets and funds of Renew Wind Energy (AP) Private Limited available for distribution to shareholders of Renew Wind Energy (AP) Private Limited shall be distributed among all holders of CCPS and equity shares based on the number of equity shares held by each of them.

15 Other equity

15A Share application money pending allotment

At 1 April 2019	-
Share application money received	1
Equity shares issued during the year	(1)
At 31 March 2020	-
At 31 March 2021	-

15B Equity component of preference shares:

0.0001% redeemable non cumulative preference shares of INR 10 each (including share premium of INR 90 each)	Number of shares	Total proceeds	Liability component (refer note 16)	Equity component**
At 1 April 2019	114,735,700	1,147	177	718
Accretion during the year	-	-	18	-
At 31 March 2020	114,735,700	1,147	195	718
Accretion during the year	-	-	20	-
At 31 March 2021	**114,735,700**	**1,147**	**215**	**718**

(**Adjusted for deferred tax at inception)

Terms/rights attached to preference shares

0.0001% redeemable non cumulative preference shares (RNCPS)

Pugalur Renewable Private Limited issued 63,205,700 0.0001% redeemable non cumulative preference shares (RNCPS) in FY 2018-19, of INR 10 each fully paid-up per share. RNCPS carry non cumulative dividend @ 0.0001%. Pugalur Renewable Private Limited declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors of Pugalur Renewable Private Limited is subject to the approval of the shareholders in the ensuing Annual General Meeting.

RNCPS do not carry voting rights and are fully transferable. The RNCPS shall be redeemed at INR 10 per share on or before 31st March 2038 as may be determined by the Board in one or more tranches.

In the event of Liquidation of Pugalur Renewable Private Limited ,the RNCPS shall be entitled to receive in preference to the equity shareholders of the Pugalur Renewable Private Limited, as per share amount equal to 1.0 times of the face value of each RNCPS plus any declared but unpaid dividends on such RNCPS

0.0001% redeemable non cumulative preference shares (RNCPS)

Bidwal Renewable Private Limited issued 51,530,000 0.0001% redeemable non cumulative preference shares (RNCPS) in FY 2018-19, of INR 10 each fully paid-up per share. RNCPS carry non cumulative dividend @ 0.0001%. Bidwal Renewable Private Limited declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors of Bidwal Renewable Private Limited is subject to the approval of the shareholders in the ensuing Annual General Meeting.

RNCPS do not carry voting rights and are fully transferable. The RNCPS shall be redeemed at INR 10 per share on or before 31st March 2038 as may be determined by the Board in one or more tranches.

In the event of Liquidation of Bidwal Renewable Private Limited ,the RNCPS shall be entitled to receive in preference to the equity shareholders of the Bidwal Renewable Private Limited, as per share amount equal to 1.0 times of the face value of each RNCPS plus any declared but unpaid dividends on such RNCPS

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Renew Power Private Limited *

(Amounts in INR millions, unless otherwise stated)

15C Securities premium

At 1 April 2019	**3,228**
Premium on issue of equity shares during the year	1
At 31 March 2020	**3,229**
Premium on issue of equity shares during the year	**4,026**
At 31 March 2021	**7,255**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

15D Debenture redemption reserve

At 1 April 2019	-
At 31 March 2020	-
Amount transferred from surplus balance in retained earnings	45
At 31 March 2021	**45**

Nature and purpose

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

15E Hedge reserve

At 1 April 2019	**5**
OCI for the year (refer note 33)	8
At 31 March 2020	**13**
OCI for the year (refer note 33)	**(13)**
At 31 March 2021	**0**

Nature and purpose

The Restricted Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the Statement of Profit and Loss when the hedged item affects profit and loss (example: interest payments).

15F Due to insufficient profit during the year, Debenture redemption reserve in respect of un-listed entities has been created only to the extent of available profit. Resultantly, there is an overall shortfall as at 31 March 2021: INR 236 (31 March 2020: INR Nil).

15G Retained earnings

At 1 April 2019	**451**
Profit for the year	(236)
At 31 March 2020	**215**
Profit for the year	(746)
Amount transferred from surplus balance in retained earnings	(45)
At 31 March 2021	**(576)**

Nature and purpose

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

15G Parent's contribution

At 1 April 2019	**52**
At 31 March 2020	**52**
At 31 March 2021	**52**

Nature and purpose

Impact to the carrying amount of subsidiary's assets and liabilities to reflect at the same values as appearing in the Consolidated financial statements of the Parent

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ReNew Power Private Limited ★

(Amounts in INR millions, unless otherwise stated)

16 Long term borrowings	Notes:	Nominal interest rate %	Maturity	Non-current 31 March 2021	Non-current 31 March 2020	Current 31 March 2021	Current 31 March 2020
Non Convertible debentures (secured)	(i)	8.26%	April 2024	23,903	-	-	-
Term loan from bank (secured)	(ii)	9.45% - 12.10%	December 2026 - March 2035	-	5,020	-	298
Term loan from financial institutions (secured)	(iii)	9.92% - 14.45%	September 2031 - October 2036	-	9,551	-	496
Liability component of preference shares (refer note 14E)		0.0001%	March 2038	215	196	-	-
Total long-term borrowings				24,118	14,767	-	794
Amount disclosed under the head 'Other current financial liabilities' (Refer note 22)				-	-	-	(794)
				24,118	14,767	-	-

Notes:

(i) Non convertible debentures (secured)
The debentures are secured by way of first pari passu charge on the Company's immovable properties, movable assets, current assets, cash accruals including but not limited to current assets, receivables, book debts, cash and bank balances, loans and advances etc. present and future.

(ii) Term loan from bank (secured)
Term loan from banks are secured by pari passu first charge by way of mortgage of all the present and future immovable properties, hypothecation of movable assets, book debt, operating cash flows, receivables, commissions, revenue of whatsoever nature, all bank accounts and all intangibles assets, assignment of all rights, title, interests, benefits, claims etc. of project documents and insurance contracts of the entities forming part of the Restricted Group.

(iii) Term loan from financial institutions (secured)
Term loan in Indian rupees from financial institutions are secured by a first pari passu charge by way of mortgage on immovable properties, first pari passu charge by way of hypothecation of tangible moveable assets, first charge on all the current assets, intangible assets and accounts. Further secured by way of assignment of all the rights, title, interest, benefit, claims and demands under all the project agreements, letter of credit, insurance contracts and proceeds, guarantees, performance bond etc. of the respective entity forming part of the Restricted Group.

(iv) All the loans are covered by corporate guarantee of ReNew Power Private Limited.

(v) (ii) Zemira Renewables Private Limited (referred to as "Zemira") had an outstanding term loan balance of INR 3,047 from Piramal Capital & Housing Finance Limited (INR 2,149) and PHL FINVEST Private Limited (INR 898) (collectively referred to as "Piramal") as at 31 March 2020. As per terms of agreement with Piramal, principal instalment of INR 29 and interest of INR 33 was due on 30 June 2020 against which Zemira has availed moratorium from the Piramal till 30 September 2020 through approval letters dated 28 July 2020 under "Reserve Bank of India's COVID 19 - Regulatory Package dated 27 March 2020". On 23 September 2020, Zemira issued 14.45% redeemable non-convertible debentures amounting to INR 3,075 to India Investment Opportunities Fund. On 24 September 2020, the outstanding balance for existing term loan increased to INR 3,178 (with accrual of interest till such date) and the proceeds from non-convertible debentures have been utilised to partially repay the term loan balance to an extent of INR 3,075. On 2 November 2020, the remaining amount of INR 103.37 (including accrual of interest till such date) has been repaid.

(vi) ReNew Solar Power Private Limited has pledged as on 31 March 2021: 36,000 (31 March 2020: 25,500) equity shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

(vii) ReNew Power Private Limited has pledged as on 31 March 2021: 21,268,203 (31 March 2020: 28,431,922) equity shares and as on 31 March 2021: 65,838,365 (31 March 2020:65,838,365) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

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ReNew Power Private Limited *

(Amounts in INR millions, unless otherwise stated)

17 Lease liabilities

	As at 31 March 2021	As at 31 March 2020
Non-current		
Lease liabilities (refer note 31)	4	4
Total	**4**	**4**
Current		
Lease liabilities (refer note 31)	1	1
Total	**1**	**1**

18 Long-Term Provisions

	As at 31 March 2021	As at 31 March 2020
Provision for decommissioning costs	1,054	
Total	**1,054**	-

	Provision for decommissioning costs
As at 1 April 2018	
As at 31 March 2019	-
Arised during the year	1,054
As at 31 March 2020	**1,054**

Decommissioning costs

Provision has been recognised for decommissioning costs associated with premises taken on leases wherein the Group is committed to decommission the site as a result of construction of wind and solar power projects.

19 Other non-current liabilities

	As at 31 March 2021	As at 31 March 2020
Provision for operation and maintenance equalisation	346	321
Total	**346**	**321**

20 Short term borrowings

	As at 31 March 2021	As at 31 March 2020
Working capital term loan (secured)	-	1,229
Loan from related party (unsecured) (refer note 30)	1,520	3,777
Buyer's / Supplier's credit (secured)	-	582
Total	**1,520**	**5,588**

Loan from related party (unsecured)

Unsecured loan from related party is repayable on demand and carries interest at 8.00% per annum.

21 Trade payables

	As at 31 March 2021	As at 31 March 2020
Current		
Outstanding dues to micro enterprises and small enterprises (refer note 39)	0	-
Others	922	730
Total	**922**	**730**

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(Amounts in INR millions, unless otherwise stated)

22 Other current financial liabilities	**As at 31 March 2021**	**As at 31 March 2020**
Financial liabilities at amortised cost		
Current maturities of long term borrowings (Refer note 16)	-	794
Others		
Interest accrued but not due on borrowings	819	878
Interest accrued but not due on debentures	837	-
Capital creditors	722	767
Total	**2,378**	**2,439**

23 Other current liabilities	**As at 31 March 2021**	**As at 31 March 2020**
Provision for operation and maintenance equalisation	63	29
Other payables		
TDS payable	69	18
GST payable	1	-
Total	**133**	**47**

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(Amounts in INR millions, unless otherwise stated)

24 Revenue from contracts with customers	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Sale of power	3,342	3,698
Total	**3,342**	**3,698**

a) The location for all of the revenue from contracts with customers is India.
b) The timing for all of the revenue from contracts with customers is over time.

25 Other income	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Interest income accounted at amortised cost		
- on fixed deposit with banks	83	140
- on loan to related parties (refer note 30)	367	10
- income tax refund	4	5
Government grant		
- generation based incentive	48	55
- sale of emission reduction certificates	-	1
Insurance claim	2	1
Miscellaneous income	10	27
Total	**514**	**239**

26 Other expenses	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
Legal and professional fees	12	7
Corporate social responsibility (refer note 40)	5	4
Travelling and conveyance	3	5
Rent	0	0
Printing and stationery	0	0
Management shared services	87	83
Rates and taxes	16	3
Payment to auditors (refer details below)	6	6
Insurance	35	14
Operation and maintenance	356	315
Repair and maintenance		
- plant and machinery	6	3
- Others	-	0
Guest house expenses	0	0
Security charges	0	2
Communication costs	2	2
Foreign exchange loss (net)	9	9
Provision for doubtful debts	31	-
Miscellaneous expenses	40	11
	608	**464**

Payment to auditors	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
As auditor:		
Audit fee	5	5
In other capacity:		
Certification fees	0	0
Reimbursement of expenses	1	1
	6	**6**

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(Amounts in INR millions, unless otherwise stated)

27 Depreciation and amortisation expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant and equipment (refer note 4)	964	1,155
Amortisation of other intangible assets (refer note 5)	20	20
Depreciation of right of use assets (refer note 6)	1	1
Total	**985**	**1,176**

28 Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on		
- term loans	1,244	1,949
- loan from related party (refer note 30)	253	296
- buyer's/supplier's credit	1	57
- debentures	1,299	-
- liability component of redeemable non-cumulative preference shares	20	18
- others	0	3
Bank charges	22	22
Unamortised ancillary borrowing cost written off*	178	-
Unwinding of discount on provisions	28	-
Total	**3,045**	**2,345**

*Represents transaction cost on long term borrowings charged to statement of profit & loss on account of derecognition due to substantial modification.

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Renew Power Private Limited *

(Amounts in INR millions, unless otherwise stated)

29 Earnings per share (EPS)

The special purpose Combined Financial Statements do not represent legal entity structure and are aggregated for a specific purpose. Accordingly, Earnings Per Share (EPS) on aggregated number of shares has not been disclosed.

30 Related party disclosures

a) Names of related parties and related party relationship

The names of related parties where control exists and/or with whom transactions have taken place during the year and description of relationship as identified by the management are:

I. Holding Company :

Name of entity	Holding Company
ReNew Wind Energy (AP) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (AP 3) Private Limited	ReNew Power Private Limited
Shruti Power Projects Private Limited	ReNew Power Private Limited
Pugalur ReNewable Private Limited	ReNew Power Private Limited
Bidwal ReNewable Private Limited	ReNew Power Private Limited
Zemira ReNewable Energy Limited	ReNew Power Private Limited
ReNew Wind Energy (MP Three) Private Limited	ReNew Solar Power Private Limited*
ReNew Wind Energy (Rajasthan Four) Private Limited	ReNew Solar Power Private Limited*
ReNew Wind Energy (Maharashtra) Private Limited	ReNew Solar Power Private Limited*
Bhumi Prakash Private Limited	ReNew Solar Power Private Limited*
Tarun Kiran Bhoomi Private Limited	ReNew Solar Power Private Limited*

*ReNew Solar Power Private Limited is a 100% subsidiary of ReNew Power Private Limited.

II. Ultimate Holding Company

Renew Power Private Limited

III. Key management personnel (KMPs) :

Mr. Sumant Sinha, Chairman and Managing Director of ReNew Power Private Limited.

IV. Fellow subsidiaries with whom transactions occurred during the year:

ReNew Wind Energy (Budh 3) Private Limited
ReNew Wind Energy (AP Five) Private Limited
ReNew Power Services Private Limited
ReNew Solar Energy (Rajasthan) Private Limited
ReNew Solar Energy Private Limited
ReNew Wind Energy (Varekarwadi) Private Limited
ReNew Wind Energy (Karnataka 3) Private Limited
ReNew Agni Power Private Limited
ReNew Saur Urja Private Limited
ReNew Wind Energy (Karnataka 4) Private Limited
ReNew Wind Energy (MP Four) Private Limited
ReNew Solar Energy (Telangana) Private Limited
ReNew Solar Energy (Karnataka Two) Private Limited
ReNew Clean Energy Private Limited
ReNew Solar Energy (Karnataka) Private Limited
Rajat Renewables Limited
Kanak Renewables Limited
ReNew Wind Energy (Karnataka Five) Private Limited
ReNew Wind Energy (Rajasthan One) Private Limited
ReNew Wind Energy (MP Two) Private Limited
ReNew Wind Energy (Shivpur) Private Limited
ReNew Wind Energy (Karnataka) Private Limited
ReNew Wind Energy (Rajasthan) Private Limited
ReNew Wind Energy (Jath) Limited
Ostro Energy Private Limited
ReNew Wind Energy (Orissa) Private Limited
ReNew Wind Energy (Sipla) Private Limited
Ostro Madhya Wind Private Limited
ReNew Akshay Urja Limited
ReNew Solar Services Private Limited
ReNew Sol Energy (Jharkhand One) Private Limited
KCT Renewable Energy Private Limited
ReNew Solar Energy (TN) Private Limited
ReNew Saur Shakti Private Limited
Ostro Kutch Wind Private Limited
Helios Infratech Private Limited
ReNew Services Private Limited
ReNew Wind Energy (Welturi) Private Limited
ReNew Wind Energy (Rajkot) Private Limited
ReNew Wind Energy (TN 2) Private Limited
Adyah Solar Energy Private Limited
ReNew Clean Tech Private Limited

b) Details of transactions with Holding Company:

Particulars	ReNew Power Private Limited		ReNew Solar Power Private Limited	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Unsecured loan received	1,297	434	3,868	409
Unsecured loan repaid	2,555	1,574	4,866	-

Particulars	ReNew Power Private Limited		ReNew Solar Power Private Limited	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Unsecured loan given	12,419	-	-	-
Unsecured loan received back	1,025	-	-	-
Expenses incurred by holding	27	12	0	2
Expenses incurred on behalf of holding company	0	1	0	-
Sale of consumables	-	0	-	-
Share application money received	-	0	-	-
Reimbursement of expenses	13	9	0	0
Purchase of Services# (management shared service)	45	45	26	22
Issue of equity shares (including security premium)	-	0	-	-
Interest expense on unsecured loan	109	114	176	182
Interest income on unsecured loan	357	-	-	-

ReNew Power Private Limited, the holding Company and ReNew Power Services private Limited, a fellow subsidiary have charged certain common expenses to its subsidiary companies and fellow subsidiaries on the basis of its best estimate of expenses incurred for each of its subsidiary companies and fellow subsidiaries and recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted by the these companies is most appropriate basis for recovering of such common expenses.

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Renew Power Private Limited

Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

c) Details of outstanding balances with Holding Company:

Particulars	ReNew Power Private Limited		ReNew Solar Power Private Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Unsecured loan receivable	11,394	-	-	-
Unsecured loan payable	74	1,332	1,446	2,444
Trade payables	213	172	72	46
Capital creditor	192	212	7	12
Interest income accrued on unsecured loan	326	-	-	-
Interest expense accrued on unsecured loan	228	439	590	418
Allotment of equity shares	-	0	-	-
Liability component of preference shares	-	215	-	-
Recoverable from related parties	-	0	-	-

d) Details of transactions with fellow subsidiaries:

i) Loans taken and repayment thereof and interest expense thereon

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Unsecured loan received	Repayment of unsecured loan	Interest expense on unsecured loan	Unsecured loan received	Unsecured loan repaid	Interest income on unsecured loan
ReNew Wind Energy MP Private Limited	-	-	-	-	-	0
ReNew Wind Energy (Varekarwadi) Private Limited	-	-	-	-	-	25
ReNew Wind Energy (Karnataka) Private Limited	-	-	-	-	-	0
ReNew Solar Energy Private(Jharkhand one) Limited	25	-	2	-	-	-
ReNew Wind Energy (Rajkot) Private Limited	-	-	-	-	-	71
ReNew Wind Energy (AP 3) Private Limited	-	-	-	-	-	0
ReNew Wind Energy (MP Two) Private Limited	-	-	-	-	-	5
Shruti Power Private Limited	-	-	-	-	-	7

i) Loans given and repaid thereof and interest expense thereon

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Unsecured loan given	Repayment of unsecured loan	Interest income on unsecured loan	Unsecured loan received	Unsecured loan repaid	Interest income on unsecured loan
ReNew Clean Energy Private Limited	-	-	0	-	-	0
Rajat Renewables Limited	-	-	-	-	-	0
Kanak Renewables Limited	-	-	7	-	-	7
ReNew Solar Services Private Limited	-	-	4	97	48	3
ReNew Sol Energy (Jharkhand One) Private Limited	95	-	4	-	-	-

ii) Expenses incurred and payment made on behalf and purchase of land

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Expenses incurred by related party	Expenses incurred on behalf of related party	Purchase of land	Expenses incurred by related party	Expenses incurred on behalf of related party	Purchase of land
Helios Infratech Private Limited	-	-	-	-	0	-
KCT Renewable Energy Private Limited	-	-	-	0	-	-
Ostro Energy Private Limited	-	-	-	0	0	-
Ostro Madhya Wind Private Limited	-	-	-	0	0	-
ReNew Akshay Urja Limited	-	-	-	-	-	-
ReNew Saur Urja Private Limited	-	-	-	-	-	-
ReNew Solar Energy (Rajasthan) Private Limited	-	-	-	2	17	-
ReNew Power Services Private Limited	-	0	-	0	0	-
ReNew Solar Energy Private Limited	-	-	-	-	0	-
ReNew Wind Energy (AP Five) Private Limited	-	-	9	-	0	-
ReNew Wind Energy (Budh 3) Private Limited	-	-	-	-	-	-
ReNew Wind Energy (Karnataka) Private Limited	8	-	-	0	-	-
ReNew Wind Energy (MP Four) Private Limited	-	-	-	17	-	-
ReNew Wind Energy (Rajasthan One) Private Limited	-	-	-	0	-	-
ReNew Wind Energy (Sipla) Private Limited	-	-	-	0	0	-
ReNew Wind Energy (Varekarwadi) Private Limited	-	-	-	-	0	-
ReNew Services Private Limited	-	0	-	-	-	-
ReNew Solar Services Private Limited	-	0	-	-	-	-
ReNew Wind Energy (Rajkot) Private Limited	-	0	-	-	-	-

iii) Purchase of management shared services, engineering procurement and construction services, consumables and operation and maintenance services and sale of consumables

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Management shared services	Reimbursement of expenses	Management shared services	Reimbursement of expenses
ReNew Power Services Private Limited	-	-	7	-

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	EPC Purchase	Operation and maintenance	EPC Purchase	Operation and maintenance
ReNew Services Private Limited	-	86	-	-
ReNew Saur Urja Private Limited	-	-	0	-
ReNew Power Services Private Limited	-	22	-	85

ReNew Wind Energy (Budh 3) Private Limited	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Consumables Sales	Consumable Purchases	Consumables Sales	Consumable Purchases
Ostro Kutch Wind Private Limited	-	-	0	-
Ostro Madhya Wind Private Limited	3	0	1	4
ReNew Saur Urja Private Limited	-	0	-	0
ReNew Power Services Private Limited	-	0	0	6
ReNew Saur Shakti Private Limited	1	-	2	-
ReNew Services Private Limited	4	0	0	1
ReNew Wind Energy (Budh 3) Private Limited	0	0	0	0

(Amounts in INR millions, unless otherwise stated)

ReNew Wind Energy (Karnataka 4) Private Limited	0	0	-	0
ReNew Wind Energy (Rajasthan One) Private Limited	0	-	2	0
ReNew Wind Energy (Rajasthan) Private Limited	-	-	0	0
ReNew Solar Energy (TN) Private Limited	-	-	-	0
ReNew Wind Energy (MP Two) Private Limited	-	-	-	0
ReNew Solar Energy (Karnataka Two) Private Limited	-	-	-	0
ReNew Wind Energy (Orissa) Private Limited	0	-	-	0
ReNew Wind Energy (TN 2) Private Limited	-	14	-	-
Adyah Solar Energy Private Limited	-	0	-	-
ReNew Solar Energy Private Limited	-	-	-	-
ReNew Wind Energy (MP Four) Private Limited	-	-	-	-

iv) **Trading purchase**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
ReNew Sol Energy (Jharkhand One) Private Limited	-	0
Ostro Energy Private Limited	-	0

v) **Proceeds from issue of equity shares (including security premium)**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
ReNew Wind Energy (Karnataka Five) Private Limited	-	1

e) **Details of outstanding balances with fellow subsidiaries:**

i) **Loan receivable and interest income receivable**

Particulars	31 March 2021		31 March 2020	
	Loan receivable	Interest receivable	Loan receivable	Interest payable
ReNew Clean Energy Private Limited	5	5	5	4
Rajat Renewables Limited	-	20	-	20
Kanak Renewables Limited	82	27	82	20
ReNew Solar Energy (Karnataka Two) Private Limited	-	11	-	11
ReNew Power Services Private Limited	-	-	887	-
ReNew Solar Services Private Limited	48	6	48	3
ReNew Sol Energy (Jharkhand One) Private Limited	95	4	-	-

ii) **Trade payable, capital creditor and recoverable from related parties**

Particulars	31 March 2021			31 March 2020		
	Trade payable	Capital creditor*	Recoverable from related parties	Trade payable	Capital creditor	Recoverable from related parties
Helios Infratech Private Limited	-	-	0	-	-	0
KCT Renewable Energy Private Limited	0	-	-	0	-	-
Ostro Energy Private Limited	7	-	0	7	-	0
Ostro Kutch Wind Private Limited	-	-	0	-	-	0
Ostro Madhya Wind Private Limited	0	-	-	3	-	1
ReNew Akshay Urja Limited	0	-	-	0	-	-
ReNew Clean Energy Private Limited	-	-	0	-	-	0
ReNew Saur Urja Private Limited	0	0	0	0	0	1
ReNew Solar Energy (Rajasthan) Private Limited	-	13	-	2	28	-
ReNew Solar Energy (Telangana) Private Limited	0	-	-	0	-	-
ReNew Agni Power Private Limited	-	-	0	-	-	0
ReNew Power Services Private Limited	32	109	4	63	115	0
ReNew Saur Shakti Private Limited	-	-	3	-	-	3
ReNew Services Private Limited	61	-	-	0	-	-
ReNew Sol Energy (Jharkhand One) Private Limited	0	-	-	0	-	-
ReNew Solar Energy (Karnataka Two) Private Limited	0	-	-	0	-	-

Particulars	31 March 2021			31 March 2020		
	Trade payable	Capital creditor	Recoverable from related parties	Trade payable	Capital creditor	Recoverable from related parties
ReNew Solar Energy (Karnataka) Private Limited	0	-	-	0	-	-
ReNew Solar Energy (TN) Private Limited	0	-	-	0	-	-
ReNew Solar Energy Private Limited	0	26	73	0	26	74
ReNew Wind Energy (AP Five) Private Limited	0	28	6	0	20	7
ReNew Wind Energy (Budh 3) Private Limited	1	-	0	1	-	0
ReNew Wind Energy (Jath) Limited	1	-	-	1	-	-
ReNew Wind Energy (Karnataka 3) Private Limited	-	-	0	-	-	0
ReNew Wind Energy (Karnataka 4) Private Limited	0	-	69	0	-	70
ReNew Wind Energy (Karnataka) Private Limited	344	-	-	337	-	-
ReNew Wind Energy (MP Four) Private Limited	0	-	-	-	-	-
ReNew Wind Energy (MP Two) Private Limited	0	-	-	0	-	-
ReNew Wind Energy (Orissa) Private Limited	0	-	-	0	-	-
ReNew Wind Energy (Rajasthan One) Private Limited	0	-	1	0	-	2
ReNew Wind Energy (Rajasthan) Private Limited	-	-	0	-	-	0
ReNew Wind Energy (Shivpur) Private Limited	0	-	-	0	-	-
ReNew Wind Energy (Sipla) Private Limited	0	-	0	0	-	0
ReNew Wind Energy (Varekarwadi) Private Limited	-	-	0	-	-	0
Adyah Solar Energy Private Limited	0	-	-	-	-	-
ReNew Wind Energy (TN 2) Private Limited	14	-	-	-	-	-
ReNew Solar Services Private Limited	-	-	0	-	-	-
ReNew Wind Energy (Rajkot) Private Limited	-	-	0	-	-	-

iii) **Capital advance**

Particulars	31 March 2021	31 March 2020
ReNew Wind Energy (Orissa) Private Limited	-	5
ReNew Solar Energy Private Limited	5	-

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f) Compensation of key management personnel
Remuneration to the key managerial personnel is paid by The Holding Company of the companies in the group and is allocated between the subsidiary companies as management shared services and is not separately identifiable.

g) The facility is covered by corporate guarantee of ReNew Power Private Limited, the holding company. The guarantee shall remain valid and in force till all security is created and perfected to the satisfaction of lenders.

h) ReNew Solar Power Private Limited has pledged as on 31 March 2021: 36,000 (31 March 2020: 25,500) equity shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

i) ReNew Power Private Limited has pledged as on 31 March 2021: 21,268,203 (31 March 2020: 28,431,922) equity shares and as on 31 March 2021: 65,838,365 (31 March 2020:65,838,365) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

j) During the current year, the companies forming part of the Restricted Group has raised funds through issuance of non convertible debentures (the "Issue"). These bonds have been issued based on the collective net worth of all the eleven entities forming part of the Restricted Group and further all these entities have jointly and severally guaranteed the Issue. Certain companies forming part of the Restricted Group had common directors at the time of the Issue. The management, based on legal opinion, considers that this guarantee on behalf of other fellow subsidiaries is in the 'ordinary course of business' and is in compliance with the requirements of section 185 of the Companies Act, 2013.

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(Amounts in INR thousands, unless otherwise stated)

31 Leases

The Restricted Group has entered into leases for its offices and leasehold lands. These leases generally have lease terms of 5 to 30 years.
The Restricted Group also has certain leases of regional offices and office equipment with lease terms of 12 months or less and lease of office equipments with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 10.40%.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	5	5
Accretion of interest	1	0
Payments	-	(0)
Balance as on 31 March 2021	**6**	**5**

a) There are no restrictions or covenants imposed by leases.
b) Refer note 26 for rental expense recorded for short-term leases and low value leases for the year ended 31 March 2021.
c) There are no amounts payable toward variable lease expense recognised for the year ended 31 March 2021
d) The maturity analysis of lease liabilities are disclosed in note 37.
e) There are no leases which have not yet commenced to which the lessee is committed (if any).

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(Amounts in INR millions, unless otherwise stated)

32 Segment information

The managing director of ReNew Power Private Limited takes decisions in respect of allocation of resources and assesses the performance basis the reports/ information provided by functional heads and is thus considered to be the Chief Operating Decision Maker (CODM).

The Restrcited Group discloses segment information in a manner consistent with internal reporting to group's Managing Director. The entities forming part of the Restricted Group have segments based on type of business operations. The reportable segments of Restricted Group under Ind AS are Wind Power and Solar Power which predominantly relate to generation and sale of electricity and construction activities. The entities forming part of the Restricted Group does not operate in more than one geographical segment. The Restricted Group discloses in the segment information operating profit, comparable operating profit and comparable EBITDA.

No operating segment has been aggregated to form the above reportable operating segments. Further, total assets and liabilities balances for each reportable segment are not reviewed by or provided to CODM.

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Wind Power	Solar Power	Total	Wind Power	Solar Power	Total
Sale of power and sale of renewable energy certificates	2,507	835	3,342	2,856	842	3,698
Revenues from operations	**2,507**	**835**	**3,342**	**2,856**	**842**	**3,698**
Less: Inter-segment	-	-	-	-	-	-
Revenues from external customers	**2,507**	**835**	**3,342**	**2,856**	**842**	**3,698**
Interest income	364	91	455	112	43	155
Other income (other than interest income)	50	9	59	79	5	84
Total income	**2,921**	**935**	**3,856**	**3,047**	**890**	**3,937**
Less: Other expenses	417	191	608	326	138	464
Earning before interest, tax, depreciation and amortization (EBITDA)	**2,502**	**744**	**3,246**	**2,721**	**752**	**3,473**
Less: Depreciation			985			1,176
Less: Finance cost			3,045			2,345
Loss after tax			**(783)**			**(48)**

The Revenues from three major customers amounts to INR 1,410 (31 March 2020: Three major customers : INR 2,233) each of which contributes more than 10% of the total revenue of the Group.

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(Amounts in INR millions, unless otherwise stated)

33 Hedging activities and derivatives

Derivatives designated as hedging instruments

The entities forming part of the Restricted Group use certain types of derivative financial instruments (viz. foreign currency forwards, cross-currency interest rate swap) to manage/mitigate their exposure to foreign exchange and interest risk. Further, the entities forming part of the Restricted Group designates such derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation and interest risk attributable to either a recognised item or a highly probable forecast transaction ('cash flow hedge'). The effective portion of changes in the fair value of derivative financial instruments (or its components) that are designated and qualify as cash flow hedges, are recognised in the other comprehensive income and held in cash flow hedge reserve - a component of equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the Statement of Profit and Loss within other expenses/ other income. The amounts accumulated in equity for highly probable forecast transaction are added to carrying value of non financial asset or non financial liability as basis adjustment, other amounts accumulated in equity are re-classified to the Statement of Profit and Loss in the year when the hedged item affects profit / (loss).

At any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the Statement of Profit and Loss within other expenses / other income.

Cash flow hedges

Hedge has been taken against exposure to foreign currency risk and variable interest outflow on external commercial borrowings and buyer's credit. Terms of the swaps and their respective impact on OCI and Statement of Profit and Loss is as below:-

The cash flow hedges through forward is USD NIL (31 March 2020 : 7,729,200) and CCS is USD NIL (31 March 2020 : Nil) outstanding at the year ended 31 March 2021 were assessed to be highly effective and cumulative impact of mark to market gain and restatement of hedged item is Nil (31 March 2020: INR 6) with a deferred tax asset of INR Nil (31 March 2020: Deferred Tax Liability of INR Nil), is included in OCI.

Foreign currency and Interest rate risk

Forward contracts and swaps measured at fair value through OCI are designated as hedging instruments in cash flow hedges of interest and principal payments in USD.

	31 March 2021		31 March 2020	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Forward contracts designated as hedging instruments	-	-	40	-

Hedging reserve movement (A)	**As at 31 March 2021**	**As at 31 March 2020**
Balance at the beginning of the year	**13**	**5**
Gain/(loss) recognised on cash flow hedges	(2)	(23)
Gain/(loss) reclassified to profit and loss as hedged future cash flows are no longer expected to occur	9	9
Income tax relating on cash flow hedges	(19)	21
Balance at the end of the year	-	**13**
Cost of Hedge (B)		
Balance at the beginning of the year	-	-
Closing balance	-	-
Total Hedge reserve movement (A+B)		
Opening balance	**13**	**5**
OCI for the year	**(13)**	**8**
Closing balance	-	**13**

34 Commitments, liabilities and contingencies
(to the extent not provided for)

(i) Contingent liabilities

Description	**As at 31 March 2021**	**As at 31 March 2020**
Income tax disallowances / demands under litigation #	2	-

#The Company is contesting demands of direct and indirect taxes and the management, including its tax advisors, believe that its positions will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the demands raised

(ii) Commitments
Estimated amount of contracts remaining to be executed on capital account and not provided for
There are no capital commitments outstanding as on 31 March 2021 (31 March 2020: INR Nil).

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35 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the entities forming part of the Restricted Group:

	31 March 2021		31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Loans-non current	87	87	87	87
Trade receivables	2,029	2,029	1,740	1,740
Cash and cash equivalent	324	324	224	224
Bank balances other than cash and cash equivalent	111	111	2,007	2,007
Loans-current	12,424	12,424	887	887
Other current financial assets	585	585	295	295
Measured at FVOCI				
Derivative instruments	-	-	34	34
Financial liabilities				
Measured at amortised cost				
Non Convertible debentures (secured)	23,903	25,382	-	-
Term loan in Indian rupees from bank	-	-	5,020	-
Term loan in Indian rupees from financial institutions	-	-	9,551	9,551
Liability component of preference shares	215	215	196	196
Short-term borrowings	1,520	1,520	5,588	5,588
Trade payables	922	922	730	730
Other current financial liabilities	2,378	2,378	2,439	2,439

The management of the entities forming part of the Restricted Group assessed that cash and cash equivalents, bank balances other than cash and cash equivalent, loans-current, trade receivables, interest accrued on unsecured loan, trade payables, other current financial liabilities and other current financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

i The fair values of the entities forming part of the Restricted Group's Non convertable debentures including current maturities are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk. The own non-performance risk as at 31 March 2020 was assessed to be insignificant.

ii The fair values of the security deposits given are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the lending rate as at the end of the reporting period. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

36 Fair value hierarchy

The entities forming part of the Restricted Group categorize assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:
i) Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
ii) Level 2 - Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
iii) Level 3 - Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy of the assets and liabilities of the entities forming part of the Restricted Group :-

Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at year end:

	Level of fair value measurement	31 March 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets measured at FVOCI					
Derivative instruments	Level 2	-	-	34	34
		-	-	**34**	**34**
Financial assets measured at amortised cost					
Financial assets (Non current)					
Loans to related parties	Level 3	87	87	87	87
Security deposits	Level 3	0	0	0	0
Total		**87**	**87**	**87**	**87**
Financial assets (Non current): Others					
Bank deposits with remaining maturity for more than twelve months	Level 3	-	-	0	0
Total		-	-	**0**	**0**

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Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2021
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Financial liabilities measured at amortised cost					
Term loan from banks	Level 3	-	-	5,020	5,020
Term loan from financial institution	Level 3	-	-	9,551	9,551
Non Convertible debentures (secured)	Level 3	23,903	25,382	-	-
Liability component of preference shares (secured)	Level 3	215	215	196	196
Total		**24,118**	**25,597**	**14,768**	**14,768**

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial assets measured at amortised cost			
Security deposits	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Bank deposits with remaining maturity for more than twelve months	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Interest accrued on loans to related parties	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Financial liabilities measured at amortised cost			
Term loan from financial institution	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Term loan from banks	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Non Convertible debentures (secured)	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Liability component of preference shares (secured)	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Financial liabilities measured at fair value through other comprehensive income			
Derivative instruments	Level 2	Market value techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows

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(Amounts in INR millions, unless otherwise stated)

37 Financial risk management objectives and policies

The Restricted Group's principal financial liabilities comprise loans and borrowings, trade payables and other financial liabilities.
The main purpose of these financial liabilities is to finance the Restricted Group's operations and to support its operations. The Restricted Group's financial assets include loans, trade and other receivables, and cash and cash equivalents and other financial assets.

The Restricted Group is exposed to market risk, credit risk and liquidity risk. The Restricted Group's senior management oversees the management of these risks. The Restricted Group's senior management is supported by a various sub committees that advises on financial risks and the appropriate financial risk governance framework for the Restricted Group. These committees provides assurance to the Restricted Group's senior management that the Restricted Group's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Restricted Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below.

Market risk

Market risk is the risk that the Restricted Group's assets and liabilities will be exposed to due to a change in market prices that determine the valuation of these financial instruments. Market risk comprises 3 types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.
The sensitivity analyses in the following sections relate to the position as at 31 March 2020. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place as at 31 March 2020.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Restricted Group is exposed to interest rate risk primarily from the external borrowings that are used to finance their operations. In case of external commercial borrowings ("ECB") and buyers credit the Restricted Group believes that the exposure of the Restricted Group to changes in market interest rates is insignificant as the respective companies manage the risk by hedging the changes in the market interest rates through cross currency interest rate swaps. The Restricted Group also monitors the changes in interest rates and actively re-finances its debt obligations to achieve an optimal interest rate exposure.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities, i.e. borrowings in INR and USD. With all other variables held constant, the entities forming part of the Restricted Group's profit before tax is affected through the impact on financial assets, as follows:

	31 March 2021		31 March 2020	
	Increase/decrease in basis points	**Effect on profit before tax**	**Increase/decrease in basis points**	**Effect on profit before tax**
INR	+/(-)50	(-)/+ 49	+/(-)50	(-)/+ 84

Foreign currency risk

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Restricted Group is exposed to foreign currency risk arising from imports of goods in US dollars and external commercial borrowings. The Restricted Group hedges its exposure to fluctuations on the translation into INR of its buyer's/supplier's credit and ECB by using foreign currency swaps and forward contracts. The entities forming part of the Restricted Group have followed a conservative approach for hedging the foreign currency risk so as to not use complex forex derivatives. The Restricted Group also monitors that the hedges do not exceed the underlying foreign currency exposure. The Restricted Group does not undertake any speculative transaction.

Foreign currency sensitivity

The Restricted Group has hedged its exposure to fluctuations on its buyer's/supplier's credit and ECB through forward contracts and cross currency swaps and thus foreign currency sensitivity has not been disclosed.

Credit risk

Credit risk is the risk that the power procurer will not meet their obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from their operating activities (primarily trade receivables) and from its financing activities but this credit risk exposure is insignificant given the fact that substantially whole of the revenues are from state utilities/government entities.

Further the entities forming part of the Restricted Group sought to reduce counterparty credit risk under our long-term contracts in part by entering into power sales contracts with utilities or other customers of strong credit quality and we monitor their credit quality on an on going basis.
The maximum credit exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying amount of all the financial assets.

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Trade receivables

Customer credit risk is managed basis established policies of the entities forming part of the Restricted Group, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The entities forming part of the Restricted Group do not hold collateral as security. The Restricted Group has majorly state utilities/government entities as its customers with high credit worthiness and therefore the Company does not see any significant risk related to credit.

The trade receivable balances of the Restricted Group are evenly spread over customers.

The credit quality of the customers is evaluated based on their credit ratings and other publicly available data.

The entities forming part of the Restricted Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and impairment analysis is performed at each reporting date to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the entities forming part of the Restricted Group trade receivables using a provision matrix:

As at 31 March 2021

	Trade receivables (days past due)				
	0 - 6 months	**6 -12 months**	**12 -18 months**	**> 18 months**	**Total**
Gross carrying amount	1,201	423	53	386	2,063
Expected credit loss	11	12	3	5	31

As at 31 March 2020

	Trade receivables (days past due)				
	0 - 6 months	**6 -12 months**	**12 -18 months**	**> 18 months**	**Total**
Gross carrying amount	1,060	531	143	6	1,740
Expected credit loss	-	-	-	-	-

Financial instruments and credit risk

Credit risk from balances with banks is managed by group's treasury department. Investments, in the form of fixed deposits, of surplus funds are made only with banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis by the respective entity forming part of the Restricted Group, and may be updated throughout the year subject to approval of group's finance committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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(Amounts in INR millions, unless otherwise stated)

Liquidity risk

Liquidity risk is the risk that the entities forming part of the Restricted Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the entities forming part of the Restricted Group to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The entities forming part of the Restricted Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The entities forming part of the Restricted Group have access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The entities forming part of the Restricted Group rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind power plants and related assets. Our non-recourse financing is designed to limit cross default risk to the Parent Company or other subsidiaries and affiliates. Our non-recourse long-term debt is a combination of fixed and variable interest rate instruments. External commercial borrowings which are at variable rate is fixed through the use of cross currency interest rate swaps. In addition, the debt is typically denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk. In certain cases, the currency is matched through the use of derivative instruments. The majority of non-recourse debt is funded by banks and financial institutions, with debt capacity supplemented by unsecured loan from related party.

The table below summarizes the maturity profile of financial liabilities of Restricted Group based on contractual undiscounted payments:

Year ended 31 March 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings						
Non Convertible debentures*	-	-	-	30,696	-	30,696
Liability component of preference shares	-	-	-	-	1,147	1,147
Short term borrowings						
Loan from related party	1,520	-	-	-	-	1,520
Lease liability	-	-	1	3	4	8
Other financial liabilities						
Current maturities of long term borrowings*	-	504	1,518	-	-	2,022
Interest accrued but not due on borrowings	819	-	-	-	-	819
Interest accrued but not due on debentures	-	837	-	-	-	837
Capital creditors	375	347	-	-	-	722
Trades payable	746	176	-	-	-	923

* Including future interest payments.

The entities forming part of the Restricted Group expect liabilities with current maturities to be repaid from net cash provided by operating activities of the entity to which the debt relates or through opportunistic refinancing activity or some combination thereof.

Year ended 31 March 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings						
Term loan from banks*	-	-	-	3,305	5,705	9,010
Term loan from financial institutions*	-	-	-	6,169	12,425	18,594
Liability component of preference shares	-	-	-	-	1,147	1,147
Short term borrowings						
Loans from related party	3,777	-	-	-	-	3,777
Working capital term loan (secured)		-	1,229	-	-	1,229
Buyer's / Supplier's credit (secured)	-	582	-	-	-	582
Lease liability	-	-	1	3	4	8
Other financial liabilities						
Current maturities of long term borrowings*	-	646	1,903	-	-	2,549
Interest accrued but not due on borrowings	857	21	-	-	-	878
Capital creditors	413	0	-	-	-	413
Trade payable	632	98	-	-	-	730

* Including future interest payments.

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(Amounts in INR millions, unless otherwise stated)

38 Capital management

For the purpose of the capital management by the respective entities forming part of the Restricted Group, capital includes issued equity capital, compulsory convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the respective entities forming part of the Restricted Group. The primary objective of the respective entities forming part of the Restricted Group's capital management is to maximise the shareholder value.

The entities forming part of the Restricted Group manage their capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, respective entities forming part of the Restricted Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The respective entities forming part of the Restricted Group monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The respective entities forming part of the Restricted Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

The policy of the respective entities forming part of the Restricted Group is to keep the gearing ratio to 3:1 during the construction phase and aim to enhance it to 4:1 post the construction phase. This is in line with industry rate. In the construction phase the entities forming part of Restricted Group manages the ratio at 3:1 through internal funding.

In order to achieve this overall objective, the capital management by the respective entities forming part of the Restricted Group, amongst other things, aims to ensure that they meet financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2021.

39 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006.

Particulars	As at 31 March 2021	As at 31 March 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year/period	0	1
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year/period	0	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year/period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year/period; and	0	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

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40 Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities as follows :-

1) Sanitation and making available safe drinking water- Construction of toilets, Bore-well, well, Tube-well etc.
2) Empowering women through SHGs (self-help group) and creating income generation activities for the women like stitching and tailoring, goatery, backyard poultry etc.)
3) Ensuring environmental sustainability- animal welfare Plantation, environment awareness,
4) Animal Welfare-Animal health camp, Para –vet training
5) Education awareness, Remedial classes for weak students etc.
6) Health and Hygiene- Health camps in the community, cleanliness drive to create awareness.
7) Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund

A CSR committee has been formed by the respective entity forming part of the Restricted Group as per the Act. The funds were utilised on above mentioned activities which are specified in Schedule VII of the Companies Act, 2013.

(a) Gross amount required to be spent by the entities forming part of the Restricted Group during the year is INR 10 (31 March 2020: INR 6).
(b) Amount spent during the year on:

List of CSR activities	In Cash	Yet to be paid	Total
Current year			
Construction / acquisition of any asset	Nil	Nil	Nil
Other activities	4	5	9
Total	**4**	**5**	**9**
Previous year*			
Construction / acquisition of any asset	Nil	Nil	Nil
Other activities	0	4	4
Total	**0**	**4**	**4**

* The amount yet to be paid in previous year has been subsequently paid in current year.

(c) Details related to spent / unspent obligations:

Particulars	31-Mar-21	31-Mar-20
i) Contribution to Prime Minister Care Fund*	5	-
ii) Contribution to other than ongoing projects	2	-
iii) Unspent amount	2	-
Total	9	-

* The entities forming part of the Restricted Group has collaborated with its holding company to undertaking the contribution to PM CARES Fund in a manner as contemplated under CSR Agreement. The holding company has paid contribution on behalf of its Subsidiary on May 13, 2020 and duly received the acknowledgement for the same. However, the amount is outstanding as payable to holding company as on 31 March 2021 in the books of the entities forming part of the Restricted Group. The entities forming part of the Restricted Group basis the legal opinion believed that they have complied with CSR rules of Companies Act 2013.

(d) Disclosure for excess amount spent during the year as required by Section135(5) of Companies Act:

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	10	9	(1)

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(Amounts in INR millions, unless otherwise stated)

41 Significant accounting judgments, estimates and assumptions

The preparation of special purpose combined financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the accounting policies management has made certain judgements, estimates and assumptions. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The entities forming part of the Restricted Group based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the entities forming part of the Restricted Group. Such changes are reflected in the assumptions when they occur.

A) Accounting judgements:

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The entities forming part of the Restricted Group makes various assumptions and estimates while computing deferred taxes which include production related data (PLFs), projected operations and maintenance costs, projected finance costs, proposed availment of deduction under section 80IA of the Income Tax Act, 1961 and the period over which such deduction shall be availed, accelerated depreciation, other applicable allowances, usage of brought forward losses etc. While these assumptions are based on best available facts in the knowledge of management as on the balance sheet date however, they are subject to change year on year depending on the actual tax laws and other variables in the respective year. Given that the actual assumptions which would be used to file the return of income shall depend upon the tax laws prevailing in respective year, management shall continue to reassess these assumptions while calculating the deferred taxes on each balance sheet date and the impact due to such change, if any, is considered in the respective year.

Useful life of depreciable assets

The useful lives and residual values of entities forming part of the Restricted Group's assets are determined by management at the time asset is acquired and are reviewed periodically, including at each financial year end. The useful lives and residual values are based on an technical assessments, historical experience with similar assets as well as anticipation of future events, which may impact their life. These judgements best represents the period over which management expects to use its assets and its residual value.

Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

Basis legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting for depreciation expenses is not mandatory. Hence, Company is depreciating the assets bases on life as determined by an expert.

During the period, as a part of its annual exercise of review of estimates, the Company conducted an operational efficiency review of its wind plants. The Company engaged with an expert for the review of useful life, salvage value and estimate for decommissioning liability. Basis the study, the expected useful life of wind power plants has been revised from 18 - 25 years to 30 years for wind power plant with a residual value of 5% at the end of useful life. Further, though there are no contractual obligation, the company has considered a constructive obligation, being a green energy company with its commitment towards environment, and provided for decommissioning costs expected to be incurred at the end of respective useful life of plants. These changes have been considered as change in estimate as per Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) and have been accounted for prospectively with effect from 1st October 2020. The impact of above changes in income statement current and future periods is as follows:

Particulars	For the year ended 31st March 2021	For the year ended		
		31st March 2022	31st March 2023	31st March 2024
Impact on Statement of Profit and Loss				
Decrease in depreciation expense	(193)	(387)	(387)	(387)
Increase in finance costs	28	64	68	72
Increase in deferred tax expense	42	81	80	79
Impact on Balance Sheet				
Increase in property, plant and equipment	1,219	1,606	1,994	2,381
Increase in liability for decommissioning costs	1,054	1,118	1,185	1,258
Increase in deferred tax liability	42	123	203	283

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B) Estimates and assumptions:

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 34 and 35 for further disclosures.

Provision for decommissioning
Upon the expiration of the life of the wind and solar power plants, the Group considers a constructive obligation to remove the wind and solar power plant and restore the land. The Group records the fair value of the liability for the obligation to retire the asset in the period in which the obligation is incurred, which is generally when the asset is constructed. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to decommission the power projects from the site and the expected timing of those costs. Refer note 18 for further disclosures.

Provision for expected credit losses of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 12.

Related party transactions
ReNew Power Private Limited along with all its subsidiaries collectively referred as "the Group" have entered into inter-company transactions as explained below :

Management shared services
Employee benefit costs and other common expenses are incurred by the Ultimate Holding Company and Holding Company. These expenses are allocated to all the entities of the Group in the form of 'Management Shared Services'. Allocation of cost to the entities involves various estimates including retention, allocation of cost for projects under construction vis-a-vis operating projects, profit mark-up which are assessed through an external expert.

Inter-group unsecured loan
The Group uses unsecured loans to fund requirements of various entities. These loans carry interest rate of 8% (approximates 3-year government bond yield).

Financial instrument
The Group makes inter-group investments in the form of RNCPS. These investment carries interest at a nominal rate and are accounted for as compound financial instruments under Ind AS 32. The rate used for discounting the future cash flows approximate the average market interest rate of borrowings availed by Group.

42 There are no employees on the rolls of the entities forming part of the Restricted Group and therefore there are no employee benefit expenses accrued in the audited Special Purpose Combined Financial Statements. ReNew Power Private Limited and ReNew Power Services Private Limited have charged certain common expenses to its subsidiary companies and fellow subsidiaries respectively on the basis of its best estimate of expenses incurred. ReNew Power Private Limited and ReNew Power Services Private Limited have recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted by the these companies is most appropriate basis for recovering of such common expenses.

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43 During the year ended 31 March 2019, distribution companies of the state of Karnataka issued demand notices to captive users of the Company and to the Company, alleging that captive users had not consumed energy in proportion to their respective shareholding in the Company, thereby failing to maintain their Captive Status in accordance with Rule 3 of the Electricity Rules, 2005, and consequently, were liable to pay cross subsidy surcharge and differential between rate of electricity tax applicable on the energy consumed in the entire year. The Company had deposited a sum of INR 31 (31 March 2020: INR 31) under protest against the demand raised by distribution companies amounting INR 147 (31 March 2020: INR 147) in relation to the demand notices up to financial year ended 31 March 2018. Thereafter, the Company had filed petitions before the Karnataka Electricity Regulatory Commission (the "KERC") contesting these demands. KERC had granted interim relief and stayed the demand notice and disconnection by the distribution companies till final adjudication of the petitions. The amount paid under protest has been accounted for as recoverable and disclosed under head "Other current assets" in the financial statements.

Apart from above, a sum of INR 117 has been demanded by distribution companies from some of the captive users of the Company towards energy supplied in financial year/period ended 31 March 2019, 31 March 2020 and 31 March 2021, alleging that the captive user had not consumed energy in proportion to its respective shareholding in the Company. The Company has filed a writ petition in July, 2019 and August 2020 before the High Court of Karnataka challenging such demands and seeking their quashing. The High Court, vide Orders dated 18 July 2019, 18 December 2019, 18 September 2020 and 06 October 2020, has directed that no precipitative action shall be taken on these demand notices till final adjudication of the petitions.

The Company, based on legal advice obtained, believes that there are merits in its position and that the demand raised by distribution companies would be rescinded by relevant legal authorities and hence no adjustment has been made in the financial statements in this regard.

44 Zemira Renewable Energy Private Limited has entered into long-term Power Purchase Agreement ("PPA") having a capacity of 50.40 MW (wind energy projects) with Southern Power Distribution Company of Andhra Pradesh Limited i.e. the distribution company of Andhra Pradesh ("APDISCOM"). The PPA have a fixed rate per unit of electricity for the 25-year term. With regard to aforementioned PPA, certain litigations as described below are currently underway:

a. In terms of the Generation Based Incentive ("GBI") scheme of the Ministry of Renewable Energy ("MNRE"), the Company accrue income based on units of power supplied under the aforementioned PPA. Andhra Pradesh Electricity Regulatory Commission ("APERC") vide its order in July 2018 allowed APDISCOMS to interpret the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Tariff Determination for Wind Power Projects) Regulations, 2015 ("Regulations") in a manner to treat GBI as a pass through in the tariff.

The Company filed writ petition before the Andhra Pradesh High Court ("AP High Court") challenging the vires of the regulation and the order by APERC and were granted an interim stay order in August 2018. As at 31 March 2021, the cumulative amount recoverable from the APDISCOM pertaining to period from February 2017 till July 2018, included in trade receivables amounts to INR NIL. The Company has filed an interim application in AP High Court seeking payment of amount wrongfully deducted by the APDISCOM.

The management basis legal opinion obtained by it, believes that the GBI benefit is over and above the applicable tariffs and the APERC does not have jurisdiction to interfere with the intent of GBI scheme and therefore the outstanding amount is recoverable and hence no adjustment has been made in the financial statements in this regard.

b. The Government of Andhra Pradesh (the "GoAP") issued an order (the "GO") dated 1 July 2019 constituting a High-Level Negotiation Committee (the "HLNC") for review and negotiation of tariff for wind and solar energy projects in the state of Andhra Pradesh. Pursuant to the GO, APDISCOM issued letters dated 11 July 2019 and 12 July 2019 to the Company, requesting for revision of tariffs entered into in PPA. The Company filed a writ petition on 23 July 2019 before the AP High Court challenging the GO and the said letters issued by APDISCOM for renegotiation of tariffs. The AP High Court issued its order dated 24 September 2019 enumerating the following:

i. Writ petition is allowed, and both GO and the subsequent letters are set aside.
ii. Further, APDISCOM were instructed to honour pending and future bills and pay the same at the interim rate of Rs. 2.43 per unit till determination of O.P. No. 17 of 2018 pending before APERC
iii. Andhra Pradesh Electricity Regulatory Commission (the "APERC") to dispose off the case within a time frame of six months.

The Company has filed a Writ Appeal before the division bench of the AP High Court challenging the jurisdiction of APERC in entertaining O.P. No. 17 of 2018. Parallelly, the Company has filed another Writ Appeal before the division bench of the AP High Court challenging AP High Court's direction to the APDISCOM to pay tariff at interim rate till determination of OP No. 17 of 2018 by APERC.

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Thereafter, certain power generating companies other than ReNew Group have filed petitions under Article 139 of the Constitution of India before the Supreme Court seeking transfer of the proceedings pending before the Division Bench of the High Court, and for adjudication of the same by the Supreme Court.

APDISCOM has also filed a Special Leave Petition (the "SLP") in Supreme Court in October 2020 against the Judgment and order dated 19 December 2019 in I.A. No. 9 of 2019 in W.P. No. 9876 of 2019 of another power generating company in the industry, which modified the Order dated 24 September 2019, passed by Single Judge of AP High Court and directed APDISCOM to make payments at the rate mentioned in PPA. The Company through its Holding Company, ReNew Power Private Limited, has filed an impleadment application in the SLP apprehending that any order or observation of the Supreme Court may have an adverse impact on the Order dated 24 September 2019 and W.A. No. 6 of 2020 and batch pending before Division Bench of the AP High Court.

Zemira Renewable Energy Limited has a net block of INR 3,726 as at 31 March 2021 (INR 3,700 as at 31 March 2020) and has recognised a revenue of INR 470 for the year ended 31 March 2021 (INR 463 for the year ended 31 March 2020) and has a trade receivable balance of INR 886 as on 31 March 2021 (INR 498 as at 31 March 2020) from sale of electricity against such PPA .
The management basis legal opinion obtained by it, believes that it has strong merits in the case and the final order would be in its favour and hence no adjustment has been made in the financial statements including provision for expected credit loss and impairment.

45 Order of the Supreme Court of India to underground high-tension power lines

In earlier years, a petition in public interest (the "Writ Petition") was filed before the Supreme Court of India to seek directions to save two protected species of birds in the state of Rajasthan and Gujarat (the 'Birds') stating that these Birds collide with overhead transmission lines and suffer injuries or die. Subsequent to the year end, on 19 April 2021, the Supreme Court has ordered (the "Order") for all existing and future powerlines to be undergrounded, subject to feasibility in case of high-tension power lines. As at 31 March 2021, the Restricted Group has a total of 322 MW of commissioned power projects in the area impacted by the order
The Group along with other companies in the industry affected by the Order are in the process of evaluating its legality and are contemplating filing an application to challenge or seek appropriate directions, clarifications of the Order. Further, management, basis legal opinion obtained by it believes that the additional cost that will be incurred by the Group shall be recovered from customers under respective PPAs through provisions relating to change in law and force majeure and hence no financial implication is likely to devolve on the Group. Also, under the current circumstances, owing to COVID – 19 related lockdowns, it is impracticable to assess the same on the ground or to get the feasibility studies carried out.

Pending the evaluation of future legal course of action, impracticability to assess the operational and financial impact under the current scenario and potential recovery of cost from customers, no effect has been given in these special purpose combined financial statements.

46 Due to outbreak of COVID-19 in India and globally, entities forming part of the Restricted Group has continued its assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. Considering that the Group is in the business of generation of electricity which is an essential service as emphasised by the Ministry of Home Affairs and Ministry of Power, Government of India and which is granted "Must Run" status by Ministry of New and Renewable Energy (MNRE), the management believes that the impact of outbreak on the business and financial position of the Group is not significant.

Further, MNRE directed that the payment to Renewable Energy power generator shall be done on regular basis as being done prior to lockdown and the Group has generally received regular collection from its customer(s). The management does not see any risks in the Group ability to continue as a going concern and has been able to service all debts obligations during the year. The entities forming part of the Restricted Group is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimise the impact of the unprecedented situation.

47 Absolute amounts less than INR 500,000 are appearing in the financial statements as "0" due to presentation in millions.

As per our report of even date
For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 29 July 2021

For and on behalf of the Restricted Group

Sumant Sinha
(Chairman & Managing Director)
DIN- 00972012
Place: Gurugram
Date: 29 July 2021

D. Muthukumaran
(Chief Financial Officer)

Place: Gurugram
Date: 29 July 2021

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram
Date: 29 July 2021

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ReNew Power Private Limited