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 USD 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

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.

Our opinion is not modified in respect of this matter

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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 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.

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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 USD 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: 21505224AAAACJ5616

Place of Signature: Gurugram
Date: July 21, 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	35,779	36,407
Capital work in progress	4	4	3
Intangible assets	5	36	40
Investment property	6	1	1
Financial assets			
Loans	7	13	9
Others	7	113	0
Deferred tax assets (net)	8	-	46
Prepayments	9	128	106
Non current tax assets (net)		215	298
Other non-current assets	10	35	39
Total non-current assets		**36,324**	**36,949**
Current assets			
Inventories	11	76	32
Financial assets			
Derivative instruments	7	1,252	2,133
Loans	7	24,084	22,745
Trade receivables	12	3,574	3,830
Cash and cash equivalent	13	522	453
Bank balances other than cash and cash equivalent	13	3,328	1,861
Others	7	2,080	1,758
Prepayments	9	57	32
Other current assets	10	94	101
Total current assets		**35,067**	**32,945**
Total assets		**71,391**	**69,894**
Equity and liabilities			
Equity			
Equity share capital	14A	269	269
Instruments entirely equity in nature	14B	767	767
Other equity			
Equity component of compulsorily convertible debentures	15A	401	401
Equity component of preference shares	15B	140	140
Securities premium	15C	9,300	9,300
Hedge reserve	15D	(647)	(927)
Retained earnings	15E	247	274
Total equity		**10,477**	**10,224**
Non-current liabilities			
Financial liabilities			
Long-term borrowings	16	52,124	54,514
Long-term provisions	17	1,134	-
Deferred tax liabilities (net)	8	719	403
Other non-current liabilities	18	218	226
Total non-current liabilities		**54,195**	**55,143**
Current liabilities			
Financial liabilities			
Trade payables			
Outstanding dues to micro enterprises and small enterprises	19	6	-
Others	19	1,577	1,318
Other current financial liabilities	20	4,946	3,027
Current tax liabilities (net)		14	-
Other current liabilities	21	176	182
Total current liabilities		**6,719**	**4,527**
Total liabilities		**60,914**	**59,670**
Total equity and liabilities		**71,391**	**69,894**

Summary of significant accounting policies 3

The accompanying notes are an integral part of the 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

S.R. BATLIBOI & CO. LLP GURUGRAM

Renew Power Private Limited

For and on behalf of the Restricted Group

Sumant Sinha
(Chairman & Managing Director)
DIN- 00972012
Place: Gurugram

D. Muthukumaran
(Chief Financial Officer)

Place: Gurugram

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram

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	22	6,251	6,482
Other income	23	2,087	1,770
Total income		**8,338**	**8,252**
Expenses:			
Other expenses	24	1,276	828
Total expenses		**1,276**	**828**
Earning before interest, tax, depreciation and amortisation (EBITDA)		**7,062**	**7,424**
Depreciation and amortisation expense	25	1,527	1,880
Finance costs	26	4,999	5,229
Profit before tax		**536**	**315**
Tax expense			
Current tax	8	51	8
Deferred tax	8	512	160
Adjustment of tax related to earlier years		-	(9)
Profit / (loss) for the year	**(a)**	**(27)**	**156**
Other comprehensive income (OCI)			
Items that will be reclassified to profit and loss in subsequent periods			
Net gain/(loss) on cash flow hedge reserve		54	(814)
Net gain/(loss) on cost of hedge reserve		76	5
Income tax effect		150	(180)
Net other comprehensive (loss) / income that will be reclassified to profit and loss in subsequent periods	**(b)**	**280**	**(989)**
Total comprehensive (loss) / income for the year	**(a) + (b)**	**253**	**(833)**
Earnings per share:			
(face value per share: INR 10)			
(1) Basic	27	(1.01)	5.79
(2) Diluted		(1.01)	5.79
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the 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

S.R. BATLIBOI & CO. LLP * GURUGRAM *

For and on behalf of the Restricted Group

Sumant Sinha
(Chairman & Managing Director
DIN- 00972012
Place: Gurugram

D. Muthukumaran
(Chief Financial Officer)
Place: Gurugram

Renew Power Private Limited

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram

Restricted Group
Special Purpose Combined Statement of Profit and Loss 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		
Profit before tax	**536**	**315**
Adjustments for:		
Depreciation and amortisation expense	1,527	1,880
Operation and maintenance	0	41
Interest income	(1,864)	(1,509)
Interest expense	4,148	4,095
Amortization of option premium	849	904
Loss on sale of property plant and equipment	205	-
Unamortised ancillary borrowing cost written off	-	218
Unwinding of discount on provisions	33	-
Operating profit before working capital changes	**5,434**	**5,944**
Movement in working capital		
(Increase)/decrease in trade receivables	255	(1,102)
(Increase)/decrease in inventories	(44)	(6)
(Increase)/decrease in financial assets	41	390
(Increase)/decrease in prepayments	(48)	(38)
(Increase)/decrease in other assets	8	21
Increase/(decrease) in other liabilities	(13)	51
Increase/(decrease) in trade payables	268	(181)
Increase/(decrease) in financial liabilities	-	(294)
Cash generated from operations	**5,901**	**4,785**
Direct taxes paid (net of refunds)	61	(150)
Net cash generated from operating activities	**5,962**	**4,635**
Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress, capital advances and capital creditors	(125)	(1,197)
Net investments of bank deposits having maturity more than 3 months	(1,580)	(363)
Loan given to related parties	(3,282)	(9,716)
Loan repaid by related parties	1,942	-
Interest received	763	969
Advance received for purchase of redeemable non cummulative preference shares	1,650	-
Net cash used in investing activities	**(632)**	**(10,307)**
Cash flow from financing activities		
Proceeds from long-term borrowings	4,720	16,657
Repayment of long-term borrowings	(6,291)	(10,061)
Option premium paid	(772)	(899)
Other non current financial liabilities	-	(290)
Gain/(Loss) on settlement of hedge instruments	(56)	148
Interest paid	(2,862)	(2,621)
Net cash generated from financing activities	**(5,261)**	**2,934**
Net (decrease) / increase in cash and cash equivalents	**69**	**(2,738)**
Cash and cash equivalents at the beginning of the year	**453**	**3,191**
Cash and cash equivalents at the end of the year	**522**	**453**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	522	453
Total cash and cash equivalents (note 13)	**522**	**453**

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Renew Power Private Limited

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

Changes in liabilities arising from financial activities:

Particulars	**Opening balance as at 1 April 2020**	**Cash flows (net)**	**Other changes***	**Closing balance as at 31 March 2021**
Long-term borrowings (including current maturities)	54,514	(1,571)	(819)	52,124
Total liabilities from financing activities	**54,514**	**(1,571)**	**(819)**	**52,124**

Particulars	**Opening balance as at 1 April 2019**	**Cash flows (net)**	**Other changes***	**Closing balance as at 31 March 2020**
Long-term borrowings (including current maturities)	47,132	6,596	786	54,514
Total liabilities from financing activities	**47,131**	**6,596**	**786**	**54,514**

* other changes includes reinstatement of foreign currency borrowing, adjustment of ancillary borrowing cost and reclassification of loan from related parties.

Summary of significant accounting policies Note : 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 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

S.R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Restricted Group

Sumant Sinha
(Chairman & Managing Director)
DIN- 00972012
Place: Gurugram

D. Muthukumaran
(Chief Financial Officer)

Place: Gurugram

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram

Renew Power Private Limited

Restricted Group
Special Purpose Combined Statement of Profit and Loss 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								
						Reserves and surplus		Items of OCI	
	Equity share capital	Instruments entirely equity in nature	Share application money pending allotment	Equity component of compulsorily convertible debentures	Equity component of preference shares	Securities premium	Retained earnings	Hedge reserve#	Total equity
	(refer note 14A)	(refer note 14B)	(refer note 15A)	(refer note 15A)	(refer note 15B)	(refer note 15C)	(refer note 15E)	(refer note 15D)	
At 1 April 2019	269	376	-	401	140	9,300	118	61	10,665
Profit for the year	-	-	-	-	-	-	156	-	156
Other comprehensive income (net of taxes)	-		-	-	-	-	-	(988)	(988)
Total comprehensive income	-	-	-	-	-	-	156	(988)	(832)
Equity shares issued during the year	0	-	-	-	-	-	-	-	0
Preference shares issued during the year	-	391	(2)	-	-	-	-	-	389
Share application money received	-	-	2	-	-	-	-		2
At 31 March 2020	269	767	-	401	140	9,300	274	(927)	10,224
Loss for the year	-	-	-	-	-	-	(27)	-	(27)
Other comprehensive loss (net of taxes)	-	-	-	-	-	-	-	280	280
Total comprehensive loss	-	-	-	-	-	-	(27)	280	253
At 31 March 2021	269	767	-	401	140	9,300	247	(647)	10,477

includes cash flow hedge reserve and cost of hedge reserve (refer note 31)

The accompanying notes are an integral part of the 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

For and on behalf of the Restricted Group

Sumant Sinha
(Chairman & Managing Director)
DIN- 00972012
Place: Gurugram

D. Muthukumaran
(Chief Financial Officer)
Place: Gurugram

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram

(Amounts in INR millions, unless otherwise stated)

1 General information

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

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 US Dollar denominated notes which are listed on Singapore Exchange Securities Trading Limited (SGX-ST).

Name of entity	Holding Company
ReNew Wind Energy (Devgarh) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (Rajasthan 3) Private Limited	ReNew Power Private Limited
Rajat Renewables Limited	ReNew Power Private Limited
Kanak Renewables Limited	ReNew Power Private Limited
ReNew Solar Energy (Telangana) Private Limited	ReNew Solar Power Private Limited*
ReNew Saur Urja Private Limited	ReNew Solar Power Private Limited*
ReNew Clean Energy Pvt Ltd	ReNew Solar Power Private Limited*
ReNew Wind Energy (Budh 3) Private Limited	ReNew Solar Power Private Limited*

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

The Special Purpose Combined Financial Statements were authorized for issue in accordance with a resolution of the directors on

2 Purpose of Special Purpose Combined Financial Statements

The Combined Financial Statements are special purpose financial statements which have been prepared for submission to the trustee's of the USD denominated notes of the Restricted Group as per term sheet. 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 for the year ended 31 March 2021 have been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and the Guidance Note on Combined and Carve-out Financial Statements issued by the Institute of Chartered Accounts of 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 financial information 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 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 elimnated in full.

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.

ReNew Power Private Limited

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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.

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 38)
- Quantitative disclosures of fair value measurement hierarchy (Refer Note 33)
- Financial instruments (including those carried at amortised cost) (Refer Note 32 and 33)

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 Company expects to be entitled in exchange for those goods or services. The entities forming part of Restricted 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.

(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.

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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 or to the amortised cost of a financial liability. 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 finance income in the 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.

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.

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Deferred tax assets are recognised for all deductible temporary differences 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 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.

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 40) and provisions (Note 17) 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 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 PPE

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

Category	Useful life (in years)
Plant and equipment (wind and solar power projects)*	30-35
Furniture & fixture	10
Office equipment	5
Computers	3
Customer contracts	Life of respective power purchase agreements
Computer servers	6

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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.

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

i) Leases

The Company 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 Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company 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
The Company 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 the lease term

If ownership of the leased asset transfers to the Company 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 Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company 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 Company 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 Company 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.

l) Impairment of non-financial assets
The entities forming part of the Restricted Group assesses, 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 estimates 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.

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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 has 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 expects 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 or 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 income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the 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.

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.

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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.

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 for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Restricted Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. 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.

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 Restricted 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 application of simplified approach does not require 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 Restricted Group determines 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. The Restricted Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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 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 or 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.

Redeemable non cumulative preference shares and convertible preference shares
Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market interest rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification.

Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

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Compulsorily Convertible Debentures (CCDs)
The entities forming part of the Restricted Group determine classification of compound financial instruments at initial recognition.

Basis the terms of these compound financial instruments the distributions to holders of an equity instrument are being recognised by the entity directly in equity. Transaction costs of an equity transaction are being accounted for as a reduction from equity.

The entities forming part of the Restricted Group recognise interest, dividends, losses and gains relating to such financial instrument or a component that is a financial liability as income or expense in Statement of Profit and Loss. The present value of the liability part of the compulsorily convertible debentures classified under financial liabilities and the equity component is calculated by subtracting the liability from the total proceeds of CCDs.

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

The Company uses derivative financial instruments, such as foreign currency forward contracts, cross currency swaps (CCS), foreign currency option contracts, 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 Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company'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:
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.

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.

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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	1,980	39,755	1	4	3	41,743	183
Additions during the year	37	197	0	-	2	236	15
Adjustment*	(9)	1	-	-	-	(8)	(3)
Capitalised during the year	-	-	-	-	-	-	(192)
At 31 March 2020	**2,008**	**39,953**	**1**	**4**	**5**	**41,971**	**3**
Additions during the year	12	1,109	-	-	-	1,121	8
Adjustment*	(1)	(20)	-	-	-	(21)	-
Disposals during the year	-	(239)	-	-	-	(239)	-
Capitalised during the year	-	-	-	-	-	-	(7)
At 31 March 2021	**2,019**	**40,803**	**1**	**4**	**5**	**42,832**	**4**
Accumulated depreciation							
At 1 April 2019	-	3,685	0	1	1	3,687	-
Charge for the year (refer note 25)	-	1,875	0	1	1	1,877	-
At 31 March 2020	-	**5,560**	**0**	**2**	**2**	**5,564**	-
Charge for the year (refer note 25)	-	1,521	1	1	0	1,523	-
Disposals during the year	-	(34)	-	-	-	(34)	-
At 31 March 2021	-	**7,047**	**1**	**3**	**2**	**7,053**	-
Net book value							
At 31 March 2020	**2,008**	**34,393**	**1**	**2**	**3**	**36,407**	**3**
At 31 March 2021	**2,019**	**33,756**	-	**1**	**3**	**35,779**	**4**

The title of land amounting to INR 5 as of 31st March 2021 (31 March 2020: INR:43) is not yet in the name of entities forming part of the Restricted Group. The title of freehold land amounting to INR 208 (31 March 2020 INR 208) is held by way General Power of Attorney (GPA). The entities forming part of Restricted Group are in process of registration of title deeds of these freehold lands.

Mortgage and hypothecation on Property, plant and equipment:
Property, plant and equipment with a carrying amount of INR 35,784 (31 March 2019: INR 36,410) are subject to a pari passu first charge to respective lenders for term loans from banks and listed senior secured notes as disclosed in Note 16.

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(Amounts in INR millions, unless otherwise stated)

5 Intangible assets	Customer contracts	Total intangibles
Cost		
At 1 April 2019	-	-
Additions	45	45
At 31 March 2020	**45**	**45**
At 31 March 2021	**45**	**45**
Amortisation		
At 1 April 2019	2	2
Amortisation for the year (refer note 25)	3	3
At 31 March 2020	**5**	**5**
Amortisation for the year (refer note 25)	4	4
At 31 March 2021	**9**	**9**
Net book value		
At 31 March 2020	**40**	**40**
At 31 March 2021	**36**	**36**

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(Amounts in INR millions, unless otherwise stated)

6 Investment Property

	Amount
Cost	
At 1 April 2019	1
At 31 March 2020	1
At 31 March 2021	1

Net book value	
At 1 April 2019	1
At 31 March 2020	1
At 31 March 2021	1

Reconciliation of fair value

	Amount
Opening balance as at 1 April 2019	1
Fair Value Difference	-
Purchases	-
At 31 March 2020	1
Purchases	-
At 31 March 2021	1

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

7 Financial assets

	As at 31 March 2021	As at 31 March 2020
Non-current		
Loans		
Considered good - Secured	-	-
Considered good - Unsecured		
Security deposits	13	9
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	13	9
Financial assets at fair value through OCI		
Cash flow hedges		
Derivative instruments	1,252	2,133
Total	1,252	2,133
Others		
Bank deposits with remaining maturity for more than twelve months (refer note 13)	113	0
Total	113	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 28)	1,650	1,650
Security deposits	0	0
Loans to related parties (refer note 28)	22,434	21,095
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	24,084	22,745
Others		
Government grants*		
- Generation based incentive receivable	71	115
Recoverable from related parties (refer note 28)	164	163
Advance given for purchase of redeemable non cummulative preference shares (refer note 28)	100	820
Interest accrued on fixed deposits	33	14
Interest accrued on loans to related parties (refer note 28)	1,712	646
Total	2,080	1,758

*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.

8 Deferred tax assets (DTA) / deferred tax liabilities (DTL) (net)

8A Deferred tax Liabiliies (net)

		As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities (gross)			
Difference in written down value as per books of account and tax laws		6,175	2,305
Compound financial instruments		-	32
Unamortised ancillary borrowing cost		56	36
Gain/(Loss) on mark to market of derivative instruments		55	236
	(a)	6,286	2,609
Deferred tax assets (gross)			
Compound financial instruments		77	-
Loss on mark to market of derivative instruments		14	-
Provision for decommissioning cost		308	-
Expected credit loss		4	-
Losses available for offsetting against future taxable income		4,966	2,150
Unused tax credit (MAT)		133	-
Provision for operation and maintenance equalisation		65	56
	(b)	5,567	2,206
Deferred tax liabilities / (assets) (Net)	(c)=(b)-(a)	719	403

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Restricted Group
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(Amounts in INR millions, unless otherwise stated)

8B Deferred tax Assets (Net)

Deferred tax liabilities (gross)			
Difference in written down value as per books of account and tax laws		-	3,286
Unamortised ancillary borrowing cost		-	29
Gain/(Loss) on mark to market of derivative instruments		-	11
	(d)	-	3,326
Deferred tax assets (gross)			
Compound financial instruments		-	109
Loss on mark to market of derivative instruments		-	46
Losses available for offsetting against future taxable income		-	3,074
Unused tax credit (MAT)		-	133
Provision for operation and maintenance equalisation		-	10
	(e)	-	3,372
Deferred tax liabilities / (assets) (Net)	(f)=(e)-(d)	-	46

8C Reconciliation of tax expense and the accounting profit multiplied by tax rate

	For the year ended 31 March 2021	For the year ended 31 March 2020
Accounting profit before income tax	536	315
Tax at the India's tax rate of 25.168% (31 March 2020: 26%)	139	79
Disallowance of interest u/s 94B of the Income Tax Act, 1961	220	258
Interest on compound financial instrument	-	(2)
Adjustment of tax relating to earlier periods	107	(14)
Changes in estimates on reasonable certainty for recoverability of tax losses in certain entities	(2)	(449)
Change in estimates for recoverability of unused tax credits (MAT)	51	66
Tax rate differences	(3)	-
Other non deductible expenses	50	(1)
On account of adoption of new tax ordinance		
- Recognition/reversal of deferred tax Asset/deferred tax liability	1	98
- Mat credit written off	-	56
Reinstatement loss on loan having income taxable under income from other	-	75
At the effective income tax rate	563	168
Current tax expense reported in the statement of profit or loss	51	8
Deferred tax expense reported in the statement of profit or loss	512	160
	563	168

8D Reconciliation of DTA and DTL (net):

a) For the year ended 31 March 2021

Particulars	Opening balance DTA / (DTL) as at 1 April 2020	Income / (expense) recognised in profit or loss	Income / (expense) recognised in OCI	Closing balance DTA / (DTL) as at 31 March 2021
Compound financial instruments	78	(1)	-	77
Gain/(Loss) on mark to market of derivative instruments	(202)	0	161	(41)
Difference in written down value as per books of account and tax laws	(5,591)	(584)	-	(6,175)
Unamortized ancillary borrowing cost	(65)	8	-	(57)
Provision for decommissioning cost	-	308	-	308
Expected credit loss	-	4	-	4
Losses available for offsetting against future taxable income	5,224	(246)	(12)	4,966
Unused tax credit (MAT)	133	-	-	133
Provision for operation and maintenance equalisation	65	(0)	-	65
	(360)	(512)	149	(719)

b) For the year ended 31 March 2020

Particulars	Opening balance DTA / (DTL) as at 1 April 2019	Income / (expense) recognised in profit or loss	Income / (expense) recognised in OCI	Closing balance DTA / (DTL) as at 31 March 2020
Compound financial instruments	93	(15)	-	78
Gain/(Loss) on mark to market of derivative instruments	(22)	-	(180)	(202)
Difference in written down value as per books of account and tax laws	(5,201)	(390)	-	(5,591)
Unamortized ancillary borrowing cost	(96)	31	-	(65)
Losses available for offsetting against future taxable income	4,919	304	-	5,224
Unused tax credit (MAT)	257	(124)	-	133
Provision for operation and maintenance equalisation	62	3	-	65
Option Premium	(31)	31	-	-
	(19)	(160)	(180)	(360)

The entities forming part of Restricted Group has tax losses and unabsorbed depreciation which arose in India of INR 19,378 (31 March 2020: INR 20,295). 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 543 (31 March 2020: INR 541). 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 18,835 (31 March 2020: INR 19,754).

The entities forming part of Restricted Group has recognised deferred tax asset of INR 4,966 (31 March 2020: INR 5,225) 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 12-14 years (31 March 2020 13-15 years).

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Restricted Group
Special Purpose Combined Statement of Profit and Loss for the year ended 31 March 2021
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9 Prepayments

	As at 31 March 2021	As at 31 March 2020
Non-current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	128	106
Total	**128**	**106**
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	57	32
Total	**57**	**32**

10 Other assets

	As at 31 March 2021	As at 31 March 2020
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Capital advance	24	28
Security deposits	0	0
Balances with government authorities	11	11
Total	**35**	**39**
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	94	101
Total	**94**	**101**

11 Inventories

	As at 31 March 2021	As at 31 March 2020
Consumables and spares	72	28
Traded goods	4	4
Total	**76**	**32**

12 Trade receivables

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good	3,590	3,830
Secured, considered good	-	-
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
	3,590	3,830
Less: Impairment allowance for bad and doubtful debts	(16)	-
Total	**3,574**	**3,830**

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	16
As at 31st March 2021	**16**

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	522	453
Total	**522**	**453**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months #	3,328	1,861
- Remaining maturity for more than twelve months #	113	0
	3,441	**1,861**
Less: amount disclosed under financial assets (others) (Note 7)	(113)	(0)
Total	**3,328**	**1,861**

Fixed deposits of INR 1220 (31 March 2020: INR Nil) 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 90 to 1827 days and carry an interest rate of 2.25% to 8.25% 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 2019	30,298,890	303
At 31 March 2020	30,298,890	303
At 31 March 2021	**30,298,890**	**303**
Preference shares of INR 10 each		
At 1 April 2019	42,261,950	423
Increase during the year	39,000,000	390
At 31 March 2020	81,261,950	813
At 31 March 2021	**81,261,950**	**813**

Issued share capital	Number of shares	Amount
14A Equity shares of INR 10 each issued, subscribed and paid up		
At 1 April 2019	26,916,971	269
Shares issued during the year	17,964	0
At 31 March 2020	26,934,935	269
At 31 March 2021	**26,934,935**	**269**

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 such Company 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 Instruments entirely equity in nature

0.0001% compulsorily convertible preference shares (CCPS) of INR 10 each	Number of shares	Amount
At 1 April 2019	37,700,795	377
At 31 March 2020	37,700,795	377
At 31 March 2021	**37,700,795**	**377**

0.0001% optionally convertible redeemable preference shares of INR 100 each (face value INR 10 each)	Number of shares	Amount
At 1 April 2019	39,000,000	390
At 31 March 2020	39,000,000	390
At 31 March 2021	**39,000,000**	**390**

At 1 April 2019	**767**
At 31 March 2020	**767**
At 31 March 2021	**767**

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

ReNew Wind Energy (Rajasthan 3) Private Limited has issued 16,248,850 0.0001% CCPS during F.Y. 2014-15 and 3,542,120 0.0001% CCPS during F.Y. 2015-16, ReNew Saur Urja Private Limited has issued 4,100,000 0.0001% CCPS during F.Y. 2017-18 and 6,549,000 0.0001% CCPS during F.Y. 2016-17 and ReNew Solar Energy (Telangana) Private Limited has issued 48,35,825 0.0001% CCPS during FY 2016-17 and 16,25,000 0.0001% CCPS during FY 2015-16.
CCPS are having face value of INR 10 each fully paid-up at a premium of INR 90 per share.
CCPS carry non cumulative dividend @ 0.0001%. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors of the respective Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.

CCPS do not carry voting rights and are freely transferable.
CCPS issued by ReNew Wind Energy (Rajasthan 3) Private Limited and ReNew Saur Urja Private Limited would be compulsorily converted into Equity Shares of the Company at the price of INR 100 (Rupees Hundred) per share on March 31, 2030 and on March 31, 2035 respectively in the ratio of 1 equity shares : 1 preference shares.

CCPS issued by ReNew Solar Energy (Telangana) Private Limited would be converted into equity shares anytime before the mandatory conversion date at the option of the holder. However, the same shall automatically stand converted into Equity shares of the Company at the price of INR 100/-(Rupees Hundred) per share on 20th anniversary in the ratio of 0.95 equity shares:1 preference shares.

In the event of liquidation, the holders of CCPS shall be paid 1 times the face value of CCPS and such dividend in arrear, if any, declared and remained unpaid. The said preference shares shall have right to participate in surplus assets and profits of the respective entity on winding up, which may remain after the entire capital (both equity share capital and preference share capital) of the respective entity has been repaid, to the extent of INR 90 per preference share.

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(Amounts in INR millions, unless otherwise stated)

0.0001% optionally convertible redeemable preference shares (INR 100 each, including premium of INR 90) (OCRPS)

ReNew Wind Energy (Devgarh) Private Limited and ReNew Saur Urja Private Limited issued 39,000,000 0.0001% OCRPS during the year of INR 10 each fully paid-up at a premium of INR 90 per share. OCRPS carry non-cumulative dividend @ 0.0001%. The Company declares and pays dividends in Indian rupees.

OCRPS do not carry voting rights and are freely transferable. OCRPS would be compulsorily converted into equity shares of the Company at the price of INR 100 (Rupees Hundred) per share on 13 March 2039 in the ratio of 1 equity shares : 1 preference shares.

In the event of liquidation of the Company, the holders of OCRPS shall be paid 1 times the face value of OCRPS and such dividend in arrear, if any, declared and remained unpaid.

14C Shares held by the holding company

	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	11,749,827	117	11,749,827	117
0.0001% compulsorily convertible preference shares of INR 10 each	17,909,825	179	17,909,825	179
0.0001% optionally convertible redeemable convertible preference shares of INR 100 each (including premium of INR 90)	12,000,000	1,200	12,000,000	1,200
ReNew Power Private Limited*				
Equity shares of INR 10 each	8,969,000	90	8,969,000	90
0.0001% redeemable non cumulative preference shares of INR 10 each	1,881,220	19	1,881,220	19
0.0001% compulsorily convertible preference shares of INR 10 each	19,790,970	198	19,790,970	198
0.0001% optionally convertible redeemable convertible preference shares of INR 100 each (including premium of INR 90)	27,000,000	2,700	27,000,000	2,700
Hareon Power Singapore Pvt Ltd				
Equity shares of INR 10 each	6,216,108	62	6,216,108	62

*for details of relationship with the respective entities of the Restricted Group refer note 28.

14D 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 Solar Power Private Limited*	11,749,827	43.62%	11,749,827	43.62%
ReNew Power Private Limited*	8,969,000	33.30%	8,969,000	33.30%
Hareon Power Singapore Private Limited	6,216,108	23.08%	6,216,108	23.08%
0.0001% redeemable non cumulative preference shares of INR 10 each				
ReNew Power Private Limited*	1,881,220	100.00%	1,881,220	100.00%
0.0001% compulsorily convertible preference shares of INR 10 each				
ReNew Solar Power Private Limited*	17,909,825	47.51%	17,909,825	47.51%
ReNew Power Limited*	19,790,970	52.49%	19,790,970	52.49%
0.0001% optionally convertible redeemable convertible preference shares of INR 100 each (including premium of INR 90)				
ReNew Solar Power Private Limited*	12,000,000	30.77%	12,000,000	30.77%
ReNew Power Private Limited*	27,000,000	69.23%	27,000,000	69.23%

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 28.

15 Other equity

15A Equity component of compulsorily convertible debentures (CCD)

8% Compulsorily convertible debentures (CCDs) of INR 105 each	Number of debentures	Total proceeds	Liability component (refer note 16)	Equity component*
At 1 April 2019	5,903,630	620	419	401
Accretion during the year	-	-	42	-
At 31 March 2020	5,903,630	620	461	401
Accretion during the year	-	-	41	-
At 31 March 2021	**5,903,630**	**620**	**502**	**401**

Terms of conversion of CCDs

CCDs are compulsorily convertible into equity shares at the end of twenty years from the date of issue, in accordance with the terms of the JVA at conversion ratio of 1 equity shares : 1 preference shares.

CCD carry an interest coupon rate of 8% per annum with moratorium of 18 months from the date of issue. CCDs do not carry any voting rights.

(*Adjusted for deferred tax at inception)

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(Amounts in INR millions, unless otherwise stated)

15B Equity component of preference shares:

0.0001% redeemable non cumulative preference shares (RNCPS) 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	1,881,220	188	52	140
Accretion during the year	-	-	6	-
At 31 March 2020	1,881,220	188	58	140
Accretion during the year	-	-	7	-
At 31 March 2021	**1,881,220**	**188**	**65**	**140**

(*Adjusted for deferred tax at inception)

Terms/rights attached to preference shares

0.0001% redeemable non cumulative preference shares (RNCPS)

ReNew Wind Energy (Devgarh) Private Limited has issued 1,881,220 RNCPS in FY 2014-15 of Rs.10 each fully paid-up at a premium of INR 90 per share. RNCPS carry non cumulative dividend @ 0.0001%. The company 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.

RNCPS do not carry voting and conversion rights. RNCPS shall be redeemed at INR 100 per share on March 31, 2030 or as may be determined by the Board in one or more tranches and agreed by the preference shareholder.

In the event of any Liquidation of the Company, the RNCPS shall be entitled to receive an amount that equal to the Face value of preference share and such Dividend in arrear, if any, declared and remained unpaid. The RNCPS shall also have right to participate in surplus assets and profits of the respective entity, which may remain after the entire capital (both equity share capital and Preference share capital) of the respective entity has been repaid, to the extent of Rs 90 per share.

The management believes that the premium payable on aforesaid shares on redemption shall be provided out of the accumulated profits or securities premium and the Company shall have sufficient balance at the redemption. Accordingly, the Company has not accrued for premium payable on redemption of such preference shares.

15C Securities premium

At 1 April 2019	9,300
At 31 March 2020	**9,300**
At 31 March 2021	**9,300**

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.

15D Hedge reserve

At 1 April 2019	61
OCI for the year (refer note 30)	(988)
At 31 March 2020	**(927)**
OCI for the year (refer note 30)	280
At 31 March 2021	**(647)**

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).

15E Retained earnings

At 1 April 2019	**118**
Profit for the year	156
At 31 March 2020	**274**
Profit for the year	(27)
At 31 March 2021	**247**

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.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

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
Compulsorily Convertible Debentures (unsecured) (refer note 15A)	(i)	8.00%	September 2036	447	413	-	-
Loan from related party (unlisted and unsecured) (refer note 28) - Subordinate debt	(ii)	8.00%		13,370	14,941	-	-
Listed senior secured notes	(iii)	6.67%	March 2024	38,241	39,102	-	-
Liability component of preference shares (refer note 15B)	(iv)	0.0001%	March 2030	66	58	-	-
Total long-term borrowings				52,124	54,514	-	-
Amount disclosed under the head 'Other current financial liabilities' (Refer note 20)				-	-	-	-
				52,124	54,514	-	-

Notes:

(i) Compulsorily Convertible Debentures (unsecured)

Compulsorily Convertible Debentures (CCD) are compulsorily convertible into equity shares in accordance with the terms of the Joint Venture Agreement at conversion ratio defined therein. CCD do not carry any voting rights.

(ii) Loan from related party (unsecured)

Repayments of unsecured loan taken from related parties are subject to the satisfaction of terms and conditions as listed down in the offering circular of listed senior secured notes. Since the settlement of these loans is conditional, these have been classified as non-current. These unsecured loans carry interest rate of 8.00% per annum.

(iii) Listed senior secured notes

Notes are secured by way of exclusive mortgage over immovable properties and exclusive charge by way of hypothecation of tangible and intangible movable assets. Further secured by way of hypothecation over rights and benefit, claims and demands under all the project agreements, letter of credit, insurance contracts and proceeds, guarantees, performance bond etc. of the company. Secondary Charge over the account receivables, book debts and cash flows. Creation of charge on immovable properties of INR 800 by way of mortgage and assignment is under proces. The senior secured notes shall be repaid through one bullet payment in March 2024.

(iv) ReNew Solar Power Private Limited has pledged 2,692,800 (31 March 2020: 6,480,026) equity shares and 23,269,815 (31 March 2020: 23,269,815) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

(v) ReNew Power Private Limited has pledged 4,574,190 (31 March 2020: 4,563,990) equity shares and 16,248,850 (31 March 2020: Nil) 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 Long-Term Provisions	As at 31 March 2021	As at 31 March 2020
Provision for decommissioning costs	1,134	-
Total	**1,134**	**-**

	Provision for Decommissioning costs
As At 1 April 2019	-
As At 31 March 2020	-
Arised during the year	1,134
As At 31 March 2021	**1,134**

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

18 Other non-current liabilities	As at 31 March 2021	As at 31 March 2020
Provision for operation and maintenance equalisation	218	226
Total	**218**	**226**

19 Trade payables	As at 31 March 2021	As at 31 March 2020
Current		
Outstanding dues to micro enterprises and small enterprises (refer note 36)	6	-
Others	1,577	1,318
Total	**1,583**	**1,318**

20 Other current financial liabilities	As at 31 March 2021	As at 31 March 2020
Others		
Interest accrued but not due on borrowings	2,875	1,757
Capital creditors	1,141	1,270
Advance received for purchase of RNCPS	930	-
Total	**4,946**	**3,027**

21 Other current liabilities	As at 31 March 2021	As at 31 March 2020
Provision for operation and maintenance equalisation	38	31
Other payables		
TDS payable	138	145
GST payable	0	6
Advance from customers	0	0
Total	**176**	**182**

ReNew Power Private Limited

S.R. BATLIBOI & CO. LLP GURUGRAM

(Amounts in INR millions, unless otherwise stated)

22 Revenue from contracts with customers	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of power	6,250	6,482
Sale from engineering, procurement and construction service	1	-
Total	**6,251**	**6,482**

23 Other income	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income accounted for at amortised cost		
- on fixed deposit with banks	86	189
- on loan to related parties (refer note 28)	1,762	1,296
- income tax refund	16	9
- others	18	-
Government grant		
- generation based incentive	135	156
Income from leases	59	63
Sale of emission reduction certificates	-	5
Insurance claim	3	27
Provisions written back	2	9
Miscellaneous income	6	16
Total	**2,087**	**1,770**

24 Other expenses	For the year ended 31 March 2021	For the year ended 31 March 2020
Legal and professional fees	61	37
Corporate social responsibility (refer note 37)	9	8
Travelling and conveyance	3	4
Management shared services	184	164
Rates and taxes	39	4
Payment to auditors (refer details below)	5	5
Insurance	53	20
Operation and maintenance	666	548
Repair and maintenance		
- plant and machinery	11	8
- Others	1	-
Loss on sale of property plant and equipment	205	-
Guest house expenses	1	1
Advances written off	-	5
Security charges	0	6
Communication costs	4	4
Provision for doubtful debts	17	-
Miscellaneous expenses	17	14
	1,276	**828**

Payment to auditors	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor:		
Audit fee	4	4
In other capacity:		
Certification fees	1	1
Reimbursement of expenses	0	0
	5	**5**

ReNew Power Private Limited

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

(Amounts in INR millions, unless otherwise stated)

25 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)	1,523	1,877
Amortisation of intangible assets (refer note 5)	4	3
Total	**1,527**	**1,880**

26 Finance costs	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on accounted for at amortised cost		
- term loans	-	485
- loan from related party (refer note 28)	1,071	857
- notes	2,996	2,702
- acceptance	-	2
- liability component of compulsorily convertible debentures	41	42
- liability component of redeemable non-cumulative preference shares	7	6
- others	0	0
Bank charges	2	13
Unamortised ancillary borrowing cost written off#	-	218
Unwinding of discount on provisions	33	-
Option premium amortised*	849	904
Total	**4,999**	**5,229**

*** Reclassification of option premium amortisation on derivative instruments and loss on settlement of derivative instruments designated as cash flow hedge from other expenses to finance costs within the statement of profit or loss**

The Company re-assessed classification of option premium amortisation on derivative instruments and loss on settlement of derivative instruments designated as cash flow hedge. The Company had previously classified these items under the head other expenses (note 25) in the statement of profit or loss. During the current financial year, the Company elected to change the classification of these items under the head finance costs in the statement of profit or loss, as the Company believes that such a reclassification provides more relevant information to the users of its financial statements given that it is aligned to practices adopted by its competitors. In addition, the derivative instruments are obtained to mitigate the currency risk on foreign currency interest-bearing loans and borrowings and accordingly classifying the same under head finance cost would be a more reliable presentation.

The Company applied this reclassification retrospectively and has an effect on the current and previous years presented. This reclassification has resulted in an increase in finance costs by INR 849 for the year ended 31 March 2021 (31 March 2020: INR 904) with corresponding decrease in other expenses for the respective years. The reclassification has no impact on the profit/(loss) and basic and diluted earnings per share of the Group for the years ended 31 March 2021

This reclassification has resulted in increase in cash outflows from financing activities by INR 772 (31 March 2020: INR 899) with a corresponding increase of cash inflows from operating activities for the year ended 31 March 2021 and 2020.

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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S.R. BATLIBOI & CO. LLP * GURUGRAM *

Renew Power Private Limited *

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

27 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.

28 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 (Devgarh) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (Rajasthan 3) Private Limited	ReNew Power Private Limited
Rajat Renewables Limited#	ReNew Power Private Limited
Kanak Renewables Limited#	ReNew Power Private Limited
ReNew Solar Energy (Telangana) Private Limited	ReNew Solar Power Private Limited*
ReNew Saur Urja Private Limited	ReNew Solar Power Private Limited*
ReNew Clean Energy Pvt Ltd	ReNew Solar Power Private Limited*
ReNew Wind Energy (Budh 3) Private Limited	ReNew Solar Power Private Limited*

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

II. Key management personnel (KMPs) :

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

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

ReNew Wind Energy (TN 2) Private Limited
Bhumi Prakash Private Limited
ReNew Wind Energy (Rajasthan Four) Private Limited
ReNew Solar Energy Private Limited
ReNew Wind Energy (Orissa) Private Limited
ReNew Wind Energy (MP Three) Private Limited
ReNew Power Services Private Limited
ReNew Mega Solar Power Private Limited
Narmada Wind Energy Private Limited
ReNew Wind Energy (Varekarwadi) Private Limited
ReNew Wind Energy (Rajasthan) Private Limited
ReNew Akshay Urja Limited
KCT Renewable Energy Private Limited
ReNew Wind Energy (Jamb) Private Limited
ReNew Wind Energy (Shivpur) Private Limited
Ostro Energy Private Limited
ReNew Wind Energy (Rajasthan One) Private Limited
ReNew Wind Energy (Maharashtra) Private Limited
ReNew Solar Services Private Limited
ReNew Wind Energy (Karnataka) Private Limited
ReNew Wind Energy (Karnataka 3) Private Limited
ReNew Wind Energy (Karnataka 4) Private Limited
Prathamesh Solarfarms Limited
ReNew Solar Energy (Karnataka) Private Limited
ReNew Saur Shakti Private Limited
ReNew Agni Power Private Limited
Shruti Power Private Limited
ReNew Wind Energy (Rajkot) Private Limited
ReNew Wind Energy (MP Two) Private Limited
ReNew Wind Energy MP Private Limited
ReNew Wind Energy (AP 3) Private Limited

IV. Enterprise with significant influence

Name of entity	Enterprise with significant influence
ReNew Solar Energy (Telangana) Private Limited	Hareon Solar Singapore 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 given	3,283	9,381	-	-
Repayment of unsecured loan	1,942	15	-	-
Unsecured loan received	4,721	4,499	-	5,937
Unsecured loan repaid	6,263	264	23	200

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
Expenses incurred by holding	158	16	0	1
Expenses incurred on behalf of holding company	1	0	2	0
Purchase EPC	-	-	-	-
Issue of RNCPS	-	450	-	-
Reimbursement of expenses	14	9	1	2
Purchase of Services# (management shared service)	-	45	120	97
FA Purchase	-	7	-	-
Interest expense on unsecured loan	475	303	605	444
Interest income on unsecured loan	1,864	1,278	-	-

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.

S.R. BATLIBOI & CO. LLP GURUGRAM

ReNew Power Private Limited

Restricted Group
Special Purpose Combined Statement of Profit and Loss 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 payable	4,575	6,004	7,556	7,578
Unsecured loan receivable	22,216	20,876	-	-
Trade payables	795	609	329	209
Capital creditor*	117	117	49	46
Interest income accrued on unsecured loan	1,673	624	-	-
Interest expense accrued on unsecured loan	1,073	625	1,313	714
Advance given for issue of RNCPS	820	820	-	-

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	Unsecured loan repaid	Interest expense on unsecured loan	Unsecured loan received	Unsecured loan repaid	Interest expense on unsecured loan
ReNew Wind Energy (Varekarwadi) Private Limited	-	-	25	-	-	25
ReNew Wind Energy (Karnataka) Private Limited	-	-	0	-	-	0
ReNew Wind Energy (Rajkot) Private Limited	-	-	71	-	-	71
ReNew Wind Energy (AP 3) Private Limited	-	-	0	-	-	0
ReNew Wind Energy (MP Two) Private Limited	-	-	5	-	-	5
Shruti Power Private Limited	-	-	7	-	-	7
ReNew Wind Energy MP Private Limited	-	5	0	-	-	-

ii) 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 Solar Services Private Limited	-	-	18	-	34	18

iii) 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
ReNew Wind Energy (Varekarwadi) Private Limited	-	-	-	0	0	-
ReNew Akshay Urja Limited	-	-	-	9	-	-
ReNew Solar Services Private Limited	-	-	-	-	0	-
ReNew Wind Energy (Karnataka) Private Limited	-	-	-	-	9	-
ReNew Wind Energy (Rajasthan One) Private Limited	0	0	-	-	-	-
ReNew Wind Energy (Rajkot) Private Limited	-	-	-	0	0	-
ReNew Solar Energy Private Limited	-	0	-	0	0	-
ReNew Wind Energy (Karnataka 4) Private Limited	-	-	-	-	0	-
ReNew Power Services Private Limited	0	0	-	0	0	-
Ostro Energy Private Limited	-	0	-	-	0	-
ReNew Solar Energy (TN) Private Limited	-	-	-	-	0	-
Ostro Jaisalmer Private Limited	0	-	-	-	-	-
ReNew Services Private Limited	1	0	-	-	-	-
ReNew Solar Energy (Rajasthan) Private Limited	-	-	-	3	-	-
ReNew Wind Energy (Karnataka 3) Private Limited	-	-	-	-	0	-
Renew Wind Energy MP Private Limited	0	0				
Star Solar Power Private Limited	-	-	-	0	-	-

iv) 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	0	-	11	-

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	-	288	-	12
ReNew Power Services Private Limited	-	79	-	288

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Consumables Sales	Consumable Purchases	Consumables Sales	Consumable Purchases
ReNew Wind Energy (Rajasthan) Private Limited	-	-	0	2
ReNew Wind Energy (Rajkot) Private Limited	-	0	0	8
ReNew Wind Energy (Shivpur) Private Limited	-	-	0	-
ReNew Wind Energy (Varekarwadi) Private Limited	0	-	0	-
ReNew Wind Energy (Rajasthan One) Private Limited	-	-	0	-
ReNew Wind Energy (Orissa) Private Limited	-	-	-	0
ReNew Solar Energy (Karnataka) Private Limited	0	0	1	-
ReNew Power Services Private Limited	-	0	-	1
ReNew Solar Energy (Karnataka Two) Private Limited	-	-	-	0
ReNew Wind Energy (Karnataka 3) Private Limited	-	0	0	0
ReNew Wind Energy (MP Four) Private Limited	-	0	-	0

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ReNew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

ReNew Wind Energy (MP Three) Private Limited	0	-	0	-
ReNew Wind Energy (Maharashtra) Private Limited	0	0	-	0
ReNew Wind Energy (Karnataka 4) Private Limited	-	0	0	0
Bhumi Prakash Private Limited	0	0	0	-
Tarun Kiran Bhoomi Private Limited	-	0	-	0
Lexicon Vanijya Private Limited	-	26	-	0
ReNew Wind Energy (TN 2) Private Limited	-	0	0	0
Prathamesh Solarfarms Limited	-	-	0	-
ReNew Services Private Limited	35	1	-	2
KCT Renewable Energy Private Limited	0	-	-	-
Regent Climate Connect Private Limited	0	-	-	-
ReNew Agni Power Private Limited	0	-	-	-
ReNew Saur Shakti Private Limited	0	-	-	-
ReNew Wind Energy (Karnataka) Private Limited	0	0	-	-
Ostro Jaisalmer Private Limited	-	0	-	-
ReNew Akshay Urja Limited	-	1	-	-

v) **Trading purchase**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Ostro Energy Private Limited	-	1

e) Details of outstanding balances with fellow subsidiaries:

i) **Loan payable and interest expense payable**

Particulars	31 March 2021		31 March 2020	
	Loan payable	Interest payable	Loan payable	Interest payable
ReNew Wind Energy MP Private Limited	-	2	5	1
ReNew Wind Energy (Varekarwadi) Private Limited	310	48	310	25
ReNew Wind Energy (Karnataka) Private Limited	5	4	5	3
ReNew Wind Energy (Rajkot) Private Limited	890	247	890	181
ReNew Wind Energy (AP 3) Private Limited	5	5	5	4
ReNew Wind Energy (MP Two) Private Limited	61	19	61	14
Shruti Power Private Limited	82	46	82	40

ii) **Loan receivable and interest income receivable**

Particulars	31 March 2021		31 March 2020	
	Loan receivable	Interest receivable	Loan receivable	Interest payable
ReNew Solar Services Private Limited	219	39	219	23

iii) **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
ReNew Wind Energy (Varekarwadi) Private Limited	-	-	0	-	-	0
ReNew Akshay Urja Limited	-	-	-	1	-	0
ReNew Solar Energy (Karnataka) Private Limited	-	-	1	-	-	1
ReNew Solar Services Private Limited	-	-	0	-	-	0
ReNew Wind Energy (AP) Private Limited	0	-	-	0	-	-
ReNew Wind Energy (AP 3) Private Limited	0	-	-	0	-	-
ReNew Wind Energy (Jamb) Private Limited	-	0	0	-	0	0
ReNew Wind Energy (Karnataka) Private Limited	0	-	9	0	-	9
ReNew Wind Energy (Maharashtra) Private Limited	0	-	0	0	-	0
ReNew Wind Energy (MP Three) Private Limited	-	-	0	-	-	0
ReNew Wind Energy (MP Two) Private Limited	-	5	-	-	5	-
ReNew Wind Energy (Rajasthan Four) Private Limited	-	-	0	-	-	0
ReNew Wind Energy (Rajasthan) Private Limited	1	-	0	1	-	0
ReNew Wind Energy (Rajasthan One) Private Limited	-	-	0	0	-	0
ReNew Wind Energy (Rajkot) Private Limited	8	-	-	8	-	0
ReNew Wind Energy (Shivpur) Private Limited	-	-	0	-	-	0
ReNew Wind Energy (TN 2) Private Limited	0	-	0	0	-	0
ReNew Wind Energy (Welturi) Private Limited	-	-	-	-	-	-
Renew Wind Energy MP Private Limited	0	-	-	0	-	-
Narmada Wind Energy Private Limited	-	-	0	-	-	0
KCT Renewable Energy Private Limited	-	-	2	-	-	2
ReNew Wind Energy (Orissa) Private Limited	0	-	14	0	-	14
ReNew Solar Energy Private Limited	0	143	135	0	143	135
ReNew Mega Solar Power Private Limited	0	-	0	0	-	0
ReNew Wind Energy (Karnataka 4) Private Limited	0	-	0	0	-	0
Bhumi Prakash Private Limited	3	-	0	0	-	-
ReNew Power Services Private Limited	35	127	0	204	127	-
Ostro Energy Private Limited	22	-	0	22	-	0
ReNew Solar Energy (TN) Private Limited	0	-	-	0	-	-
ReNew Saur Shakti Private Limited	0	-	0	0	-	-
ReNew Solar Energy (Karnataka Two) Private Limited	0	-	-	0	-	-
ReNew Wind Energy (MP Four) Private Limited	0	-	-	0	-	-
ReNew Saur Vidyut Private Limited	2	-	-	2	-	-
ReNew Solar Energy (Rajasthan) Private Limited	3	-	-	3	-	-
ReNew Wind Energy (Karnataka 3) Private Limited	0	-	0	-	-	0
Tarun Kiran Bhoomi Private Limited	0	-	-	0	-	-
Lexicon Vanijya Private Limited	26	-	-	0	-	-
Star Solar Power Private Limited	0	-	-	0	-	-
Prathamesh Solarfarms Limited	-	-	0	-	-	0
ReNew Services Private Limited	197	-	-	15	-	-
ReNew Akshay Urja Limited	-	-	0	-	-	-
ReNew Agni Power Private Limited	-	-	0	-	-	-

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Renew Power Private Limited

f) Compensation of key management personnel

Remuneration to the key managerial personnel is paid by the holding Company and fellow subsidiary (ReNew Power Services Private Limited) of entities forming part of the Restricted Group and is allocated between the respective subsidiary companies as management shared services and is not separately identifiable.

g) ReNew Solar Power Private Limited has pledged 2,692,800 (31 March 2020: 6,480,026) equity shares and 23,269,815 (31 March 2020: 23,269,815) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

h) ReNew Power Private Limited has pledged 4,574,190 (31 March 2020: 4,563,990) equity shares and 16,248,850 (31 March 2020: Nil) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

i) During the previous year, the companies forming part of the Restricted Group has raised funds through issuance of senior secure bonds (the "Issue"). These bonds have been issued based on the collective net worth of all the eight 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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S.R. BATLIBOI & CO. LLP GURUGRAM

ReNew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

29 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 Group discloses segment information in a manner consistent with internal reporting to group's Managing Director. The Group entities have segments based on type of business operations. The reportable segments of Group under Ind AS are Wind Power and Solar Power which predominantly relate to generation and sale of electricity and construction activities. The Group entities does not operate in more than one geographical segment. The 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	2,419	3,833	6,252	2,740	3,742	6,482
Revenues from operations	**2,419**	**3,833**	**6,252**	**2,740**	**3,742**	**6,482**
Revenues from external customers	**2,419**	**3,833**	**6,252**	**2,740**	**3,742**	**6,482**
Interest income	523	1,359	1,882	569	924	1,493
Other income (other than interest income)	200	5	205	262	15	277
Total income	**3,141**	**5,197**	**8,338**	**3,571**	**4,681**	**8,252**
Less: Other expenses	447	829	1,276	346	482	828
Earning before interest, tax, depreciation and amortization (EBITDA)	**2,695**	**4,367**	**7,062**	**3,225**	**4,199**	**7,424**
Less: Depreciation and amortisation expense			1,527			1,880
Less: Finance costs			4,999			5,229
Profit before tax			**536**			**315**

The Revenues from two major customers amounts to INR 2,548 (31 March 2020: two customers INR 3,679) each of which contributes more than 10% of the total revenue of the Group. Out of these, revenues from Wind Segment amounts to INR 1,060 (31 March 2020: INR 2,125) and Solar Segment amounts to INR 1,489 (31 March 2020: 1,555).

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30 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:-

- Notes
Pay fixed INR and receive USD and pay fixed interest at 6.62% to 10.74% p.a. and receive a variable interest at 6.67% p.a. on the notional amount.

The cash flow hedges through CCS of USD 47,850,000, COS of USD 389,304,935 and call spread of USD 299,304,936, call options of USD 104,747,401 and forwards of USD 100,634,132 outstanding at the year ended 31 March 2021 were assessed to be highly effective and cumulative impact of mark to market gain and reinstatement of hedged item of of INR 595 (31 March 2020: INR 726) with a deferred tax liability of INR 39 (31 March 2020: Deferred tax asset of INR 201), 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	1,252	-	2,133	-

Hedging reserve movement

Cash flow hedge reserve movement (A)	**As at 31 March 2021**	**As at 31 March 2020**
Balance at the beginning of the year	**(1,013)**	**(20)**
Gain/(loss) recognised on cash flow hedges	59	(814)
(Gain)/loss reclassified to profit or loss	(5)	-
Income tax relating on cash flow hedges	169	(179)
Balance at the end of the year	**(791)**	**(1,013)**
Cost of Hedge (B)		
Balance at the beginning of the year	86	82
Effective portion of changes in fair value	(773)	(899)
Amount reclassified to profit or loss	849	904
Tax effect	(19)	(1)
Closing balance	**143**	**86**
Total Hedge reserve movement (A+B)		
Opening balance	(927)	61
OCI for the year	280	(989)
Closing balance	**(647)**	**(927)**

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

(i) Contingent liabilities
The entities forming part of the Restricted Group have no contingent liability as on 31 March 2021. (31 March 2020: INR Nil).

(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).

Guarantee:
The Restricted Group has obtained guarantees from financial institutions as a part of the bidding process for establishing renewable projects. Further, the Group issues irrevocable performance bank guarantees in relation to its obligation towards construction and transmission infrastructure of renewable power projects plants as required by the PPA and such outstanding guarantees are INR 1 as at 31 March 2021 (31 March 2020: INR 1).

The terms of the PPAs provide for the delivery of a minimum quantum of electricity at fixed prices.

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32 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	24,096	24,096	22,754	22,754
Bank deposits with remaining maturity for more than twelve months	113	113	0	0
Trade receivables	3,574	3,574	3,830	3,830
Cash and cash equivalent	522	522	453	453
Bank balances other than cash and cash equivalent	3,328	3,328	1,861	1,861
Other current financial assets	2,080	2,080	1,758	1,758
Measured at FVOCI				
Derivative instruments	1,252	1,252	2,133	2,133
Financial liabilities				
Compulsorily Convertible Debentures (unsecured)	447	447	413	413
Loan from related party	13,370	13,370	14,941	14,941
Listed senior secured notes	38,241	40,458	39,102	39,102
Liability component of preference shares	66	66	58	58
Trade payables	1,577	1,577	1,318	1,318
Other current financial liabilities	4,946	4,946	3,027	3,027

The management of the entities forming part of the Restricted Group assessed that cash and cash equivalents, trade receivables, 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.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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 senior secured notes 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 2021 was assessed to be insignificant.

ii The fair values of the liability component of compulsory convertible debentures and lease liability including current maturities are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the 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 2021 was assessed to be insignificant.

iii 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.

iv The entities forming part of the Restricted Group enter into derivative financial instruments with various counter parties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the currency, interest rate curves and forward rate curves of the underlying instrument. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

33 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 Company's assumptions about pricing by market participants.

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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 not measured at fair value					
Measured at amortised cost					
Financial assets (Non current): Loans					
Security deposits	Level 3	13	13	9	9
Total		**13**	**13**	**9**	**9**
Financial assets (Non current): Others					
Bank deposits with remaining maturity for more than twelve months	Level 3	113	113	0	0
Total		**113**	**113**	**0**	**0**

Financial liabilities not measured at fair value					
Measured at amortised cost					
Senior secured notes	Level 3	38,241	40,458	39,102	39,102
Compulsorily Convertible Debentures (unsecured)	Level 3	447	447	413	413
Liability component of preference shares	Level 3	66	66	58	58
Loan from related party (unsecured)	Level 3	13,370	13,370	14,941	14,941
Total		**52,124**	**54,341**	**54,515**	**54,515**

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial assets not measured at fair value			
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
Financial liabilities not measured at fair value			
Compulsorily Convertible Debentures (unsecured)	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Senior secured notes	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Loan from related party (unsecured)	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Liability component of preference shares	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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34 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 2021. 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 2021.

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	Nil	+/(-)50	(-)/+ 21
	Increase/decrease in basis points	**Effect on equity**	**Increase/decrease in basis points**	**Effect on equity**
INR	+/(-)50	(-)/+ 15	+/(-)50	(-)/+ 15

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 Company has 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 entities forming part of the Restricted Group is exposed to credit risk from their operating activities (primarily trader 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.

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 entities forming part of the Restricted Group have state utilities/government entities as it's customers with high credit worthiness, therefore, the entities forming part of the Restricted Group do not see any risk related to credit. The credit quality of the customers other than state utilities/government entities 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 Company's trade receivables using a provision matrix:

	Trade receivables (days past due)				
As at 31 March 2021	**0 - 6 months***	**6 -12 months**	**12 -18 months**	**> 18 months**	**Total**
Gross carrying amount	2,276	1,186	79	48	**3,589**
Expected credit loss	11	5	0	0	**16**

	Trade receivables (days past due)				
As at 31 March 2020	**0 - 6 months***	**6 -12 months**	**12 -18 months**	**> 18 months**	**Total**
Gross carrying amount	2,256	1,329	237	7	**3,830**
Expected credit loss	-	-	-	-	-

*included trade receivables which are not yet due.

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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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						
Compulsorily convertible debentures	-	130	37	198	518	883
Liability component of preference shares	-	-	-	-	188	188
Loans from related party	14,912	-	-		-	14,912
Listed senior secured notes*	-	67	2,768	43,930	-	46,765
Other financial liabilities						-
Interest accrued but not due on borrowings	2,757	(8)	126	-	-	2,875
Capital creditors	393	748	-	-	-	1,141
Trade payable						
Trades payable	1,093	490	-	-	-	1,583

* 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						
Compulsorily convertible debentures	-	-	111	199	567	877
Liability component of preference shares	-	-	-	-	189	189
Loans from related party	-	-	-	14,941	-	14,941
Listed senior secured notes*	-	-	2,608	47,622	-	50,230
Other financial liabilities						
Interest accrued but not due on borrowings	1,608	20	129	-	-	1,757
Capital creditors	438	832	-	-	-	1,270
Other payable	-	30	-	-	-	30
Trade payable						
Trade payable	985	332	-	-	-	1,316

* Including future interest payments.

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35 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, compulsory convertible debentures, 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 period ended 31 March 2021.

36 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	Nil
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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37 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 9 (31 March 2020: INR 10).
(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	3	12	15
Total	**3**	**12**	**15**
Previous year*			
Construction / acquisition of any asset	Nil	Nil	Nil
Other activities	0	8	8
Total	**0**	**8**	**8**

* 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*	10	-
ii) Contribution to other than ongoing projects	6	8
iii) Unspent amount	-	-
Total	16	8

* 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
-	9	16	6

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38 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.

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, the entities forming part of the Restricted Group are 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	For the year ended 31st March 2023	For the year ended 31st March 2024
Impact on Statement of Profit and Loss				
Decrease in depreciation expense	(394,283)	(726,294)	(726,294)	(726,294)
Increase in finance costs	32,514	68,889	73,074	77,513
Increase in deferred tax expense	94,393	170,925	169,837	168,683
Impact on Balance Sheet				
Increase in property, plant and equipment	1,495,743	2,222,038	2,948,332	3,674,627
Increase in liability for decommissioning costs	1,133,974	1,202,863	1,275,937	1,353,450
Increase in deferred tax liability	94,060	264,985	434,823	603,506

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 plants, the Company considers a constructive obligation to remove the wind and solar power plant and restore the land. The Company 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 14 for further disclosures.

S.R. BATLIBOI & CO. LLP * GURUGRAM *

Renew Power Private Limited *

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

Provision for expected credit losses of trade receivables
The Company 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 Company's historical observed default rates. The Company 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 Company'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 Company's trade receivables is disclosed in Note 8.

Related party transactions
ReNew Power Private Limited along with all its subsidiaries hereinafter collectively referred to 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 and CCDs. 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.

39 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 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 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.

40 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 281.70 MW of commissioned power projects in the area impacted by the order
The Restrited 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 consolidated financial statements.

41 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 Restricted 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.

42 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

For and on behalf of the Restricted Group

S.R. BATLIBOI & CO. LLP GURUGRAM

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram

Sumant Sinha
(Chairman & Managing Director)
DIN- 00972012
Place: Gurugram

D. Muthukumaran
(Chief Financial Officer)

Place: Gurugram

ReNew Power Private Limited

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram