

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 2023, 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 “special purpose combined financial statements”). These special purpose combined financial statements have been prepared solely for submission by RPPL to the trustees of the INR denominated notes of the Restricted Group as per term sheet.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose 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 special purpose combined financial statements.

Basis for Opinion

We conducted our audit of the special purpose 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 special purpose 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 special purpose combined financial statements.

Emphasis of matter

We draw attention to note 2 and 3 to the special purpose combined financial statements, which describes that the Restricted Group has not formed a separate legal group of entities during the year ended 31 March 2023, which also describes the basis of preparation, including the approach to and the purpose for preparing them. Consequently, the Restricted Group's special purpose 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. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of the matter.



Responsibilities of Management for the Special Purpose Combined Financial Statements

RPPL's Board of Directors (referred to as the "Management") is responsible for the preparation of these special purpose combined financial statements in accordance with basis of preparation set out in note 3 of the accompanying notes to these special purpose 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 special purpose combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose 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 Special Purpose Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose 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 special purpose 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 special purpose 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 special purpose combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entities forming part of Restricted Group to cease to continue as a going concern.



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

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

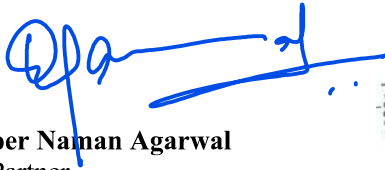
Other matters

These special purpose combined financial statements have been prepared by the management of RPPL and our report on these special purpose combined financial statements has been issued, solely for the purpose stated in paragraph 2 of the accompanying special purpose combined financial statements and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Our opinion is not modified in respect of this matter.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Naman Agarwal

Partner

Membership Number: 502405

UDIN: 23502405BGXEFD2918

Place of Signature: Gurugram

Date: 29 July 2023



Restricted Group
Special Purpose Combined Balance Sheet as at 31 March 2023
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	4	21,424	22,061
Capital work in progress	4	0	2
Goodwill	5	2	2
Other intangible assets	5	399	421
Right of use assets	6	13	13
Financial assets			
Others	7	0	5
Trade receivables	12	596	-
Deferred tax assets (net)	8	71	73
Prepayments	9	2	3
Other non-current assets	10	42	41
Non current tax assets (net)		213	150
Total non-current assets		22,762	22,771
Current assets			
Inventories	11	74	32
Financial assets			
Loans	7	14,747	12,513
Trade receivables	12	1,341	2,637
Cash and cash equivalent	13	304	987
Bank balances other than cash and cash equivalent	13	637	605
Others	7	1,172	733
Prepayments	9	18	18
Other current assets	10	83	81
Total current assets		18,376	17,606
Total assets		41,138	40,377
Equity and liabilities			
Equity			
Equity share capital	14A	886	886
Instruments entirely equity in nature	14E	112	112
Other equity			
Equity component of preference shares	15A	718	718
Securities premium	15B	7,255	7,255
Debenture redemption reserve	15C	254	156
Retained earnings	15D	(819)	(458)
Parent's contribution	15E	52	52
Total equity		8,458	8,721
Non-current liabilities			
Financial liabilities			
Long-term borrowings	16	25,515	24,613
Lease liabilities	17	4	3
Others	19	104	135
Long-term provisions	18	1,140	958
Deferred tax liabilities (net)	8	926	658
Total non-current liabilities		27,689	26,367



Restricted Group
Special Purpose Combined Balance Sheet as at 31 March 2023
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
Current liabilities			
Financial liabilities			
Short-term borrowings	20	1,588	1,571
Trade payables			
Total outstanding dues to micro enterprises and small enterprises	21	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	924	1,040
Lease Liabilities	17	2	2
Other current financial liabilities	22	2,377	2,598
Other current liabilities	23	100	72
Current tax liabilities (net)		0	6
Total current liabilities		4,991	5,289
Total liabilities		32,680	31,656
Total equity and liabilities		41,138	40,377

Summary of significant accounting policies

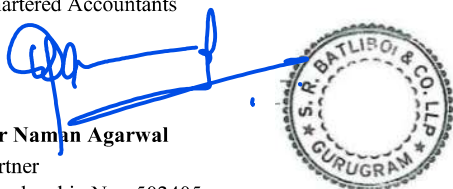
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The accompanying notes are an integral part of the Special Purpose Combined Financial Statements

As per our report of even date

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

per **Naman Agarwal**
Partner
Membership No.: 502405
Place: Gurugram
Date: 29 July 2023



For and on behalf of the Restricted Group

Kailash Vaswani
(Director)
DIN- 06902704
Place: Gurugram
Date: 29 July 2023

Kedar Upadhye
(Chief Financial Office)
Place: Gurugram
Date: 29 July 2023

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram
Date: 29 July 2023



Restricted Group**Special Purpose Combined Statement of Profit and Loss for the year ended 31 March 2023**

(Amounts in INR millions, unless otherwise stated)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income:			
Revenue from operations	24	3,711	3,469
Other income	25	1,364	1,459
Total income		5,075	4,928
Expenses:			
Other expenses	26	731	704
Total expenses		731	704
Earning before interest, tax, depreciation and amortisation (EBITDA)		4,344	4,224
Depreciation and amortisation expense	27	786	791
Finance costs	28	3,524	2,856
Profit/(loss) before tax		34	577
Tax expense			
Current tax	8	25	20
Deferred tax	8	269	327
Adjustment of tax related to earlier years		3	1
Profit/(loss) for the year	(a)	(263)	229
Other comprehensive income (OCI)	(b)	-	-
Total comprehensive income/(loss) for the year	(a) + (b)	(263)	229
Summary of significant accounting policies	3		

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

As per our report of even date

For S.R. Batliboi & Co. LLP

ICAI Firm Registration No.: 301003E/E300005

Chartered Accountants

per Naman Agarwal

Partner

Membership No.: 502405

Place: Gurugram

Date: 29 July 2023

**For and on behalf of the Restricted Group****Kailash Vaswani**

(Director)

DIN- 06902704

Place: Gurugram

Date: 29 July 2023

Kedar Upadhye

(Chief Financial Officer)

Place: Gurugram

Date: 29 July 2023

Ashish Jain

(Company Secretary)

Membership No.: F6508

Place: Gurugram

Date: 29 July 2023



Restricted Group**Special Purpose Combined Statement of Cash Flows for the year ended 31 March 2023**

(Amounts in INR millions, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flow from operating activities		
Profit for the year	34	577
Adjustments for:		
Depreciation and amortisation expense	786	791
Impairment allowance for bad and doubtful debts	23	58
Impairment allowance for carbon credit	88	-
Impairment of Inventory	2	-
Operation and maintenance reserve	(34)	(241)
Interest income	(1,105)	(943)
Interest expense	3,290	2,853
Unwinding of discount of provisions	66	-
Unwinding of financial assets	(51)	-
Loss on account of modification of contractual cash flows	168	-
Operating profit before working capital changes	3,267	3,095
Movement in working capital		
(Increase)/decrease in trade receivables	560	(666)
(Increase)/decrease in inventories	(131)	(16)
(Increase)/decrease in financial assets	101	(142)
(Increase)/decrease in other current assets	(2)	19
(Increase)/decrease in prepayments	1	8
Increase/(decrease) in other liabilities	32	2
Increase/(decrease) in trade payables	(118)	115
Increase/(decrease) in financial liabilities	(1)	1
Cash generated from operations	3,709	2,416
Income tax paid/ (refund)	(95)	(100)
Net cash generated from operating activities	3,614	2,316
Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress, intangibles including other intangible assets under development, capital creditors and capital advances	(172)	(39)
(Investments)/Redemption of bank deposits having residual maturity more than 3 months	(27)	(499)
Loan given to related parties	(2,241)	-
Loan repaid by related parties	7	-
Interest received	562	936
Net cash (used in)/ generated from investing activities	(1,871)	398
Cash flow from financing activities		
Proceeds from short-term borrowings	17	486
Repayment of short-term borrowings	-	(435)
Interest paid	(2,443)	(2,102)
Net cash used in financing activities	(2,426)	(2,051)
Net (decrease) / increase in cash and cash equivalents	(683)	663
Cash and cash equivalents at the beginning of the year	987	324
Cash and cash equivalents at the end of the year	304	987
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	75	987
- On deposit accounts with original maturity of less than 3 months	229	-
Total cash and cash equivalents (note 13)	304	987



Restricted Group**Special Purpose Combined Statement of Cash Flows for the year ended 31 March 2023**

(Amounts in INR millions, unless otherwise stated)

Changes in liabilities arising from financial activities:

Particulars	Opening balance as at 1 April 2022	Cash flows (net)	Other changes*	Closing balance as at 31 March 2023
Long-term borrowings (including current maturities)	24,613	0	902	25,515
Short-term borrowings	1,572	17	(1)	1,588
Total liabilities from financing activities	26,184	17	901	27,103

Particulars	Opening balance as at 1 April 2021	Cash flows (net)	Other changes*	Closing balance as at 31 March 2022
Long-term borrowings (including current maturities)	24,118	-	495	24,613
Short-term borrowings	1,520	51	0	1,572
Total liabilities from financing activities	25,639	51	495	26,184

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

Refer note 30 for movement in lease liabilities.

Summary of significant accounting policies



3

Notes:

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

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

As per our report of even date

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


per **Naman Agarwal**

Partner

Membership No.: 502405

Place: Gurugram

Date: 29 July 2023

For and on behalf of the Restricted Group

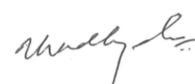
Kailash Vaswani

(Director)

DIN- 06902704

Place: Gurugram

Date: 29 July 2023


Kedar Upadhye

(Chief Financial Officer)

Place: Gurugram

Date: 29 July 2023


Ashish Jain

(Company Secretary)

Membership No.: F6508

Place: Gurugram

Date: 29 July 2023



Restricted Group
Special Purpose Combined Statement of changes in equity for the year ended 31 March 2023
(Amounts in INR millions, unless otherwise stated)

Particulars	Attributable to the equity holders of entities forming part of the Restricted Group							Total equity
	Equity share capital* (refer note 14A)	Instruments entirely equity in nature# (refer note 14E)	Equity component of preference shares# (refer note 15A)	Securities premium (refer note 15B)	Retained earnings (refer note 15D)	Parent's contribution (refer note 15E)	Debt redemption reserve (refer note 15C)	
At 1 April 2021	886	112	718	7,255	(576)	52	45	7,495
Loss for the year	-	-	-	-	229	-	-	229
Debt redemption reserve	-	-	-	-	(111)	-	111	-
At 31 March 2022	886	112	718	7,255	(458)	52	156	8,721
Profit for the year	-	-	-	-	(263)	-	-	(263)
Debt redemption reserve	-	-	-	-	(98)	-	98	-
At 31 March 2023	886	112	718	7,255	(819)	52	254	8,458

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

Summary of significant accounting policies

3

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

For S.R. Batliboi & Co. LLP

ICAI Firm Registration No.: 301003E/E300005

Chartered Accountants



(Signature)
per Nandan Agarwal
Partner

Membership No.: 502405

Place: Gurugram

Date: 29 July 2023

For and on behalf of the Restricted Group

(Signature)

Kailash Vaswani **Kedar Upadhye**
(Director) (Chief Financial Officer)

DIN- 06902704

Place: Gurugram

Date: 29 July 2023

(Signature)

Ashish Jain

(Company Secretary)

Membership No.: F6508

Place: Gurugram

Date: 29 July 2023



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

1 Corporate information

ReNew Power Private Limited (the "Company" or "Parent" or "RPPL") is a private limited company domiciled in India.

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

Name of entity	Holding Company	As at 31 March 2023	As at 31 March 2022
ReNew Wind Energy (AP) Private Limited	ReNew Power Private Limited	70%	70%
ReNew Wind Energy (AP 3) Private Limited	ReNew Power Private Limited	100%	100%
Shruti Power Projects Private Limited	ReNew Power Private Limited	100%	100%
Pugalur ReNewable Private Limited	ReNew Power Private Limited	100%	100%
Bidwal ReNewable Private Limited	ReNew Power Private Limited	100%	100%
Zemira ReNewable Energy Limited	ReNew Power Private Limited	100%	100%
ReNew Wind Energy (Rajasthan Four) Private Limited	ReNew Solar Power Private Limited*	100%	100%
ReNew Wind Energy (Maharashtra) Private Limited	ReNew Solar Power Private Limited*	100%	100%
Bhumi Prakash Private Limited	ReNew Solar Power Private Limited*	100%	100%
Tarun Kiran Bhoomi Private Limited	ReNew Solar Power Private Limited*	100%	100%
ReNew Wind Energy (MP Three) Private Limited	ReNew Solar Power Private Limited*	100%	100%

Entities forming part of the Restricted Group listed above are incorporated in India and are engaged in generation of power through non-conventional and renewable energy sources. The Combined Financial Statements were approved for issue in accordance with a resolution of the directors of ReNew Power Private Limited on 29 July 2023.

2 Purpose of Special Purpose Combined Financial Statements

Management of the Parent company has prepared the Special Purpose Combined Financial Statements which comprise the Combined Balance Sheet as at 31 March 2023, 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 2023, a summary of the significant accounting policies and other explanatory information.

These Special Purpose Combined Financial Statements have been prepared for the purpose of submission to the holders of the INR denominated Non-Convertible Debentures (referred to as "INR NCDs") issued by entities forming part of the Restricted Group. These Combined Financial Statements presented herein reflect the Restricted Group's results of operations, assets and liabilities and cash flows for the year presented. The basis of preparation and significant accounting policies used in preparation of these Combined Financial Statements are set out in Note 3 below.

3 Significant accounting policies

3.1 Basis of preparation

The Special Purpose Combined Financial Statements have been prepared in accordance with the principles of Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, except Ind AS 33 "Earnings Per Share, and the Guidance Note on Combined and Carve-out Financial Statements issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

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 year 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.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

3.2 Basis of combination

The financial information of all entities forming part of Restricted Group used for the purpose of combination are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2023. The Special Purpose Combined Financial Statements have been prepared by combining like items of assets, liabilities, equity, income, expenses and cash flows of the entities forming part of Restricted Group. All the intragroup assets and liabilities, equity, income, expenses and cash flows relating to entities forming part of Restricted Group have been eliminated and profits or losses arising from intragroup transactions that are recognised in assets, such as inventory and fixed assets have been eliminated in full. All the inter-group transactions are undertaken on Arms Lengths basis. The resulting financial position may not be that which might have existed if the combining businesses had been a stand-alone business.

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

The non-controlling interest held by outsiders amount to INR 231 and INR 182 as of 31 March 2023 and 31 March 2022 respectively.

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

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

The Special Purpose Combined Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Business Combination and Goodwill

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

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

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

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

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

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

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

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

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



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

3.3 Summary of significant accounting policies

a) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when it is:

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

All other liabilities are classified as non-current.

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

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 34 and 35).

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.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

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 39)
- Quantitative disclosures of fair value measurement hierarchy (Refer Note 35)
- Financial instruments (including those carried at amortised cost) (Refer Note 34 and 35)

c) Revenue recognition

Revenue from contracts with customers

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

Sale of power

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

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

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. To estimate the variable consideration, the Group applies appropriate method given under Ind AS 115.

- Rebates

In some PPAs, the Group provide rebates in invoice if payment is made before the due date. These are adjusted against revenue and are offset against amounts payable by the customers.

- Significant financing component

Significant financing component for customer contracts is considered for the length of time between the customers' payment and the transfer of the performance obligation, as well as the prevailing interest rate in the market. The transaction price for these contracts is discounted, using the interest rate implicit in the contract. This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

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.



Restricted Group

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e) Income taxes

Current income tax

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

Deferred tax

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

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

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

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

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

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

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

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"



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Sale of emission reduction certificates

Government grants in the form of carbon emission rights (CERs), which are received on projects registered under the United Nations Framework on Climate Change, are recorded as inventory and initially measured at fair value when there is reasonable assurance that such CERs will be received, with credit being recognised as Income from sale of emission reduction certificates under other operating income in the statement of profit or loss. Such CERs are subsequently tested for impairment. The Group derecognises the CERs when the certificate is sold, which occurs when units are transferred to the customer. The difference between the carrying value and sale price is recognised as income from sale of emission reduction certificates under 'Other operating income'. Unbilled CERs which are agreed to be sold to a specific party have been treated as financial assets.

g) Property, plant and equipment

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

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

Subsequent costs

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

Derecognition

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

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

h) Intangible assets

Intangible assets acquired separately are measured in initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with finite life are reviewed at least at the end of each reporting period.

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

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

Category	Life (in years)
Plant and equipment (Wind project)*	30
Plant and equipment (Solar Project)*	35
Office equipment	5
Furniture and fixture	10
Computers	3

* 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 and other intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

j) Leases

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

As a lessee

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

i) Right-of-use assets

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

If ownership of the leased asset transfers to the entities forming part of Restricted Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

ii) Lease liabilities

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

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

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

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

As a lessor

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

k) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average method.

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.

l) Borrowing costs

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



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m) Impairment of non-financial assets

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

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

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

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

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

n) Provisions

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

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

Decommissioning liability

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

o) 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:

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



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

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

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

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

Equity investments

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

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

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

Derecognition

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

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

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

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.



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Impairment of financial assets

In accordance with Ind AS 109, the Restricted Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on all the financial assets and credit risk exposure.

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Loans and borrowings

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

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

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

Derecognition

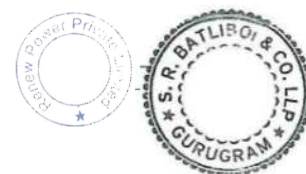
A financial liability is derecognised when the obligation under the liability is discharged/ cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such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

Reclassification of financial assets and liabilities

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

Offsetting of financial instruments

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



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

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.

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.

3.4 New standards, interpretations and amendments

3.4.1 New and amended standards and interpretations adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning April 1, 2022 but do not have a material impact on the consolidated financial statements of the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

(a) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements. The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to Ind AS 103 to clarify that contingent assets do not qualify for recognition at the acquisition date. These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the year.

(b) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(c) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for Ind AS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments

3.4.2 Standards issued but not yet effective

The following new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements which are not expected to have any material impact on the financial statements of the company are disclosed below:

- Amendments to Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 April 2023*)
- Amendments to Ind AS 1 - Disclosure of Accounting Policies (effective from 1 April 2023*)
- Amendments to Ind AS 8 - Definition of Accounting Estimates (effective from 1 April 2023*)
- Amendments to Ind AS 116 - Lease Liability in a Sale and Leaseback (effective from 1 April 2023*)

*Effective for annual periods beginning on or after this date.



Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023
(Amounts in INR millions, unless otherwise stated)

4 Property, plant and equipment

	Freehold Land	Plant and equipment	Buildings	Office equipment	Furniture & fixtures	Computers	Total property, plant and equipment	Capital work in progress**
Cost								
At 1 April 2021	782	26,357	1	0	2	4	27,145	7
Additions during the year	1	13	-	-	-	-	14	8
Adjustment*	4	(4)	-	-	-	-	-	-
Adjustment**	-	(154)	-	-	-	-	(154)	-
Capitalised during the year	-	-	-	-	-	-	-	(13)
At 31 March 2022	787	26,212	-	0	2	4	27,005	2
Additions during the year	0	10	1	-	-	0	12	(2)
Adjustment*	-	(3)	-	-	-	-	(3)	-
Adjustment**	-	116	-	-	-	-	116	-
At 31 March 2023	787	26,335	1	0	2	4	27,129	0
Accumulated depreciation								
At 1 April 2021	-	4,172	0	0	2	1	4,175	-
Charge for the year (refer note 27)	-	768	-	-	0	1	769	-
At 31 March 2022	-	4,940	0	-	2	2	4,944	-
Charge for the year (refer note 27)	-	760	0	-	0	1	761	-
At 31 March 2023	-	5,700	0	-	2	3	5,705	-
Net book value								
At 31 March 2022	787	21,272	(0)	0	0	2	22,061	2
At 31 March 2023	787	20,635	1	0	0	2	21,424	0

*** Adjustment pertains to following**

Certain cost capitalised on provisional basis upto last year has been actualised during the year results in reclass of assets from plant & equipments to freehold land. There is no impact on the Statement of Profit and Loss on account of such settlement.



**** Adjustment pertains to following**

Adjustment during the year pertains to reassessment of asset retirement obligation adjusted in plant and equipment. (Refer Note 18)

Mortgage and hypothecation on Property, plant and equipment:

Property, plant and equipment with a carrying amount of INR 21,424 (31 March 2022: INR 22,064) are subject to a pari passu first charge to respective lenders for non convertible debentures as disclosed in Note 16.

(a) Capital work in progress (CWIP) ageing schedule

As at 31 March 2023

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	-	-	-	-
Projects temporarily suspended	-	-	-	-
Total	-	-	-	-

As at 31 March 2022

Particulars	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	2	-	-	2
Projects temporarily suspended	-	-	-	-
Total	2	-	-	2

(b) Title deeds of immovable property not held in the name of the Company

As at 31 March 2023

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a	Property held since which date	Reason for not being held in the name of the company
Land	33	Multiple farmers	NA	2017	Due to Gamesa De-scope, 1 IE Sketch & Survey record pending

As at 31 March 2022

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a	Property held since which date	Reason for not being held in the name of the company
Land	33	Multiple farmers	NA	2017	Due to Gamesa De-scope, 1 IE Sketch & Survey record pending



Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023**

(Amounts in INR millions, unless otherwise stated)

5 Other intangible assets	Computer software	Customer contracts	Total intangibles	Goodwill
Cost				
At 1 April 2021	0	505	505	2
Additions during the year	0	-	0	-
At 31 March 2022	0	505	505	2
Additions during the year	-	(0)	(0)	-
At 31 March 2023	0	505	505	2
Amortisation				
At 1 April 2021	0	63	63	-
Amortisation for the year (refer note 27)	0	21	21	-
At 31 March 2022	0	84	84	-
Amortisation for the year (refer note 27)	0	22	22	-
At 31 March 2023	0	106	106	-
Net book value				
At 31 March 2022	0	421	421	2
At 31 March 2023	0	399	399	2

Mortgage and hypothecation on Customer contracts

Customer contracts with a carrying amount of INR 399 (31 March 2022: INR 421) are subject to a pari passu first charge to respective non convertible debentures as disclosed in Note 16.



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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

6 Right of use assets

<u>Particulars</u>	<u>Land</u>	<u>Total</u>
Cost		
At 1 April 2021	16	16
At 31 March 2022	<u>16</u>	<u>16</u>
Additions during the year	1	1
At 31 March 2023	<u>17</u>	<u>17</u>
Depreciation		
At 1 April 2021	2	2
Charge for the year (refer note 27)	1	1
At 31 March 2022	<u>3</u>	<u>3</u>
Charge for the year (refer note 27)	1	1
At 31 March 2023	<u>4</u>	<u>4</u>
Net book value		
At 31 March 2022	<u>13</u>	<u>13</u>
At 31 March 2023	<u>13</u>	<u>13</u>

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

7 Financial assets	As at 31 March 2023	As at 31 March 2022
Non-current		
Considered good - Unsecured		
Loans to related parties (refer note 32)	-	-
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	<u>-</u>	<u>-</u>
Others		
Bank deposits with remaining maturity for more than twelve months (refer note 13)	0	5
Total	<u>0</u>	<u>5</u>
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 32)	887	887
Loans to related parties (refer note 32)**	13,860	11,626
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	<u>14,747</u>	<u>12,513</u>
Others		
Government grants*		
- Generation based incentive receivable	17	31
Recoverable from related parties (refer note 32)	207	266
Interest accrued on fixed deposits	6	2
Security deposits	1	0
Interest accrued on loans to related parties (refer note 32)	940	403
Insurance claim receivable	1	31
Total	<u>1,172</u>	<u>733</u>

*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.

**Unsecured loan to related party is recoverable on demand and carries interest at 8.00% per annum.

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

Loans or advances to specified persons

Type of Borrower	Current year		Previous year	
	Amount outstanding	% of Total	Amount outstanding	% of Total
Related Parties	14,747	100%	12,513	100%



Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023**

(Amounts in INR millions, unless otherwise stated)

8 Deferred tax**8A Deferred tax assets (net)**

	As at 31 March 2023	As at 31 March 2022
Deferred tax assets (gross)		
Provision for decommissioning cost	51	43
Expected credit loss	18	12
Losses available for offsetting against future taxable income	829	842
Provision for operation and maintenance equalisation	21	25
(a)	919	922
Deferred tax liabilities (gross)		
Compound financial instruments		-
Difference in written down value as per books of account and tax laws	848	849
(b)	848	849
Deferred tax assets (net)	(c) = (a)-(b) 71	73
Deferred tax liabilities (net)		
Deferred tax assets (gross)		
Compound financial instruments	30	24
Provision for decommissioning cost	238	200
Expected credit loss	3	3
Losses available for offsetting against future taxable income	2,414	2,592
Provision for operation and maintenance equalisation	13	19
Unused tax credit (MAT)	18	18
Lease liabilities	1	1
Others	25	-
(d)	2,742	2,856
Deferred tax liabilities (gross)		
Compound financial instruments	253	253
Difference in written down value as per books of account and tax laws	3,414	3,249
Unamortized ancillary borrowing cost	0	1
Inventory	-	11
Right of use asset	1	1
(e)	3,668	3,515
Deferred tax liabilities (net)	(f) = (e)-(d) 926	658



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

8B Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Accounting profit before income tax	34	577
Tax at the India's tax rate of 25.40% (31 March 2022 : 25.40%)	9	146
Disallowance of interest u/s 94B of the Income tax Act,1961 ⁽¹⁾	287	194
Effect of tax holidays and other tax exemptions	-	5
Tax rate differences	(2)	(10)
Adjustment of tax relating to earlier periods	0	21
Others non-deductible items	4	(9)
At the effective income tax rate	297	347
Current tax expense reported in the Statement of Profit and Loss	25	20
Deferred tax expense reported in the Statement of Profit and Loss	269	327
Adjustment of tax related to earlier years	3	1
	297	348

Notes

(1) The Group has not recognised deferred tax assets in absence of reasonable certainty towards its realisation.

8C Reconciliation of deferred tax assets (net) and deferred tax liabilities (net):

Particulars	Balance of DTA/(DTL) (net) on 1 April 2022	Income/(expense) recognised in profit and loss for Mar'23	Balance of DTA/(DTL) (net) on 31 March 2023
Compound financial instruments	(229)	6	(223)
Difference in written down value as per books of account and tax laws	(4,098)	(164)	(4,262)
Unamortized ancillary borrowing cost	(1)	0	(0)
Provision for decommissioning cost	243	46	289
Expected credit loss	15	6	21
Unabsorbed depreciation available for offsetting against future taxable income	3,425	(188)	3,237
Losses available for offsetting against future taxable income	10	(4)	6
Unused tax credit (MAT)	18	-	18
Provision for operation and maintenance equalisation	45	(9)	37
Lease liabilities	1	(0)	1
Right of use asset	(1)	0	(1)
Inventory	(11)	11	-
Others	-	25	25
Total	(585)	(269)	(855)

Particulars	Balance of DTA/(DTL) (net) on 1 April 2021	Income/(expense) recognised in profit and loss for Mar'22	Balance of DTA/(DTL) (net) on 31 March 2022
Compound financial instruments	(234)	5	(229)
Difference in written down value as per books of account and tax laws	(3,677)	(421)	(4,098)
Unamortized ancillary borrowing cost	(1)	0	(1)
Provision for decommissioning cost	266	(23)	243
Expected credit loss	8	7	15
Unabsorbed depreciation available for offsetting against future taxable income	3,256	169	3,425
Losses available for offsetting against future taxable income	10	0	10
Unused tax credit (MAT)	14	4	18
Provision for operation and maintenance equalisation	103	(58)	45
Lease liabilities	0	1	1
Right of use asset	(0)	(0)	(1)
Inventory	-	(11)	(11)
Total	(257)	(327)	(585)



Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023**

(Amounts in INR millions, unless otherwise stated)

The Group based on profit projections supported by existing PPAs believes that the utilisation of entire deferred tax assets is probable. All items of deferred tax assets have an infinite life except for those on tax losses and MAT which can be carried forward for a maximum period 8 years and 15 years, respectively, from the date of their origination. The Group based on its current profit projections expects to realise the deferred tax asset recognised on tax losses and MAT in their respective permissible carried forward periods. Additionally, the Group has performed sensitivities by reducing in revenues and profits by 10% and noted that there was no material impact on utilisation of the recognised deferred tax assets.

9 Prepayments	As at 31 March 2023	As at 31 March 2022
Non-current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	2	3
Total	2	3
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	18	18
Total	18	18
10 Other assets		
	As at 31 March 2023	As at 31 March 2022
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Capital advance	42	41
Total	42	41
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable	78	81
Total	83	81
11 Inventories		
	As at 31 March 2023	As at 31 March 2022
Emission reduction certificates	59	15
Consumables and spares	14	17
Total	74	32
12 Trade receivables		
	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good (refer note 36)	2,017	2,695
	2,017	2,695
Less: Impairment allowance for bad and doubtful debts	80	58
Total	1,938	2,637
Non- Current	596	-
Current	1,341	2,637

Notes:

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

(ii) Includes unbilled revenue of INR 316 (March 31, 2022: INR 257).

(iii) Refer Note 28(i) for modification of contractual cash flows.

(iv) Movement in the allowance for expected credit loss represents provision created during the year of INR 80 (March 31, 2022: INR 58). There is no other material movement.

(v) There is no material movement in trade receivables except for billing and collection.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

13 Cash and cash equivalents

	<u>As at</u> <u>31 March 2023</u>	<u>As at</u> <u>31 March 2022</u>
Cash and cash equivalents		
Balance with bank		
- On current accounts	75	987
- Deposits with original maturity of less than 3 months	229	-
Total	<u>304</u>	<u>987</u>
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months #	637	605
- Remaining maturity for more than twelve months #	0	5
	<u>637</u>	<u>610</u>
Less: amount disclosed under financial assets (others) (Note 7)	(0)	(5)
Total	<u>637</u>	<u>605</u>

The bank deposits have an original maturity period of 62 to 2344 days and carry an interest rate of 3.00% to 6.75% which is receivable on maturity.

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Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023**

(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 2021	91,295,000	913
Increase during the year	33,750,000	338
At 31 March 2022	125,045,000	1,250
At 31 March 2023	125,045,000	1,250

0.0001% compulsory convertible preference shares of INR 10 each		
At 1 April 2021	13,650,000	137
At 31 March 2022	13,650,000	137
At 31 March 2023	13,650,000	137

0.0001% redeemable non cumulative preference shares of INR 10 each		
At 1 April 2021	11,875,000	119
At 31 March 2022	11,875,000	119
At 31 March 2023	11,875,000	119

Issued share capital	Number of shares	Amount
14A Equity shares of INR 10 each issued, subscribed and paid up		
At 1 April 2021	88,617,084	886
Shares issued during the year	-	-
At 31 March 2022	88,617,084	886
Shares issued during the year	-	-
At 31 March 2023	88,617,084	886

Terms/rights attached to equity shares

The entities forming part of Restricted Group have only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. If declared, the entities forming part of Restricted Group will pay dividends in Indian rupees.

In the event of liquidation of entities forming part of the Restricted Group, the holders of equity shares of entities forming part of Restricted Group will be entitled to receive remaining assets of the respective entity, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders of the respective entity.

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

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
ReNew Solar Power Private Limited*				
Equity shares of INR 10 each	50,000	1	50,000	1
ReNew Power Private Limited*				
Equity shares of INR 10 each	88,567,084	435	88,567,084	435
0.0001% compulsorily convertible preference shares of INR 10 each	11,153,350	112	11,153,350	112
0.0001% redeemable non cumulative preference shares of INR 10 each	114,735,700	1,147	114,735,700	1,147

*for details of relationship with the respective entities of the Restricted Group refer note 32.



Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023**

(Amounts in INR millions, unless otherwise stated)

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

	As at 31 March 2023		As at 31 March 2022	
	Number	% Holding	Number	% Holding
Equity shares of INR 10 each				
ReNew Power Private Limited*	88,567,084	99.94%	88,567,084	101.85%
0.0001% redeemable non cumulative preference shares of INR 10 each				
ReNew Power Private Limited*	114,735,700	100.00%	114,735,700	100.00%
0.0001% compulsorily convertible preference shares of INR 10 each				
ReNew Power Private Limited*	11,153,350	100.00%	11,153,350	100.00%

As per the records of the entities forming part of the Restricted Group, including its register of shareholders/members the above shareholding represents both legal and beneficial ownerships of shares.

*for details of relationship with the respective entities of the Restricted Group refer note 32.

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

14E Instruments entirely equity in nature:**0.0001% compulsorily convertible preference shares of INR 10 each**

	Number of shares	Amount
At 1 April 2021	11,153,350	112
At 31 March 2022	11,153,350	112
At 31 March 2023	11,153,350	112

Terms/rights attached to preference shares**0.0001% compulsorily convertible preference shares (face value Rs 10 each) (CCPS)**

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

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

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

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Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023
(Amounts in INR millions, unless otherwise stated)

15 Other equity

15A Equity component of preference shares:

0.0001% redeemable non cumulative preference shares of INR 10 each (including share premium of INR 90 each)

	Number of shares	Total proceeds	Liability component (refer note 16)	Equity component**
At 1 April 2021	114,735,700	1,147	215	718
Accretion during the year	-	-	22	-
At 31 March 2022	114,735,700	1,147	237	718
Accretion during the year	-	-	25	-
At 31 March 2023	114,735,700	1,147	262	718

(**Adjusted for deferred tax at inception)

Terms/rights attached to preference shares

0.0001% redeemable non cumulative preference shares (RNCPS)

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

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

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

0.0001% redeemable non cumulative preference shares (RNCPS)

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

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

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

15B Securities premium

At 1 April 2021	7,255
At 31 March 2022	7,255
At 31 March 2023	7,255

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

15C Debenture redemption reserve

At 1 April 2021	45
Amount transferred from surplus balance in retained earnings	111
At 31 March 2022	156
Amount transferred from surplus balance in retained earnings	98
At 31 March 2023	254

Nature and purpose

Debenture redemption reserve represents amount transferred from retained earnings as per the requirements of Companies (Share capital and Debentures) Rules, 2014 (as



Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023
(Amounts in INR millions, unless otherwise stated)

15D Retained earnings

At 1 April 2021	(576)
Profit for the year	229
Amount transferred from surplus balance in retained earnings	(111)
At 31 March 2022	(458)
Profit for the year	(263)
Amount transferred from surplus balance in retained earnings	(98)
At 31 March 2023	(819)

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.

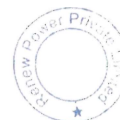
15E Parent's contribution

At 1 April 2021	52
At 31 March 2022	52
At 31 March 2023	52

Nature and purpose

The Parent has carried fair value adjustment to assets and liabilities (including deferred tax recognised) in its consolidated financial statements on acquisition of entities forming part of the restricted group. These fair value adjustment to assets and liabilities (including deferred tax recognised) has been reflected in the Combined financial statements of the Restricted Group in accordance with requirement of the Guidance Note with corresponding credit being recognised as Parent's contribution.

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Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023
(Amounts in INR millions, unless otherwise stated)

16 Long term borrowings	Notes	Interest rate % p.a.	Maturity	Non-current		Current	
				31 March 2023	31 March 2022	31 March 2023	31 March 2022
Non Convertible debentures (secured)	(i)	8.46%	April 2024	25,252	24,376	-	-
Liability component of preference shares (refer note 15A)		0.0001%	March 2038	263	237	-	-
Total long-term borrowings				25,515	24,613	-	-
Amount disclosed under the head 'Short term borrowings' (Refer note 20)				-	-	-	-
				25,515	24,613	-	-

Notes:

(i) Non convertible debentures (secured)

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

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

ReNew Solar Power Private Limited has pledged as on 31 March 2023: 36,000 (31 March 2022: 25,500) equity shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

ReNew Power Private Limited has pledged as on 31 March 2023: 21,268,203 (31 March 2022: 28,431,922) equity shares and as on 31 March 2023: 65,838,365 (31 March 2022: 65,838,365) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

The non convertible debentures (secured) shall be repaid through one bullet payment in 28 April 2024.



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Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023**

(Amounts in INR millions, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
17 Lease liabilities		
Non-current		
Lease liabilities (refer note 30)	4	3
Total	4	3
Current		
Lease liabilities (refer note 30)	2	2
Total	2	2
18 Long-Term Provisions	As at 31 March 2023	As at 31 March 2022
Provision for decommissioning costs	1,140	958
Total	1,140	958
		Provision for decommissioning costs
As at 1 April 2021		1,054
Arised during the year		(154)
Unwinding of discount and changes in discount rate		58
As at 31 March 2022		958
Arised during the year		116
Unwinding of discount and changes in discount rate		66
As at 31 March 2023		1,140
Decommissioning costs		
Provision has been recognised for decommissioning costs associated with premises taken on leases wherein the Group is committed to decommission the site as a result of construction of wind and solar power projects.		
19 Other non-current liabilities	As at 31 March 2023	As at 31 March 2022
Provision for operation and maintenance equalisation	104	135
Total	104	135
20 Short term borrowings	As at 31 March 2023	As at 31 March 2022
Loan from related party (unsecured) (refer note 32)	1,588	1,571
Total	1,588	1,571
Loan from related party (unsecured)		
Unsecured loan from related party is repayable on demand and carries interest at 8.00% per annum.		
21 Trade payables	As at 31 March 2023	As at 31 March 2022
Current		
Total outstanding dues to micro enterprises and small enterprises (refer note 38)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	924	1,040
Total	924	1,040



Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023**

(Amounts in INR millions, unless otherwise stated)

Trade Payables aging schedule**As at 31 March 2023**

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	93	690	70	-	71	924
(iii) Disputed dues of micro enterprises and small enterprises		-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-

As at 31 March 2022

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	993	2	1	44	1,040
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

22 Other current financial liabilities

As at 31 March 2023	As at 31 March 2022
------------------------	------------------------

Financial liabilities at amortised cost**Others**

Interest accrued but not due on borrowings	943	998
Interest accrued but not due on debentures	854	854
Capital creditors	549	711
Provision for operation and maintenance equalisation	31	34
Total	2,377	2,598

23 Other current liabilities

As at 31 March 2023	As at 31 March 2022
------------------------	------------------------

Other payables		
TDS payable	97	72
Advance from customers	4	0
Total	100	72

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Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023**

(Amounts in INR millions, unless otherwise stated)

24 Revenue from contracts with customers

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of power	3,711	3,469
Total	3,711	3,469

The Company recognised impairment losses on receivables arising from contracts with customers amounting to INR 23 (31 March 2022: INR 27).

- The location for all of the revenue from contracts with customers is India.
- The timing for all of the revenue from contracts with customers is over time.
- There are no other material differences between the contracted price and revenue from contracts with customers.

25 Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income accounted at amortised cost		
- on fixed deposit with banks	40	8
- on loan to related parties (refer note 32)	1,063	934
- income tax refund	2	2
Government grant		
- generation based incentive	52	53
Compensation for loss of revenue	47	-
Insurance claim	1	38
Miscellaneous income	6	222
Unwinding of financial assets	51	-
Sale of carbon credit	102	202
Total	1,364	1,459

26 Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Legal and professional fees	11	21
Corporate social responsibility	6	7
Travelling and conveyance	4	4
Management shared services	82	116
Rates and taxes	3	2
Payment to auditors (refer details below)	6	6
Insurance	47	47
Operation and maintenance	451	462
Repair and maintenance		
- plant and machinery	3	2
- Others	2	0
Communication costs	3	3
Impairment allowance for bad and doubtful debts	23	27
Impairment allowances for carbon credit	88	-
Impairment of Inventory	2	-
Miscellaneous expenses	0	7
	731	704

Payment to auditors

	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
Audit fee	5	5
In other capacity:		
Certification fees	-	0
Reimbursement of expenses	1	1
	6	6



Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023**

(Amounts in INR millions, unless otherwise stated)

27 Depreciation and amortisation expense	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4)	765	769
Amortisation of other intangible assets (refer note 5)	20	21
Depreciation of right of use assets (refer note 6)	1	1
Total	786	791

28 Finance costs	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on		
- loan from related party (refer note 32)	198	135
- buyer's/supplier's credit	1	-
- debentures	3,065	2,637
- liability component of redeemable non-cumulative preference shares	25	22
- others	0	-
Bank charges	1	4
Loss on account of modification of contractual cash flows (refer note (i) below)	168	-
Unwinding of discount on provisions	66	58
Total	3,524	2,856

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

(i) Modification of contractual cash flows

The Ministry of Power vide Gazette Notification dated June 3, 2022, notified "The Electricity (Late Payment Surcharge and Related Matters) Rules, 2022" (LPS rules). These rules provide a mechanism for settlement of outstanding dues of Generating Companies, Inter-State Transmission Licensees and Electricity Trading Licensees.

The Company's customers availing this scheme shall pay the outstanding receivables due to the Company in equated monthly instalments without interest. Accordingly, the Company has recorded the modification in terms of the contract and the resultant loss primarily due to the extended interest free credit period has been recognised as a finance cost in the statement of profit or loss.

Unwinding income on these trade receivables of INR 51 is recognised under Other income. Trade receivables outstanding of INR 656 as of March 31, 2023, from customers opting for EMI pursuant to LPS Rules, which are not due within the next twelve months from the end of the reporting date, are disclosed as non-current.

29 Earnings per share (EPS)

The Combined Financial Statement 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.

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Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023
(Amounts in INR thousands, unless otherwise stated)

30 Leases

The Restricted Group has entered into leases for its offices and leasehold lands. These leases generally have lease terms of 5 to 30 years.

The Restricted Group also has certain leases of regional offices and office equipment with lease terms of 12 months or less and lease of office equipments with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

The weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 10.08%.

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

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	5	5
Accretion of interest	1	0
Balance as on 31 March 2023	6	5

- a) There are no restrictions or covenants imposed by leases.
- b) Refer note 26 for rental expense recorded for short-term leases and low value leases for the year ended 31 March 2023.
- c) There are no amounts payable toward variable lease expense recognised for the year ended 31 March 2023
- d) The maturity analysis of lease liabilities are disclosed in note 36.
- e) There are no leases which have not yet commenced to which the lessee is committed (if any).
- f) The effective interest rate for lease liabilities is 9.62% (March 31, 2022: 10.40%).

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Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023
(Amounts in INR thousands, unless otherwise stated)

31 Segment information

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

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

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

	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Wind Power	Solar Power	Wind Power	Solar Power
Sale of power	2,625	1,085	3,711	834
Revenues from operations	2,625	1,085	3,711	834
Other income	1,019	344	1,364	360
Exceptional items	-	-	-	-
Total income	3,645	1,429	5,075	1,194
Less: Other expenses*	516	215	731	164
Earning before interest, tax, depreciation and amortization	3,128	1,214	4,344	1,030
Less: Depreciation		786		
Less: Finance cost*		3,524		
Profit/(loss) before tax		34		577

The Revenues from three major customers amounts to INR 2,399 (31 March 2022: Three major customers : INR 1,410) each of which contributes more than 10% of the total revenue of the Group.

*Loss of INR 169 arising due to customers availing LPS scheme and there by extended credit period has been recognised as a segment cost as is it relates to specific assets of the segment (refer Note 28(i)).



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

32 Related party disclosures

a) Names of related parties and related party relationship

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

I. Holding Company :

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

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

II. Ultimate Holding Company

Renew Energy Global PLC

III. Intermediate Holding Company

Renew Power Private Limited
ReNew Solar Power Private Limited

IV. Key management personnel (KMPs) :

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

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

ReNew Jal Urja Limited	ReNew Agni Power Private Limited
ReNew Clean Energy Private Limited	ReNew Surya Roshni Private Limited
Kanak Renewables Limited	ReNew Wind Energy (Jamb) Private Limited
ReNew Solar Services Private Limited	ReNew Wind Energy (Budh 3) Private Limited
ReNew Sol Energy (Jharkhand One) Private Limited	ReNew Wind Energy (Karnataka 4) Private Limited
Ostro Madhya Wind Private Limited	Abha Sunlight Private Limited
ReNew Saur Urja Private Limited	Ostro Kutch Wind Private Limited
ReNew Power Services Private Limited	ReNew Wind Energy (TN 2) Private Limited
Renew Wind Energy (Karnataka 3) Private Limited	ReNew Wind Energy (AP 2) Private Limited
ReNew Wind Energy (Jath) Limited	ReNew Solar Energy (Telangana) Private Limited
Ostro Dakshin Power Private Limited	ReNew Wind Energy (MP Four) Private Limited
ReNew Wind Energy (Karnataka Five) Private Limited	Vivasvat Solar Energy Private Limited
ReNew Services Private Limited	
ReNew Wind Energy (Shivpur) Private Limited	
ReNew Vayu Urja Private Limited	

b) Details of transactions with Intermediate Holding Company:

Particulars	ReNew Power Private Limited		ReNew Solar Power Private Limited	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Unsecured loan received	17	290	-	-
Unsecured loan repaid	-	234	-	201

Particulars	ReNew Power Private Limited		ReNew Solar Power Private Limited	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Carbon credit sales	-	-	-	179
Unsecured loan given	2,241	31	-	-
Unsecured loan received back	7	4	-	-
Expenses incurred by holding	0	1	4	0
Expenses incurred on behalf of holding company	-	0	-	1
Reimbursement of expenses	6	-	-	-
Purchase of Services# (management shared service)	43	1	28	1
Interest expense on unsecured loan	82	86	100	112
Interest income on unsecured loan	1,056	882	-	-

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.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(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 2023	31 March 2022	31 March 2023	31 March 2022
Unsecured loan receivable	13,773	11,538	-	-
Unsecured loan payable	146	129	1,245	1,245
Trade payables	173	165	0	0
Capital creditor	78	192	-	-
Interest income accrued on unsecured loan	850	566	-	-
Interest expense accrued on unsecured loan	120	285	800	701
Advance from Customer	357	357	-	-
Recoverable from related parties	-	-	34	100

d) Details of transactions with fellow subsidiaries:

i) Loans taken and repayment thereof and interest expense thereon

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Unsecured loan received	Repayment of unsecured loan	Interest expense on unsecured loan	Unsecured loan received	Repayment of unsecured loan	Interest expense on unsecured loan
ReNew Jal Urja Limited	-	-	16	197	-	7

ii) Loans given and repaid thereof and interest income thereon

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Unsecured loan given	Repayment of unsecured loan	Interest income on unsecured loan	Unsecured loan received	Unsecured loan repaid	Interest income on unsecured loan
ReNew Clean Energy Private Limited	-	-	0	-	-	0
Kanak Renewables Limited	-	-	7	-	-	7
ReNew Solar Services Private Limited	-	-	-	-	48	2
ReNew Jal Urja Limited	-	-	-	-	-	0
ReNew Sol Energy (Jharkhand One) Private Limited	-	-	0	-	95	4

iii) Expenses incurred and payment made on behalf and purchase of services

Particulars	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Expenses incurred by related party	Expenses incurred on behalf of related party	Purchase of Services# (management shared service)	Expenses incurred by related party	Expenses incurred on behalf of related party	Purchase of Services# (management shared service)
Ostro Madhya Wind Private Limited	-	-	-	-	0	-
ReNew Saur Urja Private Limited	0	-	-	-	0	-
ReNew Power Services Private Limited	-	0	-	0	0	-
Renew Wind Energy (Karnataka 3) Private Limited	0	-	-	-	-	-
ReNew Wind Energy (Jath) Limited	-	4	-	-	-	-
Ostro Dakshin Power Private Limited	-	0	-	-	-	-
ReNew Wind Energy (Karnataka Five) Private Limited	-	-	0	-	-	-
ReNew Services Private Limited	0	0	-	0	0	-
ReNew Wind Energy (Shivpur) Private Limited	-	0	-	-	-	-
ReNew Vayu Urja Private Limited	-	0	-	-	-	-
ReNew Agni Power Private Limited	-	-	-	0	3	-
ReNew Jal Urja Limited	-	-	-	0	-	-
ReNew Surya Roshni Private Limited	-	-	-	3	0	-
ReNew Wind Energy (Jamb) Private Limited	-	-	-	78	26	-

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	EPC Purchase	Operation and maintenance	EPC Purchase	Operation and maintenance
ReNew Services Private Limited	-	245	-	111

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Consumables Sales	Consumable Purchases	Consumables Sales	Consumable Purchases
Ostro Madhya Wind Private Limited	0	-	0	2
ReNew Saur Urja Private Limited	-	1	0	0
ReNew Power Services Private Limited	-	0	-	-
ReNew Services Private Limited	5	3	0	1
ReNew Wind Energy (Budh 3) Private Limited	0	0	0	0
ReNew Wind Energy (Karnataka 4) Private Limited	-	1	0	0
ReNew Wind Energy (Karnataka 3) Private Limited	0	1	0	-
Abha Sunlight Private Limited	0	-	-	-
Ostro Kutch Wind Private Limited	1	-	-	-
ReNew Wind Energy (TN 2) Private Limited	-	0	-	0
ReNew Wind Energy (AP 2) Private Limited	-	0	-	-
ReNew Solar Energy (Telangana) Private Limited	-	-	-	1
ReNew Wind Energy (MP Four) Private Limited	0	-	0	-
Vivasvat Solar Energy Private Limited	-	-	0	-



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

e) Details of outstanding balances with fellow subsidiaries:

i) Loan payable and interest expense payable

Particulars	31 March 2023		31 March 2022	
	Loan payable	Interest payable	Loan payable	Interest payable
ReNew Jal Urja Limited	197	21	197	7

ii) Loan receivable and interest income receivable

Particulars	31 March 2023		31 March 2022	
	Loan receivable	Interest receivable	Loan receivable	Interest receivable
ReNew Clean Energy Private Limited	5	5	5	5
Rajat Renewables Limited	-	20	-	20
Kanak Renewables Limited	82	38	82	33
ReNew Solar Energy (Karnataka Two) Private Limited	-	11	-	11
ReNew Solar Services Private Limited	-	8	-	8
ReNew Sol Energy (Jharkhand One) Private Limited	0	8	0	8

iii) Trade payable, capital creditor and recoverable from related parties

Particulars	31 March 2023			31 March 2022		
	Trade payable	Capital creditor*	Recoverable from related parties	Trade payable	Capital creditor	Recoverable from related parties
Heliros Infratech Private Limited	-	-	0	-	-	0
Ostro Energy Private Limited	7	-	0	7	-	0
Ostro Kutch Wind Private Limited	-	-	1	-	-	0
Ostro Madhya Wind Private Limited	2	-	-	2	-	-
Ostro Dakshin Power Private Limited	-	-	0	-	-	-
ReNew Foundation	-	-	2	-	-	-
Abha Sunlight Private Limited	-	-	0	-	-	-
ReNew Akshay Urja Limited	0	-	-	0	-	-
ReNew Clean Energy Private Limited	-	-	0	-	-	0
ReNew Saur Urja Private Limited	1	0	0	0	0	0
ReNew Solar Energy (Rajasthan) Private Limited	-	13	-	-	13	-
ReNew Solar Energy (Telangana) Private Limited	1	-	-	1	-	-
ReNew Agni Power Private Limited	3	-	0	3	-	0
ReNew Power Services Private Limited	32	109	4	32	109	4
ReNew Saur Shakti Private Limited	-	-	3	-	-	3
ReNew Services Private Limited	103	-	-	102	-	0
ReNew Sol Energy (Jharkhand One) Private Limited	0	-	-	0	-	-
ReNew Jal Urja Limited	-	-	0	-	-	0
ReNew Solar Energy (TN) Private Limited	-	-	-	0	-	-
ReNew Wind Energy (Jamb) Private Limited	26	-	78	26	-	78
ReNew Solar Energy (Karnataka Two) Private Limited	0	-	-	0	-	-
Vivasvat Solar Energy Private Limited	-	-	0	-	-	0

Particulars	31 March 2023			31 March 2022		
	Trade payable	Capital creditor	Recoverable from related parties	Trade payable	Capital creditor	Recoverable from related parties
ReNew Solar Energy (Karnataka) Private Limited	0	-	-	0	-	-
ReNew Solar Energy (TN) Private Limited	0	-	-	0	-	-
ReNew Wind Energy (AP Five) Private Limited	0	28	6	-	28	6
ReNew Wind Energy (Budh 3) Private Limited	1	-	0	1	-	0
ReNew Wind Energy (Jath) Limited	1	-	4	1	-	-
ReNew Wind Energy (Karnataka 3) Private Limited	1	-	0	-	-	0
ReNew Wind Energy (Karnataka 4) Private Limited	1	-	69	0	-	-
ReNew Wind Energy (Karnataka) Private Limited	344	-	-	344	-	-
ReNew Wind Energy (MP Four) Private Limited	0	-	0	0	-	0
ReNew Wind Energy (MP Two) Private Limited	0	-	-	0	-	-
ReNew Wind Energy (Orissa) Private Limited	0	-	-	0	-	-
ReNew Wind Energy (Rajasthan One) Private Limited	0	-	1	0	-	1
ReNew Wind Energy (Rajasthan) Private Limited	-	-	0	-	-	0
ReNew Wind Energy (Shivpur) Private Limited	0	-	0	0	-	-
ReNew Wind Energy (Sipla) Private Limited	0	-	0	0	-	0
ReNew Wind Energy (Varekarwadi) Private Limited	-	-	0	-	-	0
Adyah Solar Energy Private Limited	0	-	-	0	-	-
ReNew Wind Energy (TN 2) Private Limited	14	-	-	14	-	-
ReNew Solar Services Private Limited	-	-	0	-	-	0
ReNew Wind Energy (Rajkot) Private Limited	-	-	0	-	-	0
RENEW VAYU URJA Private Limited	0	-	-	0	-	-
ReNew Wind Energy (AP2) Private Limited	0	-	-	-	-	-
ReNew Wind Energy (Karnataka Five) Private Limited	0	-	-	-	-	-
ReNew Surya Roshni Private Limited	-	-	3	-	-	3



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR millions, unless otherwise stated)

f) Compensation of key management personnel

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

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

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



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR thousands, unless otherwise stated)

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

(i) Contingent liabilities

Description	As at 31 March 2023	As at 31 March 2022
Income tax disallowances / demands under litigation #	2	2
Others^	2	-

Based on evaluations of the matters and legal view, the Company believes that it has strong merits in its favour. Accordingly, no provision is considered at this stage.

^includes disputes related to land, water tax on Electricity Generation Act, 2012 and Forecasting, Scheduling, Deviation Settlement Mechanism and related matters of wind and solar generating stations Regulations, 2018 (DSM Regulations, 2018) etc.

(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 2023 (31 March 2022: INR Nil).

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Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023**

(Amounts in INR thousands, unless otherwise stated)

34 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 2023		31 March 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Trade receivables	1,937	1,937	2,637	2,637
Cash and cash equivalent	304	304	987	987
Bank balances other than cash and cash equivalent	637	637	605	605
Loans-current	14,747	14,747	12,424	12,424
Other current financial assets	1,172	1,172	733	733
Financial liabilities				
Measured at amortised cost				
Non Convertible debentures (secured)	25,252	23,519	24,376	24,877
Liability component of preference shares	263	263	237	237
Short-term borrowings	1,588	1,588	1,571	1,571
Lease Liabilities	6	6	5	5
Operation & Maintenance equilisation reserve	104	104	135	135
Trade payables	924	924	1,040	1,040
Other current financial liabilities	2,377	2,377	2,598	2,598

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

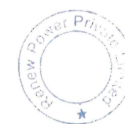
The following methods and assumptions were used to estimate the fair values:

- i The fair values of the entities forming part of the Restricted Group's Non convertible debentures including current maturities are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk. The own non-performance risk as at 31 March 2023 was assessed to be insignificant.

35 Fair value hierarchy

There are no financial assets and liabilities which are measured at fair value as at 31 March 2023 and 31st March 2022.

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR thousands, unless otherwise stated)

36 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 2023. 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 2023.

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 2023		31 March 2022	
	Increase/decrease in basis points	Effect on profit before tax	Increase/decrease in basis points	Effect on profit before tax
INR	+ / (-) 50	(-) / + Nil	+ / (-) 50	(-) / + Nil

Foreign currency risk

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

Foreign currency sensitivity

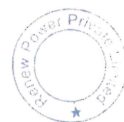
The Restricted Group has hedged its exposure to fluctuations on its buyer's/supplier's credit and ECB through forward contracts and cross currency swaps and thus foreign currency sensitivity has not been disclosed.

Credit risk

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

Further the entities forming part of the Restricted Group sought to reduce counterparty credit risk under our long-term contracts in part by entering into power sales contracts with utilities or other customers of strong credit quality and we monitor their credit quality on an on going basis.

The maximum credit exposure to credit risk for the components of the balance sheet at 31 March 2023 and 31 March 2022 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 Restricted Group has majorly state utilities/government entities as its customers with high credit worthiness and therefore the Company does not see any significant risk related to credit.

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

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

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

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

Trade Receivables Ageing Schedule

As at 31 March 2023

Particulars	Not Due	Less than 6 months	months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	438	728	477	1	56	1,700
(ii) Undisputed Trade Receivables –	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–	-	-	-	-	-	-	-
(v) Disputed Trade Receivables –	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables –	-	-	-	-	-	-	-
(vii) Unbilled dues	317	-	-	-	-	-	317
Gross carrying amount	317	438	728	477	1	56	2,017
Expected credit loss	-	19	4	25	21	11	80

As at 31 March 2022

Particulars	Not Due	Less than 6 months	months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	906	644	114	15	42	1,721
(ii) Undisputed Trade Receivables –	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–	-	-	96	230	236	155	716
(v) Disputed Trade Receivables –	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables –	-	-	-	-	-	-	-
(vii) Unbilled dues	-	258	-	-	-	-	258
Gross carrying amount	-	1,164	739	344	251	197	2,695
Expected credit loss	-	14	20	13	7	4	58

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.



Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023**

(Amounts in INR thousands, unless otherwise stated)

Liquidity risk

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

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

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

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

Year ended 31 March 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings						
Non Convertible debentures*	-	-	-	26,577	-	26,577
Liability component of preference shares	-	-	-	-	263	263
Short term borrowings						
Loan from related party	1,588	-	-	-	-	1,588
Lease liability	-	1	1	3	2	7
Other financial liabilities						
Current maturities of long term borrowings*	-	1,003	1,019	-	-	2,022
Interest accrued but not due on borrowings	943	-	-	-	-	943
Interest accrued but not due on debentures	-	-	854	-	-	854
Capital creditors	229	320	-	-	-	549
Trades payable	710	214	-	-	-	924

* 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 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings						
Non Convertible debentures*	-	-	-	28,599	-	28,599
Liability component of preference shares	-	-	-	-	238	238
Short term borrowings						
Loans from related party	1,571	-	-	-	-	1,571
Lease liability	-	1	1	3	3	8
Other financial liabilities						
Current maturities of long term borrowings*	-	-	1,186	-	-	1,186
Interest accrued but not due on borrowings	998	-	-	-	-	998
Interest accrued but not due on debentures	-	854	-	-	-	854
Capital creditors	343	368	-	-	-	711
Trade payable	698	342	-	-	-	1,040

* Including future interest payments.

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR thousands, unless otherwise stated)

37 Capital management

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

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

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023.

38 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 2023	As at 31 March 2022
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	Nil	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	Nil	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	Nil	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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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR thousands, unless otherwise stated)

39 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.

Provision for expected credit losses of trade receivables

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

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

Related party transactions

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

Management shared services

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

Inter-group unsecured loan

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

Financial instrument

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

- 40 There are no employees on the rolls of the entities forming part of the Restricted Group and therefore there are no employee benefit expenses accrued in the audited Special Purpose Combined Financial Statements. ReNew Power Private Limited and ReNew Power Services Private Limited have charged certain common expenses to its subsidiary companies and fellow subsidiaries respectively on the basis of its best estimate of expenses incurred. ReNew Power Private Limited and ReNew Power Services Private Limited have recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted by the these companies is most appropriate basis for recovering of such common expenses.
- 41 During the year ended 31 March 2019, distribution companies of the state of Karnataka issued demand notices to captive users of some of the Companies of the group, alleging that captive users had not consumed energy in proportion to their respective shareholding in the entities, thereby failing to maintain their Captive Status in accordance with Rule 3 of the Electricity Rules, 2005, and consequently, were liable to pay cross subsidy surcharge and differential between rate of electricity tax applicable on the energy consumed in the entire year. The entities had deposited a sum of INR 31 (31 March 2022: INR 31) under protest against the demand raised by distribution companies amounting INR 147 (31 March 2022: INR 147) in relation to the demand notices up to financial year ended 31 March 2018. Thereafter, the entities had filed petitions before the Karnataka Electricity Regulatory Commission (the "KERC") contesting these demands. On July 20, 2022, KERC has reserved the petitions for final orders which are awaited. KERC had granted interim relief and stayed the demand notice and disconnection by the distribution companies till final adjudication of the petitions. The amount paid under protest has been accounted for as recoverable and disclosed under head "Other current assets" in the financial statements.

Apart from above, a sum of INR 117 has been demanded by distribution companies from some of the captive users of the entities towards energy supplied till 31 March 2023, alleging that the captive user had not consumed energy in proportion to its respective shareholding in the entities. The entities has filed a writ petition in July, 2019 and August 2020 before the High Court of Karnataka challenging such demands and seeking their quashing. The High Court, vide Orders dated 18 July 2019, 18 December 2019, 18 September 2020 and 06 October 2020, has directed that no precipitative action shall be taken on these demand notices till final adjudication of the petitions.

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



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR thousands, unless otherwise stated)

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

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

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

The Company has filed a Writ Appeal before the division bench of the AP High Court challenging the jurisdiction of APERC in entertaining O.P. No. 17 of 2018. Parallely, the Company has filed another Writ Appeal before the division bench of the AP High Court challenging AP High Court’s direction to the APDISCOM to pay tariff at interim rate till determination of OP No. 17 of 2018 by APERC. Thereafter, certain power generating companies other than ReNew Group have filed petitions under Article 139 of the Constitution of India before the Supreme Court seeking transfer of the proceedings pending before the Division Bench of the High Court, and for adjudication of the same by the Supreme Court.

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

APDISCOM was directed in order dated October 1, 2021 by the AP High Court to pay 50% amount of the outstanding invoices raised till June 30, 2021. APDISCOM did not comply with this order. Thereafter, the next appeal was heard on November 8, 2021 where APDISCOM was given three more weeks to make the said payment. In subsequent hearing held on December 8, 2021, the AP High Court noted that payments have been made upto May 2021 and APDISCOM had sought some more time for payment of the remaining amounts at the interim rate. The AP High Court had directed APDISCOM to make the payments for June 2021 by December 29, 2021 and was asked to file an affidavit with payment schedule for payments for the third and fourth quarter of 2021. The payments so directed by the AP High Court were received in December 2021. Thereafter, by its common final order dated March 15, 2022, the AP High Court allowed the appeals by AP entities and set aside the Order dated September 24, 2019, holding that APERC does not have the jurisdiction to entertain Original Petition (O.P.) No. 17 of 2018 and directing APDISCOM to pay all outstanding amounts to AP Entities within a period of 6 weeks. Thereafter, APDISCOM has filed an application before the AP High Court seeking extension of the period of 6 weeks’ time granted by the High Court for payment of all outstanding amounts. Certain power generation companies have also filed applications before the High Court seeking implementation of the final order dated March 15, 2022.

Subsequently, APDISCOM have undertaken to pay the outstanding receivable amounting to INR 1036 in 12 monthly instalments as per the mechanism provided for under the Electricity (Late Payment Surcharge and related matters) Rules, 2022 issued by the Ministry of Power, Government of India. Pursuant thereto, APDISCOM have paid 8 out of the 12 instalments, as on March 31, 2023 of all undisputed amounts.

APDISCOM have also filed petitions before the Supreme Court seeking special leave to appeal against the AP High Court's order dated March 15, 2022. The Supreme Court by its Order dated December 14, 2022, has issued notice to the respondents in one of the petitions viz. jurisdiction of the APERC to entertain OP 17 of 2019. Further, the Supreme Court by its common Order dated January 2, 2023, has dismissed two petitions filed against the direction to release all payments. Thereafter, as stated herein above, final hearing had commenced in the matter in the months of May, 2023. The next date of hearing in the matter is awaited.

AP entities have total outstanding receivables of INR 539 as at March 31, 2023 (March 31, 2022: INR 1,085) from sale of electricity against such PPAs which was the subject matter of dispute. Subsequent to March 31, 2023, AP entities have received a sum of INR 276 from APDISCOM.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR thousands, unless otherwise stated)

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

In 2019, 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. During the current period, on April 19, 2021, the Supreme Court has ordered (the “Order”) for all existing and future power lines to be undergrounded, subject to feasibility in case of high-tension power lines. As at 31 March 2023, the Restricted Group has a total of 51.2 MW of commissioned power projects in the area impacted by the order.

The Group along with other companies in the industry affected by the Order have filed applications seeking certain modification of the directions passed by the Supreme Court of India, including (i) exemption from undergrounding for existing power projects and (ii) declaration of the cost of undergrounding as a pass-through under the various power purchase agreements. Applications have also been filed by the Ministry of New and Renewable Energy and the Government of Rajasthan, seeking similar modifications. Through Order dated April 21, 2022, the Supreme Court of India directed (i) completion of installation of bird diverters on all overhead transmission lines in the Priority Area identified by the Supreme Court by July 20, 2022 and (ii) all affected projects to approach the Technical Expert Committee appointed by it to seek any exemption from undergrounding and to approach the Supreme Court thereafter in case of any grievance from the decision of the committee.

Thereafter the matter was heard on November 30, 2022, on which date the Supreme Court directed (i) The Chief Secretaries of the States of Rajasthan and Gujarat shall ensure that within the priority areas, a comprehensive exercise is completed no later than within a period of six weeks to assess (a) the total length of transmission lines; and (b) the estimated number of bird diverters required for the purpose, and filed affidavits indicating the outcome of the exercise and the number of bird diverters required to be installed, (ii) the Expert Committee appointed by the Supreme Court to file an updated report before the next date of hearing on the status of applications which have been submitted to it and those that have been cleared in the meantime, and (iii) to file an updated status report within 6 weeks on the steps which have been taken to complete the tendering process and install bird diverters. The Group has completed installation of bird diverters on its dedicated transmission lines in the priority area as per the directions contained in the Orders dated April 21, 2022 and November 30, 2022.

The Company has also received exemptions from undergrounding some of its transmission lines from the Technical Committee appointed by the Supreme Court, and is in the process for applying for exemptions for other affected lines. Management expects that the Supreme Court is likely to hear and conclude the captioned matter expeditiously in July 2023. The next date in the matter is awaited.

In the interim, in parallel the Company is approaching the Expert Committee for exemption from undergrounding in a phased manner, after conducting route surveys and other studies to support the case for exemption.

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 material financial implication is likely to devolve on the Group.

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



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2023

(Amounts in INR thousands, unless otherwise stated)

45 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	3.68	3.33	-11%	No major changes
Debt-Equity Ratio	Total Debt	Shareholder's Equity	3.20	3.00	-7%	No major changes
Debt Service Coverage Ratio	Earning for debt Service=Net Profit after taxes +non cash operating	Debt Service=Interest & lease payment +Principle repayments	1.67	1.97	15%	No major changes
Return on Equity Ratio	Net Profit after taxes - preference dividend	Average shareholder equity	(0.03)	0.05	158%	Decrease in profit
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	-	-	0%	No major changes
Trade Recievables Turnover Ratio	Net Credit Sales=Gross Credit sales- sales return	Average Trade Recievables	1.87	1.49	-25%	Increase in Sales
Trade Payable Turnover Ratio	Net Credit Purchases=Gross Credit purchases- purchase	Average Trade Payables	-	-	0%	No major changes
Net Capital Turnover Ratio	Net Sales= Total Sales-sales return	Working Capital=Current assets - Debt+deferred tax	0.28	0.28	2%	No major changes
Net Profit Ratio	Net Profit	Net Sales= Total Sales- Sales Return	(0.07)	0.07	207%	Decrease in profit
Return on Capital employed	Earnings before interest and taxes	Capital employed=Tangible net worth+Total Debt+deferred tax	0.09	0.09	4%	No major changes
Return on Investment	Interest (finance Income)	Investment	-	-	0%	No major changes

As per our report of even date

For S.R. Batliboi & Co. LLP

ICAI Firm Registration No.: 301003E/E300005

Chartered Accountants

per Naman Agarwal
Partner

Membership No.: 502405

Place: Gurugram

Date: 29 July 2023



For and on behalf of the Restricted Group

Kailash Vaswani
(Director)

DIN- 06902704

Place: Gurugram

Date: 29 July 2023

Kedar Upadhye
(Chief Financial Officer)

Place: Gurugram

Date: 29 July 2023

Ashish Jain
(Company Secretary)

Membership No.: F6508

Place: Gurugram

Date: 29 July 2023

