S.R. BATLIBOI & CO. LLP
Chartered Accountants

4th Floor, Office 405
World Mark – 2, Asset No. 8
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Special Purpose Combined Financial Statements

Opinion

We have audited the accompanying special purpose combined financial statements of Restricted Group (consisting of certain specific subsidiaries of RPPL as listed in note 1 of these financial statements, collectively known as the "Restricted Group"), which comprise the combined Balance Sheet as at 31 March 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 USD denominated notes of the Restricted Group as per term sheet.

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

1) 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.

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Responsibilities of Management for the Combined Financial Statements

RPPL's Board of Directors (referred to as the "Management") is responsible for the preparation of these 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

S. R. BATLIBOI & CO. LLP
GURUGRAM

per Naman Agarwal
Partner
Membership Number: 502405
UDIN: 23502405BGXEFC4440
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	45,583	46,794
Capital work in progress	4	46	6
Goodwill	5	5,144	5,144
Other intangible assets	5	9,787	10,323
Right of use assets	6	141	151
Financial assets			
Investment	7	791	730
Derivative instruments	9	115	-
Trade receivables	13	1,524	153
Others	7	4	4
Deferred tax assets (net)	8	471	393
Prepayments	10	70	80
Other non-current assets	11	0	4
Non current tax assets (net)		309	222
Total non-current assets		**63,985**	**64,004**
Current assets			
Inventories	12	26	18
Financial assets			
Loans	7	16,771	12,252
Trade receivables	13	2,464	5,836
Cash and cash equivalent	14	897	1,268
Bank balances other than cash and cash equivalent	14	1,102	1,346
Others	7	3,969	2,862
Prepayments	10	64	78
Other current assets	11	62	63
Total current assets		**25,355**	**23,723**
Total assets		**89,340**	**87,727**
Equity and liabilities			
Equity			
Equity share capital	15A	5,737	5,737
Instruments entirely equity in nature	15B	3,729	3,729
Other equity			
Equity component of compulsorily convertible debentures	16A	336	336
Securities premium	16B	4,302	4,302
Hedge reserve	16D	(125)	(716)
Retained earnings	16E	(244)	1,397
Parent's contribution	16F	11,981	11,981
Total equity		**25,716**	**26,766**
Non-current liabilities			
Financial liabilities			
Long-term borrowings	17	50,555	46,751
Derivative instruments	22	413	-
Lease liabilities	18	2	2
Others	23	408	352
Long-term provisions	19	2,965	2,389
Deferred tax liabilities (net)	8	2,705	2,494
Total non-current liabilities		**57,048**	**51,988**

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ReNew Power Private Limited

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

Current liabilities			
Financial liabilities			
Short-term borrowings	20	3,693	4,368
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	21	20	10
Total outstanding dues of creditors other than micro enterprises and small enterprises	21	1,004	1,135
Lease Liabilities	18	1	1
Derivative instruments	22	-	1,126
Other current financial liabilities	23	1,754	2,214
Other current liabilities	24	82	99
Current tax liabilities (net)		22	20
Total current liabilities		**6,576**	**8,973**
Total liabilities		**63,624**	**60,961**
Total equity and liabilities		**89,340**	**87,727**

Summary of significant accounting policies 3.1

The accompanying notes are an integral part of the 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

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

For and on behalf of the Restricted Group

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

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

Renew Power Private Limited

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	25	7,315	7,490
Other income	26	2,362	2,464
Total income		**9,677**	**9,954**
Expenses:			
Other expenses	27	1,277	1,409
Total expenses		**1,277**	**1,409**
Earning before interest, tax, depreciation and amortisation (EBITDA)		**8,400**	**8,545**
Depreciation and amortisation expense	28	2,187	2,198
Finance costs	29	7,898	4,746
(Loss)/profit before share of jointly controlled entities and tax		**(1,685)**	**1,601**
Share in income of jointly controlled entities		(61)	(114)
(Loss)/profit before tax		**(1,624)**	**1,715**
Tax expense			
Current tax	8	80	165
Deferred tax	8	(65)	328
Adjustment of tax related to earlier years		2	3
(Loss)/profit for the year	**(a)**	**(1,641)**	**1,219**

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ReNew Power Private Limited

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

Other comprehensive income (OCI)			
Items that will be reclassified to profit and loss in subsequent year			
Net gain/(loss) on cash flow hedge reserve		157	(58)
Net gain/(loss) on cost of hedge		636	(901)
Income tax effect		(201)	243
Net other comprehensive (loss) / income that will be reclassified to profit and loss in subsequent year	**(b)**	**592**	**(716)**
Total comprehensive income for the year	**(a) + (b)**	**(1,049)**	**503**
Summary of significant accounting policies	3.1		

The accompanying notes are an integral part of the 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

S. R. BATLIBOI & CO. LLP GURUGRAM

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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		
(Loss)/ profit before tax	**(1,624)**	**1,601**
Adjustments for:		
Share in income of jointly controlled entities	(61)	-
Depreciation and amortisation expense	2,187	2,198
Operation and maintenance reserve	55	(58)
Impairment allowance for bad and doubtful debts	14	47
Impairment allowance for carbon credit	33	-
Impairment of Inventory	1	-
Interest income	(1,281)	(1,090)
Interest expense	2,869	2,969
Unamortised ancillary borrowing cost written off	0	307
Option Premium Amortised (P&L)	713	686
Foreign exchange loss	3,750	595
Unwinding of discount of provisions	168	150
Unwinding of financial assets	(137)	-
Loss on sale of property, plant & equipments	0	0
Loss on account of modification of contractual cash flows	369	-
Provisions written back	(77)	-
Operating profit before working capital changes	**6,979**	**7,405**
Movement in working capital		
(Increase)/decrease in trade receivables	1,755	(1,510)
(Increase)/decrease in inventories	(43)	(6)
(Increase)/decrease in other current financial assets	(23)	(89)
(Increase)/decrease in other current assets	1	612
(Increase)/decrease in prepayments	24	(60)
Increase/(decrease) in other current liabilities	(17)	33
Increase/(decrease) in trade payables	(48)	(16)
Cash generated from operations	**8,627**	**6,369**
Direct taxes (paid)	(162)	(234)
Net cash generated from operating activities	**8,465**	**6,135**
Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress, intangibles, capital creditors and capital advances	(303)	(3,037)
Redemption/(Investments) of bank deposits having residual maturity more than 3 months	244	(714)
Loan given to related parties	(4,628)	(3,017)
Loan repaid by related parties	109	811
Interest received	194	162
Net cash used in investing activities	**(4,384)**	**(5,795)**
Cash flow from financing activities		
Proceeds from long-term borrowings	-	46,504
Repayment of long-term borrowings	-	(41,362)
Proceeds from short-term borrowings	396	9,110
Repayment of short-term borrowings	(1,071)	(10,349)
Payment related to leases (including payment of interest expense on lease liabilities)	0	0
Interest paid	(3,062)	(3,266)
Option premium paid	(715)	(537)
Net cash (used in)/generated from financing activities	**(4,452)**	**100**

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ReNew Power Private Limited

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

Net (decrease) / increase in cash and cash equivalents	**(371)**	**440**
Cash and cash equivalents at the beginning of the year	**1,268**	**828**
Cash and cash equivalents at the end of the year	**897**	**1,268**

Components of cash and cash equivalents		
- On current accounts	106	1,268
- On deposit accounts with original maturity of less than 3 months	791	-
	1,999	**2,614**
Total cash and cash equivalents	**897**	**1,268**

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)	46,751	-	3,803	50,555
Short-term borrowings	4,368	(674)	(2)	3,693
Total liabilities from financing activities	**51,119**	**(674)**	**3,801**	**54,248**

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)	41,013	5,142	596	46,751
Short-term borrowings	5,608	(1,240)	-	4,368
Total liabilities from financing activities	**46,621**	**3,902**	**596**	**51,119**

* other changes includes adjustment of ancillary borrowing cost
Refer note 31 for movement in lease liabilities.

Summary of significant accounting policies 3.1

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 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

S. R. BATLIBOI & CO. LLP GURUGRAM

For and on behalf of the Restricted Group

Kaislash 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

Renew Power Private Ltd.

Restricted Group
Special Purpose Combined Statement of changes in equity as at 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
				Reserves and surplus#				Items of OCI#	
	Equity share capital*	Equity component of compulsorily convertible debentures	Instruments entirely equity in nature#	Securities premium	Debenture redemption reserve	Retained earnings	Parent's contribution	Hedge reserve	
	(refer note 15A)	(refer note 16A)	(refer note 15B)	(refer note 16B)	(refer note 16C)	(refer note 16E)	(refer note 16F)	(refer note 16D)	
At 01 April 2021	**5,737**	**336**	**3,729**	**4,118**	**58**	**120**	**11,981**	**-**	**26,079**
Profit for the year	-	-	-	-	-	1,219	-	-	1,219
Other comprehensive loss (net of taxes)	-	-	-	-	-	-	-	(125)	(125)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**1,219**	**-**	**(125)**	**1,094**
Amount transferred from debenture redemption reserve	-	-	-	-	(58)	58		-	(0)
At 31 March 2022	**5,737**	**336**	**3,729**	**4,302**	**-**	**1,397**	**11,981**	**(716)**	**26,766**
Profit for the year	-	-	-	-	-	(1,641)	**-**	**591**	(1,050)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(1,641)**	**-**	**-**	**(1,640)**
Preference shares issued during the year	-	-	0	-	-	-	-	-	-
At 31 March 2023	**5,737**	**336**	**3,729**	**4,302**	**-**	**(244)**	**11,981**	**(125)**	**25,716**

*The 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 and reserves and surplus represents the aggregate amount of Restricted Group entities as at the year ends

Summary of significant accounting policies 3

The accompanying notes are an integral part of the 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

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

For and on behalf of the Restricted Group

Kaislash Vaswani
(Director)
DIN- 06902704
Place: Gurugram
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Kedar Upadhye
(Chief Financial Officer)

Place: Gurugram
Date: 29 July 2023

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

Renew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

1 Corporate information

ReNew Power Private Limited is a private limited company (Formerly known as 'ReNew Power Limited') (referred to as the "Parent" or "RPPL") having its registered office of the Company is located at 138, Ansal Chamber - II Bikaji Cama Place, New Delhi-110066.

Certain subsidiary companies of the Parent, Ostro Energy Private Limited (wholly owned subsidiary of Renew Power Services Private Limited) and Renew Power Services Private Limited (wholly owned subsidiary of RPPL), which are collectively referred to as the 'Restricted Group'intend to issue US Dollar denominated notes and their listing on Singapore Exchange Securities Trading Limited (SGX-ST). The details of entities forming part of Restricted Group are explained in table below

Sr No.	Name of entity	Holding Company	% of Holding as at 31st March 2023	% of Holding as at 31st March 2022
1	Renew Wind Energy (Delhi) Private Limited	ReNew Power Private Limited	100.0%	100.0%
2	Renew Wind Energy (AP 2) Private Limited	ReNew Power Private Limited	100.0%	100.0%
3	Ostro Jaisalmer Private Limited#	Ostro Energy Private Limited*	100.0%	100.0%
4	Ostro Urja Wind Private Limited#	Ostro Energy Private Limited*	100.0%	100.0%
5	Ostro Madhya Wind Private Limited#	Ostro Energy Private Limited*	100.0%	100.0%
6	Badoni Power Private Limited#	Ostro Energy Private Limited*	100.0%	100.0%
7	AVP Powerinfra Private Limited#	Ostro Energy Private Limited*	100.0%	100.0%
8	Ostro Anantapur Private Limited#@	Ostro Energy Private Limited*	78.0%	78.0%
9	Ostro Mahawind Private Limited#	Ostro Energy Private Limited*	100.0%	100.0%
10	Prathamesh Solarfarms Limited^	Ostro Energy Private Limited*	100.0%	100.0%

*Ostro Energy Private Limited is a 100% subsidiary of Renew Power Services Private Limited and Renew Power Services Private Limited is a 100% subsidiary of ReNew Power Private Limited.

@ Remaining equity interest of 21.40% in Ostro Anantapur Private Limited is held by Ostro Renewables Private Limited (wholly owned subsidiary of Ostro Energy Private Limited)

#CGU 1 (wind Power Segment) - These 7 entities were acquired by Parent as on 28 March 2018 via business combination.
^CGU 2 (Solar Power Segment) - Prathamesh Solarfarms Limited was acquired by Parent via business combination on 30 January 2019.

The entities forming part of Restricted Group are carrying out business activities relating to 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 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 USD denominated notes 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").

S. R. BATLIBOI & CO. LLP GURUGRAM

Renew Power Private Limited

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.

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

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. 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.

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

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.

The accounting policies adopted for preparation and presentation of Special Purpose Special Purpose Combined Financial Statements have been consistently applied .

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group/Restricted Group elects whether to measure the non- controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, 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 in a business combination are measured at the basis indicated below:

S.R. BATLIBOI & CO. LLP GURUGRAM

ReNew Power Private Limited

- Deferred tax assets or liabilities and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group/Restricted Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- 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

When the Group/Restricted Group acquires a business, it 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.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

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.

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

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• 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 Special Purpose Combined 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.

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

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

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

· Disclosures for significant estimates and assumptions (Refer Note 41)
· Quantitative disclosures of fair value measurement hierarchy (Refer Note 37)
· Financial instruments (including those carried at amortised cost) (Refer Note 36 and 37)

c) Revenue recognition

(i) 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 entities forming part of Restricted Group Restricted Group expects to be entitled in exchange for those goods or services. The entities forming part of Restricted Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

The entities forming part of Restricted Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the entities forming part of Restricted Group considers the effects of variable consideration and existence of a significant financing component. There is only one performance obligation in the arrangement and therefore, allocation of transaction price is not required.

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

Variable consideration
If the consideration in a contract includes a variable amount, the entities forming part of Restricted 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 entities forming part of Restricted Group applies the method that it expects best predicts the amount of consideration to which the entities forming part of Restricted Group will be entitled based on the terms of the contract.

- Rebates
In some PPAs, the entities forming part of Restricted 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 entities forming part of Restricted Group and the customer at contract inception.

(ii) Contract balances

a) 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 performs 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. Contract assets are subject to impairment assessment. Refer to accounting policies in section (o) Impairment of non-financial assets.

b) 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 has 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 transfers 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 performs under the contract (i.e., transfers control of the related goods or services to the customer).

c) Trade receivables
A receivable represents the entities forming part of Restricted Group right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(iii) Others
a) Income from compensation for loss of revenue
Income from compensation for loss of revenue is recognised after certainty of receipt of the same is established.

b) Dividend
The entities forming part of Restricted Group recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the entities forming part of Restricted Group.

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c) Income from liquidated damages and interest on advances
Income from liquidated damages and interest on advance is recognised after certainty of receipt of the same is established.

d) Interest income

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

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

d) Foreign currencies
The financial statements are presented in Indian rupees (INR), which is also the functional currency in which the Company operate.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective 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. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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 or loss is recognised outside profit or loss (either in OCI or equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment. Current income tax assets and liabilities are offset if a legally enforceable right exists to set off these and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

In situations where entity is entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognised 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 recognised in the period in which the temporary differences originate. However, the 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 realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period 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 or loss is recognised outside profit or 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.

Minimum Alternate Tax
Minimum alternate tax (MAT) paid in a year is charged to the statement of profit or loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset, it is created by way of credit to the statement of profit or loss and shown as part of deferred tax asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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 recognised on the basis of supply of units generated by the 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".

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.

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g) Property, plant and equipment

Capital work in progress and freehold land are stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the entities forming part of Restricted Group 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 property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress (CWIP) includes cost of property, plant and equipment under installation/ under development net off impairment loss, if any, as at the balance sheet date. Directly attributable expenditure incurred on project under implementation are shown under CWIP. At the point when an asset is capable of operating in the manner intended by management, the capital work in progress is transferred to the appropriate category of property, plant and equipment.

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 19) for further information about the recognised decommissioning provision.

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.

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

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

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

Category	Useful life (in years)
Plant and equipment (wind and solar power projects) (from 01 October 2020) *	30-35
Furniture & fixture	10
Office equipment	5
Computers	3-6
Computers Software	3
Customer contracts	25

* 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.

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j) Leases

The Restricted 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

Entities forming part of the Restricted Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The entities forming part of the Restricted 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

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

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:
• Leasehold land: 13 to 35 years
• Building: 3 to 5 years

ii) Lease liabilities

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

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

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

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

As a lessor

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

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.

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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 year from disbursement of borrowed funds upto the date of capitalization of the qualifying assets is added to cost of the qualifying assets.

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.

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Decommissioning liability

The entities forming part of Restricted Group consider constructive obligations and record 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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Restricted Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section (e) Revenue from contracts with customers.

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 Restricted Group commits to purchase or sell the asset.

Subsequent measurement

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

Debt instruments at amortised cost

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

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

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

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

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

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

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

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

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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.

Embedded derivative
A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

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

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

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

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

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

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

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

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

Impairment of financial assets
In accordance with Ind AS 109, the entities forming part of the Restricted Group apply expected credit loss (ECL) model for measurement and recognition of impairment loss for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the entities forming part of the Restricted Group expects to receive, discounted at an approximation of the original effective interest rate.

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 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.

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 entities forming part of the Restricted Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The application of simplified approach does not require the 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 determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entities forming part of the Restricted Group revert to recognising impairment loss allowance based on 12-month ECL. The entities forming part of the Restricted Group consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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

The entities forming part of the Restricted Group consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entities forming part of the Restricted Group may also consider a financial asset to be in default when internal or external information indicates that the entities forming part of the Restricted Group are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the entities forming part of the Restricted Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) during the year is recognised as expense / income in the statement of profit or loss.

Modification of financial assets
When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with this Standard, the Group recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate calculated. Any costs or fees incurred are adjusted with the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

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.

Optionally Convertible Redeemable Preference shares (OCRPS)
Optionally Convertible Redeemable Preference shares are accounted for as Instruments entirely equity in nature since conversion option meets Ind AS 32 criteria for fixed to fixed classification and the dividend distribution is discretionary in nature.

Compulsorily Convertible Debentures (CCDs)
The entities forming part of the Restricted Group determine classification of compound financial instruments at initial recognition.
Basis the terms of these compound financial instruments, the distributions to holders of an equity instrument are being recognised by the entity directly in equity. Transaction costs of an equity transaction are being accounted for as a reduction from equity.
The entities forming part of the Restricted Group recognise interest, dividends, losses and gains relating to such financial instrument or a component that is a financial liability as income or expense in statement of profit or loss.
The present value of the liability part of the compulsory convertible debentures classified under financial liabilities and the equity component is calculated by subtracting the liability from the total proceeds of CCDs.

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.

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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) Events occurring after the Balance Sheet date

Impact of events occurring after the balance sheet date that provide additional information materially effecting the determination of the amounts relating to conditions existing at the balance sheet date upto the date of the approval for issue of these Special Purpose Combined Financial Statements by the Board of Directors of the Restricted Group are adjusted to respective assets and liabilities.

The entities forming part of the Restricted Group do not adjust the amounts recognised in its Special Purpose Combined Financial Statements to reflect non-adjusting events after the reporting period.

The entities forming part of the Restricted Group make disclosures in the financial statement in cases of significant events.

s) 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.

New standards, interpretations and amendments

3.4.1. New and amended standards and interpretations adopted by the company

The Restricted Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning April 1, 2022 (unless otherwise stated) but do not have a material impact on the financial statements of the company. The company 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 combined 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.

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(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 combined 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 combined financial statements of the Group as there were no modifications of the Group's financial instruments during the year.

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.

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(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	899	52,073	-	1	1	3	52,977	2
Additions during the year	-	2	-	-	1	0	3	6
Adjustment	39	(39)	-	-	-	-	-	-
Adjustment**	-	(520)	-	-	-	-	(520)	(2)
At 31 March 2022	**938**	**51,516**	**-**	**1**	**2**	**3**	**52,460**	**6**
Additions during the year	-	21	1	-	0	0	21	61
Adjustment**	-	408	-	-	-	-	408	-
Capitalised during the year	-	-		-	-	-	-	(21)
At 31 March 2023	**938**	**51,945**	**1**	**1**	**2**	**2**	**52,889**	**46**
Accumulated depreciation								
At 1 April 2021	-	4,013	-	1	0	1	4,015	-
Charge For the year (refer note 28)	-	1,650	0	0	1	0	1,651	-
At 31 March 2022	**-**	**5,663**	**0**	**1**	**1**	**1**	**5,666**	**-**
Charge For the year (refer note 28)	-	1,640	0	0	0	0	1,640	-
At 31 March 2023	**-**	**7,303**	**0**	**1**	**1**	**1**	**7,306**	**-**
Net book value								
At 31 March 2022	**938**	**45,853**	**0**	**0**	**1**	**2**	**46,794**	**6**
At 31 March 2023	**938**	**44,642**	**1**	**0**	**1**	**1**	**45,583**	**46**

Mortgage and hypothecation on Property, plant and equipment:
Property, plant and equipment with a carrying amount of INR 45,629 (31 March 2022: INR 46,800) are subject to a pari passu first charge to respective lenders for term loans financial institutions and senior secured notes as disclosed in Note 17.

****Adjustment pertain to following**

Adjustment during the year pertains to reassessment of asset retirement obligation adjusted in plant and equipment (refer note 19)

*****Capital work in progress**
Capital work in progress comprises of expenditure with respect to construction of wind power plants.

(Amounts in INR millions, unless otherwise stated)

As at 31 March 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	40	6	-	-	46
Projects temporarily suspended	-	-	-	-	-
Total	**40**	**6**	**-**	**-**	**46**

As at 31 March 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6	-	-	-	6
Projects temporarily suspended	-	-	-	-	-
Total	**6**	**-**	**-**	**-**	**6**

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 promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land	19	Multiple farmers	**NA**	2016-2019	NA conversions and post GPA activities are in progress

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 promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Land	17	Multiple farmers	**NA**	2016-2019	NA conversions and post GPA activities are in progress

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(Amounts in INR millions, unless otherwise stated)

5 Other intangible assets

	Computer software	Customer contracts	Total intangibles	Goodwill
Cost				
At 1 April 2021	1	12,471	12,472	5,144
At 31 March 2022	**1**	**12,471**	**12,472**	**5,144**
At 31 March 2023	**1**	**12,471**	**12,472**	**5,144**
Accumulated amortisation				
At 1 April 2021	1	1,611	1,612	-
Amortisation For the year (refer note 28)	0	537	537	-
At 31 March 2022	**1**	**2,148**	**2,149**	-
Amortisation For the year (refer note 28)	0	537	537	-
At 31 March 2023	**1**	**2,685**	**2,686**	-
Net book value				
At 31 March 2022	**0**	**10,323**	**10,323**	**5,144**
At 31 March 2023	**0**	**9,787**	**9,787**	**5,144**

Mortgage and hypothecation on Customer contracts

Customer contracts with a carrying amount of INR 9,787 (31 March 2022: INR 10,323) are subject to a pari passu first charge to respective lenders for term loans financial institutions and senior secured notes as disclosed in Note 17

Impairment of goodwill:

On 28th March 2018, the Parent had acquired 100% interest in 7 entities out of 10 entities forming part of restricted group, as part of a single acquisition of 19 group entities. The Parent has recognized Goodwill in its consolidated financial statements on the said acquisition by considering combined fair value of net assets of all 19 entities on acquisition date, and the subsequent annual impairment testing of the said goodwill is carried out by the Parent by considering value in use of net assets as at acquisition date for all the 19 entities as single CGU. Further the Parent also acquired 1 entity out of 10 entities forming part of restricted group on 30th January 2019, and the subsequent annual impairment testing of the said goodwill is also carried out by the Parent. The goodwill attributable to the entities forming part of restricted group has been reflected in Combined financial statements of Restricted Group in accordance with requirement of the Guidance Note. During the year, the Parent performed impairment testing of the Combined Goodwill in its combined financial statements, the relevant data and information used by Parent for impairment testing of combined goodwill is disclosed below:

Below is the break-up of group of cash generating units and individual cash generating units wise goodwill:

	As per consolidated financial statement		Attributable to the entities forming part of Restricted Group	
Group of CGU / Individual CGU	**31-Mar-23**	**31-Mar-22**	**31-Mar-23**	**31-Mar-22**
CGU 1 (Wind Power Segment)				
Goodwill	9,903	9,903	4,716	4,716
CGU 2 (Solar Power Segment)				
Goodwill	428	428	428	428

The entities forming part of Restricted Group undertook the impairment testing of Goodwill assigned to each Group of CGU and Individual CGU as at 31 March 2023 applying value in use approach across all the entities forming part of Restricted Group CGUs and individual CGUs. The Group has entered into Power Purchase Agreements (PPA) upto 25 years which entitles the Group to a fixed tariff over the tenure of PPAs. Accordingly, the Group for computing the VIU has determined cash flow projections based on fixed tariffs as specified in the PPAs upto the remaining tenure of PPAs and for periods thereafter, the Group has used forecasted tariffs based on assessment provided by an external specialist. The key assumptions used in computation of VIU are the Plant Load Factor (PLF), a measure of average capacity utilisation of a power plant, used in revenue projections, future operating and maintenance expenses and discount rates.

The PLF is determined based on forecasts after considering study of future wind speed (for wind segment) and past performance (for solar segment); operation and maintenance expenses are based on prevaling prices and adjusted for inflation; and discount rates are based on weighed average cost of capital. These assumptions are forward-looking and are affected by future economic and climatic conditions including wind speed.

Based on the results of the impairment test, the estimated value in use of each Group of CGU and individual CGU was more than their respective carrying values, by the following amounts:

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(Amounts in INR millions, unless otherwise stated)

	As at March 31,	
Group of CGU / individual CGU	**2023**	**2022**
Ostro Energy Group (wind power segment)[1]	385	1,359
Prathamesh Solarfarms (solar power segment)[2]	1,095	1,994

(1) Increase in discount rate by 0.17% per annum or decrease in PLF by 0.28% or increase in future operating and maintenance expenses by 12% per annum, would result in value in use to be equal to the carrying amount. The Group has engaged external specialists to assist in determining (a) future PLFs and (b) discount rates and computation of VIU. The Group has currently estimated a discount rate of 11.32% (March 31, 2022: 11.20%), PLF of 23.21% (March 31, 2022: 24.71%) and future operating and maintenance costs of INR 0.75 million per MW (March 31, 2022: INR 0.70 million per MW) adjusted for future inflation.

(2) The Management believes that any reasonably possible change in the key assumptions on which value in use is based would not cause the aggregate carrying amount of each group of CGU and individual CGU to exceed the aggregate value in use. The Group has currently estimated discount rate of 11.51% (March 31, 2022: 10.97%), PLF of 23.14% (March 31, 2022: 23.22%) and future operating and maintenance costs of INR 0.50 million per MW (March 31, 2022: INR 0.47 million per MW) adjusted for future inflation.

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(Amounts in INR millions, unless otherwise stated)

6 Right of use assets

	Leasehold land	Total
Cost		
At 1 April 2021	**176**	**176**
At 31 March 2022	**176**	**176**
At 31 March 2023	**176**	**176**
Accumulated depreciation		
At 1 April 2021	**15**	**15**
Depreciation charged to profit and loss during the year (refer note 28)	10	**10**
At 31 March 2022	**25**	**25**
Depreciation charged to profit and loss during the year (refer note 28)	10	10
At 31 March 2023	**35**	**35**
Net book value		
At 1 April 2021	**161**	**161**
At 31 March 2022	**151**	**151**
At 31 March 2023	**141**	**141**

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(Amounts in INR millions, unless otherwise stated)

7 Financial assets	**As at 31 March 2023**	**As at 31 March 2022**
Non current (unsecured, considered good unless otherwise stated)		
Financial assets at cost		
Investment in unquoted equity shares of Associate		
37,000,000 (31 March 2022 37,000,000) equity shares of INR 10 fully paid up in Ostro Dakshin Power Private Limited	545	484
Investment in unquoted equity shares of body corporate		
24,599,999 (31 March 2022 24,599,999) equity shares of INR 10 fully paid up in VG DTL Transmission Private Limited	246	246
	791	**730**
Aggregate book value of unquoted investment	791	730
Financial assets at amortised cost		
Bank deposits with remaining maturity for more than twelve months (refer note 14)	0	0
Security deposits	4	4
Total	**4**	**4**
Current (unsecured, considered good unless stated otherwise)		
Loans		
Considered good - Secured	-	-
Considered good - Unsecured		
Loans to related parties (refer note 32)**	16,771	12,252
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**16,771**	**12,252**
Others		
Government grants*		
- Generation based incentive receivable	77	184
Recoverable from related parties (refer note 32)	344	242
Insurance claim receivable	35	6
Interest accrued on fixed deposits	11	2
Interest accrued on loans to related parties (refer note 32)	3,502	2,428
Security Deposits	0	-
Accrued interest income	-	0
Total	**3,969**	**2,862**

*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 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.

Loans or advances to specified persons

	Current period		**Previous period**	
Type of Borrower	**Amount outstanding**	**% of Total**	**Amount outstanding**	**% of Total**
Promoters	-	-	-	-
Directors	-	-	-	-
Loan to Related Parties (refer note 32)	16,771	100%	12,252	100%

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ReNew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

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

		As at 31 March 2023	As at 31 March 2022
8A Deferred tax Assets (net)			
Deferred tax assets (gross)			
Mark to market of derivative instruments		22	131
Losses available for offsetting against future taxable income		4,099	3,090
Provision for decommissioning cost		392	346
Expected credit loss		28	17
Unused tax credit (Minimum alternate tax)		-	158
Provision for operation and maintenance equalisation		87	49
Lease liabilities		1	1
Deferred tax assets (gross) - Total	**(a)**	**4,629**	**3,792**
Deferred tax liabilities (gross)			
Difference in written down value of PPE as per books of account and tax laws		4,108	3,343
Unamortized ancillary borrowing cost		35	41
Right of use asset		15	15
Government grant (viability gap funding)		0	-
Others		-	0
Deferred tax liabilities (gross) - Total	**(b)**	**4,158**	**3,399**
Deferred tax Assets (net)	**(c)=(a)-(b)**	**471**	**393**
8B Deferred tax Liabilities (Net)			
Deferred tax liabilities (gross)			
Difference in written down value of PPE as per books of account and tax laws		4,374	3,933
Unamortised ancillary borrowing cost		24	22
Right of use asset		0	-
Government grant (viability gap funding)		1	-
Inventory		-	2
Others		2	2
	(d)	**4,401**	**3,959**
Deferred tax assets (gross)			
Unamortized ancillary borrowing cost		-	7
Mark to market of derivative instruments		20	112
Provision for decommissioning cost		354	256
Expected credit loss		1	10
Tax losses available for offsetting against future taxable income		725	686
Unused tax credit (Minimum alternate tax)		552	357
Provision for operation and maintenance equalisation		15	36
Lease liabilities		0	-
Others		29	1
	(e)	**1,696**	**1,465**
Deferred tax liabilities (Net)	**(f)=(e)-(d)**	**(2,705)**	**(2,494)**

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Renew Power Private Limited ★

(Amounts in INR millions, unless otherwise stated)

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

	31 March 2023	31 March 2022
Accounting (loss)/profit before income tax	**(1,624)**	**1,715**
Tax at the India's tax rate of 22% added applicable surcharge(10%) and cess(4%) (March 2022- 25%)	(409)	429
Disallowance under section 94B of the Income Tax Act (1)	258	116
Tax rate differences	1	5
Effect of tax holidays and other tax exemptions	29	0
Adjustment of tax relating to earlier periods	143	(5)
Other deductible/non deductible expenses	(5)	(48)
At the effective income tax rate	**17**	**496**
Current tax expense reported in the statement of profit and loss	80	165
Deferred tax expense reported in the statement of profit and loss	(65)	328
Earlier year tax reported in the statement of profit or loss	2	3
	17	**496**

Note

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

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

For the year ended March 31, 2023	Opening Balance of DTA/(DTL) (net) on 1 April 2022	Income/(expense) recognised in profit and loss	Income/(expense) recognised in OCI	Balance of DTA/(DTL) (net) on 31 March 2023
Difference in written down value as per books of account and tax la	(7,275)	(1,207)	-	(8,482)
Unamortized ancillary borrowing cost	(56)	(3)	-	(59)
Provision for decommissioning cost	602	143	-	745
Expected credit loss	27	2	-	29
Unabsorbed depreciation available for offsetting against future taxable income	3,676	1,025		4,701
Tax losses available for offsetting against future taxable income	100	22	-	122
Unused tax credit (MAT)	515	37	-	552
Provision for operation and maintenance equalisation	85	16	-	101
Lease liabilities	-	1	-	1
Generation based Incentive (Viability Gap Funding)	0	(2)	-	(2)
Right of use asset	(15)	0	-	(15)
Others	(1)	28	-	27
Inventory	(2)	2	-	-
Gain/(Loss) on mark to market of derivative instruments	243	-	(201)	42
	(2,101)	**64**	**(201)**	**(2,238)**

For the year ended March 31, 2022	Balance of DTA/(DTL) (net) on 1 April 2021	Income/(expense) recognised in profit and loss	Income/(expense) recognised in OCI	Balance of DTA/(DTL) (net) on 31 March 2022
Difference in written down value as per books of account and tax laws	(5,705)	(1,570)	-	(7,275)
Unamortized ancillary borrowing cost	(36)	(20)	-	(56)
Provision for decommissioning cost	709	(107)	-	602
Expected credit loss	15	12	-	27
Unabsorbed depreciation available for offsetting against future taxable income	2,379	1,297		3,676
Tax losses available for offsetting against future taxable income	106	(6)	-	100
Unused tax credit (MAT)	419	96	-	515
Provision for operation and maintenance equalisation	100	(15)	-	85
Right of use asset	(0)	(15)	-	(15)
Others	(3)	2	-	(1)
Inventory	-	(2)	-	(2)
Gain/(Loss) on mark to market of derivative instruments	-	-	243	243
	(2,016)	**(328)**	**243**	**(2,101)**

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(Amounts in INR millions, unless otherwise stated)

The Restricted Group based on profit projections supported by existing PPAs believes that the utlisation 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 Restricted 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 Restricted Group has performed sensitivities by reducing in revenues and profits by 10% and noted that there was no material impact on utitlisation of the recognised deferred tax assets.

9 Derivative instruments

	As at 31 March 2023	As at 31 March 2022
Financial liabilities designated as a hedge instrument through OCI		
Non-current		
Derivative instruments- hedge instruments	115	-
Total	**115**	**-**
Current		
Financial liabilities designated as a hedge instrument through OCI		
Derivative instruments- hedge instruments	-	-
Total	**-**	**-**

10 Prepayments

	As at 31 March 2023	As at 31 March 2022
Non-current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	70	80
Total	**70**	**80**
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	64	78
Total	**64**	**78**

11 Other assets

	As at 31 March 2023	As at 31 March 2022
Non-current (unsecured, considered good unless otherwise stated)		
Capital advance	-	4
Balances with Government authorities	0	0
Total	**0**	**4**
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable	58	63
Balances with government authorities	0	0
Others	3	-
Total	**62**	**63**
Advance income tax (net of income tax provisions)	309	222

12 Inventories

	As at 31 March 2023	As at 31 March 2022
Emission reduction certificates	12	-
Consumables and spares	14	18
Total	**26**	**18**

(Amounts in INR millions, unless otherwise stated)

13 Trade receivables

	As at 31 March 2023	As at 31 March 2022
Non current		
Unsecured, considered good (refer note38)	1,524	153
Total	**1,524**	**153**
Current		
Unsecured, considered good (refer note38)	2,579	5,937
Secured, considered good	-	-
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
	2,579	5,937
Less: Impairment allowance for bad and doubtful debts	(115)	(101)
Total	**2,464**	**5,836**
Non Current	1,524	153
Current	2,464	5,836

(i) Trade receivables are non-interest bearing and are generally on terms of 7-60 days.
(ii) Includes unbilled revenue of INR 511 (March 31, 2022: INR 538).
(iii) Refer Note 29(i) for modification of contractual cash flows.
(iv) Movement in the allowance for epected credit loss represents provision created during the year of INR 14 (March 31, 2022: INR 47).
(v) There is no material movement in trade receivables except for billing and collection.
(vi) Refer note 43 for AP legal matter

	Impairment allowance
As at 1st April 2021	**-**
Provision for expected credit losses for the year	101
As at 31st March 2022	101
Provision for expected credit losses for the year	14
As at 31st March 2023	**115**

14 Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Balance with bank		
- On current accounts	106	1,268
- Deposits with original maturity of less than 3 months	791	-
Total	**897**	**1,268**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months	1,102	1,346
Total	**1,102**	**1,346**

* Fixed deposits of INR 1 (31 March 2022: INR Nil) are under lien with various banks for the purpose of Debt Service Reserve Account (DSRA) and as margin money for the purpose of letter of credit/bank guarantee.

The bank deposits have an original maturity period of 61 to 3508 days and carry an interest rate of 4.10% to 7.75% which is receivable on maturity.

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(Amounts in INR millions, unless otherwise stated)

15 Share capital

The Combined Financial Statements 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	577,815,500	5,778
At 31 March 2022	**577,815,500**	**5,778**
At 31 March 2023	**577,815,500**	**5,778**
0.0001% optionally convertible redeemable preference shares of INR 10 each		
At 1 April 2021	48,272,000	483
At 31 March 2022	48,272,000	483
At 31 March 2023	**48,272,000**	**483**

Issued share capital	Number of shares	Amount
15A Equity shares of INR 10 each issued, subscribed and paid up		
At 1 April 2021	572,061,131	5,721
Shares issued during the year	1,600,000	16
At 31 March 2022	**573,661,131**	**5,737**
At 31 March 2023	**573,661,131**	**5,737**

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.

15B Instruments entirely equity in nature

0.0001% optionally convertible redeemable preference shares of INR 10 each	Number of shares	Amount
At 1 April 2021	37,294,470	3,729
At 31 March 2022	37,294,470	3,729
At 31 March 2023	**37,294,470**	**3,729**

0.0001% optionally convertible redeemable preference shares (INR 100 each, including premium of INR 90) (OCRPS)
Renew Wind Energy (AP 2) Private Limited issued 37,294,470 0.0001% OCRPS during the year INR 10 each fully paid-up at a premium of INR 90 per share. OCRPS carry non-cumulative dividend @ 0.0001%. the Renew Wind Energy (AP 2) Private Limited declares and pays dividends in Indian rupees.

OCRPS do not carry voting rights and OCRPS would be in the event of conversion converted into Equity Shares of Renew Wind Energy (AP 2) Private Limited in the ratio of 1 equity shares : 1 preference shares.

In the event of Liquidation of the Renew Wind Energy (AP 2) Private Limited, the holders of OCRPS shall be paid 1 times the face value of OCRPS and such dividend in arrear, if any, declared and remained unpaid.

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(Amounts in INR millions, unless otherwise stated)

15C Shares held by the Holding Company of entities forming part of Restrcited Group

	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
ReNew Power Private Limited*				
Equity shares of INR 10 each	19,396,490	194	19,396,490	194
0.0001% Optionally convertible redeemable preference shares of INR 10 each	37,294,470	373	37,294,470	373
Ostro Energy Private Limited*				
Equity shares of INR 10 each	521,091,564	5,211	521,091,564	5,211

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

15D 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				
Ostro Energy Private Limited*	521,091,564	90.84%	521,091,564	90.84%
Ostro Renewables Private Limited (fellow subsidiary)	33,173,077	5.78%	33,173,077	5.78%
0.0001% Optionally convertible redeemable preference shares of INR 10 each				
ReNew Power Private Limited*	37,294,470	100.00%	37,294,470	100%

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

15E No shares have been allotted without payment of cash or by way of bonus shares during the year of five years immediately preceding the balance sheet date.

16 Other equity

16A Equity component of compulsorily convertible debentures (CCD)

At 1 April 2021	336
At 31 March 2022	336
At 31 March 2023	**336**

Terms of conversion of CCDs

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

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

16B Securities premium

At 1 April 2021	4,302
At 31 March 2022	4,302
At 31 March 2023	**4,302**

Nature and purpose

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

16C Debenture redemption reserve

At 1 April 2021	58
Debenture redemption reserve transferred to retained earnings during the year	(58)
At 31 March 2022	**-**
Debenture redemption reserve transferred to retained earnings during the year	-
At 31 March 2023	**-**

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 amended).

*Due to insufficient profit during the year, debenture redemption reserve has been created only to the extent of available profit.

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(Amounts in INR millions, unless otherwise stated)

16D Hedge reserve

At 1 April 2021	**-**
Movement in hedge reserve, net of taxes (refer note 35)	(716)
At 31 March 2022	**(716)**
Movement in hedge reserve, net of taxes (refer note 35)	591
At 31 March 2023	**(125)**

Nature and purpose

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

16E Retained earnings

At 1 April 2021	120
Profit for the year	1,219
Appropriation for debenture redemption reserve	58
At 31 March 2022	**1,397**
Profit for the year	(1,641)
Appropriation for debenture redemption reserve	-
At 31 March 2023	**(244)**

Nature and purpose

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

16F Parent's contribution

At 1 April 2021	**11,981**
At 31 March 2022	**11,981**
At 31 March 2023	**11,981**

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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Renew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

17 Long-term borrowings	Notes	Interest rate (p.a.)	Maturity	Non-current		Current	
				31 March 2023	31 March 2022	31 March 2023	31 March 2022
Senior secured notes	(i)	4.90%- 4.93%	14 July 2028	47,806	44,001	-	-
Term loan from financial institutions (secured)	(ii)	9.10%	14 July 2028	2,749	2,750	-	-
Total long-term borrowings				**50,555**	**46,751**	-	-
Amount disclosed under the head 'Short term borrowings' (Refer note 20)				-	-	-	-
				50,555	**46,751**	-	-

Notes:

(i) Senior secured notes (secured)
Senior secured notes are secured by way of first pari passu charge on the respective entities forming part of the Restricted Group 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. A first ranking pledge over 51.0% of the equity shares of Borrower.

Senior secured notes shall be fully repaid through one bullet payment in July 2028

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

Term loan from financial institutions shall be fully repaid through one bullet payment in July 2028

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

(iv) Ostro Energy Private Limited has pledged as on 31 March 2023: 361,427,052 (31 March 2022: 361,427,052) equity shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

(v) ReNew Power Private Limited has pledged as on 31 March 2023: 16,974,998 (31 March 2022: 16,974,998) equity shares and as on 31 March 2023: 31,125,000 (31 March 2022: 31,125,000) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

ReNew Power Private Limited

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(Amounts in INR millions, unless otherwise stated)

18 Lease liabilities

	As at 31 March 2023	As at 31 March 2022
Non-current		
Lease liabilities	2	2
Total	**2**	**2**
Current		
Lease liabilities	1	1
Total	**1**	**1**

19 Long-Term Provisions

	As at 31 March 2023	As at 31 March 2022
Provision for decommissioning costs	2,965	2,389
Total	**2,965**	**2,389**

	Provision for Decommissioning
As at 1st April 2021	2,759
Arised during the year (refer note 4)	(520)
Unwinding of discount and changes in discount rate (refer note 29)	150
As at 31st March 2022	**2,389**
Arised during the year (refer note 4)	408
Unwinding of discount and changes in discount rate (refer note 29)	168
As at 31st March 2023	**2,965**

20 Short term borrowings

	As at 31 March 2023	As at 31 March 2022
Loan from related party (unsecured) (refer note 32)	3,297	4,368
Working capital demand loan	396	-
Total	**3,693**	**4,368**

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 40)	20	10
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,004	1,135
Total	**1,024**	**1,145**

Trade Payables aging schedule

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	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	-	10	10	-	-	20
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	328	515	155	0	6	1,004
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

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ReNew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	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	-	1,138	0	2	5	1,145
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-

22 Derivative instruments

	As at 31 March 2023	As at 31 March 2022
Financial liabilities at fair value through OCI		
Non-Current		
Cash flow hedges		
Derivative instruments	413	-
Total	**413**	**-**
Current		
Cash flow hedges		
Derivative instruments	-	1,126
Total	**-**	**1,126**

23 Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Non-Current		
Financial liabilities at amortised cost		
Provision for operation and maintenance equalisation	408	352
	408	**352**
Current		
Financial liabilities at amortised cost		
Provision for operation and maintenance equalisation	38	39
Interest accrued but not due on borrowings	1,072	1,298
Interest accrued but not due on debentures	11	-
Capital creditors	633	877
Total	**1,754**	**2,214**

24 Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Other payables		
TDS payable	80	99
GST payable	2	0
Total	**82**	**99**

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ReNew Power Private Limited

Restricted Group
Notes to Special Purpose Combined Statement of Profit and Loss for the year ended 31 March 2023
(Amounts in INR millions, unless otherwise stated)

25 Revenue from operations	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Revenue from contracts with customers		
Sale of power	7,315	7,490
Total	**7,315**	**7,490**

The Restricted Group recognised impairment losses on receivables arising from contracts with customers, included under other expenses in the Combined statement of profit or loss, amounting to INR 14 (March 31, 2022: INR 47).

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

26 Other income	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Recurring other income:		
Interest income accounted at amortised cost		
- on fixed deposit with banks	123	35
- on loan to related parties	1,153	1,007
- others	-	46
Interest income on income tax refund	4	1
Government grant		
- generation based incentive	436	446
-tax Reimbursement	72	-
Sale of carbon credit	21	143
Compensation for loss of revenue	244	600
Insurance claim	83	12
Provisions written back	77	170
Miscellaneous income	12	4
Unwinding of financial assets	137	-
Total	**2,362**	**2,464**

27 Other expenses	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Legal and professional fees	14	51
Corporate social responsibility	22	19
Travelling and conveyance	6	6
Rent	0	0
Printing and stationery	0	0
Management shared services	163	273
Rates and taxes	5	4
Payment to auditors	5	5
Insurance	117	119
Operation and maintenance	892	874
Repair and maintenance		
- plant and machinery	2	0
- Others	1	2
Loss on sale of property plant and equipment	0	0
Guest house expenses	-	0
Security charges	0	1
Communication costs	2	2
Impairment allowance for bad and doubtful debts	14	47
Impairment allowance for carbon credit	33	4
Impairment of Inventory	1	-
Miscellaneous expenses	0	6
	1,277	**1,409**

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(Amounts in INR millions, unless otherwise stated)

Payment to auditors	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
As auditor:		
Audit fee	5	5
Reimbursement of expenses	0	0
	5	**5**

28 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)	1,640	1,651
Amortisation of other intangible assets (refer note 5)	537	537
Depreciation of right of use assets (refer note 6)	10	10
Total	**2,187**	**2,198**

29 Finance costs	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Interest expense on		
- Senior secured notes	2,276	2,193
- term loans	255	416
- loan from related party (refer note 32)	283	355
- acceptance	-	0
- debentures	-	4
- Interest on leases	0	0
- others	2	0
- working capital loan	54	-
Bank charges	28	40
Loss on account of modification of contractual cash flows (refer note (i) below)	369	-
Unwinding of discount on provisions	168	150
Unamortised ancillary borrowing cost written off*	0	307
Option Premium Amortised (P&L)	713	686
Foreign exchange loss	3,750	595
Total	**7,898**	**4,746**

*Represents transaction cost on long term borrowings charged to Statement of Profit and Loss on account of derecognition due to repayment of loans.

(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 137 is recognised under Other income. Trade receivables outstanding of INR 1,480 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.

30 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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ReNew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

31 Leases

The entities forming part of the Restricted Group has entered leases for its leasehold lands. These leases have lease terms of 5 to 30 years.

The weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 9.62%.

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Opening balance	3	2
Additions	-	1
Accretion of interest	0	0
Payments	-	-
Balance as on 31 March 2023	**3**	**3**
Non Current Lease liabilities	2	2
Current Lease liabilities	1	1
	3	**2**

a) There are no restrictions or covenants imposed by leases.
b) Refer note 27 for rental expense recorded for short-term leases and low value leases For the year ended 31 March 2023 and 31 March 2022.
c) There are no amounts payable toward variable lease expense recognised for the year/year ended 31 March 2023 and 31 Mach 2022.
d) The maturity analysis of lease liabilities are disclosed in note 38.
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: 10.08%)

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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

I. Holding Company :

Name of entity	Holding Company
Renew Wind Energy (Delhi) Private Limited	ReNew Power Private Limited
Renew Wind Energy (AP 2) Private Limited	ReNew Power Private Limited
Ostro Jaisalmer Private Limited	Ostro Energy Private Limited*
Ostro Urja Wind Private Limited	Ostro Energy Private Limited*
Ostro Madhya Wind Private Limited	Ostro Energy Private Limited*
Badoni Power Private Limited	Ostro Energy Private Limited*
AVP Powerinfra Private Limited	Ostro Energy Private Limited*
Ostro Anantapur Private Limited	Ostro Energy Private Limited*
Ostro Mahawind Private Limited	Ostro Energy Private Limited*
Prathamesh Solarfarms Limited	Ostro Energy Private Limited*

*Ostro Energy Private Limited is a 100% subsidiary of Renew Power Services Private Limited and Renew Power Services 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 Services Private Limited
Renew 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 Mega Solar Power Private Limited
ReNew Services Private Limited
ReNew Sol Energy (Jharkhand Five) Private Limited
ReNew Sol Energy (Jharkhand One) Private Limited
ReNew Solar Energy (TN) Private Limited
ReNew Solar Services Private Limited
ReNew Wind Energy (AP 3) Private Limited
ReNew Wind Energy (Budh 3) Private Limited
ReNew Wind Energy (Jamb) Private Limited
ReNew Wind Energy (Karnataka) Private Limited
ReNew Wind Energy (MP Two) Private Limited
ReNew Wind Energy (Orissa) Private Limited
ReNew Wind Energy (Rajasthan 2) Private Limited
ReNew Wind Energy (Rajasthan 3) Private Limited
ReNew Wind Energy (Rajasthan One) Private Limited
ReNew Wind Energy (Rajasthan) Private Limited
ReNew Wind Energy (Rajkot) Private Limited
ReNew Wind Energy (TN 2) Private Limited
ReNew Wind Energy (Varekarwadi) Private Limited
ReNew Wind Energy MP Private Limited
Shreyas Solarfarms Limited
Vivasvat Solar Energy Private Limited
Aalok Solarfarms Limited
Abha Solarfarms Limited
Abha Sunlight Private Limited
Adyah Solar Energy Private Limited
Akhilagya Solar Energy Private Limited
Auxo Solar Energy Private Limited
Heramba Renewables Limited
Izra Solar Energy Private Limited
KCT Renewable Energy Private Limited
Molagavalli Renewable Private Limited
Narmada Wind Energy Private Limited
Nokor Bhoomi Private Limited
Nokor Solar Energy Private Limited
Ostro Alpha Wind Private Limited
Ostro Bhesada Wind Private Limited
Ostro Kutch Wind Private Limited
Ostro Rann Wind Private Limited
Ostro Renewables Private Limited
Regent Climate Connect Pvt. Ltd.
ReNew Solar Energy (Rajasthan) Private Limited
ReNew Solar Energy (Telangana) Private Limited
ReNew Solar Power Private Limited

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(Amounts in INR millions, unless otherwise stated)

a) Details of transactions with Intermediate Holding Company:

Particulars	ReNew Power Private Limited For the year ended 31 March 2023	ReNew Power Private Limited For the year ended 31 March 2022
Unsecured loan given	4,525	2,889
Unsecured loan received	1	6,356
Unsecured loan repaid	817	7,243
Unsecured loan received back	6	716
Expenses incurred behalf of companies	-	16
Expenses incurred on belhalf of Intermediate holding company	30	-
Expenses incurred on behalf of related party	-	15
Consumables Sales	1	-
Purchase of services# (Management shared services)*	87	-
Interest Income on unsecured loan	854	723
Interest expense on unsecured loan	265	338

*** Purchase of services include provision during the year**

b) Details of outstanding balances with Intermediate Holding Company:

Particulars	ReNew Power Private Limited As at 31 March 2023	ReNew Power Private Limited As at 31 March 2022
Unsecured loan receivable	13,084	8,565
Unsecured loan payable	3,137	3,954
Trade payables*	170	144
Capital creditor	5	5
Interest income accrued on unsecured loan	2,407	1,601
Recoverable from related parties	31	2
Interest expense Payable on unsecured loan	561	458

*** Trade payables include provision during the year**

c) Details of transactions with Intermediate Holding Company:

Particulars	Renew Power Services Private Limited For the year ended 31 March 2023	Renew Power Services Private Limited For the year ended 31 March 2022
Expenses incurred behalf of companies	-	0

d) Details of outstanding balances with Intermediate Holding Company:

Particulars	Renew Power Services Private Limited As at 31 March 2023	Renew Power Services Private Limited As at 31 March 2022
Trade payables	1	54
Capital creditor	0	0

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Renew Power Private Limited ★

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 transactions with Holding Company:

Particulars	Ostro Energy private Limited For the year ended 31 March 2023	Ostro Energy private Limited For the year ended 31 March 2022
Repayment of unsecured loan	-	
Unsecured loan received	-	2,754
Unsecured loan repaid	255	3,150
Unsecured loan given	104	-
Unsecured loan received back	104	-
Expenses incurred on belhalf of holding company	0	-
Expenses incurred on behalf of related party	-	0
Purchase of services# (Management shared services)*	162	3
Interest Income on unsecured loan	11	9
Interest expense on unsecured loan	14	39

* Purchase of services include provision during the year

f) Details of outstanding balances with Holding Company:

Particulars	Ostro Energy private Limited As at 31 March 2023	Ostro Energy private Limited As at 31 March 2022
Unsecured loan receivable	118	118
Unsecured loan payable	135	390
Trade payables*	246	55
Interest expense Payable on unsecured loan	41	404
Interest income accrued on unsecured loan	38	28
Recoverable from related parties	0	28

* Trade payables include provision during the year

g) Details of transactions with fellow subsidiaries:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Unsecured loan given	-	84
Repayment of unsecured loan	-	95
Expenses incurred on belhalf of fellow subsidiaries	12	11
Expenses incurred on belhalf of related party	92	0
Consumables Sales	2	3
Consumable Purchases	2	1
Carbon Credit Sales	-	107
Operation & Maintenance Services	432	263
Operation & Maintenance Payment	532	248
Reimbursement of expenses	-	-
Purchase of Services# (management shared service)	1	1
Interest Income on unsecured loan	286	-
Interest expense on unsecured loan	2	2

h) Details of outstanding balances with fellow subsidiaries:

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured loan receivable	3,569	3,569
Unsecured loan payable	25	25
Trade payables	207	154
Interest income accrued on unsecured loan	1,057	-
Interest expense Payable on unsecured loan	7	5
Recoverable from related parties	312	237

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ReNew Power Private Limited

i) Compensation of key management personnel

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

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

m) During the Financial Year 2021-22, the Companies forming part of Restricted Group has raised funds through issuance of senior secured notes (the "Issue"). These bonds have been issued based on the collective net worth of all the ten entities forming part of the Restricted Group and further all these entities have jointly and severally guaranteed the Issue. The Company and certain other fellow subsidiaries 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.

Following entities form part of the Restricted Group
Renew Wind Energy (Delhi) Private Limited
Ostro Madhya Wind Private Limited
Ostro Anantapur Private Limited
Prathamesh Solarfarms Limited
Ostro Urja Wind Private Limited
AVP Powerinfra Private Limited
Ostro Mahawind Private Limited
Badoni Power Private Limited
Ostro Jaisalmer Private Limited
Renew Wind Energy (AP 2) Private Limited

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(Amounts in INR millions, unless otherwise stated)

33 Segment information

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

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

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

	For the year ended 31 March 2023			For the year ended 31 March 2022		
	Wind Power	**Solar Power**	**Total**	**Wind Power**	**Solar Power**	**Total**
Sale of power	6,746	569	7,315	6,921	569	7,490
Revenues from operations	**6,746**	**569**	**7,315**	**6,921**	**569**	**7,490**
Less: Inter-segment	-	-	-	-	-	-
Revenues from external customers	**6,746**	**569**	**7,315**	**6,921**	**569**	**7,490**
Other income	2,248	114	2,362	2,300	164	2,464
Total income	**8,994**	**683**	**9,677**	**9,221**	**733**	**9,954**
Less: Other expenses	1,186	91	1,277	1,334	75	1,409
Earning before interest, tax, depreciation and amortization (EBITDA)	**7,807**	**592**	**8,400**	**7,887**	**658**	**8,545**
Less: Depreciation and amortisation expense			2,187			2,198
Less: Finance costs			7,898			4,746
(Loss)/profit before tax			**(1,685)**			**1,601**

The Revenues from four major customers amounts to INR 5,883 (31 March 2022: four major customers : INR 4,028) each of which contributes more than 10% of the total revenue of the restricted Group.

*Loss of INR 369 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 29(i)).

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

(i) Contingent liabilities

The entities forming part of the Restricted Group have contingent liability as on 31 March 2023 (31 March 2022: INR 186).

Description	31-Mar-23	31-Mar-22
Contingent liabilities on account of liquidated damages for delay in project commissioning for which no material liability is expected. Further, the management believes that any amount of liquidated damages to be levied by customer shall be entirely reimbursable from capital vendors of respective projects.	186	186
Contingent liabilities on account of transmission penalties for inability to execute or delays in execution of projects*	956	-
Income tax disallowances/demands under litigation*	21	-
Others^*	136	-

^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.

* 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

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

At 31 March 2023, the entities forming part of the Restricted Group have no capital commitment (net of advances). (31 March 2022: INR Nil).

Guarantees

The entities forming part of Restricted Group have obtained guarantees from financial institutions as a part of the bidding process for establishing renewable projects. Further,the entities forming part of Restricted Group issues irrevocable performance bank guarantees in relation to its obligation towards construction and transmission infrastructure of renewable power projects plants as required by the PPA and such outstanding guarantees are INR 957 as at 31 March 2023 (31 March 2022 : INR 957).

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

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(Amounts in INR millions, unless otherwise stated)

35 Hedging activities and derivatives

Derivatives designated as hedging instruments

The Restricted Group uses certain types of derivative financial instruments (viz. forwards contracts, swaps, call options and call spreads) to manage / mitigate its exposure to foreign exchange and interest risk. Further, the Restricted Group designates such derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation and interest risk attributable to either a recognised item or a highly probable forecast transaction ('Cash flow hedge').

The effective portion of changes in the fair value of derivative financial instruments (or its components) that are designated and qualify as cash flow hedges, are recognised in the other comprehensive income and held in hedge reserve - a component of equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit or loss within other income / other expenses. The amounts accumulated in equity for highly probable forecast transaction are added to carrying value of non financial asset or non financial liability as basis adjustment, other amounts accumulated in equity are re-classified to the statement of profit or loss in the years when the hedged item affects profit or loss.

At any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit or loss.

Cash flow hedges

Hedge has been taken against exposure to foreign currency risk and variable interest outflow on Senior secured notes. Terms of the swaps and their respective impact on OCI and Statement of Profit and Loss is as below:-

Pay fixed INR and receive USD and pay fixed interest at 4.91% to 4.93% p.a. and receive a fixed interest at 4.50 p.a. on the notional amount.

The cash flow hedges through COS of USD 585,000,000 (31 March 2022 : 585,000,000) and call option of USD 585,000,000 (31 March 2022 : 585,000,000) outstanding at the year ended 31 March 2023 were assessed to be highly effective and cumulative impact of mark to market gain is INR 99 (31 March 2022: 58) with a deferred tax liability of 25 (31 March 2022: 242) is included in OCI.

Foreign currency and Interest rate risk

Cross currency interest rate swaps and call options measured at fair value through OCI are designated as hedging instruments in cash flow hedges of interest and principal payments in USD.

	31 March 2023		31 March 2022	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Derivative contracts designated as hedging instruments - Non-current	115	413	-	-
Derivative contracts designated as hedging instruments - Current	-	-	-	1,126

Hedging reserve movement

a) Cash flow hedge reserve	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	**(43)**	**-**
Gain/(Loss) recognised on cash flow hedges	191	(192)
(Gain)/Loss reclassified to profit and loss	(34)	134
Income tax relating to gain/loss recognized on cash flow hedges	(40)	15
Balance at the end	74	**(43)**
b) Cost of hedge reserve on cash flow hedges		
Balance at the beginning of the year	(673)	-
Effective portion of changes in fair value	(78)	(1,587)
Amount reclassified to profit or loss	714	686
Tax effect	(161)	228
Balance at the end	(198)	(673)
Total Hedge reserve movement (a+b)		
Balance at the beginning	(716)	-
OCI for the year	592	(716)
Closing balance	**(124)**	**(716)**

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ReNew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

36 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				
Security deposits	4	4	4	4
Bank deposits with remaining maturity for more than twelve months	0	-	0	0
Trade receivables	3,988	3,988	5,989	5,989
Cash and cash equivalent	897	897	1,268	1,268
Bank balances other than cash and cash equivalent	1,102	1,102	1,346	1,346
Loans-current	16,771	16,771	12,252	12,252
Other current financial assets	3,969	3,969	2,862	2,862
Measured at FVTPL				
Investments-non current, unquoted equity shares of fellow subsidiary	791	791	730	730
Financial assets designated as a hedge instrument through OCI				
Derivative instruments - hedge instruments	115	115	-	-
Financial liabilities				
Measured at amortised cost				
Lease Liabilities	3	3	2	2
Non Convertible Debentures	-	-	-	-
Senior secured notes	47,806	40,263	44,001	44,001
Term loan in Indian rupees from financial institutions	2,749	2,646	2,750	2,750
O&M equalisation reserve	408	408	352	352
Short-term borrowings	3,693	3,693	4,368	4,368
Trade payables	1,004	1,004	1,135	1,135
Other current financial liabilities (excluding current maturities of borrowings)	1,754	1,754	2,214	2,214
Financial liabilities designated as a hedge instrument through OCI				
Derivative instruments - hedge instruments	413	413	1,126	1,126

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, short-term borrowings, 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 senior secured notes and financial institutions including current maturities are re determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate (prevailing interest rate in the market) 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 March 31, 2023 and 2022 was assessed to be insignificant.

ii Fair values of the bank deposits given are determined by using DCF method using discount rate that reflects the lending rate (prevailing interest rate in the market) as at the end of the reporting period.

iii The entities forming part of the Restricted Group enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The models incorporate various fair value level 2 inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the currency, interest rate curves and forward rate curves of the underlying instrument. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

(Amounts in INR millions, unless otherwise stated)

37 Fair value hierarchy

The entities forming part of the Restricted Group categorize assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- 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 assets and liabilities that are recognised at fair value on a recurring basis, the Restricted Group determines 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. There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the year.

There were no material transfers between Level 1 and Level 2 fair value measurements, and no material transfers into or out of Level 3 fair value measurements during the year ended March 31, 2023 and 2022. There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the year.

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

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

	Level of fair value measurement	31 March 2023		31 March 2022	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets designated as a hedge instrument through OCI					
Derivative instruments - hedge instruments	Level 2	115	115	-	-
Financial liabilities designated as a hedge instrument through OCI					
Derivative instruments - hedge instruments	Level 2	413	413	1,126	1,126
Total		**413**	**413**	**1,126**	**1,126**

Particulars	Fair value	Valuation	Inputs used
Financial assets designated as a hedge instrument through OCI			
Derivative instruments - hedge instruments	Level 2	Market value techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows
Financial liabilities designated as a hedge instrument through OCI			
Derivative instruments - hedge instruments	Level 2	Market value techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows

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(Amounts in INR millions, unless otherwise stated)

38 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, deposits and borrowings.
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 debts are all constan 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. 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 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-Mar-23		31-Mar-22	
	Increase/decrease in basis points	**Effect on profit before tax**	**Increase/decrease in basis points**	**Effect on profit before tax**
INR	+/(-)50	(-)/+ 13	+/(-)50	(-)/+ 13

Credit risk

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

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

The maximum credit exposure to credit risk for the components of the statement of financial position 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 credit quality of the customers is evaluated based on their credit ratings and other publicly available data.

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 Restricted Group's trade receivables using a provision matrix:

As at 31 March 2023

	Trade receivables (days past due)						
	Not due	**0 - 6 months**	**6 -12 months**	**1 -2 years**	**2 -3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	1,797	333	728	510	0	0	3,368
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	43	28	-	1	153	224
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired							-
(vii) Unbilled dues	511	-	-	-	-	-	511
Total	**2,308**	**375**	**756**	**510**	**1**	**153**	**4,103**
Expected credit loss	-	22	5	71	17	-	115

(Amounts in INR millions, unless otherwise stated)

As at 31 March 2022

	Trade receivables (days past due)						
	Not due	**0 - 6 months**	**6 -12 months**	**1 -2 years**	**2 -3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	-	1,683	2,286	134	0	0	4,103
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	0	152	355	391	390	1,288
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Unbilled dues	545	0	-	-	-	-	545
Total	**545**	**1,683**	**2,438**	**489**	**392**	**390**	**5,937**
Expected credit loss	-	25	40	20	11	7	102

Other financial assets

Credit risk from other financial assets including loans is managed basis established policies of Company, procedures and controls relating to customer credit risk management. Outstanding receivables are regularly monitored. The Company does not hold collateral as security.

Financial instruments and credit risk

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

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ReNew Power Private Limited

(Amounts in INR millions, unless otherwise stated)

Liquidity risk

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

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

The entities forming part of the Restricted Group rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind and solar 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. 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						
Senior secured notes*	-	-	1,654	7,899	48,989	58,542
Loans from Financial Institutions*	-	62	189	1,002	2,822	4,075
Short term borrowings						
Working capital loan	-	-	396	-	-	396
Loan from related party	3,297	-	-	-	-	3,297
Lease liabilities	-	1	0	1	1	3
Other financial liabilities						
Interest accrued but not due on borrowings	620	-	463	-	-	1,084
Capital creditors	5	628	-	-	-	633
Trades payable	624	400	-	-	-	1,024

* 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						
Senior secured notes*	-	-	-	491	46,888	47,379
Term loan from financial institutions*	-	-	-	1,134	3,116	4,249
Short term borrowings						-
Current maturities of long term borrowings*	-	561	1,691	-	-	2,252
Loans from related party	4,368	-	-	-	-	4,368
Lease liabilities	-	0	0	1	4	5
Other financial liabilities						-
Interest accrued but not due on borrowings	883	-	415	-	-	1,298
Capital creditors	5	872	-	-	-	877
Trade payable	407	728	-	-	-	1,135

* 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.

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(Amounts in INR millions, unless otherwise stated)

39 Capital management

For the purpose of the capital management by the respective entities forming part of the Restricted Group, capital includes issued equity capital, optionally convertible redeemable 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 make 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 include 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 the industry standard ratio. The current gearing ratios of the various projects in the respective entities forming part of the Restricted Group is between 3:1 to 4:1.

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.

40 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	20	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 year 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.	0	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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41 Significant accounting judgments, estimates and assumptions

The preparation of Combined financial statements requires management to make judgements, 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 judgments, 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 Group based its assumptions and estimates on parameters available when the combined financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond control of the Restricted Group. Such changes are reflected in assumptions when they occur.

B) Estimates and assumptions:

Impairment of goodwill

The key assumptions used to determine the recoverable amount for the different CGUs are disclosed and further explained in Note 5.

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 is disclosed in Note 13.

42 There are no employees on the rolls of the entities forming part of the Restricted Group and therefore there are no employee benefit expenses accrued in the 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.

43 Ostro Ananthapur Private Limited (AP entity) has entered into long-term PPAs having a cumulative capacity of 100 MWs (wind energy projects) with Southern Power Distribution Company of Andhra Pradesh Limited i.e. the distribution company of Andhra Pradesh (APDISCOM). These PPAs have a fixed rate per unit of electricity for the 25-year term. With regard to aforementioned PPAs, certain litigations as described below are currently underway:

a. In terms of the Generation Based Incentive (GBI) scheme of the Ministry of Renewable Energy (MNRE), the AP entity accrue income based on units of power supplied under the aforementioned PPAs. Andhra Pradesh Electricity Regulatory Commission (APERC) vide its order in July 2018 allowed APDISCOMS to interpret the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Tariff Determination for Wind Power Projects) Regulations, 2015 (Regulations) in a manner to treat GBI as a pass through in the tariff.
The AP entity filed writ petition before the Andhra Pradesh High Court (AP High Court) challenging the vires of the regulation and the order by APERC and were granted an interim stay order in August 2018. As at March 31, 2023 and 2022, the cumulative amount recoverable from the APDISCOM pertaining to period from February 2017 till July 2018, included in trade receivables amounts to INR 153 million. The AP entity have filed an interim application in AP High Court seeking payment of amount wrongfully deducted by the APDISCOM

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

b. The Government of Andhra Pradesh (GoAP) issued an order (GO) dated July 1, 2019 constituting a High-Level Negotiation Committee (HLNC) for review and negotiation of tariff for wind and solar energy projects in the state of Andhra Pradesh. Pursuant to the GO, APDISCOM issued letters dated July 11, 2019 and July 12, 2019 to the AP entities, requesting for revision of tariffs entered into in PPAs. The AP entities filed a writ petition on July 23, 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 September 24, 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 INR 2.43 per unit till determination of O.P. No. 17 of 2018 pending before APERC

iii. APERC to dispose-off the case within a time frame of six months

The AP Entities filed a Writ Appeal before the division bench of the AP High Court challenging the jurisdiction of APERC in entertaining O.P. No. 17 of 2018. Parallelly, the AP Entities 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 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 (SLP) in the Supreme Court in October 2020 against the Judgment and order dated December 19, 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 September 24, 2019, passed by Single Judge of AP High Court and directed APDISCOM to make payments at the rate mentioned in PPAs. The AP Entities 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 September 24, 2019 and W.A. No. 6 of 2020 and batch pending before Division Bench of the AP High Court.
APDISCOM has also filed a Special Leave Petition (SLP) in the Supreme Court in October 2020 against the Judgment and order dated December 19, 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 September 24, 2019, passed by Single Judge of AP High Court and directed APDISCOM to make payments at the rate mentioned in PPAs. The AP Entities 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 September 24, 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 entity 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 entity 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 1,738 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 (refer Note 29). 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 1,091 as at March 31, 2023 (March 31, 2022: INR 1,759) from sale of electricity against such PPAs [including an amount of INR 153 for GBI receivable as explained in part (a) to the note], which was the subject matter of dispute.Subsequent to March 31, 2023, AP entity have received a sum of INR 1,593 from APDISCOM.
In view of the favourable order by the AP High Court and basis legal opinions obtained by the Company, management believes that it has strong merits in the case and no additional adjustment is required in the financial statement.

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ReNew Power Private Limited

44 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 March 31, 2023, operational capacity in the Rajasthan and Gujarat projects likely to be affected by the Supreme Court order was 167 MW and the capacity of the under-development projects in Rajasthan and Gujarat, which are likely to be impacted by the Supreme Court order was 183 MW.

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 divertors 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.

45 Absolute amounts less than INR 500,000 are appearing in the Combined Financial Statements as "0" due to presentation in millions.

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Renew Power Private Limited

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

46 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	3.86	2.64	46%	Reduction in short term borrowing and capital creditors
Debt-Equity Ratio	Total Debt	Shareholder's Equity	3.82	3.62	5%	No major changes
Debt Service Coverage Ratio	Earning for debt Service=Net Profit after taxes +non cash operating expenses+interest	Debt Service=Interest & lease payment +Principle repayments	2.74	2.49	10%	No major changes
Return on Equity Ratio	Net Profit after taxes -preference dividend	Average shareholder equity	(0.12)	0.09	-229%	Reduction in Net profit
Trade Recievables Turnover Ratio	Net Credit Sales=Gross Credit sales-sales return	Average Trade Recievables	1.47	1.42	3%	No major changes
Net Capital Turnover Ratio	Net Sales= Total Sales-sales return	Working Capital=Current assets - Current liabilties	0.39	0.51	-23%	Reduction in liabilities majorly in short term borrowing and capital creditors
Net Profit Ratio	Net Profit	Net Sales= Total Sales -Sales Return	(0.22)	(0.10)	124%	Reduction in Net profit
Return on Capital employed	Earnings before interest and taxes	Capital employed=Tangible net worth+Total Debt+deferred tax liability	0.01	0.06	-75%	Reduction in Net profit
Return on Investment	Interest (finance Income)	Investment	N.A.	N.A.	N.A.	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

Kaislash 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