S.R. BATLIBOI & CO. LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel: +91 124 681 6000

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 2020, the combined Statement of Profit and Loss, including the statement of Other Comprehensive Income, the combined Cash Flow Statement and the combined Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (collectively known as the "Combined Financial Statements"). These Combined Financial Statements have been prepared solely for submission by RPPL to the lenders as required by terms of offering memorandums dated 14 February 2017 and Indentures dated 17 February 2017

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

Basis for Opinion

We conducted our audit of the Combined Financial Statements in accordance with the Standards on Auditing (SAs) Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Combined Financial Statements' section of our report We are independent of the Restricted Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Combined Financial Statements

Emphasis of matter

1) Without modifying our opinion, we draw attention to note 2 and 3 to the Combined Financial Statements, which describes that the Restricted Group has not formed a separate legal group of entities during the year ended 31 March 2020, which also describes the basis of preparation, including the approach to and the purpose for preparing them. Consequently, the Restricted Group's Combined Financial Statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group that would have occurred if it had operated as a separate standalone group of entities during the periods presented

2) We draw attention to note 39 to the Combined Financial Statements, related to the recoverability of dues under litigation amounting to Rs. 2,440 million from Southern Power Distribution Company of A.P. Limited. The AP Entities have filed Writ Petition/appeal before the Hon'ble High Court of Andhra Pradesh related to these matters. Pending the outcome of the cases, which is not presently determinable, no adjustment has been made to the Combined Financial Statements Our opinion is not qualified in respect of this matter

Responsibilities of Management for the Combined Financial Statements

RPPL's Board of Directors (referred to as the "Management") is responsible for the preparation of these Combined Financial Statements in accordance with basis of preparation set out in note 3 of the accompanying notes to these Combined Financial Statements This responsibility also includes the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Combined Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Combined Financial Statements, the Management is responsible for assessing the entities forming part of the Restricted Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any entity forming part of the Restricted Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Combined Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Combined Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Restricted Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entities forming part of Restricted Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Combined Financial Statements or, if such disclosures are inadequate, to modify our opinion Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entities forming part of Restricted Group to cease to continue as a going concern.

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 financial statements have been prepared by the management of RPPL solely for the purpose of submission to the lenders as required by terms of offering memorandums dated 14 February 2017 and Indentures dated 17 February 2017. Our report on these Combined Financial Statements is issued solely for use by the management of RPPL for aforesaid purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent Our opinion is not modified in respect of the matter

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

AMIT CHUGH
Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in
Location: Gurugram
Date: 2020.06.30 20:33:17 +05'30'

per Amit Chugh
Partner
Membership Number: 505224
UDIN:20505224AAAAGG3312
Place of Signature: Gurugram
Date: 30 June 2020

Restricted Group
Special Purpose Combined Balance Sheet as at 31 March 2020
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	4	32,524	34,282
Capital work in progress	4	2	3
Intangible assets	5	0	0
Right of use assets	5A	17	-
Financial assets			
Loans	6	962	956
Others	6	0	0
Deferred tax assets (net)	7	40	22
Prepayments	8	15	38
Non-Current tax assets (net)		249	219
Other non-current assets	9	115	64
Total non-current assets		**33,924**	**35,584**
Current assets			
Inventories	10	12	11
Financial assets			
Derivative instruments	6	-	15
Loans	6	10,414	8,386
Trade receivables	11	3,992	3,680
Cash and cash equivalent	12	696	835
Bank balances other than cash and cash equivalent	12	542	834
Others	6	1,997	1,943
Prepayments	8	20	17
Other current assets	9	148	139
Total current assets		**17,821**	**15,860**
Total assets		**51,745**	**51,444**
Equity and liabilities			
Equity			
Equity share capital	13A	370	370
Instruments entirely equity in nature	13B	603	603
Other equity			
Equity component of compulsorily convertible debentures	13C	79	79
Equity component of preference shares	13D	1,407	1,407
Securities premium	14A	6,414	6,413
Hedge reserve	14B	-	15
Retained earnings	14C	310	702
Total equity		**9,183**	**9,589**
Non-current liabilities			
Financial liabilities			
Long-term borrowings	15	38,147	36,129
Lease liabilities	16	1	-
Deferred tax liabilities (net)	7	841	518
Other non-current liabilities	17	278	380
Total non-current liabilities		**39,267**	**37,027**
Current liabilities			
Financial liabilities			
Short-term borrowings	18	1,415	1,363
Lease liabilities	16	0	-
Trade payables			
Outstanding dues to micro enterprises and small enterprises	19	-	-
Others	19	490	475
Other current financial liabilities	20	1,281	2,877
Current tax liabilities (net)		1	-
Other current liabilities	21	108	113
Total current liabilities		**3,295**	**4,828**
Total liabilities		**42,562**	**41,855**
Total equity and liabilities		**51,745**	**51,444**

Summary of significant accounting policies 3

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

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

AMIT CHUGH
Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in
Location: Gurugram
Date: 2020.06.30 20:34:19 +05'30'

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 30 June 2020

For and on behalf of the Restricted Group

SUMANT SINHA
Digitally signed by SUMANT SINHA
Date: 2020.06.30 19:47:46 +05'30'

(Sumant Sinha)
Chairman & Managing Director
DIN- 00972012
Place: Gurugram
Date: 30 June 2020

MUTHUKUMARAN DORAISWAMI
Digitally signed by MUTHUKUMARAN DORAISWAMI
Date: 2020.06.30 19:47:08 +05'30'

(D Muthukumaran)
Chief Financial Officer
Place: Gurugram
Date: 30 June 2020

ASHISH JAIN
Digitally signed by ASHISH JAIN
Date: 2020.06.30 20:01:04 +05'30'

(Ashish Jain)
Company Secretary
Membership No.: F6508
Place: Gurugram
Date: 30 June 2020

Restricted Group
Special Purpose Combined Statement of Profit and Loss for the year ended 31 March 2020
(Amounts in INR millions, unless otherwise stated)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Income:			
Revenue from operations	22	6,480	7,007
Other income	23	1,025	1,067
Total income		**7,505**	**8,074**
Expenses:			
Other expenses	24	763	809
Total expenses		**763**	**809**
Earning before interest, tax, depreciation and amortization (EBITDA)		**6,742**	**7,265**
Depreciation & amortisation expense	25	1,781	1,776
Finance costs	26	4,989	4,930
(Loss)/Profit before tax		**(28)**	**559**
Tax expense			
Current tax	7	53	130
Deferred tax	7	311	207
Tax for earlier years		(0)	(38)
(Loss)/Profit for the year	**(a)**	**(392)**	**260**
Other comprehensive income (OCI)			
Items that will be reclassified to profit or loss in subsequent periods			
Net movement on cash flow hedges		(20)	13
Income tax effect		5	(3)
Net other comprehensive income that will be reclassified to profit or loss in subsequent periods	**(b)**	(15)	10
Total comprehensive income for the year	**(a) + (b)**	**(407)**	**270**
Summary of significant accounting policies	3		

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

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

AMIT CHUGH
Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in
Location: Gurugram
Date: 2020.06.30 20:34:39 +05'30'

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 30 June 2020

For and on behalf of the Restricted Group

SUMANT SINHA
Digitally signed by SUMANT SINHA
Date: 2020.06.30 19:50:05 +05'30'

(Sumant Sinha)
Chairman & Managing Director
DIN- 00972012
Place: Gurugram
Date: 30 June 2020

MUTHUKUMARAN DORAISWAMI
Digitally signed by MUTHUKUMARAN DORAISWAMI
Date: 2020.06.30 19:50:30 +05'30'

(D Muthukumaran)
Chief Financial Officer

Place: Gurugram
Date: 30 June 2020

ASHISH JAIN
Digitally signed by ASHISH JAIN
Date: 2020.06.30 20:01:26 +05'30'

(Ashish Jain)
Company Secretary
Membership No.: F6508
Place: Gurugram
Date: 30 June 2020

Restricted Group
Special Purpose Combined Statement of Cash Flows for the year ended 31 March 2020
(Amounts in INR millions, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
(Loss)/Profit before tax	(28)	559
Adjustments for:		
Depreciation & amortisation expense	1,781	1,776
Operation and maintenance	(116)	64
Interest income	(708)	(676)
Interest expense	4,974	4,922
Fair value change of mutual fund (including realised gain)	-	(70)
Operating profit before working capital changes	**5,903**	**6,575**
Movement in working capital		
(Increase)/decrease in trade receivables	(312)	(1,705)
(Increase)/decrease in inventories	(2)	(11)
(Increase)/decrease in financial assets	1,001	(480)
(Increase)/decrease in prepayments	21	(11)
(Increase)/decrease in other assets	(7)	(72)
Increase/(decrease) in other liabilities	10	(10)
Increase/(decrease) in trade payables	18	(317)
Increase/(decrease) in financial liabilities	1	(1)
Increase/(decrease) in provisions	1	-
Cash generated from operations	**6,634**	**3,968**
Direct taxes paid (net of refunds)	(71)	(157)
Net cash generated from operating activities	**6,563**	**3,811**
Cash flow from investing activities		
Purchase of Property, plant and equipment including capital work in progress, capital advances and capital creditors	(213)	(571)
Net redemption/(investment) of bank deposits having maturity more than 3 months	292	(232)
Loan given to related parties	3,196	(472)
Loan repaid by related parties	(5,826)	768
Loan to fellow subsidiaries - redeemable non cumulative preference shares	(355)	(828)
Interest received	593	216
Net redemption in mutual funds	-	1,685
Net cash generated from/ (used in) investing activities	**(2,313)**	**566**
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium) (net of share issue expenses)	0	0
Proceeds from long-term borrowings	1,615	395
Repayment of long-term borrowings	(1,871)	(197)
Proceeds from short-term borrowings	271	248
Repayment of short-term borrowings	(220)	(136)
Interest paid	(4,184)	(4,531)
Net cash used in financing activities	**(4,389)**	**(4,221)**
Net (decrease)/increase in cash and cash equivalents	**(139)**	**156**
Cash and cash equivalents at the beginning of the year	**835**	**679**
Cash and cash equivalents at the end of the year	**696**	**835**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	696	835
- On deposit account for more than 3 months and less than 12 months	542	-
	1,238	**835**
Less: Fixed deposits with original maturity of between 3 months and 12 months	(542)	-
Total cash and cash equivalents (note 12)	**696**	**835**

Changes in liabilities arising from financial activities:

Particulars	**Opening balance as at 1 April 2019**	**Cash flows (net)**	**Other changes***	**Closing balance as at 31 March 2020**
Long-term borrowings (including current maturities)	37,918	(256)	702	38,364
Short-term borrowings	1,363	51	-	1,415
Total liabilities from financing activities	**39,281**	**(205)**	**702**	**39,779**

Restricted Group
Special Purpose Combined Statement of Cash Flows for the year ended 31 March 2020
(Amounts in INR millions, unless otherwise stated)

Particulars	Opening balance as at 1 April 2018	Cash flows (net)	Other changes*	Closing balance as at 31 March 2019
Long-term borrowings (including current maturities)	37,331	197	391	37,919
Short-term borrowings	1,251	112	-	1,363
Total liabilities from financing activities	**38,582**	**310**	**391**	**39,282**

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

Summary of significant accounting policies 3

Refer note 27 for movement in lease liabilities.

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

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

AMIT CHUGH
Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in
Location: Gurugram
Date: 2020.06.30 20:34:58 +05'30'

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 30 June 2020

For and on behalf of the Restricted Group

SUMANT SINHA
Digitally signed by SUMANT SINHA
Date: 2020.06.30 19:51:06 +05'30'

(Sumant Sinha)
Chairman & Managing Director
DIN- 00972012
Place: Gurugram
Date: 30 June 2020

MUTHUKUMARAN DORAISWAMI
Digitally signed by MUTHUKUMARAN DORAISWAMI
Date: 2020.06.30 19:51:28 +05'30'

(D Muthukumaran)
Chief Financial Officer
Place: Gurugram
Date: 30 June 2020

ASHISH JAIN
Digitally signed by ASHISH JAIN
Date: 2020.06.30 20:01:55 +05'30'

(Ashish Jain)
Company Secretary
Membership No.: F6508
Place: Gurugram
Date: 30 June 2020

Restricted Group

Special Purpose Combined Statement of changes in equity for the year ended 31 March 2020

(Amounts in INR millions, unless otherwise stated)

Particulars	Attributable to the equity holders of entities forming part of the Restricted Group							Total equity
	Equity share capital	Instruments entirely equity in nature	Equity component of compulsorily convertible debentures	Equity Component of Preference Share	Reserves and Surplus		Items of OCI	
					Securities premium	Retained earnings	Hedging Reserve	
	(refer note 13A)	(refer note 13B)	(refer note 13C)	(refer note 13D)	(refer note 14A)	(refer note 14C)	(refer note 14B)	
At 1 April 2018	**370**	**603**	**79**	**1,407**	**6,413**	**442**	**5**	**9,319**
Profit for the year	-		-	-	-	260	-	260
Other comprehensive income (net of taxes)	-		-	-	-	-	10	10
Total comprehensive income	**-**		**-**	**-**	**-**	**260**	**10**	**270**
Equity shares issued during the year	0		-	-	0	-	-	0
At 31 March 2019	**370**	**603**	**79**	**1,407**	**6,413**	**702**	**15**	**9,589**
Loss for the year	-		-	-	-	(392)	-	(392)
Other comprehensive income (net of taxes)	-		-	-	-	-	(15)	(15)
Total Comprehensive Income	**-**		**-**	**-**	**-**	**(392)**	**(15)**	**(407)**
Equity shares issued during the year	0		-	-	1	-	-	1
At 31 March 2020	**370**	**603**	**79**	**1,407**	**6,414**	**310**	**-**	**9,183**

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For S.R. Batliboi & Co. LLP

ICAI Firm Registration No.: 301003E/E300005

Chartered Accountants

AMIT CHUGH

Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in
Location: Gurugram
Date: 2020.06.30 20:35:14 +05'30'

per Amit Chugh

Partner

Membership No.: 505224

Place: Gurugram

Date: 30 June 2020

For and on behalf of the Restricted Group

SUMANT SINHA

Digitally signed by SUMANT SINHA
Date: 2020.06.30 19:52:01 +05'30'

(Sumant Sinha)

Chairman & Managing Director

DIN- 00972012

Place: Gurugram

Date: 30 June 2020

MUTHUKUMARAN DORAISWAMI

Digitally signed by MUTHUKUMARAN DORAISWAMI
Date: 2020.06.30 19:52:23 +05'30'

(D Muthukumaran)

Chief Financial Officer

Place: Gurugram

Date: 30 June 2020

ASHISH JAIN

Digitally signed by ASHISH JAIN
Date: 2020.06.30 20:02:22 +05'30'

(Ashish Jain)

Company Secretary

Membership No.: F6508

Place: Gurugram

Date: 30 June 2020

(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 which are collectively known as the 'Original Restricted Group' (as more clearly explained in the note below) issued Indian Rupee (INR) denominated Bonds to Neerg Energy Limited, Mauritius (the "Lender") to replace their existing debt. Neerg Energy Limited issued US Dollar denominated Bonds listed on Singapore Exchange Securities Trading Limited (SGX-ST).

Name of entity	Holding Company
ReNew Wind Energy (Karnataka) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (MP Two) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (Rajkot) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (Shivpur) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (Welturi) Private Limited	ReNew Power Private Limited
ReNew Solar Energy (Karnataka) Private Limited	ReNew Solar Power Private Limited*
ReNew Solar Energy (TN) Private Limited	ReNew Solar Power Private Limited*

*ReNew Solar Power Private Limited is a 100% subsidiary of ReNew Power Private Limited (formerly known as ReNew Power Limited)

As permissible under the terms of Offering Circular dated 14 February 2017 and by way of a resolution passed by the Board of Directors of RPPL, ReNew Saur Shakti Private Limited has been designated as an additional Restricted Group entity. Hence, the composition of the Original Restricted Group has been changed to following entities (collectively referred to as the 'Restricted Group'). The Special Purpose Combined Financial Statement as at and for year ended 31 March 2020 along with comparative figures as at and for the year ended 31 March 2019 have been prepared to depict the financial position and performance of eight entities forming part of the Restricted Group.

Name of entity	Holding Company
ReNew Wind Energy (Karnataka) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (MP Two) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (Rajkot) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (Shivpur) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (Welturi) Private Limited	ReNew Power Private Limited
ReNew Solar Energy (Karnataka) Private Limited	ReNew Solar Power Private Limited*
ReNew Solar Energy (TN) Private Limited	ReNew Solar Power Private Limited*
ReNew Saur Shakti Private Limited	ReNew Solar Power Private Limited*

The Special Purpose Combined Financial Statements were approved for issue in accordance with a resolution of the directors on 30 June 2020.

2 Purpose of Special Purpose Combined Financial Statements

The Combined Financial Statements are special purpose financial statements which have been prepared for submission to the lender of the USD denominated notes by each member of the Restricted Group. These Special Purpose Combined Financial Statements presented herein reflect the Restricted Group's results of operations, assets and liabilities and cash flows for the period presented. The basis of preparation and significant accounting policies used in preparation of these Special Purpose Combined Financial Statements are set out in Note 3 below.

3 Significant Accounting Policies

3.1 Basis of preparation

The Special Purpose Combined Financial Statements for the year ended 31 March 2020 have been prepared in accordance with recognition and measurement principles of the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and the Guidance Note on Combined and Carve-out Financial Statements issued by the Institute of Chartered Accounts of India.

Management of the Parent company has prepared the Special Purpose Combined Financial Statements which comprise the Combined Balance Sheet as at 31 March 2020, 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 2020, a summary of the significant accounting policies and other explanatory information.

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

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

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

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

3.2 Basis of Combination

The Special Purpose Combined Financial Statements have been prepared by combining like items of assets, liabilities. equity, income, expenses and cash flows of the entities forming part of Restricted Group. All the intragroup assets and liabilities, equity, income, expenses and cash flows relating to entities forming part of restricted group have been eliminated and profits or losses arising from intragroup transactions that are recognised in assets, such as inventory and fixed assets have been eliminated in full.

3.3 Summary of Significant Accounting Policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

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

All other liabilities are classified as non-current.

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

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

b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

This note summarises the accounting policy for determination of fair value. Other fair value related disclosures are given in the relevant notes as following:
· Disclosures for significant estimates and assumptions (Refer Note 38)
· Quantitative disclosures of fair value measurement hierarchy (Refer Note 33)
· Financial instruments (including those carried at amortised cost) (Refer Note 32 & 33)

c) Revenue recognition

Revenue from contracts with customers

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

Sale of Power

Income from supply of power is recognized over time on the supply of units generated from the plant to the grid, as per the terms of the Power Purchase Agreements ("PPA") entered into with the customers.
The entities forming part of Restricted Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the Group considers the effects of variable consideration and consideration payable to the customer (if any).

Transaction Price - Remaining Performance Obligation:

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

(i) Variable consideration

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

Rebates

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

(ii) Consideration payable to customers

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

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.

Dividend

Dividend income is recognised when the right of the entities forming part of the Restricted Group to receive dividend is established by the reporting date.

Interest income

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

Income from government grants

Refer note (f) for accounting policy.

Contract balances :

(i) Contract assets

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

(ii) Contract liabilities

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

(iii) Trade receivables

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

d) Foreign currencies

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

Transactions and balances

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

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

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

e) Income taxes

Current income tax

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

Deferred Tax

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

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

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

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

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

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

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

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

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

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

Deferred tax relating to items recognised outside profit 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 accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entities forming part of the Restricted Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the entities forming part of the Restricted Group.

f) Government grants
Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be compiled with. When the grant 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 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 profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

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

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

g) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment, except freehold land, is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

On transition date to Ind AS, the entities forming part of the Restricted Group have elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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

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

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

(Amounts in INR millions, unless otherwise stated)

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.

Customer related intangibles are capitalized if they meet the definitions of an intangible asset and the recognition criteria are satisfied. Customer-related intangibles acquired as part of a business combination are valued at fair value and those acquired separately are measured at cost. Such intangibles are amortized over the remaining useful life of the customer relationships or the period of the contractual arrangements.

On transition date to Ind AS, the entities forming part of the Restricted Group have elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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

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

Category	Years (in years)
Plant and equipment (wind and solar power projects)*	18-25
Furniture & fixture	10
Office equipment	5
Computers	3
Computer servers	6
Computer software	3-6

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

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

j) Leases

As per Ind AS 17 applicable till period ended 31 March 2019

As a lessee

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessor

Leases in which the entities forming part of 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.

As per Ind AS 116 applicable from 1 April 2019

The entities forming part of 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

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

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

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

ii) Lease liabilities

At the commencement date of the lease, the entities forming part of the Restricted Group 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 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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l) Borrowing costs

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

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 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.

o) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Debt instruments at amortised cost

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

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

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

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

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

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

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

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

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

Debt instruments at fair value through profit or loss (FVTPL)
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or 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 profit or 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.

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

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

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

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.

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.

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.

p) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

- Hedges of a net investment in a foreign operation

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

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

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

q) 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.

r) 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.

s) 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 are adjusted to respective assets and liabilities.

The entities forming part of the Restricted Group do not adjust the amounts recognised in its 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.

t) Contingent liabilities

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

3.4 Changes in accounting policy and disclosures- New and amended standards

The Company applied Ind AS 116 for the first time. The nature and effect of the changes as a result of adoption of the new accounting standard are described below.
Several other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

a) Ind AS 116 Leases:

Ind AS 116 supersedes Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The entities forming part of the Restricted Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application of 1 April 2019, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. There is no impact on equity on transition to Ind AS 116 as on 1 April 2019.

The entities forming part of the Restricted Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application. Therefore, the comparative information was not restated and continues to be reported under Ind AS 17. The Company also applied the available practical expedients wherein it:

• Used a single discount rate to a portfolio of leases with reasonably similar characteristics
• Relied on its assessment of whether leases are onerous immediately before the date of initial application
• Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
• Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

(Amounts in INR millions, unless otherwise stated)

The effect of adopting Ind AS 116 as at 1 April 2019 was, as follows:

Particulars	Note	(INR in Mn) Ind AS 116 impact as at 1 April 2019
Assets - Increase/(decrease):		
Non-current assets		
Right of use assets		18
Prepayments		(16)
Current assets		
Prepayments		(1)
Liabilities - (Increase)/decrease:		
Non-current liabilities		
Financial liabilities		
Lease liabilities		1
Current liabilities		
Financial liabilities		
Trade payables		-
Lease liabilities		0

b) Other regulatory changes

On 20th September 2019, vide the Taxation Laws (Amendment) Ordinance, 2019 (the "Ordinance"), the Government of India inserted 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective 1st April, 2019, subject to certain conditions. Some of the entities forming part of the Restricted Group have decided to opt for reduced corporate tax rates and accordingly, has recognized current tax and re-measured its deferred taxes as per the provisions of the Ordinance. This has resulted in write-off of MAT credit amounting to INR 53 and recognition of Deferred Tax Asset (DTA) amounting to INR 80 on account of re-measurement of deferred tax as at 31 March 2019. The tax charge for the year has been decreased by INR 27.

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Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2020
(Amounts in INR millions, unless otherwise stated)

4 Property, plant and equipment

	Freehold Land #	Plant and equipment	Leasehold improvements	Office equipment	Furniture & Fixtures	Computers	Total Property, plant and equipment	Capital work in progress
Cost								
At 1 April 2018	989	38,681	-	1	2	1	39,674	88
Additions	68	18	-	-	1	2	89	13
Adjustment*	17	(20)	-	-	-	-	(3)	-
Capitalised	-	-	-	-	-	-	-	(18)
Disposals^	-	(2)	-	-	-	-	(2)	(80)
At 31 March 2019	**1,074**	**38,677**	**-**	**1**	**3**	**3**	**39,758**	**3**
Additions	-	12	4	1	1	1	19	-
Adjustment*	(0)	4	-	-	-	-	4	-
Capitalised	-	-	-	-	-	-	-	(1)
At 31 March 2020	**1,074**	**38,693**	**4**	**2**	**4**	**4**	**39,781**	**2**
Accumulated depreciation								
At 1 April 2018	-	3,700	-	0	0	0	3,700	-
Charge (refer note 25)	-	1,777	-	0	1	-	1,778	-
Disposals	-	(0)	-	-	-	-	(0)	
Adjustment*	-	(2)	-	-	-	-	(2)	-
At 31 March 2019	**-**	**5,475**	**-**	**0**	**1**	**1**	**5,476**	**-**
Charge (refer note 25)	-	1,778	1	1	1	0	1,781	-
At 31 March 2020	**-**	**7,253**	**1**	**1**	**2**	**1**	**7,257**	**-**
Net book value								
At 31 March 2019	**1,074**	**33,202**	**-**	**1**	**2**	**2**	**34,282**	**3**
At 31 March 2020	**1,074**	**31,440**	**3**	**1**	**2**	**3**	**32,524**	**2**

The titles of freehold land amounting to INR 25 (31 March 2019 INR 31) is not yet in the name of the Companies forming part of the Restricted Group. The Companies forming part of Restricted Group are in process of registration of title deeds of these freehold lands.

* Adjustment pertains to actualisation of provisional capitalization.

Mortgage and hypothecation on Property, plant and equipment:
Property, plant and equipment with a carrying amount of INR 32,526 (31 March 2019: INR 34,285) are subject to a pari passu first charge to respective lenders for term, loans from banks, financial institutions and buyers credit as disclosed in Note 15.

(Amounts in INR millions, unless otherwise stated)

5	**Intangible assets**	**Computer software**	**Total Intangibles**
	Cost		
	At 1 April 2018	-	-
	Additions	0	0
	Capitalised	-	-
	At 31 March 2019	**0**	**0**
	Additions	-	-
	At 31 March 2020	**0**	**0**
	Accumulated Amortisation		
	At 1 April 2018	-	-
	Amortisation (refer note 25)	0	0
	At 31 March 2019	**0**	**0**
	Amortisation (refer note 25)	0	0
	At 31 March 2020	**0**	**0**
	Net book value		
	At 31 March 2019	**0**	**0**
	At 31 March 2020	**0**	**0**

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(Amounts in INR millions, unless otherwise stated)

5A Right of use assets

Particulars	As at 31 March 2020	
	Lease land	**Total**
As at 1 April 2019 on account of adoption of Ind AS 116	18	18
Depreciation for the year (refer note 25)	(1)	(1)
Balance as on 31 March 2020	**17**	**17**

The Companies forming part of Restricted Group have adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application of 1 April 2019. Therefore figures of right of use assets for the previous year i.e as at 31 March 2019 are Nil.

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(Amounts in INR millions, unless otherwise stated)

6 Financial assets	**As at 31 March 2020**	**As at 31 March 2019**
Non-current (unsecured, considered good unless stated otherwise)		
Financial assets at amortised cost		
Loans		
Considered good - Secured	**-**	**-**
Considered good - Unsecured		
Security deposits	6	0
Loans to related parties(refer note 29)	956	956
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**962**	**956**
Others		
Bank deposits with remaining maturity for more than twelve months (refer note 12)	0	0
Total	**0**	**0**
Loans		
Considered good - Secured	-	-
Considered good - Unsecured		
Loan to fellow subsidiary - redeemable non cumulative preference shares (refer note 29)	2,831	2,476
Security deposits	-	0
Loans to related parties (refer note 29)	7,583	5,910
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**10,414**	**8,386**
Financial assets at fair value through OCI		
Cash flow hedges		
Derivative instruments	-	15
Total	**-**	**15**
Others		
Government grants*		
- Generation based incentive receivable	227	151
Recoverable from related parties (refer note 29)	827	824
Interest accrued on fixed deposits	5	6
Interest accrued on loans to related parties (refer note 29)	886	779
Others	52	183
Total	**1,997**	**1,943**

*Government grant is receivable for generation of renewable energy. There are no unfulfilled conditions or contingencies attached to these grants.
Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for entities forming part of the Restricted Group. The carrying value may be affected by changes in the credit risk of the counterparties.

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

Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2020
(Amounts in INR millions, unless otherwise stated)

7 Deferred tax

Deferred tax assets (net)

Deferred tax relates to the following:		As at 31 March 2020	As at 31 March 2019
Deferred tax related to items recognised in equity:			
Deferred tax assets (gross)			
Compound Financial Instruments		18	-
	(a)	**18**	**-**
Deferred tax related to items recognised in statement of profit and loss:			
Deferred tax liabilities (gross)			
Difference in written down value as per books of account and tax laws		2,332	39
Unamortised ancillary borrowing cost		3	0
	(b)	2,335	39
Deferred tax assets (gross)			
Losses available for offsetting against future taxable income		2,264	51
Provision for operation and maintenance equalisation		-	2
Unused tax credits (MAT)		79	8
Compound Financial Instruments		14	-
	(c)	2,357	61
Deferred tax assets (net)	**(d) = (c) - (b) + (a)**	**40**	**22**

Deferred tax liabilities (net)

Deferred tax related to items recognised in equity :		As at 31 March 2020	As at 31 March 2019
Deferred tax assets (gross)			
Compound Financial Instruments		-	18
	(e)	**-**	**18**
Deferred tax liabilities (gross)			
Compound Financial Instruments		181	169
	(f)	**181**	**169**
Deferred tax liabilities (gross)			
Loss on mark to market of derivative instruments		-	5
	(g)	**-**	**5**
Deferred tax related to items recognised in statement of profit and loss:			
Deferred tax liabilities (gross)			
Difference in written down value as per books of account and tax laws		863	3,390
Right of Use		0	-
Change in fair value of investments		1	-
Unamortised ancillary borrowing cost		0	5
	(h)	**864**	**3,395**
Deferred tax assets (gross)			
Compound Financial Instruments			-
Provision for operation and maintenance equalisation		2	2
Unused tax credit (MAT)		163	397
Losses available for offsetting against future taxable income		25	2,618
Lease liability		0	-
Compound Financial Instruments		14	16
	(i)	**204**	**3,033**
Deferred tax liabilities (net)	**(j) = (g) + (f) - (e) + (h) - (i)**	**841**	**518**

(Amounts in INR millions, unless otherwise stated)

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Accounting profit before income tax	**(28)**	**559**
Tax at the India's tax rate of 26%	(7)	145
Disallowance of Interest u/s 94B	556	613
Imapct of ICDS related to hedge contracts routed through OCI	(24)	-
Adjustment of tax relating to earlier periods	99	-
On account of adoption of new tax ordinance		
- Mat credit written off	53	-
- Recognition/(Reduction) in DTA OR (Recognition)/Reduction in DTL	(80)	-
Effect of tax holidays and other tax exemptions	(238)	(479)
Interest on compound financial instruments	1	49
Compensation for loss of revenue	-	-
Others deductible or non-deductible items	3	9
At the effective income tax rate	**363**	**337**
Current tax expense reported in the statement of profit and loss	53	130
Deferred tax expense reported in the statement of profit and loss	311	207
	363	**337**
*** Where deferred tax expense relates to the following :**		
Compound Financial Instruments	3	38
Losses available for offsetting against future taxable Income	380	(58)
Fair value gain on financial instruments at fair value through profit or loss	-	(0)
Preliminary expenses not written off under tax laws	0	-
Amortisation of ancillary borrowing cost	(2)	-
Fair value change of mutual fund	-	(4)
ROU Assets	0	-
Lease Liability	(0)	-
Difference in WDV as per books of accounts and tax laws	(235)	418
Provision for operation and maintenance equalisation	2	14
Unused tax credit (MAT)	163	(199)
Unamortised ancillary borrowing cost	-	(2)
	311	**207**

Reconciliation of deferred tax assets (net):

	31 March 2020	31 March 2019
Opening balance of DTA/(DTL) (net)	**(496)**	**(286)**
Deferred tax income/(expense) during the year recognised in statement of profit and loss	(311)	(207)
Deferred tax income/(expense) during the year recognised in OCI	5	(3)
Closing balance of DTA/(DTL) (net)	**(801)**	**(496)**

The entities forming part of Restricted Group has tax losses and unabsorbed depreciation which arose in India of INR 10,002 (31 March 2019: INR 12,600). The unabsorbed depreciation can be carried forward indefinately as per the Income Tax Act.

Out of this, the tax losses that are available for offsetting for eight years against future taxable profits of the companies in which the losses arose are of INR 445 (31 March 2019: INR 1410). The unabsorbed depreciation that will be available for offsetting for against future taxable profits of the companies in which the losses arose are of INR 9,557 (31 March 2019: INR 11,190).

The entities forming part of Restricted Group has recognised deferred tax asset of INR 2,289 (31 March 2019: INR 2,669) utilisation of which is dependent on future taxable profits. The future taxable profits are based on projections made by the management considering the power purchase agreement with power procurer.

The remaining expiry period of Minimum alternate tax recoverable as on 31 March 2020 is 12-15 years (31 March 2019 13-15 years).

(Amounts in INR millions, unless otherwise stated)

8 Prepayments	**As at 31 March 2020**	**As at 31 March 2019**
Non-current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	15	38
Total	**15**	**38**
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	20	17
Total	**20**	**17**

9 Other assets	**As at 31 March 2020**	**As at 31 March 2019**
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Capital advance	58	5
Advances recoverable	42	41
Security deposits	0	0
Balances with Government authorities	15	18
Total	**115**	**64**
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable (refer note 42)	148	138
Balances with Government authorities	0	1
Total	**148**	**139**

10 Inventories	**As at 31 March 2020**	**As at 31 March 2019**
Emission reduction certificates	0	-
Consumables & Spares	12	11
Total	**12**	**11**

11 Trade receivables	**As at 31 March 2020**	**As at 31 March 2019**
Unsecured, considered good	3,992	3,680
Receivables - credit impaired	19	5
	4,011	3,685
Less: Impairment allowances for bad and doubtful debts	(19)	(5)
Total	**3,992**	**3,680**

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

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

12 Cash and cash equivalents	**As at 31 March 2020**	**As at 31 March 2019**
Cash and cash equivalents		
Balance with bank		
- On current accounts	696	835
Total	**696**	**835**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months #*	542	834
- Remaining maturity for more than twelve months	0	0
	542	**834**
Less: amount disclosed under financial assets (others) (Note 6)	(0)	(0)
Total	**542**	**834**

Fixed deposits of INR 0 (31 March 2019: INR 0) are under lien with various banks as margin money for the purpose of letter of credit/bank guarantee.

* The bank deposits have an original maturity period of 92 to 1827 days and carry an interest rate of 5.00% to 8.50% which is receivable on maturity.

(Amounts in INR millions, unless otherwise stated)

13 Share capital

The special purpose combined financial statement do not represent a legal entity structure. The share capital of Restricted Group is the summation of the share capital of the respective entities forming part of the Restricted Group.

Authorised share capital	**Number of shares**	**Amount**
Equity shares of INR 10 each		
At 1 April 2018	146,910,000	1,469
At 31 March 2019	146,910,000	1,469
At 31 March 2020	**146,910,000**	**1,469**
Preference shares of INR 10 each		
At 1 April 2017	63,840,000	638
At 31 March 2018	63,840,000	638
At 31 March 2019	**63,840,000**	**638**
Preference shares of INR 100 each		
At 1 April 2017	3,000,000	30
At 31 March 2018	3,000,000	30
At 31 March 2019	**3,000,000**	**30**

Issued share capital	**Number of shares**	**Amount**
13A Equity shares of INR 10 each issued, subscribed and paid up		
At 1 April 2018	36,907,967	370
Shares issued during the year	101,400	0
At 31 March 2019	37,014,767	370
Shares issued during the year	5,000	0
At 31 March 2020	**37,019,767**	**370**

Terms/rights attached to equity shares

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

13B Instruments entirely equity in nature

0.0001% compulsorily convertible preference shares (CCPS) of INR 10 each	**Number of shares**	**Amount**
At 1 April 2018	35,124,000	351
At 31 March 2019	35,124,000	351
At 31 March 2020	**35,124,000**	**351**

0.0001% compulsorily convertible preference shares of INR 100 each	**Number of shares**	**Amount**
At 1 April 2018	2,519,043	252
At 31 March 2019	2,519,043	252
At 31 March 2020	**2,519,043**	**252**

At 31 March 2018	**603**
At 31 March 2019	**603**
At 31 March 2020	**603**

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

ReNew Solar Energy (TN) Private Limited and ReNew Wind Energy (MP Two) Private Limited issued 14,198,000; 0.0001% compulsorily convertible preference shares (CCPS) in FY 2014-15, ReNew Wind Energy (MP Two) Private Limited, ReNew Saur Shakti Private Limited and ReNew Wind Energy (Shivpur) Private Limited issued 9,991,000; 0.0001% CCPS in FY 2015-16 and ReNew Wind Energy (Shivpur) Private Limited and ReNew Saur Shakti Private Limited issued 10,935,000; 0.0001% CCPS in FY 2016-17 of INR 10 each fully paid-up at a premium of INR 90 per share. CCPS carry non cumulative dividend @ 0.0001%. If declared, the Restricted Group entities will pay dividends in Indian rupees. The dividend proposed by the Board of Directors of the respective Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.

CCPS do not carry voting rights and are freely transferable. CCPS would be compulsorily converted into Equity Shares of the respective Company forming part of the Restricted Group at the price of INR 100 (Rupees Hundred) per share in the ratio of 1 equity shares : 1 preference shares.

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

0.0001% compulsorily convertible preference shares (face value Rs 100 each) (CCPS)
During the previous year, the Restricted Group entities issued 2,519,043; 0.0001% compulsorily convertible preference shares (CCPS) of INR 100 each fully paid up. CCPS carry non-cumulative dividend @ 0.0001% per annum. If declared, the Restricted Group entities will pay dividends in Indian rupees.
CCPS do not carry voting rights. CCPS are compulsorily convertible into equity shares on Mandatory Conversion Date i.e. July 2, 2035 at the conversion ratio defined in Joint Venture Agreement ('JVA'). CCPS may also get converted into equity shares of the respective Company at any time at the option of the holder, at the date determined by the holder of the CCPS before the Mandatory Conversion Date.

(Amounts in INR millions, unless otherwise stated)

13C Equity component of compulsorily convertible debentures (CCD)

11% Compulsorily convertible debentures (CCDs) of INR 120 each	Number of debentures	Total proceeds	Liability component (refer note 15)	Equity component*
At 1 April 2018	1,489,180	179	143	79
Accretion during the year	-	-	17	-
Interest payment to CCD holder	-	-	(19)	-
At 31 March 2019	1,489,180	179	141	79
Accretion during the year	-	-	17	-
Interest payment to CCD holder	-	-	(11)	-
At 31 March 2020	**1,489,180**	**179**	**147**	**79**
			-	

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 11% per annum with moratorium of 18 months from the date of issue. CCDs do not carry any voting rights.

(*Adjusted for deferred tax at inception)

13D Equity component of preference shares:

0.0001% redeemable non cumulative preference shares (RNCPS) of INR 10 each (including share premium of INR 90 each)	Number of shares	Total proceeds	Liability component (refer note 15)	Equity component*
At 1 April 2018	18,770,307	1,877	442	1,407
Accretion during the year	-	-	54	-
At 31 March 2019	18,770,307	1,877	496	1,407
Accretion during the year	-	-	60	-
At 31 March 2020	**18,770,307**	**1,877**	**556**	**1,407**

(*Adjusted for deferred tax at inception)

Terms/rights attached to preference shares

0.0001% redeemable non cumulative preference shares (RNCPS)

ReNew Wind Energy (Karnataka) Private Limited which is a part of the Restricted Group issued 7,000,000 0.001% redeemable non cumulative preference shares (RNCPS) in FY 2012-13, 419,187 redeemable non cumulative preference shares (RNCPS) in FY 2014-15, 2,800,620 redeemable non cumulative preference shares (RNCPS) in FY 2015-16 and 8,550,500 redeemable non cumulative preference shares (RNCPS) in FY 2016-17 of INR 10 each fully paid-up at a premium of INR 90 per share. RNCPS carry non cumulative dividend @ 0.001%. If declared, the Restricted Group entities will pay dividends in Indian rupees. The dividend proposed by the Board of Directors of the respective Company forming part of the Restricted Group is subject to the approval of the shareholders in the ensuing Annual General Meeting.

RNCPS do not carry voting rights and are fully transferable. The RNCPS shall be redeemed at INR 100 per share at the end of 15th year from the date of issue i.e. 4,000,000 preference shares in October 2027, 3,000,000 preference shares in March 2028, 419,187 preference shares in June 2029, 2,717,120 preference shares in August 2030, 15,000 preference shares in January 2031, 68,500 preference shares in March 2031 and 8,550,500 preference shares in March 2035 or such other extended term as may be determined by the Board of the respective Company in one or more tranches.

In the event of Liquidation of a Company forming part of the Restricted Group, the RNCPS shall be entitled to receive an amount that is equal to the face value of RNCPS. The RNCPS shall also have right to participate in surplus assets & funds of the respective Company available for distribution to holders of RNCPS and equity shares based on the numbers of equity shares held by each shareholder, which may remain after the entire capital (both equity share capital and preference share capital) has been repaid, to the extent of INR 90 per preference share.

13E Shares held by the holding company

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Renew Power Private Limited* (formerly known as ReNew Power Limited)				
Equity shares of INR 10 each	26,716,826	267	26,716,826	267
0.0001% redeemable non cumulative preference shares of INR 10 each	18,770,307	188	18,770,307	188
0.0001% compulsorily convertible preference shares of INR 10 each	17,514,000	175	17,514,000	175
ReNew Solar Power Private Limited*				
Equity shares of INR 10 each	10,137,931	101	6,044,990	60
0.0001% compulsorily convertible preference shares of INR 10 each	17,600,600	176	17,600,600	176
0.0001% compulsorily convertible preference shares of INR 100 each	2,519,043	25	2,519,043	25
Hareon Solar Singapore Private Limited				
Equity shares of INR 10 each	-	-	4,092,941	41

*for details of relationship with the respective entities of the Restricted Group refer note 29.

(Amounts in INR millions, unless otherwise stated)

13F Shares held by the other subsidiaries of the parent company of the Company

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
ReNew Wind Energy (Karnataka Five) Private Limited, fellow subsidiary of the ReNew Wind Energy (Karnataka) Private Limited				
Equity shares of INR 10 each	100	0	100	0

13G Details of shareholders holding more than 5% shares in the Restricted Group

	As at 31 March 2020		As at 31 March 2019	
	Number	% Holding	Number	% Holding
Equity shares of INR 10 each				
ReNew Solar Power Private Limited*	10,137,931	27.39%	6,044,990	16.33%
ReNew Power Private Limited* (formerly known as ReNew Power Limited)	26,716,826	72.18%	26,716,826	72.18%
Hareon Power Singapore Private Limited	-	0.00%	4,092,941	11.06%
0.0001% redeemable non cumulative preference shares of INR 10 each				
ReNew Power Private Limited* (formerly known as ReNew Power Limited)	18,770,307	100.00%	18,770,307	100.00%
0.0001% compulsorily convertible preference shares of INR 10 each				
ReNew Solar Power Private Limited*	17,600,600	50.11%	17,600,600	50.11%
ReNew Power Private Limited* (formerly known as ReNew Power Limited)	17,514,000	49.86%	17,514,000	49.86%
0.0001% compulsorily convertible preference shares of INR 100 each				
ReNew Solar Power Private Limited*	2,519,043	100.00%	2,519,043	100.00%

13H Aggregate number of Bonus shares issued during the period of five years immediately preceeding the reporting date

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Equity shares of INR 10 each**	650,000	7	650,000	7

** Equity shares alloted as fully paid bonus shares by capitalisation of seurities premium

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

*for details of relationship with the respective entities of the Restricted Group refer note 29.

14 Other equity

14A Securities premium

At 1 April 2018	6,413
Premium on issue of equity shares during the year	0
Amount utilized against for issue of shares	-
At 31 March 2019	**6,413**
Premium on issue of equity shares during the year	1
At 31 March 2020	**6,414**

Nature and purpose

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

14B Hedge reserve

At 1 April 2018	5
Movement in hedge reserve (refer note 30)	10
At 31 March 2019	**15**
Movement in hedge reserve (refer note 30)	(15)
At 31 March 2020	**-**

Nature and purpose

The 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 respective entity 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 or loss when the hedged item affects profit or loss (principal & interest payments).

14C Retained earnings

At 1 April 2018	442
Profit for the year	260
At 31 March 2019	**702**
Loss for the year	(392)
At 31 March 2020	**310**

(Amounts in INR millions, unless otherwise stated)

15 Long-term borrowings	Non-current		Current	
	31 March 2020	**31 March 2019**	**31 March 2020**	**31 March 2019**
Compulsorily Convertible Debentures (unsecured) (refer note 13C)	147	141	-	-
Term loan from bank (secured)	4,424	3,100	217	151
Buyer's / Supplier's credit (secured)	-	-	-	1,638
Senior secured bonds	33,020	32,392	-	-
Liability component of preference shares (secured) (refer note 13D)	556	496	-	-
Total long-term borrowings	**38,147**	**36,129**	**217**	**1,789**
Amount disclosed under the head 'Other current financial liabilities' (Refer note 20)	-	-	(217)	(1,789)
	38,147	**36,129**	**-**	**-**

Notes:

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

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

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

(iv) Senior secured bonds
Senior Secured Bonds are secured by way of exclusive mortgage over immovable properties and exclusive charge by way of hypothecation of tangible and intangible movable assets. Further secured by way of hypothecation over rights and benefit, claims and demands under all the project agreements, letter of credit, insurance contracts and proceeds, guarantees, performance bond etc. of the Restricted Group. Secondary Charge over the account receivables ,book debts and cash flows.

(v) These bonds have been issued based on the collective net worth of all entities forming part of the Restricted Group and further all these entities have jointly and severally guranteed the issue. Also refer Note 29.

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

(vii) ReNew Power Private Limited, the Holding Company, has pledged 26,706,821 (31 March 2019: 26,706,821) equity shares and 27,650,138 (31 March 2019: 27,650,138) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

(viii) ReNew Solar Power Private Limited, the Holding Company of ReNew Solar Energy (Karnataka) Private Limited, ReNew Saur Shakti Private Limited and ReNew Solar Energy (TN) Private Limited, has pledged 4,800,099 (31 March 2019: 4,800,099) equity shares and 10,891,712 (31 March 2019: 10,891,712) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

(Amounts in INR millions, unless otherwise stated)

16 Lease liabilities	**As at 31 March 2020**	**As at 31 March 2019**
Non-current lease liabilities (refer note 27)	1	-
Current lease liabilities (refer note 27)	0	-
Total	**1**	**-**

17 Other non-current liabilities	**As at 31 March 2020**	**As at 31 March 2019**
Provision for operation and maintenance equalisation	278	380
Total	**278**	**380**

18 Short term borrowings	**As at 31 March 2020**	**As at 31 March 2019**
Loan from related party (unsecured) (refer note 29)	1,415	1,363
Total	**1,415**	**1,363**

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

19 Trade payables	**As at 31 March 2020**	**As at 31 March 2019**
Current		
Outstanding dues to micro enterprises and small enterprises (refer note 36)	-	-
Others	490	475
Total	**490**	**475**

20 Other current financial liabilities	**As at 31 March 2020**	**As at 31 March 2019**
Financial liabilities at amortised cost		
Current maturities of long term borrowings (Refer note 15)	217	1,789
Others		
Interest accrued but not due on borrowings	730	639
Capital creditors	334	449
Total	**1,281**	**2,877**

21 Other current liabilities	**As at 31 March 2020**	**As at 31 March 2019**
Provision for operation and maintenance equalisation	58	72
Other payables		
TDS payable	50	39
GST payable	0	2
Total	**108**	**113**

Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2020
(Amounts in INR millions, unless otherwise stated)

22 Revenue from operations

	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from contracts with customers		
Sale of power	6,401	6,941
Income from sale of renewable energy certificates	79	66
Total	**6,480**	**7,007**

23 Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Recurring other income:		
Interest income		
- on fixed deposit with banks	48	101
- on loan to related parties (refer note 29)	650	575
- income tax refund	10	0
- others	0	-
Government grant		
- generation based incentive	278	312
Insurance claim	-	0
Gain on settlement of derivative instruments designated as cash flow hedge (net)	34	-
Fair value change of mutual fund (including realised gain)	-	70
Income from Sale of emission reduction certificates	2	-
Miscellaneous income	3	9
Provisions written back	0	-
Total	**1,025**	**1,067**

24 Other expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Legal and professional fees	27	30
Corporate social responsibility (refer note 37)	9	9
Travelling and conveyance	6	7
Rent	2	2
Printing and stationery	0	-
Management shared services	153	170
Rates and taxes	4	14
Payment to auditors (refer details below)	4	4
Insurance	20	19
Operation and maintenance	453	476
Repair and maintenance		
- plant and machinery	12	5
- Others	1	-
Loss on sale of property plant & equipment and Capital work in progress written off (net)	-	32
Security charges	19	22
Communication costs	3	3
Provision for doubtful debts	14	0
Miscellaneous expenses	36	16
	763	**809**

Payment to Auditors

	For the year ended 31 March 2020	For the year ended 31 March 2019
As auditor:		
Audit fee	4	4
Certification fees	-	0
Reimbursement of expenses	0	0
	4	**4**

(Amounts in INR millions, unless otherwise stated)

25 Depreciation & amortisation expense	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant & equipment (refer note 4)	1,780	1,776
Amortisation of intangible assets (refer note 5)	0	0
Depreciation of right of use assets (refer note 5A)	1	-
Total	**1,781**	**1,776**

26 Finance costs	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on		
- term loans	441	372
- loan from related party (refer note 29)	114	101
- bonds	4,245	4,234
- acceptance	1	-
- buyer's/supplier's credit	93	143
- liability component of compulsorily convertible debentures	17	17
- liability component of redeemable non-cumulative preference shares	60	54
- Interest on lease land	0	-
- others	2	1
Bank charges	16	8
Total	**4,989**	**4,930**

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(Amounts in INR millions, unless otherwise stated)

27 Leases

The Companies forming part of Restricted Group have entered into leases for leasehold lands. Lease of lands generally 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 10.40%.

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

	As at 31 March 2020
Particulars	**Amount**
As at 1 April 2019 on account of adoption of Ind AS 116	1
Accretion of interest	0
Payments	0
Balance as on 31 March 2020	**1**

Refer note 3.4 (a) for approach followed by the Company for transition to Ind AS 116

a) There are no restrictions or covenants imposed by leases.

b) Refer note 33 for rental expense recorded for short-term leases and low value leases for the year ended 31 March 2020.

c) There are no amounts payable toward variable lease expense recognised for the year ended 31 March 2020.

d) The maturity analysis of lease liabilities are disclosed in note 34.

e) There are no leases which have not yet commenced to which the lessee is committed (if any)

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28 Earnings per share (EPS)

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

29 Related Party Disclosures

a) Names of related parties and related party relationship

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

I. Holding Company :

Name of entity	Holding Company
ReNew Wind Energy (Karnataka) Private Limited	ReNew Power Private Limited (formerly known as ReNew Power Limited)
ReNew Wind Energy (MP Two) Private Limited	ReNew Power Private Limited (formerly known as ReNew Power Limited)
ReNew Wind Energy (Rajkot) Private Limited	ReNew Power Private Limited (formerly known as ReNew Power Limited)
ReNew Wind Energy (Shivpur) Private Limited	ReNew Power Private Limited (formerly known as ReNew Power Limited)
ReNew Wind Energy (Welturi) Private Limited	ReNew Power Private Limited (formerly known as ReNew Power Limited)
ReNew Solar Energy (TN) Private Limited	ReNew Solar Power Private Limited*
ReNew Solar Energy (Karnataka) Private Limited	ReNew Solar Power Private Limited*
ReNew Saur Shakti Private Limited	ReNew Solar Power Private Limited*

*ReNew Solar Power Private Limited is a 100% subsidiary of ReNew Power Private Limited (formerly known as ReNew Power Limited).

II. Ultimate Holding Company

ReNew Power Private Limited (formerly known as ReNew Power Limited).

III. Key management personnel (KMPs) :

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

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

Renew Clean Energy Private Limited
ReNew Saur Shakti Private Limited
Renew Solar Energy (Jharkhand Three) Private Limited
ReNew Wind Energy (Jath) Limited
ReNew Mega Solar Power Private Limited
ReNew Saur Urja Private Limited
ReNew Wind Energy (Devgarh) Private Limited
ReNew Wind Energy (MP) Private Limited
ReNew Solar Energy Private Limited
ReNew Power Services Private Limited
Renew Solar Energy (Jharkhand One) Private Limited
Renew Solar Energy (Jharkhand Four) Private Limited
Renew Solar Energy (Jharkhand Five) Private Limited
ReNew Wind Energy (AP 3) Private Limited
ReNew Wind Energy (Rajasthan One) Private Limited
Ostro Energy Private Limited
ReNew Wind Energy (Orissa) Private Limited
Bidwal Renewable Private Limited
Izra Solar Energy Private Limited
ReNew Vayu Urja Private Limited
Ostro AP Wind Private Limited
ReNew Wind Energy (AP 4) Private Limited
ReNew Wind Energy (Karnataka 4) Private Limited
ReNew Wind Energy (Rajasthan 3) Private Limited
ReNew Wind Energy (Delhi) Private Limited
ReNew Wind Energy (Varekarwadi) Private Limited
ReNew Wind Energy (Sipla) Private Limited
ReNew Wind Energy (Jamb) Private Limited
Renew Wind Energy (Karnataka Two) Private Limited
Renew Akshay Urja Limited
ReNew Solar Energy (Karnataka Two) Private Limited
ReNew Saur Vidyut Private Limited
ReNew Wind Energy (TN 2) Private Limited
ReNew Wind Energy (Karnataka 3) Private Limited
ReNew Solar Energy (Telangana) Private Limited
ReNew Wind Energy (AP) Private Limited
Abha Solarfarms Limited
ReNew Wind Energy (Karnataka Five) Private Limited
ReNew Wind Energy (Rajasthan) Private Limited
Star Solar Power Private Limited
Abha Sunlight Private Limited
Ostro Urja Wind Private Limited
ReNew Services Private Limited
ReNew Solar Services Private Limited
ReNew Wind Energy (AP 2) Private Limited
ReNew Wind Energy (Budh 3) Private Limited
ReNew Wind Energy (Maharashtra) Private Limited
Tarun Kiran Bhoomi Private Limited

(Amounts in INR millions, unless otherwise stated)

V. Enterprise with significant influence

Name of entity	Enterprise with significant influence
ReNew Solar Energy (Karnataka) Private Limited	Hareon Solar Singapore Private Limited

b) Details of transactions with holding Company:

Particulars	ReNew Power Private Limited		ReNew Solar Power Private Limited	
	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2020	For the year ended 31 March 2019
Unsecured loan given to related party	5,333	472	-	-
Unsecured loan repaid by related party	3,305	-	-	-
Unsecured loan received	-	-	271	248
Unsecured loan repaid	-	-	220	136
Expense Paid on behalf of the Company	2	3	-	0
Expenses incurred on behalf of the holding company	0	17	0	1
Reimbursement of expenses	14	9	1	-
Purchase of services#	71	96	57	59
Interest income on unsecured loan	265	115	-	-
Purchase of Fixed Assets	-	1	-	-
Interest expense on unsecured loan	0	-	114	101
Consumable Purchases	0	-	-	1

c) Details of outstanding balances with holding Company:

Particulars	ReNew Power Private Limited		ReNew Solar Power Private Limited	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Unsecured loan payable	-	-	1,415	1,363
Unsecured loan receivable	3,917	1,889	-	-
Trade payables	130	196	83	65
Capital creditor	58	173	15	29
Operating and maintenance provision	-	-	14	-
Interest income accrued on unsecured loan	313	229	-	-
Interest expense accrued on unsecured loan	0	-	290	177
Recoverable from related parties	-	10	-	-

d) Details of transactions with fellow subsidiaries:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Unsecured loan given	2,166	-
Unsecured loan repayment received	2,521	768
Interest income on unsecured loan given	385	460
Expense incurred by fellow subsidiary on behalf of the company	15	1
Expense incurred on behalf of fellow subsidiary	2	68
Purchase of services#	10	7
Investment in redeemable non cumulative preference shares	355	828
Trading Purchase	1	7
Consumable Purchases	9	0
EPC Purchase	-	3
Operation & maintenance	40	16
Consumables Sales	12	4

ReNew Power Private Limited (the "Holding Company") and ReNew Power Services Private Limited (fellow subsidiary) have charged certain common expenses to entities forming part of Restricted Group on the basis of its best estimate of expenses incurred for entities forming part of Restricted Group and recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted is most appropriate basis for recovering of such common expenses.

(Amounts in INR millions, unless otherwise stated)

e) Details of outstanding balances with fellow subsidiaries:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Trade payable	72	68
Capital creditor	27	27
Recoverable from related parties	826	814
Interest Income accrued on unsecured loan given	573	679
Interest expense accrued on unsecured loan	0	0
Unsecured loan given	4,622	4,977
Loan to fellow subsidiary- redeemable non cumulative preference shares	2,831	2,476

f) Details of transactions with enterprise with significant influence:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Annual management fee and other costs	2	2

g) Compensation of Key management personnel

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

h) All the loans are covered by corporate guarantee of ReNew Power Private Limited, Holding Company.

i) During the year 2016-17, the companies forming part of the Original Restricted Group had raised funds through issuance of senior secure bonds (the "Issue"). These bonds were issued based on the collective net worth of all the entities forming part of the Original Restricted Group and further all these entities had jointly and severally guaranteed the Issue. Subsequently as explained in note 1, ReNew Saur Shakti Private Limited has been designated as an additional Restricted Group entity, thereafter, collectively referred to as the Restricted Group. Therefore, now all the entities forming part of thr Restricted Group have jointly and severally guaranteed the Issue.

Further, certain entities forming part of the Restricted Group have common directors. 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.

(Amounts in INR millions, unless otherwise stated)

30 Hedging activities and derivatives

Derivatives designated as hedging instruments

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

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

Cash flow hedges

Hedge has been taken against exposure to foreign currency risk and variable interest outflow on Buyer's Credit. Terms of the swaps and their respective impact on OCI and statement of profit and loss is as below:-

Buyer's / Supplier's credit (secured) (included in Long term borrowings)

The cash flow hedges through CCS is USD Nil (31 March 2019 :- USD 23,781,518) outstanding at the year ended 31 March 2020 were assessed to be highly effective and and cumulative impact of mark to market gain/(loss) and restatement of hedged item is INR Nil (31 March 2019: INR 20) with a deferred tax liability of INR Nil (31 March 2019: INR 5), is included in OCI.

Foreign currency and Interest rate risk

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

	31 March 2020		**31 March 2019**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Forward Contracts designated as hedging instruments	-	-	15	-

Hedging reserve movement

	As at 31 March 2020	**As at 31 March 2019**
Balance at the beginning of the year	**15**	**5**
Gain/(loss) recognised on cash flow hedges	14	13
Income tax relating to gain/loss recognized on cash flow hedges	5	(3)
Gain/(loss) reclassified to profit or loss as hedged future cash flows are no longer expected to occur	(34)	-
Balance at the end of the year	**-**	**15**

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(Amounts in INR millions, unless otherwise stated)

31 Segment Information

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

The Restricted Group discloses segment information in a manner consistent with internal reporting to group's Managing Director. The entities forming part of the Restricted Group have segments based on type of business operations. The reportable segments of Restricted Group under Ind AS are Wind Power and Solar Power which predominantly relate to generation and sale of electricity and construction activities. The Restricted Group entities 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 2020			For the year ended 31 March 2019		
	Wind Power	**Solar Power**	**Total**	**Wind Power**	**Solar Power**	**Total**
Sale of power and sale of renewable energy certificates	4,277	2,203	6,480	4,633	2,374	7,007
Revenues from operations	**4,277**	**2,203**	**6,480**	**4,633**	**2,374**	**7,007**
Less: Inter-segment	-	-	-	-	-	-
Revenues from external customers	**4,277**	**2,203**	**6,480**	**4,633**	**2,374** -	**7,007**
Interest income	416	293	709	518	158	676
Other Income (other than interest income)	278	39	317	362	29	391
Total income	**4,971**	**2,534**	**7,505**	**5,513**	**2,561**	**8,074**
Less: Other expenses	542	221	763	599	210	809
Earning before interest, tax, depreciation and amortization (EBITDA)	**4,429**	**2,313**	**6,742**	**4,914**	**2,351**	**7,265**

(Amounts in INR millions, unless otherwise stated)

32 Fair values

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

	31 March 2020		31 March 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Loans- non current	962	962	956	956
Bank deposits with remaining maturity for more than twelve months	0	0	0	0
Trade receivables	3,992	3,992	3,680	3,680
Cash and cash equivalent	696	696	835	835
Bank balances other than cash and cash equivalent	542	542	834	834
Loans- current	10,414	10,414	8,386	8,386
Other current financial assets	1,998	1,998	1,943	1,943
Measured at FVOCI				
Derivative instruments	-	-	15	15
Financial liabilities				
Measured at amortised cost				
Long term borrowings	38,147	38,147	36,129	36,129
Short-term borrowings	1,415	1,415	1,363	1,363
Trade payables	490	490	475	475
Other current financial liabilities	1,281	1,281	2,877	2,877

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, trade receivables, loans- current, short-term borrowings, trade payables, other current financials 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 term loans from banks and financial institutions including current maturities are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2020 was assessed to be insignificant.

ii The fair value of unquoted instruments, such as liability component of compulsorily convertible debentures and Liability component of preference shares are estimated by discounting future cash flows using effective interest rate, credit risk and remaining maturity.

iii The fair values of the Group’s security deposits, loans to related parties and bank deposits with remaining maturity for more than twelve months are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the lending rate as at the end of the reporting period. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

iv The entities forming part of the Restricted Group enter into derivative financial instruments with various 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 inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the currency, interest rate curves and forward rate curves of the underlying instrument. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

33 Fair value hierarchy

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

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

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

	Level of fair value measurement	31 March 2020		31 March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets measured at amortised cost					
Financial Assets (Non current): Loans					
Security deposits	Level 3	6	6	0	0
Loans to related parties	Level 3	956	956	956	956
Total		**962**	**962**	**956**	**956**
Financial Assets (Non current): Others					
Bank deposits with remaining maturity for more than twelve months	Level 3	0	0	0	0
Total		**0**	**0**	**0**	**0**

(Amounts in INR millions, unless otherwise stated)

	Level of fair value measurement	31 March 2020		31 March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Measured at fair value through other comprehensive income					
Derivative instruments	Level 2	-	-	15	15
Total		**-**	**-**	**15**	**15**
Financial liabilities measured at amortised cost					
Senior secured bonds	Level 3	33,020	33,020	32,392	32,392
Compulsorily Convertible Debentures (unsecured)	Level 3	147	147	141	141
Liability component of preference shares	Level 3	556	556	496	496
Term loan in Indian rupees from banks	Level 3	4,424	4,424	3,100	3,100
Total		**38,147**	**38,147**	**36,129**	**36,129**

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Measured at fair value through other comprehensive income			
Derivative Instruments	Level 2	Market value techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows
Financial assets measured at amortised cost			
Security deposits	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Bank deposits with remaining maturity for more than twelve months	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Loans to related parties	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Financial liabilities measured at amortised cost			
Senior secured bonds	Level 3	Discounted cash flow	Fixed interest rates, Future cash flows
Compulsorily Convertible Debentures (unsecured)	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Liability component of preference shares	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Term loan in Indian rupees from bank	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows

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(Amounts in INR millions, unless otherwise stated)

34 Financial Risk Management objectives and policies

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

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

Market Risk

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

Interest rate Risk:

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

Interest Rate Sensitivity

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

	31 March 2020		**31 March 2019**	
	Increase/decrease in basis points	**Effect on profit before tax**	**Increase/decrease in basis points**	**Effect on profit before tax**
INR	+/(-)50	+/(-)19	+/(-)50	(-)/+ 17
	Increase/decrease in basis points	**Effect on equity**	**Increase/decrease in basis points**	**Effect on equity**
INR	+/(-)50	+/(-)14	+/(-)50	(-)/+ 13

Foreign Currency Risk:

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The entities forming part of the Restricted Group do not have any foreign currency exposures as on 31 March 2020. In case of foreign currency exposures, the entities forming part of the Restricted Group monitor that the hedges do not exceed the underlying foreign currency exposure. The entities forming part of the Restricted Group do not undertake any speculative transactions.

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 respective entities forming part of the Restricted Group are exposed to credit risk from their operating activities (primarily trade receivables) but this credit risk exposure is insignificant given the fact that substantially whole of the revenues are from state utilities/government entities.

Further the entities forming part of the Restricted Group sought to reduce counterparty credit risk under our long-term contracts in part by entering into power sales contracts with utilities or other customers of strong credit quality and we monitor their credit quality on an on going basis.
The maximum credit exposure to credit risk for the components of the balance sheet at 31 March 2020 and 31 March 2019 is the carrying amount of all the financial assets.

Trade Receivables

Customer credit risk is managed basis established policies of the entities forming part of the Restricted Group, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The entities forming part of the Restricted Group do not hold collateral as security.

The entities forming part of the Restricted Group have state utilities/government entities as it's customers with high credit worthiness, therefore, the entities forming part of the Restricted Group do not see any risk related to credit. The credit quality of the customers other than state utilities/government entities is evaluated based on their credit ratings and other publicly available data.

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 Company, 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.

(Amounts in INR millions, unless otherwise stated)

Liquidity Risk

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

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

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

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

Year ended 31 March 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings						
Compulsorily convertible debentures	-	-	-	-	147	147
Redeemable non cumulative preference shares	-	-	-	-	556	556
Term loan from banks *	-	-	-	2,824	5,413	8,237
Senior Secured Bonds*	-	-	-	37,519	-	37,519
Short term borrowings						
Loans from related party	1,415	-	-	-	-	1,415
Other financial liabilities						
Current maturities of long term borrowings*	-	188	3,523	-	-	3,711
Interest accrued but not due on borrowings	290	8	432	-	-	730
Capital Creditors	100	234	-	-	-	334
Trade payable						
Trade payable	285	205	-	-	-	490

* 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 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings						
Compulsorily convertible debentures	-	-	-	-	141	141
Redeemable non cumulative preference shares	-	-	-	-	496	496
Term loan from banks *	-	-	-	1,941	4,059	6,000
Senior Secured Bonds*	-	-	-	40,908	-	40,908
Short term borrowings						
Other financial liabilities						
Current maturities of long term borrowings*	-	133	4,992	-	-	5,125
Interest accrued but not due on borrowings	201	29	432	-	-	662
Capital Creditors	229	220	-	-	-	449
Trade payable						
Trade payable	314	161	-	-	-	475

* Including future interest payments.

(Amounts in INR millions, unless otherwise stated)

35 Capital management

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2020.

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

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

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year/period	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year/period	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year/period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year/period; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

37 Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities as follows :-
1) Sanitation & making available safe drinking water- Construction of toilets, Bore-well, well, Tube-well etc.
2) Empowering women through SHGs (self-help group) and creating income generation activities for the women like stitching and tailoring, goatery, backyard poultry etc.)
3) Ensuring environmental sustainability- animal welfare Plantation, environment awareness,
4) Animal Welfare-Animal health camp, Para –vet training
5) Education awareness, Remedial classes for weak students etc.
6) Health and Hygiene- Health camps in the community, cleanliness drive to create awareness.

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

(a) Gross amount required to be spent by the entities forming part of the Restricted Group during the year is INR 7 (31March 2019: INR 9).
(b) Amount spent during the year on:

List of CSR activities	In Cash	Yet to be paid	Total
Construction / Acquisition of any asset	-	-	-
Activities relating to:			
Current year	5	4	9
Previous year*	(5)	(4)	(9)

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

38 Significant accounting judgments, estimates and assumptions

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

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

A) Accounting judgements:

Taxes

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

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

Depreciation on property, plant and equipment

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

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

B) Estimates and assumptions:

Fair value measurement of financial instruments

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

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 32 and 33 for further disclosures.

Related party transactions

The entities forming part of the Restricted Group have entered into certain transaction with other related parties outside the Restricted Group as explained below :

Management Shared Services

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

Inter-group unsecured loan

The entities forming part of the Restricted Group uses unsecured loans from other group entities to fund its requirements. These loans carry interest rate higher than a return expected from 10-year government bond yield.

Financial instrument

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

39 Certain entities forming part of Restricted Group (the “AP entities”) have entered into long-term Power Purchase Agreements (“PPAs”) having a cumulative capacity of 180 MWs (wind and solar 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:

1. In terms of the Generation Based Incentive (“GBI”) scheme of the Ministry of Renewable Energy (“MNRE”), the AP entities 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 entities filed writ petition before the Andhra Pradesh High Court (“AP High Court”) challenging the vires of the regulation and the order by APERC and were granted an interim stay order in August 2018. As at 31 March 2020 the cumulative amount recoverable from the APDISCOM pertaining to period from February 2017 till July 2018, included in trade receivables amounts to INR 202. The AP entities 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, believes that the GBI benefit is over and above the applicable tariffs and the APERC does not have jurisdiction to interfere with the intent of GBI scheme and therefore the outstanding amount is recoverable and hence no adjustment has been made in the consolidated financial statements in this regard.

2. The Government of Andhra Pradesh (the “GoAP”) issued an order (the “GO”) dated 1 July 2019 constituting a High-Level Negotiation Committee (the “HLNC”) for review and negotiation of tariff for wind and solar energy projects in the state of Andhra Pradesh. Pursuant to the GO, APDISCOM issued letters dated 11 July 2019 and 12 July 2019 to the AP entities, requesting for revision of tariffs entered into in PPAs. The AP entities filed a writ petition on 23 July 2019 before the AP High Court (“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 the subsequent letters are set aside.
ii. Further, APDISCOM were instructed to honour pending and future bills and pay the same at the interim rate of Rs. 2.43 per unit.
iii. Andhra Pradesh Electricity Regulatory Commission (the “APERC”) to dispose off the case within a time frame of six months.

The AP Entities have filed a Writ Appeal before the division bench of the AP High Court challenging the jurisdiction of APERC in entertaining the said matter. Parallelly, the AP Entities have filed another Writ Appeal before the division bench of the AP High Court challenging AP High Court’s direction to the APDISCOM to tariff at interim rate.

The AP entities have a net block of INR 10,792 as at March 31, 2020 and have recognised a revenue of INR 1,791 for the year ended 31 March 2020 and have a trade receivable balance of INR 2,440 as on 31 March 2020 from sale of electricity against such PPAs [including an amount of INR 202 for GBI receivable as explained in part (a) to the note].

The management basis legal opinion obtained by it, believes that it has strong merits in the case and the final order would be in its favour and hence no adjustment has been made in the consolidated financial statements including provision for expected credit loss and impairment.

40 During the year ended 31 March 2019, distribution companies of the state of Karnataka issued demand notices to captive users (ReNew Wind Energy (Karnataka) Private Limited (the "Karnataka Entity") and to the Karnataka Entity. These notices were issued seeking recovery of cross subsidy surcharge and differential between rate of electricity tax applicable to captive users and non-captive users on the ground that these captive users have not consumed the energy in proportion to their respective shareholding in the Karnataka Entity, thereby violating Rule 3 of the Electricity Rules, 2005. The Karnataka Entity had deposited a sum of INR 83 under protest towards fulfilment of demand raised by one of the distribution companies. Thereafter, the Karnataka Entity had filed a petition before the Karnataka Electricity Regulatory Commission (the "KERC") contesting these demands. KERC had granted interim relief and stayed the demand notice and disconnection by the distribution companies, subject to the deposit of an amount equal to 25% of the total demand amount of INR 248. The aforesaid payment of INR 83 was considered fulfilment of the condition of deposit imposed by the KERC. The amount paid under protest has been accounted for as recoverable and disclosed under head “Other current assets” in these financial statements.

The Karnataka Entity, based on legal advice obtained, believes that there are merits in its position and that the demand raised by Distribution companies would be rescinded by KERC and hence no adjustment has been made in the combined financial statements in this regard.

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

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

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

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

AMIT CHUGH
Digitally signed by AMIT CHUGH
DN: cn=AMIT CHUGH, c=IN, o=Personal, email=amit.chugh@srb.in
Location: Gurugram
Date: 2020.06.30 20:36:39 +05'30'

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 30 June 2020

For and on behalf of the Restricted Group

SUMANT SINHA
Digitally signed by SUMANT SINHA
Date: 2020.06.30 19:55:39 +05'30'

(Sumant Sinha)
Chairman & Managing Director
DIN- 00972012
Place: Gurugram
Date: 30 June 2020

MUTHUKUMARAN DORAISWAMI
Digitally signed by MUTHUKUMARAN DORAISWAMI
Date: 2020.06.30 19:56:02 +05'30'

(D Muthukumaran)
Chief Financial Officer
Place: Gurugram
Date: 30 June 2020

ASHISH JAIN
Digitally signed by ASHISH JAIN
Date: 2020.06.30 20:03:34 +05'30'

(Ashish Jain)
Company Secretary
Membership No.: F6508
Place: Gurugram
Date: 30 June 2020