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INDEPENDENT AUDITOR'S REPORT

To the Members of ReNew Akshay Urja Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ReNew Akshay Urja Limited ("the Company"), which comprise the Balance sheet as at 31 March 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company 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 Act 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<u>Related Party Transactions – Accuracy and completeness of related party transactions and disclosure thereof</u> *(as described in Note 26 of the financial statements)*	
We identified the measurement, completeness, presentation and disclosure of related party transactions as a key audit matter due to the high volume and complexity of business transactions with related parties during the year ended 31 March 2021.	Our audit procedures included the following: • Obtained an understanding of the process and tested the design and operating effectiveness of key controls that management has established to identify, account for and disclose related party transactions. • Obtained an updated list of all related parties of the Company and reviewed the general ledger against this list to ensure completeness of transactions. • We read contracts and agreements with related parties to understand the nature of the transactions. • We agreed the amounts disclosed to underlying documentation and reviewed relevant agreements, on a sample basis, as part of our evaluation of the disclosure. • We obtained an understanding of the Company's methodology of determination of arms-length price. We have also obtained and evaluated the management expert's reports on validation of arms-length price. • Made enquiries of management in order to identify if any related party transactions outside the normal course of business have taken place. • We evaluated the completeness of transactions through review of statutory information, books and records and other documents obtained during the course of our audit. • We read and assessed the adequacy of the related disclosures in the consolidated financial statements.

Key audit matters	**How our audit addressed the key audit matter**
<u>Recoverability of deferred tax assets and reversal of deferred tax liabilities</u> - *(as described in note 6 of the financial statements)*	
The company recognised deferred tax assets (net) of INR 1,538 million and deferred tax liabilities (net) of INR 1,538 million as at 31 March 2021. The company recognizes deferred tax assets to the extent that it is probable that future taxable profit will be available against which such deferred tax assets 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. The company recognizes deferred tax liabilities to the extent that such amounts are expected to be reversed after availment of deduction under tax holiday in future years. Auditing the company's assessment of the recoverability of deferred tax assets and the reversal of deferred tax liabilities is complex and dependent on the Company's ability to generate future taxable profit against which all such assets and liabilities can be utilized. Significant judgement and estimation are exercised by management to assess the sufficiency of future taxable income and likelihood of the realization of these assets and reversal of liabilities. Predicting future taxable income is dependent on assumptions and judgement regarding: • future revenue, • projected operating and maintenance and finance costs, • future proposed availment of deduction under tax holiday and the period over which deduction shall be availed, • usage of brought forward losses and minimum alternate tax credit. These assumptions are forward looking and could be affected by future economic and market conditions.	To assess the future projections of taxable income estimated by the management to support the recognition of the deferred tax assets and deferred tax liabilities, our procedures included, among others, • assessment of the reasonability of future cash flow projections including the company's assumptions. • sensitivity analysis in relation to the likelihood of generating sufficient future taxable income, taking into account local tax regulations and evaluated the historical accuracy of management's forecast of taxable profits by comparison to actual results, and the consistency of those projections with the projections used in other areas of estimation, such as for example those used for the impairment assessment of Goodwill. • obtaining company's sensitivity analysis over the PLF which is a key assumption to assess its impact on the forecast of the future taxable income. • involvement of our tax specialist who assisted us in the assessment of temporary differences determined by management on which deferred tax assets or deferred tax liabilities need to be recognized. • testing the completeness and accuracy of the deferred tax assets and deferred tax liabilities and assessing the adequacy of the disclosures made by the company on the expected recoverability of the deferred tax assets and reversal of deferred tax liabilities.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended 31 March 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended 31 March 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have any pending litigations which would impact its financial position;

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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per Amit Chugh
Partner
Membership Number: 505224
UDIN: 21505224AAAABO3969
Place of Signature: Gurugram
Date: 28 June 2021

Annexure 1 referred to in paragraph 1 of our report of even date under section 'Report on other legal and regulatory requirements'

Re: Renew Akshay Urja Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were noted.

(c) According to information and explanation given to us by the management, title deeds of immovable properties included in property, plant and equipment, are held in the name of Company and have been given as security (mortgage and charge) against debentures issued. Original title deeds are kept with Catalyst Trusteeship Limited, the Security Trustee as security for the lenders. Accordingly, it could not be made available to us for our verification. Further the same has not been independently confirmed by the Security Trustee.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. There was no inventory lying with third parties.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon. Further, since the Company is an infrastructure company within the meaning of Schedule VI of the Companies Act, 2013, the provisions of Section 186 of the Companies Act, 2013 is not applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance are not applicable to the Company.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, employees' state insurance, sales-tax, service tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute. The provisions relating to provident fund, employees' state insurance, sales-tax, service tax, duty of custom, duty of excise and value added tax are not applicable to the Company.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

(ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

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per Amit Chugh
Partner
Membership Number: 505224
UDIN: 21505224AAAABO3969
Place of Signature: Gurugram
Date: 28 June 2021

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of ReNew Akshay Urja Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Ind AS financial statements of ReNew Akshay Urja Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to these Ind AS Financial Statements

A company's internal financial controls with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

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per Amit Chugh
Partner
Membership Number: 505224
UDIN: 21505224AAAABO3969
Place of Signature: Gurugram
Date: 28 June 2021

ReNew Akshay Urja Limited
Balance Sheet as at 31 March 2021
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	4	7,805	8,061
Prepayments	7	27	-
Non current tax assets (net)		33	37
Other non-current assets	8	8	8
Total non-current assets		**7,873**	**8,106**
Current assets			
Inventories	9	6	5
Financial assets			
Trade receivables	10	1,037	1,445
Cash and cash equivalent	11	190	14
Bank balances other than cash and cash equivalent	11	294	480
Loans	5	1,104	1,104
Others	5	15	18
Prepayments	7	51	47
Other current assets	8	4	6
Total current assets		**2,701**	**3,119**
Total assets		**10,574**	**11,225**
Equity and liabilities			
Equity			
Equity share capital	12A	133	133
Other equity			
Equity component of compulsory convertible debentures	13A	1,144	1,144
Securities premium	13B	1,200	1,200
Debenture redemption reserve	13C	304	304
Retained earnings	13D	832	467
Total equity		**3,613**	**3,248**
Non-current liabilities			
Financial liabilities			
Long-term borrowings	14	6,081	6,448
Long-term provisions	15	46	-
Deferred tax liabilities (net)	6	-	53
Total non-current liabilities		**6,127**	**6,501**
Current liabilities			
Financial liabilities			
Short-term borrowings	16	47	678
Trade payables			
Outstanding dues to micro enterprises and small enterprises	17	-	-
Others	17	341	359
Other current financial liabilities	18	440	436
Other current liabilities	19	6	3
Total current liabilities		**834**	**1,476**
Total liabilities		**6,961**	**7,977**
Total equity and liabilities		**10,574**	**11,225**

Summary of significant accounting policies 3.1

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

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per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 28 June 2021

For and on behalf of the ReNew Akshay Urja Limited

RAHUL JAIN
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Date: 2021.06.28 21:56:16 +05'30'

Managing Director
(Rahul Jain)
DIN- 07641891
Place: Gurugram
Date: 28 June 2021

GAURAV WADHWA
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Director
(Gaurav Wadhwa)
DIN- 07641926
Place: Gurugram
Date: 28 June 2021

MANISH KARAMCHANDANI
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Date: 2021.06.28 20:47:33 +05'30'

Chief Financial Officer
(Manish Karamchandani)

Place: Gurugram
Date: 28 June 2021

R SAI KRISHNAN
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Date: 2021.06.28 20:45:27 +05'30'

Company Secretary
(Sai Krishnan Rajagopal)
Membership No.: 28212
Place: Gurugram
Date: 28 June 2021

ReNew Akshay Urja Limited
Statement of Profit and Loss for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income:			
Revenue from contracts with customers	20	1,461	1,439
Other income	21	28	30
Total income		**1,489**	**1,469**
Expenses:			
Other expenses	22	172	137
Total expenses		**172**	**137**
Earning before interest, tax, depreciation and amortization (EBITDA)		**1,317**	**1,332**
Depreciation expense	23	301	368
Finance costs	24	704	755
Profit before tax		**312**	**209**
Tax expense			
Current tax	6	-	-
Deferred tax	6	(53)	53
Profit for the year	**(a)**	**365**	**156**
Other comprehensive income (OCI)	**(b)**	-	-
Total comprehensive income for the year	**(a) +(b)**	**365**	**156**
Earnings per share:			
(face value per share: INR 10)			
(1) Basic	25	15.97	6.81
(2) Diluted		15.97	6.81
Summary of significant accounting policies	3.1		

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

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per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 28 June 2021

For and on behalf of the ReNew Akshay Urja Limited

RAHUL JAIN
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Managing Director
(Rahul Jain)
DIN- 07641891
Place: Gurugram
Date: 28 June 2021

GAURAV WADHWA
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Director
(Gaurav Wadhwa)
DIN- 07641926
Place: Gurugram
Date: 28 June 2021

MANISH KARAMCHANDANI
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Chief Financial Officer
(Manish Karamchandani)

Place: Gurugram
Date: 28 June 2021

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Company Secretary
(Sai Krishnan Rajagopal)
Membership No.: 28212
Place: Gurugram
Date: 28 June 2021

ReNew Akshay Urja Limited
Statement of Cash Flows for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flow from operating activities		
Profit before tax	312	209
Adjustments for:		
Depreciation expense	301	368
Interest income	(27)	(27)
Impairment allowance for financial assets	26	-
Unwinding of discount on provisions	1	-
Interest expense	628	675
Operating profit before working capital changes	**1,241**	**1,225**
Movement in working capital		
Decrease/(Increase) in trade receivables	382	(148)
(Increase)/decrease in inventories	(1)	(4)
Decrease/(Increase) in other current assets	2	(3)
(Increase)/decrease in other current financial assets	(3)	(4)
(Increase)/decrease in prepayments	(31)	18
Increase/(decrease) in other current liabilities	3	(2)
(Decrease)/Increase in trade payables	(18)	42
Increase/(decrease) in other current financial liabilities	1	-
Cash generated from operations	**1,576**	**1,123**
Direct taxes paid (net of refunds)	4	(38)
Net cash generated from operating activities	**1,580**	**1,085**
Cash flow from investing activities		
Purchase of Property, Plant and Equipment including capital work in progress, capital creditors and capital advances	-	7
Net Redemption/(Investments) of bank deposits having residual maturity more than 3 months	186	(327)
Interest received	32	23
Net cash generated from/ (used in) investing activities	**218**	**(297)**
Cash flow from financing activities		
Repayment of long-term borrowings	(350)	(327)
Proceeds from short-term borrowings	47	170
Repayment of short-term borrowings	(678)	-
Interest paid	(641)	(623)
Net cash used in financing activities	**(1,622)**	**(780)**
Net increase in cash and cash equivalents	**176**	**8**
Cash and cash equivalents at the beginning of the year	**14**	**6**
Cash and cash equivalents at the end of the year	**190**	**14**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	190	14
Total cash and cash equivalents (note 11)	**190**	**14**

Changes in liabilities arising from financing activities

Particulars	Opening balance as at 1 April 2020	Cash flows (net)	Other changes*	Closing balance as at 31 March 2021
Long-term borrowings (including current maturities and net of ancillary borrowings cost incurred)	6,790	(350)	8	6,448
Short-term borrowings	678	(631)	-	47
Total liabilities from financing activities	**7,468**	**(981)**	**8**	**6,495**

ReNew Akshay Urja Limited
Statement of Cash Flows for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

Changes in liabilities arising from financing 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 and net of ancillary borrowings cost incurred)	7,110	(327)	8	6,791
Short-term borrowings	508	170	-	678
Total liabilities from financing activities	**7,618**	**(157)**	**8**	**7,469**

* other changes includes reinstatement of foreign currency borrowing and amortisation of ancillary borrowing cost.

Summary of significant accounting policies 3.1

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

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the ReNew Akshay Urja Limited

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

AMIT CHUGH
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Location: Gurugram
Date: 2021.06.28 22:15:50 +05'30'

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 28 June 2021

RAHUL JAIN
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Date: 2021.06.28 21:57:51 +05'30'

Managing Director
(Rahul Jain)
DIN- 07641891
Place: Gurugram
Date: 28 June 2021

GAURAV WADHWA
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Director
(Gaurav Wadhwa)
DIN- 07641926
Place: Gurugram
Date: 28 June 2021

MANISH KARAMCHANDANI
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Chief Financial Officer
(Manish Karamchandani)

Place: Gurugram
Date: 28 June 2021

R SAI KRISHNAN
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Company Secretary
(Sai Krishnan Rajagopal)
Membership No.: 28212
Place: Gurugram
Date: 28 June 2021

ReNew Akshay Urja Limited
Statement of Changes in Equity for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

Particulars	Attributable to the equity holders of the Company					Total equity
			Reserves and Surplus			
	Equity share capital	Equity component of compulsorily convertible debentures	Securities premium	Retained earnings	Debenture redemption reserve	
	(refer note 12A)	(refer note 12B)	(refer note 13B)	(refer note 13D)	(refer note 13C)	
At 1 April 2019	**133**	**1,144**	**1,200**	**256**	**359**	**3,092**
Profit for the year	-	-	-	156	-	156
Total comprehensive income	**-**	**-**	**-**	**156**	**-**	**156**
Debenture redemption reserve	-	-	-	55	(55)	-
At 31 March 2020	**133**	**1,144**	**1,200**	**467**	**304**	**3,248**
Profit for the year	-	-	-	365	-	365
Total Comprehensive Income	**-**	**-**	**-**	**365**	**-**	**365**
At 31 March 2021	**133**	**1,144**	**1,200**	**832**	**304**	**3,613**

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
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Date: 2021.06.28 22:16:03 +05'30'

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 28 June 2021

For and on behalf of the ReNew Akshay Urja Limited

RAHUL JAIN
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Managing Director
(Rahul Jain)
DIN- 07641891
Place: Gurugram
Date: 28 June 2021

GAURAV WADHWA
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Director
(Gaurav Wadhwa)
DIN- 07641926
Place: Gurugram
Date: 28 June 2021

MANISH KARAMCHANDANI
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Chief Financial Officer
(Manish Karamchandani)

Place: Gurugram
Date: 28 June 2021

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Date: 2021.06.28 20:46:25 +05'30'

Company Secretary
(Sai Krishnan Rajagopal)
Membership No.: 28212
Place: Gurugram
Date: 28 June 2021

1 General information

ReNew Akshay Urja Limited (Formerly known as ReNew Akshay Urja Private Limited) ('the Company') is a public limited company domiciled in India.The Company was converted into a public company with effect from 1 November 2017 and consequently the name of the Company has changed from ReNew Akshay Urja Private Limited to ReNew Akshay Urja Limited.

During financial year 2017-18, the Company issued and allotted 7,600 Non -Convertible Debentures at a face value of INR 1,000,000 each to (Total value INR 7,600,000,000) for the purpose of refinancing of existing term loans on 20 September 2017 and the same are listed under the Wholesale Debt Market Segment of National Stock Exchange with effect from 13 October 2017.

The registered office of the Company is located at 138, Ansal Chamber - II Bikaji Cama Place, New Delhi-110066. The Company is carrying out business activities relating to generation of power through non-conventional and renewable energy sources.

The Financial Statements of the Company were authorised for issue by the Company's Board of Directors on 28 June 2021.

2 Basis of preparation

The Company prepared its Financial Statements as per Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The Financial Statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

3.1 Summary of Significant Accounting Policies

a) Current versus non-current classification

The Company 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 Company has identified twelve months as their operating cycle for classification of their current assets and liabilities.

b) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each reporting 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 company.

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 Company uses 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 or disclosed 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 Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. (Refer Note 29 and 30).

At each reporting date, the management of the Company analyses 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 Company.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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 32)
· Quantitative disclosures of fair value measurement hierarchy (Refer Note 30)
· Financial instruments (including those carried at amortised cost) (Refer Note 29)

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

Sale of Power
Income from supply of power is recognised over time on the supply of units generated from plant to the grid as per terms of the Power Purchase Agreement ("PPA") entered into with the customers.
The Company 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 Company 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 Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company 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 Company 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 Company 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 Company applies the most likely method.

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

(iii) Contract balances

Contract assets
A contract asset is the right to consideration in exchange for sale of power transferred to the customer. If the Company performs by transferring sale of power to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Trade receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Income from compensation for loss of revenue
Income from compensation for loss of revenue is recognised after certainty of receipt of the same is established.

Dividend
Dividend income is recognised when the right of the Company 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 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.

d) Foreign currencies
The Company 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 Company operate.

Transactions and balances
Transactions in foreign currencies are initially recorded by the company 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 with the exception of the following:
- Exchange differences arising on monetary items that are designated as part of the hedge of the Company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

e) 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.

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

In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period. Deferred taxes in respect of temporary differences which reverse after the tax holiday period are recognised in the period in which the temporary differences originate. However, the 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 realised.

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

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

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

Minimum Alternate Tax
Minimum Alternate Tax (MAT) paid in 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 Company 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 Company.

f) Property, plant and equipment

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

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions (Note 32) and provisions (Note 15) for further information about the recognised decommissioning provision.

Subsequent costs
The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company 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 or loss as and when incurred.

Derecognition
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) 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 or 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 recognised in the statement of profit or loss when the asset is derecognised.

g) Depreciation/amortization of PPE
Depreciation and amortisation are calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Life (in years)
Plant and equipment (solar power projects)*	35
Office equipment	5
Furniture and fixture	10

* 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 and amortisation of property, plant and equipment and intangible assets are reviewed at each financial period end and adjusted prospectively, if appropriate.

h) 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 or loss. The amount amortised for the period from disbursement of borrowed funds upto the date of capitalisation of the qualifying assets is added to cost of the qualifying assets.

i) Impairment of non-financial assets
The Company 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 Company 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 Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a remaining life of the power purchase agreements of the project considering the long term fixed rate firm agreements available.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or 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 Company estimates 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 amount 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 or loss unless the asset is carried at a revalued amount, in which case, reversal is treated as an increase in revaluation.

j) Provisions

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

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

Decommissioning liability

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

k) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined 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. Unserviceable / damaged inventories are identified and written down based on technical evaluation.

Unserviceable/damaged inventories are identified and written down based on technical evaluation.

l) 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 Company commits to purchase or sell the asset.

Subsequent measurement

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the 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 other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Debt instruments at fair value through other comprehensive income
A 'debt instrument' is classified as at the fair value through other comprehensive income (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 solely payments of principal and interest.

Debt instruments included within FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in OCI. However, the Company recognises interest income, impairment losses and 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 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
Fair value through profit or loss (FVTPL) is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised 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 Company has not designated any debt instrument as at FVTPL.

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

Equity investments
All other 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 fair value through profit or loss. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within FVTPL category are measured at fair value with all changes recognised in the statement of profit or 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 respective Group has 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 Company has 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 Company has transferred it's rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the continuing involvement of Company. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has 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 Company could be required to repay.

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The application of simplified approach does not require the Company 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 Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.
The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) during the period is recognised as income / expense in the statement of profit or 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 Company 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 or loss. This category generally applies to borrowings.

Compound instruments - Compulsorily Convertible Debentures
Compulsorily Convertible Debentures (CCDs) are separated into liability and equity components based on the terms of the contract

The Company recognises interest, dividends, losses and gains relating to such financial instrument or a component that is a financial liability as income or expense in the statement of profit or loss.

The present value of the liability part of the compulsorily convertible debentures classified under financial liabilities and the equity component is calculated by subtracting the liability from the total proceeds of CCDs.

Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds. Transaction costs that relate jointly to more than one transaction (for example, cost of issue of debentures, listing fees) are allocated to those transactions using a basis of allocation that is rational and consistent with similar transactions.

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 or loss.

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

The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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.

m) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement
The Company uses derivative financial instruments, such as foreign currency forward contracts, cross currency swaps (CCS), call spreads, foreign currency option contracts and interest rate swaps (IRS), to hedge its interest rate risks and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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

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

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

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

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

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

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

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

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

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

n) Cash and bank balances
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 of bank overdrafts as they are considered an integral part of the Company's cash management.

Bank balances other than cash and cash equivalents
Bank balances other than cash and cash equivalents consists of deposits with an original maturity of more than three months. These balances are is classified into current and non-current portions based on the remaining term of the deposit.

o) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company 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 amortisation expense, finance costs and tax expense.

p) 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 Company 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.

q) Earnings per equity share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares and instruments mandatorily convertible into equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

'The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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ReNew Akshay Urja Limited
Notes to Financial Statements for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

4 Property, plant and equipment

	Freehold Land	Plant and equipment	Office equipment	Furniture & Fixtures	Total Property, plant and equipment
Cost					
At 1 April 2019	283	9,210	0	0	9,493
Additions during the year	8	-	0	-	8
Adjustment	-	(19)	-	-	(19)
At 31 March 2020	**291**	**9,191**	**0**	**0**	**9,482**
Additions during the year	-	45	-	-	45
At 31 March 2021	**291**	**9,236**	**0**	**0**	**9,527**
Accumulated Depreciation					
At 1 April 2019	-	1,053	0	0	1,053
Charge for the year (refer note 23)	-	368	0	0	368
At 31 March 2020	**-**	**1,421**	**0**	**0**	**1,421**
Charge for the year (refer note 23)	-	301	0	0	301
At 31 March 2021	**-**	**1,722**	**0**	**0**	**1,722**
Net book value					
At 31 March 2020	**291**	**7,770**	**0**	**0**	**8,061**
At 31 March 2021	**291**	**7,514**	**0**	**0**	**7,805**

Mortgage and hypothecation on Property, plant and equipment:
Property, plant and equipment with a carrying amount of INR 7,805 (31 March 2020: INR 8,061) are subject to a pari passu first charge to respective lenders for project debentures as disclosed in Note 14.

(Amounts in INR millions, unless otherwise stated)

5 Financial assets

	As at 31 March 2021	As at 31 March 2020
Current		
Loans		
Considered good - Unsecured		
Loan to fellow subsidiaries - redeemable non cumulative preference shares (refer note 26)	1,104	1,104
Security deposits	0	0
Total	**1,104**	**1,104**
Others		
Recoverable from related parties (refer note 26)	6	4
Interest accrued on fixed deposits	5	10
Interest accrued on loans to related parties* (refer note 26)	4	4
Total	**15**	**18**

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

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

6 Deferred tax liabilities (net)

Deferred tax relates to the following:		As at 31 March 2021	As at 31 March 2020
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		1,524	1,344
Ancillary borrwoing cost post commissioning		14	16
	(a)	**1,538**	**1,360**
Deferred tax assets (gross)			
Compound Financial Instruments		0	0
Losses available for offsetting against future taxable income		1,519	1,307
Provision for decommissioning cost		12	-
Impairment allowance for financial assets		7	-
	(b)	**1,538**	**1,307**
Deferred tax liabilities (net)	**(c) = (b) - (a)**	**-**	**53**

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

	31 March 2021	31 March 2020
Accounting profit before income tax	**312**	**209**
Effective Tax Rate	25%	25%
Tax at the India's tax rate of 22% added applicable surcharge(10%) and cess(4%)	79	52
Adjustment of tax relating to earlier years	(165)	-
Absence of reasonable certainty for recoverability of tax losses in certain entities	32	-
Other non deductable tax expenses	1	5
<u>On account of adoption of new tax ordinance</u>		
MAT credit written off	-	155
DTA recognised on losses	-	(159)
At the effective income tax rate	**(53)**	**53**
Current tax expense reported in the statement of profit and loss	-	-
Deferred tax expense reported in the statement of profit and loss	(53)	53
	(53)	**53**
*** Where deferred tax expense relates to the following :**		
Losses available for offsetting against future taxable Income	(213)	372
Ancillary borrowing cost post commissionning	(2)	(2)
Compound Financial Instruments	(0)	(0)
Unused tax credit (MAT)	-	155
Difference in WDV as per books of accounts and tax laws	181	(472)
Provision for decommissioning cost	(12)	-
Impairment allowance for financial assets	(7)	-
	(53)	**53**

Reconciliation of deferred tax assets (net):

	31 March 2021	31 March 2020
Opening balance of DTA/(DTL) (net)	**(53)**	**-**
Deferred tax income/(expense) during the year recognised in profit or loss	53	(53)
Closing balance of DTA/(DTL) (net)	**-**	**(53)**

The company has unabsorbed depreciation and carried forward losses which arose in India of INR 6,162 (31 March 2020: INR 5,190). The unabsorbed depreciation will be available for offsetting against future taxable profits of the Company.

Out of this, the tax losses that are available for offsetting for 8 years against future taxable profits of the company in which the losses arose are INR 658 (31 March 2020: INR Nil). The unabsorbed depreciation that will be available for offsetting for against future taxable profits of the company indefinitely in which the losses arose are of INR 5,504 (31 March 2020: INR 5,190).

The Company has recognised deferred tax asset of INR 1,519 (31 March 2020: INR 1,307) 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.

(Amounts in INR millions, unless otherwise stated)

7 Prepayments	As at 31 March 2021	As at 31 March 2020
Non-current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	27	-
Total	**27**	**-**
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	51	47
Total	**51**	**47**

8 Other assets	As at 31 March 2021	As at 31 March 2020
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Balances with Government authorities	8	8
Total	**8**	**8**
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	4	6
Total	**4**	**6**

9 Inventories	As at 31 March 2021	As at 31 March 2020
Consumables & Spares	6	5
Total	**6**	**5**

10 Trade receivables	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good	1,063	1,445
	1,063	**1,445**
Less: Impairment allowance (bad and doubtful debts)	(26)	-
Total	**1,037**	**1,445**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. No 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 30 days.

	Impairment allowance
As at 1 April 2019	-
Provision for expected credit losses for the year	-
As at 31 March 2020	-
Provision for expected credit losses for the year	26
As at 31 March 2021	**26**

11 Cash and cash equivalents	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Balance with bank		
- On current accounts	190	14
Total	**190**	**14**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months #*	294	480
Total	**294**	**480**

#Fixed deposits of INR 294 (31 March 2020: INR 89) are under lien with various banks for the purpose of Debt Service Reserve Account (DSRA) and margin money.

* The bank deposits have an original maturity period of 181 to 366 days and carry an interest rate from 3.75% to 5.25% which is receivable on maturity.

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(Amounts in INR millions, unless otherwise stated)

12 Share capital

Authorised share capital	Number of shares	Amount
Equity shares of INR 10 each		
At 1 April 2019	25,000,000	250
At 31 March 2020	25,000,000	250
At 31 March 2021	**25,000,000**	**250**

Issued share capital	Number of shares	Amount
12A Equity shares of INR 10 each issued, subscribed and paid up		
At 1 April 2019	13,303,571	133
At 31 March 2020	13,303,571	133
At 31 March 2021	**13,303,571**	**133**

Terms/rights attached to equity shares

The Company 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 Company will declare and pay dividends in Indian rupees.
In the event of liquidation of a Company, the holders of equity shares of such Company will be entitled to receive remaining assets of the respective Company, 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 Company.

12B Shares held by the holding Company

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
ReNew Solar Power Private Limited (including its nominees)				
Equity shares of INR 10 each	13,303,571	133	7,450,000	74

12C Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2021		As at 31 March 2020	
	Number	% Holding	Number	% Holding
Equity shares of INR 10 each				
ReNew Solar Power Private Limited	13,303,571	100.00%	7,450,000	56.00%
Hanwha Q Cells Corporation	-	0.00%	5,853,571	44.00%

As per the records of the Company, including its register of shareholders/members the above shareholding represents both legal and beneficial ownerships of shares.

12D No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

13 Other equity

13A Equity component of compulsory convertible debentures (CCD)	Number of debentures	Total proceeds	Liability component (refer note 14)	Equity component
At 1 April 2019	9,539,077	1,145	1	1,144
Accretion during the year	-	-	0	-
At 31 March 2020	9,539,077	1,145	1	1,144
Accretion during the year	-	-	0	-
At 31 March 2021	**9,539,077**	**1,145**	**1**	**1,144**

Terms of conversion of CCDs
CCDs are compulsorily convertible into equity shares at the end of twenty years from the date of issue, viz., June 17, 2035 or in accordance with the terms of the JVA at conversion ratio defined therein.
CCD carry an interest coupon rate of 0.01% per annum with moratorium of 18 months from the date of issue. CCDs do not carry any voting rights.

13B Securities premium	
At 1 April 2019	1,200
At 31 March 2020	1,200
At 31 March 2021	**1,200**

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

(Amounts in INR millions, unless otherwise stated)

13C Debenture redemption reserve

At 1 April 2019	359
Amount transferred from surplus balance in retained earnings	(55)
At 31 March 2020	**304**
Debenture redemption reserve release on account of repayment of debenture	-
At 31 March 2021	**304**

As per amendments in Companies (Share capital and Debentures) Rules, 2014 the requirement of listed Companies to create DRR has been removed.

13D Retained earnings

At 1 April 2019	256
Profit for the year	156
Appropriation for debenture redemption reserve	55
At 31 March 2020	**467**
Profit for the year	365
Debenture redemption reserve release on account of repayment of debenture	-
At 31 March 2021	**832**

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(Amounts in INR millions, unless otherwise stated)

14 Long-term borrowings	**Notes**	**Nominal interest rate %**	**Maturity**	**Non-current**		**Current**	
				31 March 2021	**31 March 2020**	**31 March 2021**	**31 March 2020**
Debentures							
- Listed Non convertible Debentures (secured)	(i)	8.55% - 8.75%	30 Sep 2034	6,080	6,447	368	342
- Unlisted compulsorily convertible Debentures (unsecured)	(ii)	0.01%	19 Sep 2035	1	1	-	-
Total long-term borrowings				**6,081**	**6,448**	**368**	**342**
Amount disclosed under the head 'Other current financial liabilities' (Refer note 18)				-	-	(368)	(342)
				6,081	**6,448**	**-**	**-**

Notes:

Details of Security

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

(ii) Listed Non convertible Debentures is repayable in half yearly installments starting from 31 March 2018 to 30 September 2034.

(iii) Unlisted 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.

(iv) ReNew Solar Power Private Limited, the holding company, has pledged 6,784,821 (31 March 2020; 6,784,821) equity shares and 4,864,929 (31 March 2020; 4,864,929) CCDs as on 31 March 2021 in favour of security trustee on behalf of lender.

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

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(Amounts in INR millions, unless otherwise stated)

15 Long-Term Provisions

	As at 31 March 2021	As at 31 March 2020
Provision for decommissioning costs	46	-
Total	**46**	**-**

	Provision for Decommissioning costs
As at 1 April 2019	0
Arised during the year	-
Unwinding of discount and changes in discount rate	0
As at 31 March 2020	**0**
Arised during the year	45
Unwinding of discount and changes in discount rate	1
As at 31 March 2021	**46**

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

16 Short term borrowings

	As at 31 March 2021	As at 31 March 2020
Loan from related party (unsecured) (refer note 26)	47	678
Total	**47**	**678**

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

17 Trade payables

	As at 31 March 2021	As at 31 March 2020
Current		
Outstanding dues to micro enterprises and small enterprises (refer note 35)	-	-
Others	341	359
Total	**341**	**359**

18 Other current financial liabilities

	As at 31 March 2021	As at 31 March 2020
Financial liabilities at amortised cost		
Current maturities of long term borrowings (Refer note 14)	368	342
Others		
Interest accrued on loan to related parties (refer note 26)	32	54
Capital creditors	40	40
Total	**440**	**436**

19 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Other payables		
TDS payable	4	3
GST payable	2	0
Total	**6**	**3**

(Amounts in INR millions, unless otherwise stated)

20 Revenue from contracts with customers

	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of power	1,461	1,439
Total	**1,461**	**1,439**

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

21 Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
- on fixed deposit with banks	26	27
Miscellaneous income	2	3
Total	**28**	**30**

22 Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Legal and professional fees	3	12
Corporate social responsibility (refer note 28)	5	5
Travelling and conveyance	1	1
Director's commission	5	2
Management shared services	47	38
Payment to auditors *	1	1
Insurance	9	4
Operation and maintenance	59	70
Repair and maintenance		
- plant and machinery	4	-
Impairment allowance for financial assets	26	-
Miscellaneous expenses	12	4
Total	**172**	**137**

***Payment to Auditors**	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor:		
Audit fee	1	1
In other capacity:		
Limited review	0	0
Reimbursement of expenses	0	0
	1	**1**

23 Depreciation expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of property, plant & equipment (refer note 4)	301	368
Total	**301**	**368**

24 Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on		
- loan from related party (refer note 26)	32	48
- debentures	596	627
- liability component of compulsorily convertible debentures	0	0
Bank charges	75	80
Unwinding of discount on provisions	1	-
Total	**704**	**755**

(Amounts in INR millions, unless otherwise stated)

25 Earnings per share (EPS)		**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
The following reflects the profit and share data used for the basic and diluted EPS computations:			
Profit attributable to equity holders for basic earnings		365	156
Interest on compulsory convertible debentures		0	0
		365	156
Net profit for calculation of basic EPS		365	156
Weighted average number of equity shares for calculating basic EPS		22,842,648	22,842,648
Basic earnings per share		15.97	6.81
Net profit for calculation of diluted EPS		365	156
Weighted average number of equity shares for calculating diluted EPS		22,842,648	22,842,648
Diluted earnings per share		15.97	6.81
		No. of shares	**No. of shares**
Weighted average number of equity shares in calculating basic EPS	(a)	13,303,571	13,303,571
Effect of dilution in calculating basic EPS and diluted EPS			
Convertible equity for compulsorily convertible debentures (CCD)	(b)	9,539,077	9,539,077
Weighted average number of equity shares in calculating diluted EPS	**(c) = (a) + (b)**	22,842,648	22,842,648

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(Amounts in INR millions, unless otherwise stated)

26 Related party disclosure

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 period and description of relationship as identified by the management are:-

I. Holding Company
ReNew Solar Power Private Limited

II. Ultimate Holding Company
ReNew Power Private Limited

III. Key management personnel (KMPs) :
Mr. Sumant Sinha, Chairman and Managing Director of ReNew Power Private Limited.

IV. Fellow Subsidiaries with whom transactions incurred during the year
ReNew Solar Energy (Karnataka) Private Limited
ReNew Power Services Private Limited
ReNew Services Private Limited
ReNew Wind Energy (TN 2) Private Limited
Izra Solar Energy Private Limited
Renew Saur Shakti Private limited
Regen Climate Connection Knowledge Solution Private Limited

b) Details of transactions with holding Company:

Particulars	ReNew Solar Power Private Limited	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Unsecured loan received from related party	45	-
Unsecured loan refunded to related party	54	-
Expenses incurred on behalf of the company	0	6
Reimbursement of expenses	0	1
Purchase of services# (Management shared services)	45	37
Interest expense on unsecured loan	2	4

The Holding Company has charged certain common expenses to its subsidiary companies on the basis of its best estimate of expenses incurred for each of its subsidiary companies and recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted by the holding Company is most appropriate basis for recovering of such common expenses.

c) Details of outstanding balances with holding Company:

Particulars	ReNew Solar Power Private Limited	
	31 March 2021	31 March 2020
Unsecured loan payable	45	54
Trade payables	120	75
Capital creditors	11	11
Interest expense accrued on unsecured loan	9	8

d) Details of transactions with Ultimate Holding Company:

Particulars	ReNew Power Private Limited	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Unsecured loan refunded to related party	624	-
Unsecured loan received from related party	-	170
Interest expense on unsecured loan	30	43
Expenses incurred on behalf of the ultimate holding company	6	-
Expenses incurred on behalf of the company	-	1

e) Details of outstanding balances with Ultimate Holding Company:

Particulars	ReNew Power Private Limited	
	31 March 2021	31 March 2020
Trade payables	104	170
Unsecured loan payable	-	624
Interest accrued on loan payable	23	45
Interest accrued on loan recoverable	4	4
Capital creditors	26	26

f) Details of transactions with fellow subsidiaries:

Particulars	Izra Solar Energy Private Limited	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumable Purchases	0	-

Particulars	Renew Saur Shakti Private limited	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses incurred on behalf of the fellow subsidiary	0	-
Consumables Sales	1	-

Particulars	ReNew Saur Urja Private Limited	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses incurred on behalf of the fellow subsidiary	-	9

Particulars	ReNew Solar Energy (Karnataka) Private Limited	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Consumables Sales	0	-

ReNew Akshay Urja Limited
Notes to Financial Statements for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

Particulars	ReNew Services Private Limited		ReNew Wind Energy (TN 2) Private Limited	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses incurred on behalf of the fellow subsidiary	0	-	0	3
Consumable Purchases	0	-	-	-
Expenses incurred on behalf of the company by fellow subsidiary	0	-	0	-

Particulars	ReNew Solar Energy (Telangana) Private Limited		Regent Climate Connect Pvt. Ltd.	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of services# (Management shared services)	-	-	0	-
Consumables Sales	1	-	0	-

Particulars	ReNew Power Services Private Limited	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses incurred on behalf of the company by fellow subsidiary	0	0
Expenses incurred on behalf of fellow subsidiary	0	0

g) Details of outstanding balances with fellow subsidiaries:

Particulars	ReNew Wind Energy (TN 2) Private Limited		Abaha Wind Energy Private Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Interest expense accrued on unsecured loan	-	-	-	2
Recoverable from related party	3	3	0	0

Particulars	ReNew Wind Energy (Jath) limited		Ostro Energy Private Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Trade payable	1	1	2	1

Particulars	ReNew Saur Shakti Private Limited		ReNew Clean Energy Private limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Recoverable from related party	1	-	0	0

Particulars	ReNew Solar Energy (Karnataka) Private Limited		ReNew Saur Urja Private Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Trade payable	6	6	-	-
Recoverable from related party	-	-	0	0

Particulars	ReNew Wind Energy (AP) Private limited		ReNew Solar Energy Private Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Recoverable from related party	0	0	0	0

Particulars	ReNew Wind Energy (Rajasthan 3) Private Limited		ReNew Wind Energy (Karnataka Two) Private Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Recoverable from related party	0	0	0	0

Particulars	ReNew Wind Energy (Rajasthan) Private Limited		ReNew Wind Energy (Welturi) Private Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Recoverable from related party	0	0	0	0

Particulars	ReNew Solar Energy (TN) Private Limited		ReNew Wind Energy (Devgarh) Private Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Trade payable	52	52	0	0

Particulars	ReNew Services Private Limited		ReNew Power Services Private Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Trade payable	0	-	-	-
Recoverable from related party	-	-	1	1
Loan to fellow subsidiary : RNCPS	-	-	1,104	1,104

Particulars	ReNew Solar Energy (Telangana) Private Limited		Regent Climate Connect Pvt. Ltd.	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Recoverable from related party	1	-	-	-
Trade Payable	-	-	0	-

Particulars	Izra Solar Energy Private Limited		ReNew Sol Energy (Jharkhand One) Private Limited	
	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Trade Payable	0	-	2	-

h) Compensation of Key management personnel

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

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

j) ReNew Solar Power Private Limited, the holding company, has pledged 6,784,821 (31 March 2020; 6,784,821) equity shares and 4,864,929 (31 March 2020; 4,864,929) CCDs as on 31 March 2021 in favour of security trustee on behalf of lender.

(Amounts in INR millions, unless otherwise stated)

27 Segment Information

The Chairman and Managing Director of ReNew Power Limited takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

The Company is in the business of development and operation of solar power plant. There are no separate reportable segments (business and/ or geographical) in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

The Company generates entire revenue from single customer.

28 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.
7) Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund

A CSR committee has been formed by the Company 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 Company during the year is INR 5 (31March 2020: INR 5).
b. Amount spent during the year on:

List of CSR activities	In Cash	Yet to be paid	Total
1. Construction / Acquisition of any asset	-	-	-
2. On purposes other than (1) above			
Current year	6	3	9
Previous year*	-	5	5

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

c. Details related to spent/unspent obligations:

Particulars	31-Mar-21	31-Mar-20
i) Contribution to Prime Minister Cares Fund*	3	-
ii) Contribution to other than ongoing projects	6	-
ii) Unspent amount	-	5
Total	**9**	**5**

*The company has collaborated with its holding company to undertake the contribution to PM CARES Fund in a manner as contemplated under CSR Agreement dated 5 May 2020. The holding company has paid contribution on behalf of its Subsidiary on 13 May 2020 and duly received the acknowledgement for the same. However, the amount is outstanding as payable to holding company as on 31 March 2021 in the books of Company. The Company basis the legal opinion believes that it has complied with CSR provisions of Companies Act 2013.

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

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	5	9	4

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(Amounts in INR millions, unless otherwise stated)

29 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company:

	31 March 2021		31 March 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Loans	1,104	1,104	1,104	1,104
Trade receivables	1,037	1,037	1,445	1,445
Cash and cash equivalent	190	190	14	14
Bank balances other than cash and cash equivalent	294	294	480	480
Other current financial assets	15	15	18	18
Financial liabilities				
Measured at amortised cost				
Long term borrowings	6,081	6,340	6,448	6,448
Short-term borrowings	47	47	678	678
Trade payables	341	341	359	359
Other current financial liabilities	440	440	436	436

The management of the Company assessed that cash and cash equivalents, Bank balances other than cash and cash equivalent, trade receivables, trade payables, short term borrowings, 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 Fair values of the Company's non convertible debentures including current maturities are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk. The own non-performance risk as at 31 March 2021 was assessed to be insignificant.

ii Fair values of the liability component of compulsory convertible debentures determined by using DCF method using discount rate that reflects the borrowing rate as at the end of the reporting period. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk. The own non-performance risk as at 31 March 2021 was assessed to be insignificant.

30 Fair value hierarchy

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table provides the fair value measurement hierarchy of the assets and liabilities of the Company :-

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

		31 March 2021		31 March 2020	
	Level of fair value measurement	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities not measured at fair value					
Measured at amortised cost					
Long-term borrowings					
Non convertible debentures	Level 3	6,080	6,340	6,447	6,447
Compulsory convertible debentures	Level 3	1	1	1	1
Total		**6,081**	**6,341**	**6,448**	**6,448**

There were no transfers between levels of fair value measurement during the years ended 31 March 2021 and 31 March 2020.

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial liabilities not measured at fair value			
Non convertible debentures	Level 3	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Compulsory convertible debentures	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)

31 Financial Risk Management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a various sub committees that advises on financial risks and the appropriate financial risk governance framework for the Company. These committees provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company'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 Company'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 and deposits..

The sensitivity analyses in the following sections relate to the position as at 31 March 2021. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are all constant as at 31 March 2021.

Interest rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk primarily from the external borrowings that are used to finance their operations. The Company also monitors the changes in interest rates and actively re finances its debt obligations to achieve an optimal interest rate exposure.

Interest Rate Sensitivity

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 Company has fixed interest rate bearing external borrowing and hence not exposed to interest rate risk.

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 Company does not have any foreign currency exposures as on 31 March 2021. In case of foreign currency exposures, the Company monitors that the hedges do not exceed the underlying foreign currency exposure. The Company does 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 Company is 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 Company sought to reduce counterparty credit risk under long-term contracts in part by entering into power sales contracts with utilities or other customers of strong credit quality and we monitor their credit quality on an on going basis.
The maximum credit exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying amount of all the financial assets.

Trade Receivables

Customer credit risk is managed basis established policies of Company, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly

The Company has state utilities/government entities as it's customers with high credit worthiness, therefore, the Company does not see any significant risk related to credit. The credit quality of the customers other than state utilities/government entities is evaluated based on their credit ratings and other publicly available data.

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

Set out below is the information about the credit risk exposure on the Company’s trade receivables using a provision matrix:

As at 31 March 2021

	Trade receivables (days past due)				
	0 - 6 months*	**6 -12 months**	**12 -18 months**	**> 18 months**	**Total**
Gross carrying amount	898	94	21	50	**1,063**
Expected credit loss	4	0	10	12	**26**

As at 31 March 2020

*Including trade receivables amount not yet due

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

The Company rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind and solar power plants and related assets. The Company's non-recourse financing is designed to limit default risk and is a combination of fixed and variable interest rate instruments. 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. 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 Company based on contractual undiscounted payments:

Year ended 31 March 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (other than preference shares)						
Non convertible debentures*	-			3,540	6,268	9,808
Compulsory convertible debentures	-	-	-	-	1	1
Short term borrowings						
Loans from related party	47	-	-	-	-	47
Other financial liabilities						
Current maturities of long term borrowings*	-	141	789	-	-	930
Interest accrued but not due on borrowings	-	32	-	-	-	32
Capital Creditors	37	3	-	-	-	40
Trade payables						
Trade payables	288	53	-	-	-	341

* Including future interest payments.

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

Year ended 31 March 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (other than preference shares)						
Non Convertible Debentures*	-	-	-	3,622	7,155	10,777
Compulsory convertible debentures	-	-	-	-	1	1
Short term borrowings						
Loans from related party	678	-	-	-	-	678
Other financial liabilities						
Current maturities of long term borrowings*	-	148	790	-	-	938
Interest accrued but not due on borrowings	-	54	-	-	-	54
Capital Creditors	37	3	-	-	-	40
Trade payables						
Trade payables	306	53	-	-	-	359

* Including future interest payments.

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(Amounts in INR millions, unless otherwise stated)

32 Significant accounting judgments, estimates and assumptions

The preparation of 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 Company 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 Company. 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 Company 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, Company is depreciating the assets bases on life as determined by an expert.

During the period, as a part of its annual exercise of review of estimates, the Company conducted an operational efficiency review of its solar plants. The Company engaged with an expert for the review of useful life, salvage value and estimate for decommissioning liability. Basis the study, the expected useful life of solar power plants has been revised from 25 years to 35 years with a residual value of 5% at the end of useful life. Further, though there are no contractual obligation, the Company has considered a constructive obligation, being a green energy company with its commitment towards environment, and provided for decommissioning costs expected to be incurred at the end of respective useful life of plants. These changes have been considered as change in estimate as per Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) and have been accounted for prospectively with effect from 1st October 2020. The impact of above changes in income statement current and future periods is as follows:

Particulars	**For the year ended**	**For the year ended**		
Impact on Financial statement Profit and Loss	**31-Mar-21**	**31-Mar-22**	**31-Mar-23**	**31-Mar-24**
Decrease in depreciation expense	(67)	(134)	(134)	(134)
Increase in finance costs	1	3	3	3
Increase in Deferred tax expense	17	33	33	33
Impact on Financial statement Balance sheet				
Increase in Property, plant and equipment	112	246	380	514
Increase in liablity for decommissioning costs	46	49	52	55
Increase in deferred tax liablity	17	50	83	116

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 29 and 30 for further disclosures.

Provision for decommissioning

Upon the expiration of the life of the wind and solar power plants, the Company considers a constructive obligation to remove the wind and solar power plant and restore the land. The Company records the fair value of the liability for the obligation to retire the asset in the period in which the obligation is incurred, which is generally when the asset is constructed. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to decommission the power projects from the site and the expected timing of those costs. Refer note 15 for further disclosures.

Provision for expected credit losses of trade receivables

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

The provision matrix is initially based on the Company’s historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The information about the ECLs on the Company’s trade receivables and contract assets is disclosed in Note 31.

33 Capital management

For the purpose of the capital management, capital includes issued equity capital, compulsorily convertible debentures, compulsorily convertible preference shares, Securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's management is to maximise the shareholder value.

The Company manages its 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings and other payables, less cash and short-term deposits. The Company systematically evaluates opportunities for managing its assets including that of buying new assets, partially or entirely sell existing assets and potential new joint ventures. Crystallisation of any such opportunity shall help the Company in improving the overall portfolio of assets, cash flow management and shareholder returns.

The policy of the Company 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 Company is between 3:1 to 4:1.

In order to achieve this overall objective, the capital management of the Company, 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 years ended 31 March 2021 and 31 March 2020.

34 Commitments Liabilities and Contingencies
(to the extent not provided for)

(i) Contingent liabilities
At 31 March 2021, the Company has contingent liabilities of INR Nil (31 March 2020: Nil)

(ii) Commitments:
Estimated amount of contracts remaining to be executed on capital account and not provided for
At 31 March 2021, the Company has no capital commitment pertaining to commissioning of solar energy projects. (31 March 2020: INR Nil).

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

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

Particulars	As at 31 March 2021	As at 31 March 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year/period	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

36 There are no employees on the rolls of the company and therefore no employee benefit expense accrued in the financial statements.

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

38 Due to outbreak of COVID-19 in India, the Company has continued its 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 an essential service as emphasised by the Ministry of Home Affairs and Ministry of Power, Government of India and which is granted "Must Run" status by Ministry of New and Renewable Energy (MNRE), the management believes that the impact of outbreak on the business and financial position of the company is not significant.

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

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: 2021.06.28 22:16:20 +05'30'

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 28 June 2021

For and on behalf of the ReNew Akshay Urja Limited

RAHUL JAIN
Digitally signed by RAHUL JAIN
Date: 2021.06.28 22:00:00 +05'30'

Managing Director
(Rahul Jain)
DIN- 07641891
Place: Gurugram
Date: 28 June 2021

GAURAV WADHWA
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Date: 2021.06.28 20:52:28 +05'30'

Director
(Gaurav Wadhwa)
DIN- 07641926
Place: Gurugram
Date: 28 June 2021

MANISH KARAMCHANDANI
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Date: 2021.06.28 20:49:28 +05'30'

Chief Financial Officer
(Manish Karamchandani)

Place: Gurugram
Date: 28 June 2021

R SAI KRISHNAN
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Date: 2021.06.28 20:47:01 +05'30'

Company Secretary
(Sai Krishnan Rajagopal)
Membership No.: 28212
Place: Gurugram
Date: 28 June 2021