

Greenko Mauritius
Issuer of US\$435 Million 6.25% Senior Notes due 2023

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Financial Statements for the period April 1, 2022 to September 30, 2022

Greenko Energy Holdings (Parent Guarantor)

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GREENKO ENERGY HOLDINGS
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

GREENKO ENERGY HOLDINGS
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Independent Auditors' Report on Review of Interim Financial Statements

To the directors of Greenko Energy Holdings

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Greenko Energy Holdings ("the Group") as at 30 September 2022, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six month period then ended, and notes to the condensed consolidated interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with IAS 34, Interim Financial Reporting. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 September 2022 is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting.

KPMG
Ebène, Mauritius

Imtiaz Ajeda
Licensed by FRC

Date: 22 December 2022

Greenko Energy Holdings*(All amounts in US Dollar millions unless otherwise stated)***Condensed consolidated statement of financial position**

		As at 30 September 2022	As at 31 March 2022
	Notes		
Assets			
Non-current assets			
Property, plant and equipment	6	4,662.38	4,843.33
Intangible assets and goodwill	7	1,060.15	1,164.51
Equity-accounted investees		189.51	152.12
Trade receivables	8	81.54	-
Bank deposits	10	117.23	30.13
Derivative financial assets	17	357.16	391.20
Other investments		0.34	0.34
Other receivables		14.53	15.24
		6,482.84	6,596.87
Current assets			
Inventories		11.01	10.82
Trade receivables	8	609.77	672.54
Other receivables		39.06	34.78
Derivative financial assets		146.52	38.17
Other investments		0.08	0.09
Bank deposits	10	460.43	80.77
Taxation receivable		7.01	8.92
Cash and cash equivalents	9	185.24	356.82
		1,459.12	1,202.91
Total assets		7,941.96	7,799.78
Equity and liabilities			
Equity			
Share capital	11	2,437.31	2,437.31
Currency translation reserve		(903.34)	(481.50)
Other reserves		(2.76)	(2.76)
Retained earnings/ (deficit)		(2.46)	(154.41)
Equity attributable to owners of the Company		1,528.75	1,798.64
Non-controlling interests		12.27	11.95
Total equity		1,541.02	1,810.59
Liabilities			
Non-current liabilities			
Borrowings	12	3,972.21	3,797.79
Retirement benefit obligations		6.05	6.34
Other financial liabilities		232.87	234.61
Deferred tax liabilities, net		533.88	555.00
Trade and other payables		17.20	15.17
Lease liabilities		12.78	14.01
		4,774.99	4,622.92
Current liabilities			
Borrowings	12	1,251.57	1,028.83
Trade and other payables		258.49	238.85
Other financial liabilities		105.13	95.91
Lease liabilities		1.00	1.28
Taxation payable		9.76	1.40
		1,625.95	1,366.27
Total liabilities		6,400.94	5,989.19
Total equity and liabilities		7,941.96	7,799.78

The explanatory notes are an integral part of these condensed consolidated interim financial statements.

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Condensed consolidated statement of profit or loss and other comprehensive income

	Notes	Six months ended 30 September 2022	Six months ended 30 September 2021
Revenue	13	461.50	453.63
Other operating income		1.73	0.67
Cost of material and power generation expenses		(34.86)	(35.00)
Employee benefits expense		(15.68)	(14.30)
Other operating expenses		(21.44)	(18.90)
Impairment loss on trade receivables		(7.77)	(12.20)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		383.48	373.90
Depreciation and amortisation	6&7	(111.24)	(115.93)
Operating profit		272.24	257.97
Finance income		41.99	11.42
Finance costs		(157.13)	(163.00)
		157.10	106.39
Share of profit from equity-accounted investees		37.39	15.29
Profit before tax		194.49	121.68
Income tax expense		(42.21)	(40.17)
Profit for the period		152.28	81.51
Profit for the period attributable to:			
Owners of the Company		151.96	80.54
Non – controlling interests		0.32	0.97
		152.28	81.51
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(421.85)	(45.96)
Total other comprehensive income		(421.85)	(45.96)
Total comprehensive income		(269.57)	35.55
Total comprehensive income attributable to:			
Owners of the Company		(269.89)	34.58
Non-controlling interests		0.32	0.97
		(269.57)	35.55

The explanatory notes are an integral part of these condensed consolidated interim financial statements.

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Condensed consolidated statement of changes in equity
Six months ended 30 September 2022:

	Ordinary shares	Currency translation reserve	Other reserves	Retained earnings	Total attributable to owners of Company	Non- controlling interests	Total equity
At 1 April 2022	2,437.31	(481.49)	(2.76)	(154.42)	1,798.64	11.95	1,810.59
Profit for the period	-	-	-	151.96	151.96	0.32	152.28
Exchange differences on translating foreign operations	-	(421.85)	-	-	(421.85)	-	(421.85)
Total comprehensive income	-	(421.85)	-	151.96	(269.89)	0.32	(269.57)
At 30 September 2022	2,437.31	(903.34)	(2.76)	(2.46)	1,528.75	12.27	1,541.02

Six months ended 30 September 2021:

	Ordinary shares	Currency translation reserve	Other reserves	Retained earnings	Total attributable to owners of Company	Non- controlling interests	Total equity
At 1 April 2021	2,255.16	(326.02)	(2.76)	(80.89)	1,845.49	14.39	1,859.88
Profit for the period	-	-	-	80.54	80.54	0.97	81.51
Exchange differences on translating foreign operations	-	(45.96)	-	-	(45.96)	-	(45.96)
Total comprehensive income	-	(45.96)	-	80.54	34.58	0.97	35.55
At 30 September 2021	2,255.16	(371.98)	(2.76)	(0.35)	1,880.07	15.36	1,895.43

The explanatory notes are an integral part of these condensed consolidated interim financial statements.

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Condensed consolidated statement of cash flows

	Notes	Six months ended 30 September 2022	Six months ended 30 September 2021
A. Cash flows from operating activities			
Profit before income tax expense		194.49	121.68
<i>Adjustments for</i>			
Depreciation and amortisation		111.24	115.93
Finance income		(41.99)	(11.42)
Finance costs		157.13	163.00
Impairment loss on trade receivables		7.77	12.20
Share of profit from equity-accounted investees		(37.39)	(15.29)
<i>Changes in working capital</i>			
Inventories		(0.99)	(1.42)
Trade and other receivables		(83.87)	(224.60)
Trade and other payables		(2.26)	(38.33)
<i>Cash generated from operations</i>		304.13	121.75
Taxes paid, net		(5.18)	(4.00)
Net cash from operating activities		298.95	117.75
B. Cash flows from investing activities			
Purchase of property, plant and equipment and capital expenditure		(211.97)	(147.45)
Consideration paid for acquisitions made by subsidiaries		(2.06)	(6.37)
Proceeds from sale of Mutual funds		(0.24)	-
Investment in Equity-accounted investees		-	(15.40)
Advances given to equity-accounted investees		-	(3.63)
Amounts refunded by equity-accounted investees		-	0.04
Bank deposits		(491.51)	16.17
Interest received		4.92	4.13
Net cash used in investing activities		(700.86)	(152.51)
C. Cash flows from financing activities			
Proceeds from borrowings	12.6	799.80	292.34
Repayment of borrowings	12.6	(349.26)	(303.89)
Payment of lease liabilities	12.6	(1.19)	(1.03)
Interest paid		(135.98)	(171.40)
Premium paid on derivative contracts		(47.68)	(37.82)
Net cash from/ (used in) financing activities		265.69	(221.80)
Net decrease in cash and cash equivalents		(136.22)	(256.56)
Cash and cash equivalents at the beginning of the period		356.82	558.63
Exchange losses on cash and cash equivalents		(35.36)	(3.80)
Cash and cash equivalents at the end of the period		185.24	298.27

The explanatory notes are an integral part of these condensed consolidated interim financial statements.

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Notes to the condensed consolidated interim financial statements

1. General information

Greenko Energy Holdings (“the Company” or “Parent”) is a company domiciled in Mauritius and registered as a company limited by shares under company number C130988 pursuant to the provisions of the Mauritius Companies Act 2001. The registered office of the Company is at 33, Edith Cavell Street, Port Louis, Mauritius. The Company was incorporated on 12 June 2015.

The principal activity of the company is that of investment holding.

The Company together with its subsidiaries are in the business of owning and operating clean energy facilities in India. All the energy generated from these plants is sold to state utilities, captive consumers, direct sales to private customers and other electricity transmission and trading companies in India through a mix of long-term power purchase agreements (“PPA”), short-term power supply contracts and spot markets of energy exchanges. The Group holds licence to trade up to 4,000 million units of electricity per annum in the whole of India. The Group is also a part of the Clean Development Mechanism (“CDM”) process and generates and sells emissions reduction benefits such as Certified Emission Reductions (“CER”) and Renewable Energy Certificates (“REC”).

The Company together with its subsidiaries hereinafter referred to as “the Group”.

2. Basis of preparation

The condensed consolidated interim financial statements for the six months ended 30 September 2022 are presented in US Dollar millions. The condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) “Interim Financial Reporting” and do not include all the information required in annual financial statements in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2022.

The condensed consolidated interim financial statements have been prepared for the purpose of complying with financial reporting requirements under the indentures governing the Senior Notes issued by its wholly subsidiaries. Greenko Energy Holdings is the Parent Guarantor for Senior Notes. The financial information for the period from 1 April 2022 to 30 September 2022 and 1 April 2021 to 30 September 2021 are unaudited and have been reviewed. The comparatives as at 31 March 2022 are audited and have been extracted from the audited consolidated financial statements for the year ended 31 March 2022.

3. Significant accounting policies

The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the Group’s last audited annual financial statements for the year ended 31 March 2022. The presentation of the condensed consolidated interim financial statements is consistent with the audited consolidated financial statements.

4. Use of estimates and judgements

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 31 March 2022.

5. Going concern

As at 30 September 2022, the Group had net current liabilities of US\$ 166.83 million (31 March 2022: US\$ 163.36 million).

The Directors have considered the financial position of the Group, its cash position, refinancing opportunities and forecast cash flows for the 12 months period from the date of these consolidated financial statements. The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue their operational existence for a foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

Greenko Energy Holdings
(All amounts in US Dollar millions unless otherwise stated)
Notes to the condensed consolidated interim financial statements
6. Property, plant and equipment

	Land	Buildings	Plant and machinery	Furniture and equipment	Vehicles	Right of use assets	Capital work-in-progress	Total
Cost								
As at 31 March 2021	102.49	356.47	4,182.70	10.58	4.28	16.94	580.71	5,254.17
Acquisition through business combination	4.25	0.07	49.04	0.00	0.00	-	10.22	63.58
Additions	6.26	46.07	133.29	3.54	1.92	15.83	381.31	588.22
Disposals/capitalisation	(2.18)	(1.19)	(9.09)	(0.21)	(0.25)	(4.13)	(171.69)	(188.74)
Exchange differences	(3.26)	(11.58)	(129.82)	(0.38)	(0.16)	(0.71)	(16.22)	(162.13)
As at 31 March 2022	107.56	389.84	4,226.12	13.53	5.79	27.93	784.33	5,555.10
Additions	3.70	-	1.44	1.01	0.44	-	247.63	254.22
Disposals	-	-	-	-	(0.04)	-	-	(0.04)
Exchange differences	(7.72)	(27.49)	(297.73)	(0.99)	(0.42)	(1.97)	(63.92)	(400.24)
At 30 September 2022	103.54	362.35	3,929.83	13.55	5.77	25.96	968.04	5,409.04
Accumulated depreciation								
As at 31 March 2021	-	45.25	503.39	6.33	2.04	2.35	-	559.36
Charge for the year	-	11.43	166.88	1.56	0.57	2.09	-	182.53
Disposals	-	(0.98)	(7.55)	(0.18)	(0.16)	(1.38)	-	(10.25)
Exchange differences	-	(1.55)	(17.96)	(0.21)	(0.07)	(0.08)	-	(19.87)
As at 31 March 2022	-	54.15	644.76	7.50	2.38	2.98	-	711.77
Charge for the period	-	5.69	80.32	0.71	0.27	1.15	-	88.14
Disposals	-	-	-	-	(0.01)	-	-	(0.01)
Exchange differences	-	(4.03)	(48.23)	(0.55)	(0.18)	(0.25)	-	(53.24)
At 30 September 2022	-	55.81	676.85	7.66	2.46	3.88	-	746.66
Net book values								
At 30 September 2022	103.54	306.54	3,252.98	5.89	3.31	22.08	968.04	4,662.38
At 31 March 2022	107.56	335.69	3,581.36	6.03	3.41	24.95	784.33	4,843.33

Certain borrowings at project level are secured against the present and future moveable and immovable assets of the project. The Group has capitalised borrowing costs amounting to US\$ 40.23 million for the six months ended 30 September 2022 (year ended 31 March 2022: US\$ 78.05 million) on qualifying assets during construction. Note 14(g) provides details of capital commitments outstanding as at 30 September 2022.

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Notes to the condensed consolidated interim financial statements

7. Intangible assets and goodwill

	Licences	Electricity PPAs	Development fees	Goodwill	Total
Cost					
As at 31 March 2021	120.41	983.65	41.93	243.38	1,389.37
Acquisition through business combination	-	16.10	-	-	16.10
Exchange differences	(3.65)	(30.15)	(1.27)	(7.38)	(42.45)
As at 31 March 2022	116.76	969.60	40.66	236.00	1,363.02
Exchange differences	(8.23)	(68.37)	(2.87)	(16.64)	(96.11)
At 30 September 2022	108.53	901.23	37.79	219.36	1,266.91
Accumulated amortisation and impairment					
As at 31 March 2021	16.44	105.60	5.02	26.57	153.63
Amortisation for the year	4.70	43.95	1.74	-	50.39
Exchange differences	(0.58)	(3.94)	(0.18)	(0.81)	(5.51)
As at 31 March 2022	20.56	145.61	6.58	25.76	198.51
Amortisation for the period	1.11	21.16	0.83	-	23.10
Exchange differences	(1.49)	(11.05)	(0.49)	(1.82)	(14.85)
At 30 September 2022	20.18	155.72	6.92	23.94	206.76
Net book values					
At 30 September 2022	88.35	745.51	30.87	195.42	1,060.15
At 31 March 2022	96.20	823.99	34.08	210.24	1,164.51

Goodwill arising on business combinations is not amortized but is tested for impairment at least annually, or more frequently if there is any indication that the cash generating unit to which goodwill is allocated is impaired.

Goodwill acquired through business combination has been allocated to each individual power generation unit as a cash generating unit ("CGU"). The recoverable amount of a CGU is determined based on value-in-use calculations. As the Group has long-term power purchase agreements with customers, these calculations use pre-tax cash flow projections prepared by management based on balance life of the project.

The Group undertook the impairment testing of Goodwill assigned to each CGU as at 31 March 2022 applying value in use approach across all the CGUs. The following were the key assumptions used in calculation of value-in-use for each cash generating unit:

- Projected revenues** - The Group has determined the revenues for the balance life of the project based on average plant load factor (PLF) and energy production study reports obtained by the Group from third party technical consultants, the existing Power Purchase Agreements (PPA) with the transmission companies and other customers. The PPA is a long-term contract with agreed price per unit of power sold and the growth rates used are consistent with those contracts. In case of short-term PPAs and open access sale agreements, the growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.
- Other operating costs** - These costs are estimated using the historical performance and plant maintenance activity. The estimates of other operating costs used in value-in-use calculations are consistent with those used in the Group's approved business plan. The growth rate applied to other operating costs fully reflects the expected operating lives of the power projects.
- Discount rates** - The discount rate used is pre-tax and reflects the specific risks associated with the respective projects and are in the range of 9.60% to 10.30%.

The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

As on 30 September 2022, there are no impairment indicators and there are no significant changes in assumptions and conditions from the impairment testing conducted as at 31 March 2022.

Greenko Energy Holdings*(All amounts in US Dollar millions unless otherwise stated)***Notes to the condensed consolidated interim financial statements****8. Trade receivables**

	30 September 2022	31 March 2022
Gross trade receivables	762.19	740.75
Less: Allowance for expected credit loss	(70.88)	(68.21)
Total trade receivables	691.31	672.54
Less: Non-current portion	81.54	-
Current portion	609.77	672.54

All trade receivables are classified as financial assets measured at amortised cost. Trade receivables include unbilled receivables aggregates US\$ 11.61 million (31 March 2022: US\$ 5.85 million) and not past due US\$ 196.87 million (31 March 2022: US\$ 112.06 million). Trade receivables that are outstanding beyond the due date are considered as past due.

The ageing of trade receivables and expected credit loss are given below:

	30 September 2022	31 March 2022
Current	208.48	117.91
1 to 6 months	99.23	127.35
6 to 9 months	52.61	102.13
9 to 12 months	76.84	52.96
Beyond 12 months	325.03	340.40
Gross trade receivables	762.19	740.75
Less: Allowance for expected credit loss	(70.88)	(68.21)
Total trade receivables	691.31	672.54

Concentration of trade receivables is significant for the Group's receivables that are due from Government (Central and State-owned entities) as only lesser portion is from corporates and private parties. The maximum exposure to credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

The Ministry of Power, Govt. of India on 03 June 2022 has issued Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 (LPS Rules) to liquidate the outstanding dues of DISCOMs. Under these LPS Rules, our customers such as Andhra Pradesh and Telangana DISCOMs have agreed to clear the overdue receivables in 12 instalments from August 2022 and Madhya Pradesh, Tamil Nadu & Karnataka DISCOMs have agreed to clear their past due receivables between 40 – 48 months from August 2022.

The Group has an allowance in place to provide for impairment of trade receivables. An Expected Credit Loss provision has been calculated on trade receivables in accordance with IFRS 9 at each reporting date using a provision matrix under the simplified approach. 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, ageing, current conditions and forecasts of future economic conditions and adjusted for forward looking information. The movements on the allowance for expected credit losses of trade receivables is shown below:

	30 September 2022	31 March 2022
As at the beginning of the period/year	68.21	39.06
Charge for the period / year	7.77	27.58
Exchange differences	(5.10)	1.57
Closing as at the end of period/year	70.88	68.21

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Notes to the condensed consolidated interim financial statements

9. Cash and cash equivalents

	30 September 2022	31 March 2022
Cash on hand	0.32	0.33
Cash at bank	184.92	356.49
	185.24	356.82

Cash at bank of the Group includes US\$ 62.59 million (31 March 2022: US\$ 36.28 million) in currencies other than INR (i.e., in US\$, GBP, SGD and EURO).

10. Bank deposits

The Group holds balances in deposit accounts with banks. All fixed deposits with original maturity of more than three months and less than 12 months amounting to US\$ 460.43 million (31 March 2022: US\$ 80.77 million) are classified as 'bank deposits' under current assets. Deposits with original maturity date beyond 12 months from the reporting date amounting to US\$ 117.23 million (31 March 2022: US\$ 30.13 million) are disclosed under non-current assets. Bank deposits aggregating to US\$ 211.02 million (31 March 2022: US\$ 55.34 million) given as security against borrowings and guarantees.

Bank deposits include US\$ 14.05 million (31 March 2022: US\$ 14.05 million) in currencies other than INR (i.e., in US\$).

11. Share capital

	30 September 2022	31 March 2022
Issued and fully paid with no par value		
1,160,546,129 (31 March 2022: 1,088,146,129) Class A shares	2,437.31	2,437.31
7,044,000 (31 March 2022: 7,044,000) Class B2 Performance shares	0.00	0.00
Total	2,437.31	2,437.31

Shareholders holding Class A ordinary shares are entitled to dividends as declared from time to time. Holders of Class A shares are entitled to one vote per share at the general meetings of the Company.

Class B2 performance shares are not entitled to dividends and are also not entitled for voting rights. Further Class B2 performance shareholders are not entitled to participate in the net assets on liquidation of the Company.

- During May 2019 (as amended in March 2021) the Company had entered into definitive agreements ("Amended and Restated Rights Issue Deed") with its shareholders Cambourne Investment Pte Limited, Green Rock B 2014 Limited and Greenko Ventures Limited for subscription of 404,628,335 Class A ordinary shares at subscription price contemplated in Amended and Restated Rights Issue Deed subject to fulfilment of certain conditions. Cambourne Investment Pte Limited and Green Rock B 2014 Limited have subscribed to 176,500,000 rights shares till 30 September 2022.
- During May 2019, the Company granted a right to subscribe 101,634,576 warrant shares to Greenko Ventures Limited ("GVL") at any time during the warrant period at the warrant price contemplated in warrant deed entered between the shareholders of the Company. GVL has subscribed to 32,311,786 warrant shares till 30 September 2022.

Greenko Energy Holdings*(All amounts in US Dollar millions unless otherwise stated)***Notes to the condensed consolidated interim financial statements****12. Borrowings**

The carrying amount of Group's borrowings, net of unamortised transaction costs/issue expenses, is as follows:

	30 September 2022	31 March 2022
Non-current – Financial liabilities measured at amortised cost		
Term loans from banks	51.95	115.02
Term loans from financial institutions	371.34	338.29
3.85% Senior Notes {Refer Note 12.5 (a)}	865.33	878.84
4.875% Senior Notes {Refer Note 12.5 (b)}	-	496.46
5.55% Senior Notes {Refer Note 12.5 (c)}	496.06	495.28
5.95% Senior Notes {Refer Note 12.5 (c)}	529.61	528.99
4.30% Senior Notes {Refer Note 12.5 (e)}	918.27	944.91
5.50% Senior Notes {Refer Note 12.5 (f)}	739.65	-
	3,972.21	3,797.79
Current – Financial liabilities measured at amortised cost		
Term loans from banks	181.21	437.06
Term loans from financial institutions	23.58	27.02
6.25% Senior Notes {Refer Note 12.5 (d)}	434.35	433.50
3.85% Senior Notes {Refer Note 12.5 (a)}	28.20	28.20
4.30% Senior Notes {Refer Note 12.5 (e)}	50.00	45.00
4.875% Senior Notes {Refer Note 12.5 (b)}	497.72	-
Working capital loans	36.51	58.05
	1,251.57	1,028.83
Total borrowings	5,223.78	4,826.62

12.1 Term loans from banks and financial institutions mature over the financial years 2023 to 2040 and carries interest rate in the range of 8.25% to 13.70%.

12.2 Term loans from banks and financial institutions are secured against first charge by way of hypothecation of all immovable properties including plant and machinery and all other movable properties both present and future of respective subsidiary. Some of the loans are also secured by pledge of shares of subsidiaries and corporate guarantees within the Group. Working capital loans are secured by trade receivables. Additionally, the borrowings are also secured by lien on bank deposits amounting to US\$ 131.64 million (31 March 2022: US\$ 24.42 million).

12.3 The carrying amounts of the Group's borrowings are denominated in the following currencies:

	30 September 2022	31 March 2022
Indian Rupee (INR)	664.59	975.44
US Dollar (US\$)	4,559.19	3,851.18
	5,223.78	4,826.62

12.4 The carrying amounts of the Group's borrowings are denominated in the following nature:

	30 September 2022	31 March 2022
Fixed rate of interest	4,988.14	3,829.31
Variable rate of Interest	235.64	1,016.81
	5,223.78	4,846.12

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Notes to the condensed consolidated interim financial statements

12 Borrowings (continued)

12.5 Notes and Senior Notes

- a) In July 2017, Greenko Dutch B.V., raised funds to the tune of US\$350.00 million and US\$650.00 million by issuing 4.875% and 5.25% US\$ Senior Notes respectively from institutional investors. These notes were refinanced by Greenko Dutch B.V. on 29 March 2021 through issuance of 3.85% US\$ Senior Notes to the tune of US\$940.00 million with maturity on 29 March 2026 (the Senior Notes) and listed these Senior Notes on Singapore Exchange Securities Trading Limited (SGX-ST). Greenko Dutch B.V. invested earlier issue proceeds in non-convertible debentures of certain Indian subsidiaries. For this purpose, Greenko Dutch B.V. is duly registered as a Foreign Portfolio Investor under the Indian law. The interest on the Senior Notes is payable on a semi-annual basis in arrears along with 1.5% of mandatory amortisation redemption on semi-annual basis. The Senior Notes are secured by corporate guarantee of the Company and pledge of shares of Greenko Dutch B.V. owned by Greenko Mauritius. Non-convertible debentures issued to Greenko Dutch B.V. by Indian subsidiaries are secured by pledge of assets of those subsidiaries through an Indian trustee. Further, as per the terms of the senior notes, Greenko Dutch B.V. has an option for early redemption subject to the conditions specified in the instrument.
- b) Greenko Investment Company ("Greenko Investment"), a subsidiary of Greenko Mauritius, raised funds to the tune of US\$500.00 million by issuing 4.875% US\$ Senior Notes (the Senior Notes) to institutional investors in August 2016. The Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). Greenko Investment invested issue proceeds, net of issue expenses, in non-convertible debentures of certain Indian subsidiaries. For this purpose, Greenko Investment is duly registered as Foreign Portfolio Investor under the Indian law. The interest on the Senior Notes is payable on a semi-annual basis in arrears and the principal amount is payable on 16 August 2023. The Senior Notes are secured by corporate guarantee of the Company and pledge of shares of Greenko Investment owned by Greenko Mauritius. Further, the assets of Indian subsidiaries have been pledged to secure non-convertible debentures by Indian subsidiaries through an Indian trustee.
- c) In July 2019, Greenko Solar (Mauritius) Limited ("GSML"), raised funds of US\$500.00 million and US\$535.00 million by issuing 5.55% and 5.95% US\$ Senior Notes (the Senior Notes) respectively from institutional investors. The interest on the Senior Notes is payable on a semi-annual basis in arrears and the principal amount is payable on 29 January 2025 and 29 July 2026 respectively. These Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). In accordance with the terms of the issue and as permitted under law, Greenko Solar (Mauritius) Limited invested issue proceeds, net of issue expenses, in non-convertible debentures of certain Indian subsidiaries to enable repayment of existing Rupee debt. For this purpose, Greenko Solar (Mauritius) Limited is duly registered as a Foreign Portfolio Investor under the Indian law. The Senior Notes are secured by corporate guarantee of the Company and pledge of shares of Greenko Solar (Mauritius) Limited owned by Greenko Mauritius. Non-convertible debentures issued to Greenko Solar (Mauritius) Limited by Indian subsidiaries are secured by pledge of assets of those subsidiaries through an Indian trustee. Further, as per the terms of the senior notes, the Company has an option for early redemption subject to the conditions specified in the instrument.
- d) In August 2019, Greenko Mauritius, raised funds of US\$435.00 million by issuing 6.25% US\$ Senior Notes (the Senior Notes) from institutional investors. The Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). In accordance with the terms of the issue and as permitted under law, Greenko Mauritius has utilised the issue proceeds, net of issue expenses, for repayment of existing debt of Greenko Mauritius and certain existing indebtedness of Indian subsidiaries. The interest on the Senior Notes is payable on a semi-annual basis in arrears and the principal amount is payable on 21 February 2023. Further, as per the terms of the senior notes, the Company has an option for early redemption subject to the conditions specified in the instrument. The Group has secured refinancing facilities for repayment of these Senior Notes.
- e) In December 2021, Greenko Power II Limited ("GPIL"), raised funds to the tune of US\$1,000.00 million by issuing 4.30% US\$ Senior Notes due 2028 (the Senior Notes) from institutional investors for repayment of existing Rupee debt of certain Indian operating subsidiaries. The interest on the Senior Notes is payable on a semi-annual basis in arrears along with structured mandatory amortisation redemption on semi-annual basis. These Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). The Senior Notes are secured by corporate guarantee of the Company and pledge of shares of GPIL owned by Wind Power Projects (Mauritius) Ltd. Rupee Denominated Bonds issued to GPIL by Indian subsidiaries are secured by pledge of assets of those subsidiaries through an Indian trustee. Further, as per the terms of the senior notes, the Company has an option for early redemption subject to the conditions specified in the instrument.

Greenko Energy Holdings*(All amounts in US Dollar millions unless otherwise stated)***Notes to the condensed consolidated interim financial statements****12 Borrowings (continued)****12.5 Notes and Senior Notes (continued)**

- f) On 06 April 2022, Greenko Wind Projects (Mauritius) Ltd, raised funds to the tune of US\$ 750 million by issuing 5.50% US\$ Senior Notes due 2025 from institutional investors for repayment of existing project rupee debt and for further capital expenditure in relation to the standalone pumped storage project being developed by Greenko AP01 IREP Private Limited. The interest on the Senior Notes is payable on a semi-annual basis in arrears. These Senior Notes are listed on Singapore Exchange Securities Trading Limited (SGX-ST). The Senior Notes are secured by corporate guarantee of the Company. Non-convertible debentures issued to Greenko Wind Projects (Mauritius) Ltd by Greenko AP01 IREP Private Limited are secured by pledge of assets of Greenko AP01 IREP Private Limited through an Indian trustee. Further, as per the terms of the senior notes, the Company has an option for early redemption subject to the conditions specified in the instrument.

12.6 Reconciliation of liabilities arising from financing activities:

	As at 1 April 2022	Proceeds during the year	Repayment during the year	Non-cash changes		As at 30 September 2022
				Foreign Exchange movements	Transaction costs/ accrued	
Borrowings	4,826.62	799.80	(349.26)	(59.55)	6.17	5,223.78
Lease liabilities	15.29	-	(1.19)	(1.02)	0.70	13.78

	As at 1 April 2021	Proceeds during the year	Repayment during the year	Additions through business combinations	Non-cash changes		As at 31 March 2022
					Foreign Exchange movements	Transaction costs/ accrued	
Borrowings	4,846.12	1,365.34	(1,411.62)	45.63	(43.60)	24.75	4,826.62
Lease liabilities	7.18	9.41	(2.12)	-	(0.42)	1.24	15.29

13. Revenue

The Group derives revenue from generation and sale of electricity. Revenues from sale of renewable energy certificates and generation based incentives are arising as a part of generation and supply of electricity.

	30 September 2022	30 September 2021
Sale of power	441.12	433.11
Sale of renewable energy certificates	1.72	-
Generation based incentive	18.66	20.52
	461.50	453.63

All the power generation facilities of the Group are located in India and earn its revenues from customers located in India. The Group deals in a single type of product i.e. power which is sold directly to customers, largely to Government (State utilities), within India under long-term power purchase agreements (PPA).

The Group has identified supply of power over the term of PPA as a single performance obligation and revenue is recognised over time for units of power supplied in accordance with terms of PPA. There are no separate pending performance obligations as at the balance sheet to which a portion of the transaction price needs to be allocated.

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Notes to the condensed consolidated interim financial statements

13. Revenue (continued)

Breakdown of revenue by source of generation is given below:

	30 September 2022	30 September 2021
Revenue from wind assets	270.89	293.39
Revenue from solar assets	99.69	101.91
Revenue from hydropower assets	90.92	58.31
Revenue from others	-	0.02
Total	461.50	453.63

Breakdown of revenue by concentration is given below:

	30 September 2022	30 September 2021
Revenue from Government bodies	377.50	392.63
Revenue from Private parties	84.00	61.00
Total	461.50	453.63

Revenue is mainly derived from customers A and B who has contributed for more than 10% of total revenue of the Group and they account for 22.31% (30 September 2021: 23.39%) and 10.74% (30 September 2021: 8.57%) respectively.

14. Commitments and contingencies

The commitments and contingencies of the Group are:

- a) A few of the Group's power generating units in India have income tax disputes, indirect tax disputes, cess and water tax disputes with the tax authorities. The Group has appealed against the orders at appropriate levels and has received favourable orders in few cases. The tax authorities have appealed against these orders. Based on assessment of these claims, the management is confident of ultimate favourable outcome. The amount involved in these claims are US\$ 20.49 million (31 March 2022: US\$ 19.66 million).
- b) Greenko Budhil Hydro Power Private Limited (Greenko Budhil), one of the subsidiaries of the Company, had received demand notices aggregating to US\$ 5.73 million (31 March 2022: US\$ 6.16 million) from various government authorities in relation to duty drawback and common costs for transmission lines for the period November 2011 to May 2012. Greenko Budhil has contested these demands at various levels. Pending disposal of these matters, based on internal assessment and based on legal opinion, the Group is confident of favourable outcomes in these matters. Further, the promoters/erstwhile seller-shareholders are responsible and obligated to the Group to settle these disputes.

Greenko Budhil, one of the subsidiaries of the Company, terminated Power Purchase Agreement (PPA) entered with PTC India Limited (PTC). Haryana Power Generation Corporation Limited (HPGCL), the ultimate beneficiary (as PTC entered into a power supply agreement with HPGCL), disputed the termination. HPGCL approached the Haryana Electricity Regulatory Commission (HERC) seeking inter alia that (i) the termination of the PPA to be declared illegal and invalid and (ii) that both the Greenko Budhil and PTC be directed to comply with their obligations qua HPGCL ("HPGCL Petition"). Appellate Tribunal for Electricity (APTEL) has held that HERC does not have jurisdiction over the dispute. HPGCL and PTC both have challenged the decision of APTEL separately with Hon'ble Supreme Court of India. Appeals have been admitted by Hon'ble Supreme Court. The matter is pending with Hon'ble Supreme Court for hearing. Based on the facts and based on the legal opinion of an independent counsel, the Group is confident of a favourable outcome in this matter. Further, the promoters/erstwhile seller-shareholders are responsible and obligated to the Group to settle this liability, if any.

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Notes to the condensed consolidated interim financial statements

14 Commitments and contingencies (continued)

- c) Himachal Sorang Power Private Limited (HSPPL) has entered into a Bulk Power Transmission Agreement (BPTA) with Power Grid Corporation of India Limited (PGCIL) for power transmission. HSPPL would bear its share of applicable transmission charges as agreed in consideration for long term open access. Due to force majeure events in the year 2015, the commercial operations were not started by HSPPL. PGCIL has filed a petition on 14 February 2017, with the Central Electrical Regulatory Commission ("CERC") for recovery of transmission charges amounting to US\$ 3.59 million as on 31 January 2017 towards its claim for transmission charges and CERC vide its order dated 26 September 2017 held that PGCIL is entitled to recover its demand. HSPPL filed an appeal before Appellate Tribunal for Electricity (APTEL) against CERC order dated 26 September 2017 and the matter is pending with APTEL. During the pendency of the said Appeal, PGCIL raised a revised demand of US\$ 8.20 million vide its letter / notice dated 15 November 2018. Aggrieved by the said letter /notice of PGCIL, HSPPL filed an application in the appeal seeking stay of main order dated 26 September 2017 and seeking directions to PGCIL not take any coercive steps against HSPPL. APTEL vide orders dated 30 November 2018, 18 December 2018 and 21 December 2018 directed PGCIL not to take any coercive steps against HSPPL until further orders. Appeal is pending for hearing before APTEL.

HSPPL has given a letter to PGCIL for relinquishment of BPTA on 21 October 2017 and the relinquishment was granted on 31 October 2017. Further PGCIL has issued a notice on 30 December 2019 for demanding US\$ 5.41 million towards its claim for relinquishment charges. HSPPL has filed the appeal with APTEL and the matter is pending with APTEL. In similar appeal filed by another long-term customer of PGCIL, APTEL vide its order dated 28 February 2020 held that invoices would be raised only after determination of the petition before the CERC and notice given to appellant should not consider as invoice/demand. Based on the facts and events and based on the legal opinion of an independent counsel, the management believes that the Group has a strong case and outflow of economic resources is not probable in both the cases with PGCIL.

- d) During the previous year, Everest Power Private Limited (EPPL), one of the subsidiaries of the Company, has received demand notices aggregating to US\$ 8.86 million from Himachal Pradesh Power Transmission Corporation Limited (HPPTCL) towards common charges for transmission of power for the period from December 2019 to November 2021. EPPL has contested these demands at Himachal Pradesh Electricity Regulatory Commission (HPERC) as HPPTCL charged for 100% capacity of transmission line instead of proportionate share of EPPL.

HPERC in August 2021 directed HPPTCL to approach the CERC to ascertain the nature of the transmission line and the same is pending with CERC. During pendency of the above issue, HPERC passed an order dated 27 November 2021, which is contrary to its own order dated 10 August 2021 and directed EPPL to pay 35% of demand raised by HPPTCL. Aggrieved by the said order, EPPL filed a Writ Petition before the High Court of Himachal Pradesh (HPHC) and HPHC vide its order dated 10 December 2021 stayed the order of HPERC subject to submission of a bank guarantee for US\$ 0.61 million and the same has been complied with. The matter is pending before HPHC. Pending disposal of these matters, based on internal assessment and based on legal opinion, the Group is confident of favourable outcome in this matter. Further, transmission charges are reimbursable from customer i.e. Punjab State Power Corporation Limited under the terms of long-term power purchase agreement.

- e) The Group have acquired private lands for setting up wind and solar power plants. In certain cases, these acquisitions have been challenged on grounds such as unauthorised encroachment, inadequate compensation, seller not entitled to transact and/or consideration has not been paid to all legal/ beneficial owners. In these cases, the Group has not received any demand for additional payment and these cases are pending at District Court/High Court Level. The management believes that the Group have a strong case on merits and outflow of economic resources is not probable.
- f) In addition to matters mentioned above, the Group is subject to claims and litigations which have arisen in the ordinary course of business. Based on facts, hearings, evidences and based on legal assessments, the management believes that outflow of economic resources are not probable against these claims and litigations.

g) Capital commitments

Capital expenditure contracted for as at 30 September 2022 but not yet incurred aggregated to US\$ 1,066.54 million (31 March 2022: US\$ 999.78 million).

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Notes to the condensed consolidated interim financial statements

15. Other disputes

(a) Receivables from APDISCOM

During the financial year 2019-20, the Government of Andhra Pradesh vide Government Order (GO) dated 1 July 2019 constituted a High Level Negotiating Committee for review and negotiation of tariff for all wind and solar energy projects in the state of Andhra Pradesh. The Southern Power Distribution Company of Andhra Pradesh Limited ("APDISCOM") had issued unilateral notices on 12 July 2019 for all wind and solar companies having Power Purchase Agreements ("PPAs") with APDISCOM for arbitrary reduction of PPA tariffs to Rs. 2.44 per unit from original agreed tariffs in the range of Rs. 4.70 to Rs. 4.84 per unit. Indian Wind Power Association and several Wind and Solar Generating companies including certain subsidiaries of the Group having PPAs with APDISCOM had approached the Hon'ble High Court of Andhra Pradesh ("AP HC").

The AP HC, vide its final judgement dated 15 March 2022, has directed the APDISCOM to release all the pending payments at the rate mentioned in the PPA within a period of six weeks from the order date. APDISCOM has filed a special leave petition ("SLP") in the Supreme Court of India against the AP HC's order which is yet to be adjudicated. APDISCOM had filed an application before the Hon'ble APHC seeking extension of time for payment of dues.

In the meantime, the Ministry of Power, Govt. of India dated 03 June 2022 has issued Electricity, (Late Payment Surcharge and Related Matters) Rules, 2022 (LPS Rules) for clearance of outstanding dues by DISCOMs in India. APDISCOM vide its letters dated 4 August 2022 has informed the subsidiaries of the Group to settle the outstanding dues (subject to certain reconciliation) upto May 2022 in 12 instalments from August 2022. In accordance with the same, the Group has received 5 instalments till December 2022. The Management is confident of recovery of total outstanding dues.

(b) Receivables from GUVNL

Certain subsidiaries of the Group ("Wind SPVs") had entered into long term power purchase agreement ("PPA") with Gujarat Urja Vikas Nigam Limited ("GUVNL"). These Wind SPVs have been supplying power under PPAs to GUVNL and collecting dues on a timely manner up to 31 October 2018.

However, GUVNL has held back payments for the billing period from 01 November 2018 till 14 October 2019 to the Wind SPVs on account of certain outstanding dues by other Infrastructure Leasing and Financial Services Limited group entities ("IL&FS Group") to GEB Provident Fund Trust. GUVNL is the administrator of GEB Provident Fund Trust. These Wind SPVs were part of IL&FS Group upto 14 October 2019. The total dues outstanding for the period from 01 November 2018 to 14 October 2019 is US\$ 22.27 million. These Wind SPVs entities were neither the guarantor nor the party to the transactions between other IL&FS Group entities and GEB Provident Fund Trust since beginning. Orix Corporation, Japan has acquired 51% stake of these entities on 15 October 2019 from IL&FS Group (Prior to 15 October 2019, Orix Corporation has held 49% shareholding). GUVNL has started releasing payments for supply of power from 15 October 2019 onwards i.e. from the date of ceasing to be part of IL&FS Group.

These Wind SPVs, as part of IL&FS Group, had filed applications with Gujarat Electricity Regulatory Commission ("GERC") on 8 April 2019 to recover the outstanding dues withheld by GUVNL. However, in the case of one of the SPVs, GERC vide its order dated 8 July 2019 dismissed the application filed on the grounds that GERC cannot entertain the application in view of the pending proceedings before National Company Law Appellate Tribunal ("NCLAT"), being the regulator for Insolvency and Bankruptcy Code ("IBC") proceeding of IL&FS Group and directed the applicant to approach NCLAT. These Wind SPVs accordingly preferred applications with NCLAT on 27 August 2019 stating that any set off of the dues by GUVNL is in violation of an earlier interim order by NCLAT on 15 October 2018 in relation to the IL&FS Group pending proceedings. The NCLAT vide order dated 26 September 2019, had directed GUVNL to release the amounts due to these Wind SPVs by 23 October 2019.

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Notes to the condensed consolidated interim financial statements

15. Other disputes (continued)

(b) Receivables from GUVNL (continued)

Meanwhile, ORIX Corporation has acquired 51% shareholding of these Wind SPVs on 15 October 2019 from IL&FS Group. Since the applications by these Wind SPVs filed at NCLAT were prior to the Orix Corporation acquisition, in view of the subsequent development the NCLAT has on 23 October 2019, allowed the withdrawal of the said application as these entities ceased to be part of IL&FS Group from 15 October 2019 with the liberty to approach the appropriate forum as per law. Accordingly, an appeal has been filed by one of the Wind SPV with Appellate Tribunal For Electricity (APTEL) in New Delhi on 9 December 2019 against the GERC order dated 8 July 2019 to recover the outstanding dues withheld by GUVNL. The subsequent hearings at APTEL and GERC are in progress.

Based on the Group's assessment and legal view obtained in this matter, considering the fact that there is no basis for GUVNL not to comply with its contractual obligation to pay the bills for supply of power and legal grounds referred by NCLAT vide its order dated 26 September 2019, management is the view that amounts unilaterally withheld by GUVNL are legally not tenable and is confident of obtaining a favourable order for recovery of the outstanding amounts.

16. Related-party transactions

- a) Cambourne Investment Pte Limited, an affiliate of GIC Private Limited ("GIC") is considered as the Holding Company of the Group and GIC is the Ultimate Holding Company. Abu Dhabi Investment Authority ("ADIA") and Orix Corporation, Japan held the shareholding of 14.32% and 20.20%, respectively as on 30 September 2022. Further, Greenko Ventures Limited, GVL Management Services Limited and Horizontes Capital Partners Limited, in which Anil Kumar Chalamalasetty and Mahesh Kolli (Non-Executive Directors) have a beneficial interest, holds 8.42% shareholding of the Company as on 30 September 2022.
- b) The following transactions were carried out with related parties:

Key management compensation

	30 September 2022	31 March 2022
Short-term employee benefits		
Mr. Om Prakash Bhatt	0.13	0.25
Mr. Kunnasagaran Chinniah	0.04	0.08
Mr. Nassereddin Mukhtar Munjee	0.04	0.08
Mr. Mark Gainsborough	0.04	0.07
	0.25	0.48

Ace Urban Infocity Limited, entity in which Non-Executive Directors have beneficial ownership:

	30 September 2022	31 March 2022
Corporate office lease rent	1.15	1.55
Trade payables	0.74	0.38

Greenko Energy Holdings*(All amounts in US Dollar millions unless otherwise stated)***Notes to the condensed consolidated interim financial statements****17. Fair value measurement of financial instruments****Fair value hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

30 September 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Other investments	0.08	-	0.34	0.42
Derivative financial assets	-	503.68	-	503.68
Financial liabilities:				
Measured at amortised cost				
Fixed rate borrowings (including current)	3,915.68	429.07	-	4,344.75
Floating rate borrowings (including current)	-	235.64	-	235.64
Other financial liabilities	-	-	338.00	338.00

31 March 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Measured at fair value				
Other investments	0.09	-	0.34	0.43
Derivative financial assets	-	429.37	-	429.37
Financial liabilities:				
Measured at amortised cost				
Fixed rate borrowings (including current)	3,783.93	712.06	-	4,495.99
Floating rate borrowings (including current)	-	263.38	-	263.38
Other financial liabilities	-	-	330.52	330.52

The carrying amounts reported in the condensed consolidated statement of financial position for cash and cash equivalents, bank deposits, trade and other receivables, trade and other payables approximate their respective fair values.

The Group's finance team performs valuations of financial instruments for financial reporting purposes in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

Greenko Energy Holdings*(All amounts in US Dollar millions unless otherwise stated)***Notes to the condensed consolidated interim financial statements****17. Fair value measurement of financial instruments (continued)**

The valuation techniques used for financial instruments categorised in Level 1,2,3 are described below:

Derivative financial assets

The Group entered into forward options and contracts to mitigate the foreign currency risks for debt investments in India. The derivative asset associated with these contracts are recognised at fair value at inception. Subsequent changes to the fair value of the financial asset from the date of inception till 30 September 2022, have been charged to profit or loss.

The fair value estimate has been determined using Black-Scholes model considering inputs that include other than quoted prices of similar assets/industry that are indirect observables like interest rates, yield curves, implied volatilities and credit spreads.

The following table gives details in respect of the notional amount (instruments underlying amount) of outstanding foreign exchange derivative contracts.

Instrument	Currency	Cross currency	Notional amount as at 30 September 2022	Notional amount as at 31 March 2022	Fair value as at 30 September 2022	Fair value as at 31 March 2022
Forward contracts and options	US\$	INR	3,957.50	3,207.50	503.68	429.37

Other investments:

The fair values of investments in mutual fund units (debt instruments) is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

Other financial liabilities:

Other financial liabilities consists of premium payable on forward contracts and options. Financial liability towards premium payable is initially measured at fair value and are subsequently measured at amortised cost using the effective interest method. Contractual undiscounted cash flows and maturities of premium payables are disclosed in note 18.3.

Borrowings:

The fair value of long-term borrowings having floating rate of interest approximate the carrying amount of those loans as there was no significant change in the Group's own credit risk during the current period/year.

The fair value of Senior notes for disclosure purpose is estimated using bond valuation method and the yield curve of the instrument listed on Singapore Stock Exchange (Refer note 12.5). The valuation model considers the present value of expected payment, discounted using risk-adjusted discount rate based on market yield curve.

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Notes to the condensed consolidated interim financial statements

18. Financial risk management

The Group's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The financial instruments of the Group, other than derivatives, comprise borrowings, cash and cash equivalents, bank deposits, trade and other receivables, other investments, trade and other payables and lease liabilities.

18.1 Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated into: a) Foreign exchange risk and b) Interest rate risk

a) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The operations of the Group are conducted in functional currency of its subsidiaries. The Indian entities having INR as functional currency has no significant transactions in currency other than INR. The Group's foreign exchange risk arises from debt investments made in Indian operations. Consequently, the Group uses derivative financial instruments such as foreign exchange options and forward contracts to mitigate the risk of changes in foreign currency exchange rates. Refer note 17 for derivative financial instruments.

The translation of INR subsidiaries into US\$ for the consolidated financial statements of Group is only for the purpose of converting the financial statements into presentation currency and the currency differences are taken to OCI. This does not impact the Group's cash flow and does not expose the Group to foreign exchange risk.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group has no significant variable interest-bearing assets other than investment in bank deposits, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group considers the impact of fair value interest rate risk on investments in bank deposits are not material. The Group's interest rate risk arises from borrowings. A significant portion the Group's borrowing carries fixed rate of interest, however, as these debts are carried at amortised cost, there is no fair value interest rate risk to the Group. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The interest rate profile of the Group's interest bearing borrowings are given in note 12.

A reasonably possible change of variable interest rates on borrowings by 50 basis points higher or lower, the post-tax profit/loss for the period would have been lower or higher by US\$ 0.81 million. This analysis assumes that all other variables remain constant.

Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

Notes to the condensed consolidated interim financial statements

18. Financial risk management (continued)

18.2 Credit risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities primarily for trade receivables, and from its financing activities, including deposits with banks, trade and other financial assets. The carrying amount's of financial assets represent the maximum credit exposure.

Trade receivables

The Group's credit risk arises from trade receivable balances on sales to customers. In respect of trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty (non-government) or any group of counterparties having similar characteristics. Significant portion of the Group's revenue is derived from sales to state owned utilities and corporations under long-term power purchase agreements and hence, potential risk of default by the State utilities is remote. The Group also has lesser portion of trade receivables due from private parties. The Group is paid monthly by the customers for electricity sales. The Group assesses the credit quality of the purchaser based on its financial position and other information. The Group also establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade receivables. (Refer Note 8 for details of trade receivables and expected credit losses).

Other financial assets/ derivative assets

Financial instruments that are subject to concentrations of credit risk, principally consist of cash and cash equivalents, bank deposits, derivative financial assets, investments, receivables from equity accounted investees and security deposits.

Credit risk on cash and cash equivalents, bank balances, bank deposits and derivative assets are limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Given the high credit ratings of these banks and financial institution, the Group does not expect these banks and financial institutions to fail in meeting their obligations and hence the expected credit loss is not material.

Credit risk arising from investment in mutual funds (debt instruments) is limited and there is no collateral held against these because the counterparties are recognised financial institutions with high credit ratings assigned by the various credit rating agencies. The investments in mutual funds are valued at market price prevailing at reporting date which represents the fair value.

The fair value of derivative instruments are accounted for based on the difference between the contractual price and the current market price. The fair value of these derivative instruments are the indicative amounts that the Group is expected to receive or pay to terminate the swap counterparties at the reporting date.

18.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and maintaining adequate credit facilities.

In respect of its existing operations, the Group funds its development activities primarily through long-term loans secured against each power plant with appropriate equity contribution. The Group's objective in relation to its existing operating business is to maintain sufficient funding to allow the plants to operate at an optimal level and to ensure sufficient liquidity to meet liabilities when they are due.

The Group intends to be acquisitive in the immediate future. In respect of each acquisition, the Group prepares a model to evaluate the necessary funding required. The Group's strategy is to primarily fund such acquisitions by assuming debt in the acquired companies. In relation to the payment towards equity component of companies to be acquired, the Group ordinarily seeks to fund this by the injection of external funds by debt or equity. The Group has identified a large range of acquisition opportunities which it is continually evaluating and which are subject to constant change.

Greenko Energy Holdings*(All amounts in US Dollar millions unless otherwise stated)***Notes to the condensed consolidated interim financial statements****18. Financial risk management (continued)****18.3 Liquidity risk (continued)**

In respect of its overall business, the Group therefore does not, at the current time, maintain any overall liquidity forecasts. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The Group manages their liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities and the data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below.

The amounts disclosed in the table represent the maturity profile and are the contractual undiscounted cash flows.

As at 30 September 2022:

	Carrying value	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings						
- Principal	5,223.78	1,257.17	247.23	2,954.77	806.01	5,265.18
- Interest	-	223.08	221.77	330.68	129.49	905.02
Trade and other payables*	267.75	260.73	0.03	6.99	-	267.75
Lease liabilities	13.78	2.27	2.65	7.95	7.97	20.84
Other financial liabilities	338.00	105.71	88.73	137.74	22.72	354.90
Total	5,843.31	1,848.96	560.41	3,438.13	966.19	6,813.69

* Trade and other payables that are not financial liabilities (deferred income) amounting to US\$ 7.94 million are not included in maturity profile of contractual cashflows.

As at 31 March 2022:

	Carrying value	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Borrowings						
- Principal	4,826.62	1,031.84	706.95	2,250.22	872.57	4,861.58
- Interest	-	218.09	200.63	353.13	159.00	930.85
Trade and other payables*	245.33	238.85	0.04	6.44	-	245.33
Lease liabilities	15.29	2.46	2.73	8.20	11.24	24.63
Other financial liabilities	330.52	96.30	77.01	147.20	30.26	350.77
Total	5,417.76	1,587.54	987.36	2,765.19	1,073.07	6,413.16

* Trade and other payables that are not financial liabilities (deferred income) amounting to US\$ 8.69 million are not included in maturity profile of contractual cashflows.

The entities forming part of the group, generate their own independent cash flows and while determining projected net cash flows, management used certain assumptions based on its current and future operations. The projected cash flows of these entities are based on the capacity utilisation and net cash generated from the existing projects, technical report for wind, hydro and solar and long-term power purchase agreements entered for the projects which in the process of commencement of commercial operations.

The net cash flows expected to be generated from the projects shall be sufficient to meet the Group's operating and finance costs for the next 12 months. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

19. Subsequent events

There have been no material events after the period end which would require adjustments to the condensed consolidated interim financial statements for the period ended 30 September 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with, and is qualified in its entirety by reference to, (i) the Condensed Consolidated Interim Financial Statements and the related notes thereto of Greenko Energy Holdings ("Parent Guarantor") and (ii) the Condensed Combined Interim Financial Statements and the related notes thereto of Greenko Dutch B.V. ("Restricted Group I"), Greenko Investment Company ("Restricted Group II"), Greenko Solar (Mauritius) Limited ("Restricted Group III") and Greenko Power II Limited ("Restricted Group IV") and Greenko Wind Projects (Mauritius) Limited (Restricted Group V).

Overview

We are one of the leading independent owners and operators of clean energy projects in India.

As of 30 September 2022, our portfolio of wind, solar and hydro assets consisted of 5,299.3 MW, comprising 24 operational hydropower projects with a total installed capacity of 589.4 MW, 58 operational wind energy projects with a total installed capacity of 3,172.0 MW and 53 operational solar energy projects with a total installed capacity of 1,537.9 MW.

We are developing Standalone Pump Storage Projects (SPSP) with a total capacity of 43 GWh/day across four states of India. Currently, the Pinnapuram SPSP of 10.8 GWh/day in the state of Andhra Pradesh is under construction and three projects, each in the states of Karnataka, Madhya Pradesh and Rajasthan, are in the pre-construction phase with a total capacity of 33 GWh/day. The SPSPs are expected to be connected to the national grid forming a cloud storage network and providing access to services which help harness the power of solar and wind resources with digitally connected storage infrastructure to provide scheduled and flexible power. The Pinnapuram SPSP is expected to be completed and become operational by end of 2023.

We are holding 34.31% shareholding of Teesta Urja Limited ("TUL"). TUL owns and operates a 1,200 MW hydropower project in the state of Sikkim. In the twelve months ended March 31, 2022 ("FY2022"), the project generated 6,246 GWh of power.

Factors Affecting our Results of Operations

Impact of Weather and Seasonality

Weather conditions can have a significant effect on our power generating activities. The profitability of a wind energy project is directly correlated with wind conditions at the project site. Variations in wind conditions occur as a result of fluctuations in wind currents on a daily, monthly and seasonal basis and, over the long term, as a result of more general changes in climate. In particular, wind conditions are generally tied to the monsoon season in India and are impacted by the strength of each particular monsoon season. The monsoon season in India runs from June to September and we generate approximately 60.0% of our annual production of wind power energy during this period. The wind performance of wind energy projects in different areas of India are correlated to a certain extent, as at times weather patterns across the whole of India are likely to have an influence on wind patterns and, consequently, on revenues generated by wind energy projects across the whole of India.

Hydroelectric power generation is dependent on the amount of rainfall, snow melt and glacier melt in the regions in which our hydropower projects are located, which vary considerably from quarter to quarter and from year to year. Our hydropower projects in the Himachal Pradesh, Uttarakhand and Sikkim northern clusters are dependent on rainfall, snow melt and glacier melt. Our hydropower projects in the Karnataka southern cluster are situated on rivers that are primarily monsoon-dependent and are expected to run at full capacity during the four-month wet season, which is usually from June to September, and generate negligible amounts of power during the remaining period of the year. Any reduction in seasonal rainfall, snow melt or glacier melt or change from the expected timing could cause our hydropower projects to run at a reduced capacity and therefore produce less electricity, impacting our profitability. Conversely, if hydrological conditions are such that too much rainfall occurs at any one time, water may flow too quickly and at volumes in excess of a particular hydropower project's designated flood levels, which may result in shutdowns. Where rainfall levels are in the normal range in terms of overall quantum for the year but a substantial portion is concentrated for a shorter period of time, our hydropower projects will generate less power in the course of the year and consequently, this will impact the revenues derived from our hydropower projects. The performance of each of our projects is measured by its average plant load factor ("PLF"), which is the project's actual generation output as a percentage of its installed capacity over a period of time.

Unlike the resources for our wind energy projects and hydropower projects which are concentrated in specific regions and sensitive to the monsoon season, solar power generation is viable across India throughout most of the year as India ranks among the highest irradiation-receiving countries in the world. The energy output performance of our solar energy projects is dependent in part on the amount of sunlight and the ambient temperatures. As a result, our revenue in the past has been impacted by rains and sunlight. Our solar energy output decreases in monsoon seasons due to less sunlight whereas it increases during winter and summer months. Typically, our revenue is the lowest from June to September and highest from January to March of any given fiscal year.

We are also subject to the effects of the weather on demand for electricity in India and consequently, our results of operations are affected by variations in general weather conditions. Generally, demand for electricity peaks in winter and summer. Typically, when winters are warmer than expected and summers are cooler than expected, demand for energy is lower than forecasted. Significant variations from normal weather where our projects are located could have a material impact on our results of operations to the extent we are not protected from exposures to variation in demand through long-term contracts.

Significant Recent Growth

We have significantly expanded our installed base of operational projects. In recent years, we have made a number of acquisitions to increase the total generating capacity of our projects, with a focus on acquiring operational and advanced construction projects near our existing and upcoming project clusters. We have also developed and are continuing to develop a number of projects. Our rapid growth makes it difficult to compare our consolidated results from period to period.

The following table sets forth the capacity of our operational projects as of 30 September 2022 and 30 September 2021:

	As of 30 September 2022 Capacity (MW)	As of 30 September 2021 Capacity (MW)
Operational projects	5,299.3*	5,187.6*

* excluding our stake in Teesta Urja Limited.

In October 2021, we commissioned the commercial operations of a hydropower project with an operational capacity of 100 MW.

In the six months ended September 30, 2022 and September 30, 2021, we generated 7,711.9 GWh, 7,433.6 GWh of power, respectively.

As our business has grown, we have increased our expenditures on general and administrative functions necessary to support this growth and support our operations. As part of our efforts to reduce risks in our business, although we currently outsource the operations and maintenance of our OEM turbines to suppliers, we are also actively developing in-house skills concurrently to oversee and back-up the operations and maintenance of our wind energy turbines, a model which is different from that generally adopted by our competitors.

A key driver of our results of operations is our ability to bring new projects into commercial operation successfully. As of September 30, 2022, we had wind, solar and hydro operational projects with a combined installed capacity of 5,299.3 MW. We successfully commissioned one hydropower project having 100 MW operational capacity in the month of October 2021. We are constructing four Standalone Pump Storage Projects with a total capacity of 43 GWh/day across four states of India with national grid connectivity. Our under-construction projects also include interests in two hydropower projects and one wind energy project having a combined licensed capacity of 106.5 MW. Our under-active development projects include interests in eight hydropower projects having a combined licensed capacity of 417.0 MW. Our operating results will, in part, depend upon our ability to transition these projects into commercial operations in accordance with our existing construction budgets and schedules.

Operation of Our Projects

Our results of operations are materially influenced by the degree to which we operate our projects in order to achieve maximum generation volumes. We intend to achieve growth by improving the availability and capacity of our projects while minimizing planned and unplanned project downtime. The number and length of planned outages, undertaken in order to perform necessary inspections and testing to comply with industry regulations and to permit us to carry out any maintenance activities, can impact operating results. When possible, we seek to schedule the timing of planned outages to coincide with periods of relatively low demand for power at the relevant project. Likewise, unplanned outages can negatively affect our operating results, even if such outages are covered by insurance.

In addition, when we purchase turbines, our contracts with suppliers typically include comprehensive O&M service for a period of five to seven years (with free service, in some cases, for the first two years), a warranty in respect of the turbines for a minimum period of two years from the earlier of the date of commissioning or the date of supply, a power curve guarantee which assures optimum operational performance of the turbines as well as a guaranteed performance commitment in the form of a minimum availability guarantee of 97% during the wind season which assures the turbines' availability to generate electricity for a specified percentage of the time with liquidated damages calculated by way of revenue loss subject to a cap.

Power Purchase Agreements

One of the key factors which affects our results of operations is our ability to enter into long-term PPAs for our generated power, thereby enhancing the security and long-term visibility of our revenues and limiting the impact of market price variability on our revenues. Almost all of our generated power is sold under PPAs to State and Central Government utilities, industrial and commercial consumers and captive consumers. While these PPAs reduce exposure to volatility in the market price for power, the predictability of our operating results and cash flows vary by project based on the negotiated terms of these agreements, in particular the tariffs.

Our diversified mix of revenue streams balance certainty in revenue and upside potential to underpin a certain level of revenue growth. Our existing revenue model offers strong earnings visibility as a majority of our PPAs are based on FITs, with further upside from direct third party sales through our PPAs with commercial off-takers linked to commercial tariff escalations and inflation as well as future merchant sales.

Capital Expenditure Costs

Demand for qualified labor and components in our industry have increased over the last few years. This has led to increases in the costs of construction and maintenance of power generation projects. Capital expenditure is necessary to construct, maintain and/or improve the operating conditions of our projects and meet regulatory and prudential operating standards. Future costs will be highly dependent on the cost of components and availability of contractors that can perform the necessary work to construct, maintain and/or improve our projects, as well as changes in laws, rules and regulations which could require us to make capital improvements to our projects.

Exchange Rate Fluctuations

The condensed consolidated interim financial statements and the condensed combined interim financial statements are presented in U.S. dollars. However, the functional currency of our operating subsidiaries in India is Indian Rupees and they generate revenues and incur borrowings in Indian Rupees. In addition, as the equity or debt raised outside India from holding companies is always in foreign currency, presentation of currency translation issues in the profit and loss account of the Parent Guarantor and the Restricted Groups arise, which results in distorted figures of profits or losses depending upon cross-currency issues of U.S. dollar and the Indian Rupee. Accordingly, the results of operations of the Parent Guarantor and the Restricted Groups will be impacted by the strength of the U.S. dollar as measured against the Indian Rupee due to translational effects. To the extent that the Indian Rupee strengthens or weakens against the U.S. dollar, the Parent Guarantor's consolidated and the Restricted Group's combined results of operations presented in U.S. dollars will improve or decline, respectively. In addition, we have made borrowings denominated in U.S. dollars in respect of which we are exposed to foreign currency exchange risk. The results of operations of the Parent Guarantor and the Restricted Groups may be affected if there is significant fluctuation among those currencies.

Government Policies and Initiatives

We depend in part on government policies and initiatives that support clean energy and enhance the economic feasibility of developing clean energy projects. For several years, India has adopted policies and subsidies actively supporting clean energy. Although we do not directly receive government subsidies, preferential tariffs for clean energy have been established in many states, ranging from approximately Rs. 2.50/kWh to Rs. 7.01/kWh. In addition, the Generation Based Incentive (“GBI”) scheme, which provides an incremental incentive of Rs. 0.5/kWh capped at Rs. 10 million per MW, was reinstated in April 2013 for new wind energy projects commissioned on or by March 31, 2017. For solar energy, the tariff is generally determined through a competitive bidding process.

These regulatory initiatives have contributed to demand for clean energy generally and therefore for power generated by our clean energy projects. Regulations also contribute to the revenue received for the power our projects generate. The support for clean energy has been strong in recent years, and the Government of India has periodically reaffirmed its desire to sustain and strengthen that support with a target to achieve 175 GW and 160GW in commissioned solar and wind projects respectively by FY2022. Furthermore, at the recent 2021 United Nations Climate Change Conference, the Government of India pledged to achieve net zero by 2070. Additional regulatory requirements could contribute to increases in demand for clean energy and/or to increases in power prices. For example, the aim of the Government of India is for 62% of India’s energy requirements to be derived from renewable energy sources by FY2030 and the Renewable Purchase Obligation (“RPO”) is one of the regulatory measures implemented to ensure the achievement of this goal.

To this end, distribution companies of a state, open access consumers and captive consumers are obligated to purchase a certain percentage of their power from renewable sources under the RPO rules. Further, the distribution companies are also obligated to purchase a certain percentage of their power from hydropower sources under the HPO rules, which can be met through purchase of power through SPSPs.

The Ministry of Power pursuant to the order dated January 29, 2021, regularised Hydro Power Obligation (“HPO”) in which it revised the trajectory of non-solar renewable purchase obligations (“RPOs”) with the objective to add 30,000 MW of hydropower capacity by the year 2029-2030. The HPO is expected to go up to 2.82% by 2029-2030. In case DISCOMs are unable to meet these HPO obligations, they will be required to purchase the corresponding amount of Hydro Energy Certificates (“HEC”) capping price of Rs. 5.50 per unit of electrical energy with effect from March 8, 2019 to March 31, 2021 and with annual escalation of 5% thereafter for compliance.

A failure to continue, extend or renew the several regulatory incentives and programs currently in place in India could have a material adverse impact on our business, results of operations, financial condition and cash flows.

Financing Requirements

Energy project development and construction are capital intensive. We incur costs and expenses for the purchase of turbines, land, feasibility studies and construction and other development costs. As a result, our ability to access financing is crucial to our growth strategy. While we expect to fund the construction and development of our projects with a combination of cash flows from operations and debt and equity financing, our ability to arrange for such financing remains subject to factors affecting the macro-economic environment.

Principal Statement of Profit or Loss and Other Comprehensive Income Items

The following is a brief description of the principal line items that are included in the statement of profit or loss and other comprehensive income in the condensed consolidated interim financial statements and condensed combined interim financial statements.

Revenue

Our revenue consists of the sale of power, the sale of renewable energy certificates (“RECs”) and GBI.

Revenue from the sale of power is dependent on the amount of power generated by our projects and is recognized on the basis of the number of units of power exported in accordance with joint meter readings undertaken with transmission companies at the rates prevailing on the date of export as determined by the PPA, feed-in tariff policy or market rates as applicable less the wheeling and banking charges applicable, if any.

Claims for delayed payment charges and other claims, if any, are recognized as per the terms of PPAs only when there is no uncertainty associated with the collectability of such claims.

Revenues from sale of RECs and GBIs arise as part of generation and supply of electricity. Revenue from sale of RECs is recognized after registration of the project with central and state government authorities, generation of power and execution of a contract for sale through recognized energy exchanges in India. Revenue from GBI is recognized based on the number of units exported and if the eligibility criteria is met in accordance with the guidelines issued by regulatory authority for GBI Scheme. Electricity, REC and GBI are treated as joint products, as they are generated simultaneously.

Other Operating Income

Other operating income refers to income from activities other than normal business operations and includes profit or loss on sale and disposal of assets and exchange difference in foreign currency-denominated current accounts.

Cost of Material and Power Generation Expenses

Cost of material and power generation expenses generally include the consumption of stores and spares, operation and maintenance expenses, insurance costs and plant-related direct expenses.

Employee Benefits Expense

Employee benefits expense comprises salaries and wages, employee welfare expenses, contributions towards defined contribution plans and a group gratuity plan with Life Insurance Corporation of India and compensation for employee absences.

Other Operating Expenses

Other operating expenses include office administration, rent, travelling expenses, professional charges, communication, internet, stationery, rates and taxes.

Impairment Loss on Trade Receivables

In accordance with IFRS 9, we have implemented the expected credit loss (“ECL”) model for measurement and recognition of impairment loss on financial assets. Financial assets at amortized cost include trade receivables including unbilled receivables, other receivables, security deposits, bank deposits and cash and cash equivalents.

Allowance for ECL has been calculated in line with requirements under IFRS 9. Our trade receivables have no significant financing component, so we have used the simplified method for providing for these under IFRS 9. Therefore, the impairment loss is measured at lifetime ECL. An impairment analysis was performed at each reporting date using a provision matrix to measure ECL and adjusted for forward looking information. 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, ageing, current conditions and forecasts of future economic conditions.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when we determine that the debtor does not have assets or sources of income that could generate sufficient cash flows or intention to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under our recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Impairment of Non-Financial Assets

Assets that have an indefinite useful life, for example, goodwill, are not subject to amortisation and are tested for impairment annually or more frequently when there is an indication that the asset may be impaired. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of the money and risk specific to the asset or cash-generating unit.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Excess of Our Interest in the Fair Value of Acquiree’s Assets and Liabilities over Cost

Excess of our interest in the fair value of acquiree’s assets and liabilities over cost represents value which we gained in an acquisition due to our bilateral negotiations and also on account of seller’s exit from operations resulted into gain.

Depreciation and Amortization

Depreciation in value of tangible assets

Property, plant and equipment is stated at historical cost, less accumulated depreciation and any impairment. Freehold land is not depreciated. Historical cost includes expenditure that is directly attributable to the acquisition of the items and borrowing costs during the construction period. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to us and the cost of the item can be measured reliably. All repairs and maintenance expenditure are charged to statement of profit or loss during the period in which they are incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Asset Category	Useful Life
Buildings	25-40 years
Plant and machinery	15-36 years
Furniture, fixtures and equipment	5-10 years
Vehicles	5-10 years

Amortization and impairment in value of intangible assets

Intangible assets acquired individually, with a group of other assets or in a business combination are carried at cost less accumulated amortization and any impairment. The intangible assets are amortized over their estimated useful lives in proportion to the economic benefits consumed in each period. The estimated useful lives of the intangible assets are as follows:

Asset Category	Useful Life
Licenses	14-40 years
Development fee	25 years
PPAs	5-33 years

Finance Income

Finance income comprises of interest on bank deposits, dividend from units of mutual funds, foreign exchange gain on financing activities and fair value gain on derivative contracts.

Finance Costs

Finance costs comprise interest on borrowings, bank charges, loan restructuring costs, finance cost on derivative instruments and fair value loss on derivative contracts. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

Share of Profit/(Loss) from Equity-Accounted Investees

Share of profit/(loss) from equity-accounted investees represents our share of profit or loss attributable to the entities for which we hold a minority interest.

Income Tax Expense

Taxation represents the provision of income tax for our subsidiaries in India towards current and deferred taxes. Substantially all of our operations are based in India and are taxable as per Indian Income Tax Act, 1961. Majority of our Indian subsidiaries qualify for deduction from taxable income under section 80-IA of the Indian Income Tax Act, 1961. The exemption is only available to the projects completed on or before 31 March 2017. The tax holiday period under the Indian Income Tax Act is for 10 consecutive tax assessment years out of a total of 15 consecutive tax assessment years from the tax assessment year in which commercial operations commenced. However, these subsidiaries are still liable for Minimum Alternate Tax which is calculated on the book profits of the relevant subsidiary.

Results of Operations

Six Months Ended September 30, 2022 Compared to Six Months Ended September 30, 2021

Revenue

Our revenue increased by US\$7.9 million, or 1.7%, to US\$461.5 million in the six months ended September 30, 2022 from US\$453.6 million in the six months ended September 30, 2021. Generation increased by 3.7% to 7,711.9 GWh in the six months ended September 30, 2022 from 7,433.6 GWh in the six months ended September 30, 2021. The capacity of our operational projects increased from 5,187.6 MW as at September 30, 2021 to 5,299.3 MW as at September 30, 2022. The tables below set forth the breakdown of our revenue for the indicated periods by type and asset class.

	Six months ended 30 September 2022	Six months ended 30 September 2021
	(US\$ in millions)	
Revenue	441.1	433.1
Sale of renewable energy certificates	1.7	-
Generation Based Incentive	18.7	20.5
Installed capacity at beginning of period (MW)	5,187.6	4,224.1
Installed capacity at end of period (MW)	5,299.3	5,187.6
Generation (GWh)	7,711.9	7,433.6
	Six months ended 30 September 2022	Six months ended 30 September 2021
	(US\$ in millions)	
Revenues from wind energy projects	270.9	293.4
Revenues from hydropower projects	90.9	58.3
Revenues from solar projects	99.7	101.9
Total	461.5	453.6

Revenue from wind energy projects decreased by US\$22.5 million, or 7.7%, to US\$270.9 million in the six months ended September 30, 2022 compared to US\$293.4 million in the six months ended September 30, 2021. The capacity of our operational wind energy projects was 3,172.0 MW as at September 30, 2022 and September 30, 2021. Our wind power projects delivered an average PLF of 32.0% in the six months ended September 30, 2022 compared to 32.4% in the six months ended September 30, 2021. Decrease in revenue from wind projects in U.S. dollar terms is primarily on account of average USD/INR exchange rate for six months ended September 30, 2022 being higher than the average USD/INR exchange rate for September 30, 2021.

Revenue from solar projects marginally decreased by US\$2.2 million, or 2.2%, to US\$99.7 million in the six months ended September 30, 2022 compared to US\$101.9 million in the six months ended September 30, 2021. The capacity of our operational solar energy projects increased to 1,537.9 MW as at September 30, 2022 compared to 1,447.9 MW as at September 30, 2021. Our solar projects delivered an average PLF of 23.1% in the six months ended September 30, 2022 compared to 23.3% in the six months ended September 30, 2021.

Revenue from hydropower projects increased by US\$32.6 million, or 55.9%, to US\$90.9 million in the six months ended September 30, 2022 compared to US\$58.3 million in the six months ended September 30, 2021. The capacity of our operational hydropower energy projects increased to 589.4MW as at September 30, 2022 compared to 489.4 MW as at September 30, 2021. Our hydropower projects delivered an average PLF of 65.7% in the six months ended September 30, 2022 compared to 67.2% in the six months ended September 30, 2021.

In addition, we recognized GBIs (Rs. 0.50/kWh capped at Rs. 10 million/MW) for our wind energy projects pursuant to the GBI scheme which was reinstated in April 2013 and recorded revenue of US\$18.7 million in the six months ended September 30, 2022 compared to US\$20.5 million in the six months ended September 30, 2021. Revenue from GBI was in line with generation from wind projects.

Our sales of REC certificates were US\$1.7 million in the six months ended September 30, 2022. We did not have sales of REC certificates in the six months ended September 30, 2021.

Other operating income

Other operating income was US\$1.7 million in the six months ended September 30, 2022 compared to US\$0.7 million in the six months ended September 30, 2021.

Cost of material and power generation expenses

Cost of material and power generation expenses was US\$34.9 million in the six months ended September 30, 2022 compared to US\$35.0 million in the six months ended September 30, 2021. Our cost of material and power generation expenses was 7.6% of revenue in the six months ended September 30, 2022 compared to 7.7% of revenue in the six months ended September 30, 2021.

Employee benefits expense

Employee benefits expense was US\$15.7 million in the six months ended September 30, 2022 compared to US\$14.3 million in the six months ended September 30, 2021. The largest component of employee benefits expense was salaries and wages, and the increase in salaries was on account of the increase in headcount.

Other operating expenses

Other operating expenses was US\$21.4 million in the six months ended September 30, 2022 compared to US\$18.9 million in the six months ended September 30, 2021. Other operating expenses include office administration, rent against short-term leases, travelling expenses, professional charges, communication, internet, stationary, rates and taxes. Increase in other operating expenses is in line with increase in operations.

Impairment loss on trade receivables

Impairment loss on trade receivables was US\$7.8 million in the six months ended September 30, 2022 compared to US\$12.2 million in the six months ended September 30, 2021.

Depreciation and amortization

Depreciation and amortization was US\$111.2 million in the six months ended September 30, 2022 compared to US\$115.9 million in the six months ended September 30, 2021 and there was no significant movement in depreciation and amortisation cost.

Finance income

Finance income was US\$42.0 million in the six months ended September 30, 2022 compared to US\$11.4 million in the six months ended September 30, 2021 and increase is primarily from fair value gain on derivative contracts.

Finance cost

Finance costs were US\$157.1 million in the six months ended September 30, 2022 compared to US\$163.0 million in the six months ended September 30, 2021, which was primarily attributable to interest on our borrowings. We capitalized the borrowing costs of US\$40.2 million in the six months ended September 30, 2022. Decrease in finance cost attributable to refinancing of certain Indian borrowings with Senior Notes issued in December 2021 and repayments during the period.

Share of profit/(loss) from equity-accounted investees

We recognized share of profit from equity-accounted investees of US\$37.4 million in the six months ended September 30, 2022 attributable to share of profit pertaining to Teesta Urja Limited.

Profit before taxation

For the reasons discussed above, we had profit before tax of US\$194.5 million in the six months ended September 30, 2022 compared to profit before tax of US\$121.7 million in the six months ended September 30, 2021.

Income Tax Expense

Income Tax Expense was US\$42.2 million in the six months ended September 30, 2022 compared to US\$40.2 million in the six months ended September 30, 2021.

Our subsidiaries in India which are engaged in power generation benefited from a tax holiday from the standard Indian corporate tax in the six months ended September 30, 2022. The tax holiday period under the Indian Income Tax Act is for 10 consecutive tax assessment years out of a total of 15 consecutive tax assessment years from the tax assessment year in which commercial operations commenced. However, these companies are still liable for Minimum Alternate Tax which is calculated on the book profits of the relevant entity, the rate of which was 15% in the six months ended September 30, 2022 plus applicable surcharge and cess and 15% in the six months ended September 30, 2021 plus applicable surcharge and cess.

Profit for the year

As a result of the foregoing, we had profit of US\$152.3 million in the six months ended September 30, 2022 compared to profit of US\$81.5 million in the six months ended September 30, 2021.

Liquidity and Capital Resources

Overview

As of September 30, 2022, our consolidated bank deposits were US\$577.7 million and our cash and cash equivalents were US\$185.2 million. Bank deposits aggregating US\$211.0 million were restricted as of September 30, 2022.

As of September 30, 2022, we have net current liabilities position of US\$ 166.8 million (31 March 2022: US\$ 163.3 million).

Our principal financing requirements are primarily for:

- construction and development of new projects;
- maintenance and operation of projects;
- funding our working capital needs;
- potential investments in new acquisitions; and
- general corporate purposes.

We fund our operations and capital requirements primarily through cash flows from operations and borrowings under credit facilities from banks and other financial institutions, issuances of debt securities as well as equity raising at the Parent Guarantor level. We believe that our credit facilities, together with cash generated from our operations, cash from offerings of debt securities and cash from investment by our shareholders will be sufficient to finance our working capital needs for the next 12 months. We expect that cash flow from operations and our credit facilities will continue to be our principal sources of cash in the medium term.

We evaluate our funding requirements periodically in light of our net cash flow from operating activities, the progress of our various under-construction and under-active development projects, acquisition opportunities, refinancings and market conditions. We expect to incur significant capital expenditures in upcoming years as we develop and construct new projects and expand our operations.

Cash Flows

Our summarized statement of consolidated cash flows is set forth below:

Consolidated Statement of Cash Flow Information

	Six months ended 30 September, 2022	Six months ended 30 September, 2021
	(US\$ in millions)	
Consolidated Cash Flow Statement		
Net cash from operating activities	299.0	117.8
Net cash used in investing activities	(700.9)	(152.5)
Net cash from/(used in) financing activities	265.7	(221.8)
Cash and cash equivalents at the beginning of the period	356.8	558.6
Cash and cash equivalents at the end of the period	185.2	298.3

Net cash from operating activities

During the six months ended September 30, 2022, the net cash from operating activities was US\$299.0 million. This net cash inflow was primarily attributable to (i) profit before tax of US\$194.5 million and positive non-cash adjustment for finance cost of US\$157.1 million and depreciation and amortization of US\$111.2 million, (ii) a decrease in working capital of US\$87.1 million, primarily comprised of an increase in trade and other receivables of US\$83.9 million and a decrease in trade and other payables of US\$2.3 million and (iii) taxes paid of US\$5.2 million.

During the six months ended September 30, 2021, the net cash from operating activities was US\$117.8 million. This net cash inflow was primarily attributable to (i) profit before tax of US\$121.7 million and positive non-cash adjustment for finance cost of US\$163.0 million and depreciation and amortization of US\$116.0 million, (ii) a decrease in working capital of US\$264.3 million, primarily comprised of an increase in trade and other receivables of US\$224.6 million and a decrease in trade and other payables of US\$38.3 million and (iii) taxes paid of US\$4.0 million.

Net cash used in investing activities

During the six months ended September 30, 2022, our net cash used in investing activities of US\$700.9 million primarily consisted of (i) US\$212.0 million in purchase of property, plant and equipment, capital expenditure primarily relating to our projects under construction or development and settlement of project vendors, (ii) US\$491.5 million investment in bank deposits, partially offset by interest received of US\$4.9 million.

During the six months ended September 30, 2021, our net cash used in investing activities of US\$152.5 million primarily consisted of (i) US\$147.4 million in purchase of property, plant and equipment, capital expenditure primarily relating to our projects under construction or development and settlement of project vendors, (ii) US\$6.4 million in outstanding consideration paid for acquisitions made by subsidiaries and (iii) US\$3.7 million advances given to equity accounted investee, partly offset by (a) US\$16.2 million reduction of bank deposits, and (b) interest received of US\$4.1 million.

Net cash (used in)/from financing activities

During the six months ended September 30, 2022, our net cash from financing activities of US\$265.7 million was primarily attributable to US\$799.8 million from issuance of Senior Notes and certain Indian project borrowings, offset by US\$349.3 million used in repayment of borrowings, US\$136.0 million in interest paid and US\$47.7 million in premium paid on derivative contracts.

During the six months ended September 30, 2021, our net cash used in financing activities of US\$221.8 million was primarily attributable to US\$303.9 million in repayment of borrowings, US\$171.4 million in interest paid and US\$37.8 million in premium paid on derivative contracts, partly offset by US\$292.3 million of proceeds from borrowings.