

**Greenko Wind Projects (Mauritius) Limited (Restricted Group V)**

US\$ 750,000,000 5.50% Senior Notes due 2025

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**Independent Auditors' Report**

To the Board of Directors of Greenko Wind Projects (Mauritius) Ltd

**Report on the Audit of the Combined Financial Statements**

**Opinion**

We have audited the accompanying combined financial statements of the Restricted Group V which consists of Greenko Wind Project (Mauritius) Ltd ("the Company") and Greenko AP01 IREP Private Limited, entities under the common control of the Greenko Energy Holdings ("the Parent"), (collectively known as "the Restricted Group V"), which comprise the combined statement of financial position as at March 31, 2022, the combined statement of profit or loss and other comprehensive income, the combined statement of changes in net parent investment and the combined statement of cash flows for the year then ended, and the related notes, comprising significant accounting policies and other explanatory information (collectively known as the "combined financial statements"). These combined financial statements have been prepared in accordance with the basis of preparation as set out in note 3 to the combined financial statements.

In our opinion, the accompanying combined financial statements have been prepared, in all material respects, in accordance with the basis of preparation set out in Note 3 to the combined financial statements.

**Basis for opinion**

We conducted our audit in accordance with Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are independent of the Restricted Group V pursuant to the Chartered Accountants Act, 1949 or rules or regulations issued thereunder and the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the companied financial statements.

**Emphasis of Matter**

We draw attention to Note 2 and 3.1 to the combined financial statements, which describes that the Restricted Group V has not formed a separate legal group of entities during the year ended March 31, 2022, which also describes the basis of preparation, including the approach to and the purpose for preparing them. Consequently, the Restricted Group V's combined financial statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group V that would have occurred if it had operated as a separate standalone group of entities during the years presented, nor may they be indicative of the results of operations of the Restricted Group V for any future period. The combined financial statements have been prepared solely to comply with financial reporting requirements under the indenture governing the Senior Notes as described in Note 2 to the combined financial statements. As a result, the combined financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.



## **Independent Auditors' Report to the Board of Directors of Greenko Wind Projects (Mauritius) Ltd (continued)**

### **Responsibilities of Management for the Combined Financial Statements**

The Board of Directors of the Company (referred to as the "Management") is responsible for the preparation and fair presentation of these combined financial statements in accordance with basis of preparation set out in Note 3 of the accompanying notes to these combined financial statements and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these combined financial statements, management is responsible for assessing the Restricted Group V's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Restricted Group V or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the Restricted Group V's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Combined Financial Statements**

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

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

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



**Independent Auditors' Report to the Board of Directors of Greenko Wind Projects (Mauritius) Ltd  
(continued)**

**Auditors' Responsibilities for the Audit of the Combined Financial Statements (continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Restricted Group V's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Restricted Group V to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*for akasam & associates*

*Chartered Accountants*

ICAI Firm Registration Number: 005832S



**S Ravi Kumar**

*Partner*

Membership number: 028881

ICAI UDIN No.: 22028881ANTFKR8137

Place: Hyderabad

Date: 28 July 2022

# Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)

(All amounts in US Dollar millions unless otherwise stated)

## Combined statement of financial position

|                                     | Notes | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-------------------------------------|-------|------------------------|------------------------|
| <b>Assets</b>                       |       |                        |                        |
| <b>Non-current assets</b>           |       |                        |                        |
| Property, plant and equipment       | 8     | 377.76                 | 155.59                 |
| Bank deposits                       | 12    | 0.07                   | -                      |
| Investments in subsidiaries         | 9     | 0.00                   | -                      |
|                                     |       | <b>377.83</b>          | <b>155.59</b>          |
| <b>Current assets</b>               |       |                        |                        |
| Other receivables                   | 10    | 2.88                   | 2.35                   |
| Bank deposits                       | 12    | 14.61                  | -                      |
| Taxation receivable                 |       | 0.24                   | -                      |
| Cash and cash equivalents           | 11    | 155.84                 | 174.00                 |
|                                     |       | <b>173.57</b>          | <b>176.35</b>          |
| <b>Total assets</b>                 |       | <b>551.40</b>          | <b>331.94</b>          |
| <b>Equity and liabilities</b>       |       |                        |                        |
| <b>Equity</b>                       |       |                        |                        |
| Net parent investment               |       | 97.58                  | (0.69)                 |
| <b>Total equity</b>                 |       | <b>97.58</b>           | <b>(0.69)</b>          |
| <b>Liabilities</b>                  |       |                        |                        |
| <b>Non-current liabilities</b>      |       |                        |                        |
| Retirement benefit obligations      |       | 0.88                   | 0.20                   |
| Deferred income tax liabilities     |       | 0.01                   | -                      |
|                                     |       | <b>0.89</b>            | <b>0.20</b>            |
| <b>Current liabilities</b>          |       |                        |                        |
| Borrowings                          | 14    | 290.24                 | 140.85                 |
| Trade and other payables            | 13    | 9.92                   | 74.71                  |
| Borrowings from unrestricted group  | 16    | 152.77                 | 116.87                 |
|                                     |       | <b>452.93</b>          | <b>332.43</b>          |
| <b>Total liabilities</b>            |       | <b>453.82</b>          | <b>332.63</b>          |
| <b>Total equity and liabilities</b> |       | <b>551.40</b>          | <b>331.94</b>          |

The notes are an integral part of these combined financial statements.

**Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)***(All amounts in US Dollar millions unless otherwise stated)***Combined statement of profit or loss and other comprehensive income**

|                                                                                | Notes | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|--------------------------------------------------------------------------------|-------|-------------------------------------|-------------------------------------|
| Other operating expenses                                                       |       | (0.39)                              | (0.68)                              |
| <b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b> |       |                                     | <b>(0.68)</b>                       |
| Depreciation and amortisation                                                  | 8     | (0.03)                              | -                                   |
| <b>Operating loss</b>                                                          |       | <b>(0.42)</b>                       | <b>(0.68)</b>                       |
| Finance income                                                                 |       | -                                   | -                                   |
| Finance cost                                                                   |       | -                                   | -                                   |
| <b>Loss before tax</b>                                                         |       | <b>(0.42)</b>                       | <b>(0.68)</b>                       |
| Income tax expense                                                             |       | 0.04                                | -                                   |
| <b>Loss for the year</b>                                                       |       | <b>(0.38)</b>                       | <b>(0.68)</b>                       |
| <b>Other comprehensive income</b>                                              |       |                                     |                                     |
| <b>Items that will be reclassified subsequently to profit or loss</b>          |       |                                     |                                     |
| Exchange differences on translating foreign operations                         |       | (2.83)                              | (0.01)                              |
| <b>Total other comprehensive income/ (loss)</b>                                |       | <b>(2.83)</b>                       | <b>(0.01)</b>                       |
| <b>Total comprehensive income/(loss)</b>                                       |       | <b>(3.21)</b>                       | <b>(0.69)</b>                       |

The notes are an integral part of these combined financial statements.

**Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)***(All amounts in US Dollar millions unless otherwise stated)***Combined statement of changes in net parent investment**

|                                          | <b>As at<br/>31 March 2022</b> | <b>As at<br/>31 March 2021</b> |
|------------------------------------------|--------------------------------|--------------------------------|
| Opening                                  | (0.69)                         | 0.00                           |
| Contribution of equity from Parent       | 101.48                         | -                              |
| Profit/(Loss) for the year               | (0.38)                         | (0.68)                         |
| Foreign currency translation adjustments | (2.83)                         | (0.01)                         |
| <b>Closing</b>                           | <b>97.58</b>                   | <b>(0.69)</b>                  |

The notes are an integral part of these combined financial statements.

# Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)

(All amounts in US Dollar millions unless otherwise stated)

## Combined statement of cash flow

|                                                                   | Notes     | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|-------------------------------------------------------------------|-----------|-------------------------------------|-------------------------------------|
| <b>A. Cash flows from operating activities</b>                    |           |                                     |                                     |
| Loss before tax                                                   |           | (0.42)                              | (0.68)                              |
| <i>Adjustments for</i>                                            |           |                                     |                                     |
| Depreciation and amortisation                                     |           | 0.03                                | -                                   |
| <i>Changes in working capital</i>                                 |           |                                     |                                     |
| Trade and other receivables                                       |           | 1.56                                | (2.32)                              |
| Trade and other payables                                          |           | 1.97                                | (0.95)                              |
| <i>Cash generated from/ (used in) operations</i>                  |           | <b>3.14</b>                         | <b>(3.95)</b>                       |
| Taxes paid                                                        |           | (0.26)                              | -                                   |
| <b>Net cash from/ (used in) operating activities</b>              |           | <b>2.88</b>                         | <b>(3.95)</b>                       |
| <b>B. Cash flows from investing activities</b>                    |           |                                     |                                     |
| Purchase of property, plant and equipment and capital expenditure |           | (267.59)                            | (27.73)                             |
| Investments in subsidiaries                                       |           | 0.00                                | -                                   |
| Bank deposits                                                     |           | (14.86)                             | -                                   |
| <b>Net cash used in investing activities</b>                      |           | <b>(282.45)</b>                     | <b>(27.73)</b>                      |
| <b>C. Cash flows from financing activities</b>                    |           |                                     |                                     |
| Proceeds from borrowings                                          |           | 147.63                              | 148.25                              |
| Proceeds through borrowings from unrestricted group               |           | 140.34                              | 55.79                               |
| Contribution of equity from Parent                                |           | 0.10                                | -                                   |
| Interest paid                                                     |           | (21.61)                             | -                                   |
| <b>Net cash from financing activities</b>                         |           | <b>266.46</b>                       | <b>204.04</b>                       |
| <b>Net increase/(decrease) in cash and cash equivalents</b>       |           | <b>(13.11)</b>                      | <b>172.36</b>                       |
| Cash and cash equivalents at the beginning of the year            |           | 174.00                              | -                                   |
| Exchange loss on cash and cash equivalents                        |           | (5.05)                              | 1.64                                |
| <b>Cash and cash equivalents at the end of the year</b>           | <b>11</b> | <b>155.84</b>                       | <b>174.00</b>                       |

The notes are an integral part of these combined financial statements.

## **Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the combined financial statements**

#### **1. General information**

Greenko Wind Projects (Mauritius) Ltd ("Greenko Wind Projects" or "the Company") was incorporated on 18 June 2021 under the Mauritius Companies Act 2001 as a Private Company with Limited liability by shares and holds Global Business Licence issued by the Financial Services Commission and has its registered office at C/o IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis 11324, Mauritius.

Greenko Energy Holdings, Mauritius ("Greenko" or "the Parent") is the Ultimate Holding Company of Greenko Wind Projects. The Parent together with its subsidiaries ("Greenko Group") is in the business of owning and operating clean energy facilities in India.

Greenko AP01 IREP Private Limited ("Greenko AP01 IREP") is another wholly owned subsidiary of Greenko Energy Holdings and Greenko AP01 IREP is engaged in development of a hybrid renewable energy project comprising an approximate 1,200 MW pumped hydro storage facility in the Pinnapuram village, in the Kurnool district of Andhra Pradesh, India ("Storage Project"). The Storage Project is also connected with solar and wind generation capacity being developed at Pinnapuram village by Greenko Group for supply of input power to Storage Project. The Storage Project is under development phase and is expected to be India's first and one of the world's biggest pumped hydro storage facilities to supply schedule power on demand. The Storage Project is expected to be completed by December 2023.

#### **2. Purpose of the Combined Financial Statements**

The Company has issued Senior Notes to institutional investors on 06 April 2022 and is listed these Senior Notes on Singapore Exchange Securities Trading Limited (SGX-ST). Greenko Wind Projects invested issue proceeds, net of issue expenses in Non-Convertible Debentures ("NCDs") of Greenko AP01 IREP to replace the existing project debt and for further capital expenditure for completion of Storage Project. Greenko AP01 IREP in which Greenko Wind Projects has invested the issue proceeds is individually called as a 'restricted entity'. Further, Non-convertible debentures issued to Greenko Wind Projects by Greenko AP01 IREP are secured by pledge of assets and equity shares of Greenko AP01 IREP through an Indian trustee. Greenko Wind Projects and Greenko AP01 IREP have been considered as a group for the purpose of financial reporting and is referred hereinafter as "Greenko Wind Projects (Mauritius) Limited (Restricted Group V)" or "the Restricted Group V".

The combined financial statements have been prepared for the purpose of complying with financial reporting requirements under the indenture governing the Senior Notes. The indenture governing the Senior Notes requires Greenko Wind Projects to prepare combined financial statements of Restricted Group V for the purpose of submission to the bond holders.

The basis of preparation and significant accounting policies used in preparation of these combined financial statements are set out in Note 3 below.

#### **3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these combined financial statements are set out below. These policies have been consistently applied to all the periods presented.

##### **3.1 Basis of preparation of the combined financial statements**

The combined financial statements have been prepared in accordance with the accounting principles under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") on a carve-out basis to present fairly the combined financial position and performance of the Restricted Group V.

These combined financial statements as at and for the years ended 31 March 2022 and 31 March 2021 respectively have been prepared on a basis that combines statements of profit or loss and other comprehensive income, financial position, changes in net parent investment and cash flows of the legal entities comprising the Greenko AP01 IREP and Greenko Wind Projects.

## Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the combined financial statements

Greenko Wind Projects and Greenko AP01 IREP are under the common control of the Parent and forming part of consolidated financial statements of the Parent for the periods presented below:

| Entity                                               | Holding by Parent as at and for the years ended |               |
|------------------------------------------------------|-------------------------------------------------|---------------|
|                                                      | 31 March 2022                                   | 31 March 2021 |
| Greenko Wind Projects (Mauritius) Ltd <sup>(1)</sup> | 100%                                            | -             |
| Greenko AP01 IREP Private Limited                    | 100%                                            | 100%          |

Greenko Wind Projects (Mauritius) Ltd was incorporated on 18 June 2021 and accordingly forming part of Restricted Group V from that date.

These combined financial statements are not necessarily indicative of the financial performance, financial position and cash flows of the Restricted Group V that would have occurred if it had operated as a separate stand-alone group of entities during the periods presented nor of the Restricted Group V future performance. The combined financial statements include the operations of entities in the Restricted Group V, as if they had been managed together for the periods presented.

These combined financial statements have been prepared in accordance with IFRS on a carve-out basis. As IFRS does not provide guidance for the preparation of combined financial statements, certain accounting conventions commonly used for the preparation of historical financial information have been applied in preparing the combined financial statements. The application of the specific carve-out conventions impacting the presentation of these financial statements, the areas involving a high degree of judgment or where estimates and assumptions are significant to the combined financial statements have been described below.

These combined financial statements have been prepared on a going concern basis under the historical cost convention, except for financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss. All intercompany transactions and balances within the Restricted Group V have been eliminated in full. Transactions between the Restricted Group V and other entities of Greenko Group (hereinafter referred to as “the Unrestricted Group”) that are eliminated in the consolidated financial statements of Greenko Group have been reinstated in these combined financial statements.

Transactions that have taken place with the Unrestricted Group have been disclosed in accordance of IAS 24, Related Party Disclosures.

As these combined financial statements have been prepared on a carve-out basis, it is not meaningful to show share capital or provide an analysis of capital and reserves. Net parent investment, therefore, represents the difference between the assets and liabilities pertaining to combined businesses. Share capital of Restricted Group V entities is ultimately held by the Parent. Earnings Per Share have not been presented in these combined financial statements, as Greenko Wind Projects did not meet the applicability criteria as specified under IAS 33 – Earnings Per Share.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the combined financial statements are disclosed in the critical accounting estimates and judgments section (refer note 7).

The Restricted Group V entities operate on its own and there are no material common expenses incurred by the Parent which require allocation to this Restricted Group V.

### 3.2 Segment reporting

The Restricted Group V's operations predominantly relate to generation and sale of electricity. The chief operating decision maker of the Greenko Group evaluates the Restricted Group V's performance and allocates resources based on an analysis of various performance indicators at the level of “generation and sale of electricity related benefits”. Accordingly, there is only a single operating segment.

## Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the combined financial statements

#### 3.3 Foreign currency translation

##### a) Functional and presentation currency

Items included in the financial statements in each of the Restricted Group V entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The functional currency of the Company is United States Dollar (“US\$”) and that of restricted entities in India is Indian Rupees (“INR”). These combined financial statements of the Company are presented in US\$.

##### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except for exchange differences arising on monetary items that form part of a net investment in a foreign operation (i.e., items that are receivable from or payable to a foreign operation, for which settlement is neither planned, nor likely to occur in the foreseeable future), which are recognised as part of net parent investment. Foreign exchange gains and losses that relate to financial liabilities are presented in the income statement within ‘Finance costs’.

##### c) Restricted entities

The results and financial position of the restricted entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities presented for each reporting date are translated at the closing rate at the reporting date;
- income and expenses for each item in statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- resulting exchange differences are charged/credited to other comprehensive income and recognised in the net parent investment; and
- statement of cash flows are translated at average exchange rate for the period whereas cash and cash equivalents are translated at closing rate at the reporting date.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that are attributable to the non-controlling interests is derecognised and is not reclassified to profit or loss.

On the partial disposal of a subsidiary that includes a foreign operation, the entity shall re-attribute the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income to the non-controlling interests in that foreign operation.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the end of each reporting date.

#### 3.4 Property, plant and equipment

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 cost. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the entity and the cost of the item can be measured reliably. All repairs and maintenance expenditure are charged to 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  |
|-----------------------------------|--------------|
| Furniture, fixtures and equipment | 5 – 10 years |
| Computers and servers             | 3 – 5 years  |

## **Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the combined financial statements**

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit or loss in the period the item is derecognised.

Capital work-in-progress comprises costs of property, plant and equipment that are under construction and not yet ready for their intended use at the reporting date and the outstanding advances given for construction of such property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### **3.5 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 depreciation and amortisation 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 CGU. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### **3.6 Financial instruments**

#### **a) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Restricted Group V becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### **b) Classification and subsequent measurement:**

##### **Financial assets:**

On initial recognition, a financial asset is classified as measured at:

##### **i) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **ii) Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **iii) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

## **Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the combined financial statements**

Financial assets are not reclassified subsequent to their initial recognition unless the Restricted Group V changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

#### **Financial liabilities:**

Financial liabilities are classified as either 'financial liabilities at FVTPL' or 'financial liabilities at amortised cost'.

#### **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in profit or loss.

#### **Financial liabilities at amortised cost**

Financial liabilities at amortised cost (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Business model assessment and assessment whether contractual cashflows are solely payments of principal and interest**

The Restricted Group V makes an assessment of the objectives of the business model in which a financial asset is held at portfolio level because it best reflects the way business is managed and information is provided to management. The assessment of business model comprises the stated policies and objectives of the financial assets, management strategy for holding the financial assets, the risk that affects the performance etc. Further the Restricted Group V also evaluates whether the contractual cash flows are solely payment of principal and interest considering the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

### **c) De-recognition of financial instruments**

#### **i) Financial asset**

The Restricted Group V derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Restricted Group V neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Restricted Group V enters into transaction whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### **ii) Financial liability**

The Restricted Group V derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Restricted Group V also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

## **Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the combined financial statements**

#### **d) Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented when, and only when, the Restricted Group V has a legally enforceable right to set off the amount and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **3.7 Impairment of non-derivative financial assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Restricted Group V measures loss allowances at an amount equal to lifetime expected credit losses (ECL), except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### **3.8 Equity instruments**

##### **3.8.1 Classification as debt or equity**

Debt and equity instruments issued by the Restricted Group V entities are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **3.8.2 Equity instruments**

An equity instruments is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Restricted Group V entity is recognised at the proceeds received, net of direct issue costs.

#### **3.9 Inventories**

Inventories of stores and consumables are valued at cost. Cost includes expenses incurred in bringing each product to its present location and condition and is determined on a weighted average basis.

#### **3.10 Bank deposits**

Bank deposits represent term deposits placed with banks earning a fixed rate of interest. Bank deposits with maturities of less than a year are disclosed as current assets and more than one year as non-current assets. At the reporting date, these deposits are measured at amortised cost using the effective interest method. Cash and cash equivalents which are pledged with the banks for availing term loans are classified as part of bank deposits.

#### **3.11 Cash and cash equivalents**

Cash and cash equivalents consist of cash and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value. Bank overdrafts that are an integral part of cash management and where there is a legal right of set-off against positive cash balances are included in cash and cash equivalents.

#### **3.12 Net parent investment**

In the context of combined financial statements, the traditional captions in equity (share capital, share premium, foreign currency translation reserve, retained earnings etc.) are not relevant. Accordingly, the equity section of the statement of financial position is presented as a single line item called 'net parent investment'.

## **Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the combined financial statements**

#### **3.13 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Restricted Group V has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **3.14 Income taxes**

Taxation comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

##### **Current tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the restricted entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and liabilities are offset only if certain criteria are met.

##### **Deferred income tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the restricted entities are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual entities in the Restricted Group V. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Restricted Group V expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

## **Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the combined financial statements**

#### **3.15 Employee benefits**

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Restricted Group V. The Restricted Group V also operates retirement benefit plans for its employees.

##### **a) Gratuity plan**

The Gratuity Plan is a defined benefit plan that, at retirement or termination of employment, provides eligible employees with a lump sum payment, which is a function of the last drawn salary and completed years of service. The liability recognised in the statement of financial position in respect of the gratuity plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government of India securities that have terms to maturity approximating to the terms of the related gratuity liability.

Re-measurement, comprising actuarial gain and losses, the effect of changes to the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Service cost on the net defined benefit liability is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs.

##### **b) State administered Provident Fund**

Under Indian law, employees are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. The Restricted Group V has no further obligation under the Provident Fund beyond its contribution, which is expensed when accrued.

#### **3.16 Provisions**

Provisions are recognised when the Restricted Group V has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Restricted Group V expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

#### **3.17 Revenue recognition**

The Restricted Group V is in the business of generation and supply of electricity. Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Restricted Group V expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

#### **3.18 Finance income and finance costs**

The Restricted Group V's finance income and finance costs include interest income, interest expense, dividend income, the net gain or loss on financial assets at FVTPL and the foreign currency gain or loss on financial assets and financial liabilities (including derivative assets and liabilities). Interest income or expense is recognised using the effective interest method.

## **Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the combined financial statements**

#### **3.19 Leases**

##### **Accounting as lessee**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Restricted Group V recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the profit or loss.

The Restricted Group V measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Restricted Group V uses incremental borrowing rate. For leases with reasonably similar characteristics, the Restricted Group V, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Restricted Group V recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Restricted Group V recognises any remaining amount of the re-measurement in of profit or loss.

The Restricted Group V has elected not to apply the requirements of IFRS 16 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Restricted Group V presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liability presented as a separate line item on face of the statement of financial position.

#### **3.20 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

## **Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the combined financial statements**

#### **4 Presentation of 'EBITDA' on the combined statement of profit or loss**

The Restricted Group V has included a sub-total 'Earnings before interest, tax, depreciation and amortisation' (EBITDA) in the combined statement of profit or loss. The Directors of the Company believes that EBITDA is meaningful for investors once the Storage Project is into operational because it provides an analysis of Restricted Group V's operating results, profitability and ability to service debt and because EBITDA is used by Greenko Group chief operating decision makers to track business evolution, establish operational and strategic targets and make important business decisions. EBITDA is calculated as earnings before interest, taxes, depreciation and amortisation.

EBITDA is not a measure of financial performance under IFRS. The calculation of EBITDA by the Restricted Group V may be different from the calculations of similarly labelled measures used by other companies and it should therefore not be used to compare one company against another or as a substitute for analysis of the Restricted Group V's operating results as reported under IFRS. EBITDA is not a direct measure of the Restricted Group V's liquidity, nor is it an alternative to cash flows from operating activities as a measure of liquidity, and it needs to be considered in the context of the Restricted Group V's financial commitments.

#### **5 Recent Accounting Pronouncements**

##### **Standards issued but not yet effective and not early adopted by the Restricted Group V**

A number of new standards, amendments and interpretations not yet effective for 31 March 2022 but they do not have a material effect on the combined financial statements.

#### **6 Financial risk management**

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

##### **6.1 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 (i) foreign exchange risk and (ii) interest rate risk.

###### **i) 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 Restricted Group V are conducted in functional currency of restricted entities. The restricted entities having INR as functional currency has no significant transactions in currency other than INR.

The translation of INR amounts of restricted entities into USD for the combined financial statements of Restricted Group V 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 Restricted Group V's cash flow and does not expose the Restricted Group V to foreign exchange risk.

###### **ii) 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 Restricted Group V has no significant variable interest-bearing assets other than investment in bank deposits, the Restricted Group V's income and operating cash flows are substantially independent of changes in market interest rates. The Restricted Group V considers the impact of fair value interest rate risk on investments in bank deposits are not material. The Restricted Group V's interest rate risk arises from borrowings. The existing borrowings of the Restricted Group V are short-term and carrying fixed rate of interest.

## **Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the combined financial statements**

#### **6.2 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 Restricted Group V is exposed to credit risk from its financing activities, including deposits with banks, trade and other financial assets. The carrying amounts of financial assets represent the maximum credit exposure.

Financial instruments that are subject to concentrations of credit risk, principally consist of cash and cash equivalents, bank deposits and security deposits.

Credit risk on cash and cash equivalents, bank balances and bank deposits are limited as the Restricted Group V 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 Restricted Group V does not expect these banks and financial institutions to fail in meeting their obligations and hence the expected credit loss is not material.

#### **6.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and maintaining adequate credit facilities. The existing borrowings and other payables of Restricted Group V are short-term and due within next 12 months. Restricted Group V has established an appropriate liquidity risk management framework for management of construction activity and liquidity requirements through equity and project debt issued subsequent to 31 March 2022. Refer note 19 for project debt issued subsequent to 31 March 2022.

As per the terms of the inter-corporate loan agreements, the borrowings from Unrestricted Group can be called for by the Unrestricted Group at the first instance of debt sizing to the optimum level or cash surplus from operations and is repayable at that time.

### **7 Critical accounting judgements and key sources of estimating uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily available from other sources.

#### **7.1 Critical judgments in applying the accounting policies**

##### **a) Application of lease accounting rules**

Under IFRS 16, a contract contains a lease if it conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. The Restricted Group V assesses whether it has the right to obtain substantially all of the economic benefits from use of the identified asset, as well as the right to direct the use of that asset. The Restricted Group V also determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

##### **b) Going Concern**

The Restricted Group V had net current liabilities of US\$ 279.36 million (31 March 2021: US\$ 156.08 million).

The Directors have considered the financial position of the Restricted Group V, its cash position and forecast cash flows for the 12 months period from the date of these combined financial statements. The Directors have, at the time of approving the combined financial statements, a reasonable expectation that the Restricted Group V has adequate resources to continue its operational existence for a foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these combined financial statements. Borrowings outstanding as at 31 March 2022 are refinanced on 06 April 2022 through Senior Notes issued by the Company. Refer note 19 for project debt issued subsequent to 31 March 2022.

## Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the combined financial statements

#### 8 Property, plant and equipment

|                                 | Land        | Buildings   | Plant and Machinery | Furniture and equipment | Vehicles    | Capital work-in-progress | Total         |
|---------------------------------|-------------|-------------|---------------------|-------------------------|-------------|--------------------------|---------------|
| <b>Cost</b>                     |             |             |                     |                         |             |                          |               |
| At 1 April 2020                 | -           | -           | -                   | -                       | -           | 71.49                    | 71.49         |
| Additions                       | 0.14        | -           | -                   | 0.02                    | -           | 81.32                    | 81.48         |
| Exchange differences            | -           | -           | -                   | -                       | -           | 2.62                     | 2.62          |
| <b>At 31 March 2021</b>         | <b>0.14</b> | <b>-</b>    | <b>-</b>            | <b>0.02</b>             | <b>-</b>    | <b>155.43</b>            | <b>155.59</b> |
| Additions                       | 2.36        | 0.13        | 0.33                | 0.40                    | 0.45        | 227.18                   | 230.85        |
| Exchange differences            | (0.04)      | 0.00        | (0.01)              | (0.01)                  | (0.01)      | (8.58)                   | (8.65)        |
| <b>At 31 March 2022</b>         | <b>2.46</b> | <b>0.13</b> | <b>0.32</b>         | <b>0.41</b>             | <b>0.44</b> | <b>374.03</b>            | <b>377.79</b> |
| <b>Accumulated depreciation</b> |             |             |                     |                         |             |                          |               |
| At 1 April 2020                 | -           | -           | -                   | -                       | -           | -                        | -             |
| Charge for the year             | -           | -           | -                   | -                       | -           | -                        | -             |
| Exchange differences            | -           | -           | -                   | -                       | -           | -                        | -             |
| <b>At 31 March 2021</b>         | <b>-</b>    | <b>-</b>    | <b>-</b>            | <b>-</b>                | <b>-</b>    | <b>-</b>                 | <b>-</b>      |
| Charge for the year             | -           | -           | -                   | 0.02                    | 0.01        | -                        | 0.03          |
| Exchange differences            | -           | -           | -                   | 0.00                    | -           | -                        | 0.00          |
| <b>At 31 March 2022</b>         | <b>-</b>    | <b>-</b>    | <b>-</b>            | <b>0.02</b>             | <b>0.01</b> | <b>-</b>                 | <b>0.03</b>   |
| <b>Net book value</b>           |             |             |                     |                         |             |                          |               |
| <b>At 31 March 2022</b>         | <b>2.46</b> | <b>0.13</b> | <b>0.32</b>         | <b>0.39</b>             | <b>0.43</b> | <b>374.03</b>            | <b>377.76</b> |
| At 31 March 2021                | 0.14        | -           | -                   | 0.02                    | -           | 155.43                   | 155.59        |

Borrowings of Greenko AP01 IREP are secured against the present and future moveable and immovable assets of the Storage Project. The Restricted Group V has capitalised borrowing costs amounting to US\$ 39.06 million (31 March 2021: US\$ 14.36 million) on qualifying assets during construction. Note 15 provide details of capital commitments outstanding as at 31 March 2022 and 31 March 2021.

#### 9 Investment in subsidiaries

|                                           | 31 March 2022 | 31 March 2021 |
|-------------------------------------------|---------------|---------------|
| Greenko AP01 IREP Solar 2 Private Limited | 0.00          | -             |
| Greenko AP01 IREP Wind Private Limited    | 0.00          | -             |
|                                           | <b>0.00*</b>  | <b>-</b>      |

\* Rounded off to nearest million in two decimals.

Investment in these subsidiaries are valued at cost and Greenko AP01 is holding 100% equity interest in these subsidiaries. These subsidiaries are not part of Restricted Group V as at 31 March 2022.

#### 10 Other receivables

|                                | 31 March 2022 | 31 March 2021 |
|--------------------------------|---------------|---------------|
| Other receivables              | 2.85          | 2.32          |
| Security deposits              | 0.03          | 0.03          |
| <b>Total other receivables</b> | <b>2.88</b>   | <b>2.35</b>   |

Other receivables include advances against expenses, prepaid expenses and other advances recoverable. All the other receivable amounts are short-term and their carrying values are considered a reasonable approximation of fair values.

## Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the combined financial statements

#### 11 Cash and cash equivalents

|              | 31 March 2022 | 31 March 2021 |
|--------------|---------------|---------------|
| Cash on hand | 0.00          | 0.00          |
| Cash at bank | 155.84        | 174.00        |
|              | <b>155.84</b> | <b>174.00</b> |

#### 12 Bank Deposits

The Restricted Group V holds balances in deposit accounts with banks. All the current fixed deposits with original maturity of more than three months and less than 12 months from reporting date amounting to US\$ 14.61 million (31 March 2021: US\$ Nil) are classified as 'bank deposits' and disclosed under current assets. Deposits with maturity date beyond 12 months from reporting date amounting to US\$ 0.07 million (31 March 2021: US\$ Nil million) are disclosed under non-current assets. Bank deposits aggregating to US\$ 14.68 million (31 March 2021: US\$ Nil) have been given as security by Restricted Group V against borrowings.

#### 13 Trade and other payables

|                                       | 31 March 2022 | 31 March 2021 |
|---------------------------------------|---------------|---------------|
| Capital creditors                     | 8.53          | 74.60         |
| Other payables                        | 1.39          | 0.11          |
| <b>Total trade and other payables</b> | <b>9.92</b>   | <b>74.71</b>  |

Other payables include accruals for expenses, statutory liabilities and other liabilities. All amounts are short term and the carrying values of trade and other payables are considered a reasonable approximation of fair value.

#### 14 Borrowings

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

|                                                                   | 31 March 2022 | 31 March 2021 |
|-------------------------------------------------------------------|---------------|---------------|
| <b>Current – financial liabilities measured at amortised cost</b> |               |               |
| Short-term loans from banks                                       | 290.24        | 140.85        |
| <b>Total borrowings</b>                                           | <b>290.24</b> | <b>140.85</b> |

**14.1** Borrowings outstanding as at 31 March 2022 are due for repayment in April 2022 and are repaid on 12 April 2022 through issuance to Senior Notes. Refer not 19 for further details.

**14.2** The fair value of these borrowings is approximates their carrying value and carrying structured rate of interest in the rage of 4.5% to 11.75% per annum payable on monthly basis. These short-term loans were 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 including receivables and bank balances of Greenko AP01 IREP. Borrowings were also secured by pledge of equity shares of Greenko AP01 IREP Private Limited and corporate guarantees given by Unrestricted Group.

**14.3** The carrying amounts of the Restricted Group V's borrowings are denominated in the following currencies:

|                      | 31 March 2022 | 31 March 2021 |
|----------------------|---------------|---------------|
| Indian rupee ("INR") | 290.24        | 140.85        |
| US Dollar ("US \$")  | -             | -             |
|                      | <b>290.24</b> | <b>140.85</b> |

## Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the combined financial statements

#### 14.4 The carrying amounts of the Restricted Group V's borrowings are denominated in the following nature:

|                           | 31 March 2022 | 31 March 2021 |
|---------------------------|---------------|---------------|
| Fixed rate of interest    | 290.24        | 140.85        |
| Variable rate of Interest | -             | -             |
|                           | <b>290.24</b> | <b>140.85</b> |

#### 14.5 Reconciliation of liabilities arising from financing activities:

For the year ended 31 March 2022:

|                                    | 1 April 2021 | Net cash flows | Non cash changes           |                                   | 31 March 2022 |
|------------------------------------|--------------|----------------|----------------------------|-----------------------------------|---------------|
|                                    |              |                | Foreign exchange movements | Amortisation of transaction costs |               |
| Borrowings                         | 140.85       | 147.63         | 1.76                       | -                                 | 290.24        |
| Borrowings from unrestricted group | 116.87       | 38.96          | (3.06)                     | -                                 | 152.77        |

For the year ended 31 March 2021:

|                                    | 1 April 2020 | Net cash flows | Non cash changes           |                                   | 31 March 2021 |
|------------------------------------|--------------|----------------|----------------------------|-----------------------------------|---------------|
|                                    |              |                | Foreign exchange movements | Amortisation of transaction costs |               |
| Borrowings                         | -            | 148.25         | 1.33                       | (8.73)                            | 140.85        |
| Borrowings from unrestricted group | 59.03        | 55.79          | 2.05                       | -                                 | 116.87        |

#### 15 Commitments and contingencies

Capital expenditure contracted for as at 31 March 2022 but not yet incurred aggregated to US\$ 342.98 million (31 March 2021: US\$ 475.93 million).

#### 16 Related-party transactions

The Restricted Group V is controlled by Greenko Energy Holdings. The Restricted Group V entities have certain transactions with Greenko Energy Holdings and its subsidiaries which are not covered under Restricted Group V (Unrestricted Group entities).

- a. The details of the related party transactions with the Unrestricted Group are as follows:

|                                          | 31 March 2022 | 31 March 2021 |
|------------------------------------------|---------------|---------------|
| Receipt of inter-company loans           | 140.34        | 55.79         |
| Project management fee                   | -             | 4.39          |
| Loan converted to equity                 | 101.38        | -             |
| Equity contribution from Parent          | 0.10          | -             |
| Advance paid against work orders         | 17.91         | -             |
| Transfer of project development expenses | 0.99          | 57.95         |

- b. The details of advance/ (payable) balances outstanding with Unrestricted Group:

|                                                   | 31 March 2022 | 31 March 2021 |
|---------------------------------------------------|---------------|---------------|
| Borrowings from Unrestricted Group <sup>(1)</sup> | (152.77)      | (116.87)      |
| Creditors payable                                 | -             | (74.17)       |
| Advance against work orders <sup>(2)</sup>        | 45.88         | 29.31         |

<sup>(1)</sup>The borrowings from Unrestricted Group are interest free and sub-ordinated in repayment to Senior Notes.

<sup>(2)</sup>Part of Capital work-in-progress.

- c. Borrowings of restricted entities are secured by corporates guarantees from Unrestricted Group.

## Greenko Wind Projects (Mauritius) Ltd (Restricted Group V)

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the combined financial statements

#### 17 Financial assets and financial liabilities

The accounting policies for financial instruments have been applied to the line items below:

|                                               | 31 March 2022 | 31 March 2021 |
|-----------------------------------------------|---------------|---------------|
| <b>Financial assets – Amortised cost</b>      |               |               |
| <b>Non-current</b>                            |               |               |
| Bank deposits (note 12)                       | 0.07          | -             |
| <b>Current</b>                                |               |               |
| Bank deposits (note 12)                       | 14.61         | -             |
| Other receivables (note 10)                   | 2.88          | 2.35          |
| Cash and cash equivalents (note 11)           | 155.84        | 174.00        |
| <b>Total</b>                                  | <b>173.40</b> | <b>176.35</b> |
|                                               |               |               |
|                                               | 31 March 2022 | 31 March 2021 |
| <b>Financial liabilities – Amortised cost</b> |               |               |
| <b>Current</b>                                |               |               |
| Borrowings (note 14)                          | 290.24        | 140.85        |
| Trade and other payables (note 13)            | 9.92          | 74.71         |
| Borrowings from unrestricted group            | 152.77        | 116.87        |
| <b>Total</b>                                  | <b>452.93</b> | <b>332.43</b> |

#### 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 carrying amounts reported in the statement of financial position for cash and cash equivalents, borrowings, bank deposits, trade and other receivables, trade and other payables approximate their respective fair values due to their short maturity and measured at amortised cost.

#### 18 Rounding of amounts

All amounts disclosed in the combined financial statements and notes have been rounded off to the nearest million to two decimal currency units unless otherwise stated. Transactions and balances with values below the rounding off norm adapted by the Restricted Group V have been reflected as '0.00' in relevant notes.

#### 19 Subsequent events

On 06 April 2022, Greenko Wind Projects, raised funds to the tune of US\$ 750.00 million by issuing 5.50% US\$ Senior Notes due 2025 (the Senior Notes) from institutional investors for repayment of existing project Rupee debt of US\$290.24 million outstanding as at 31 March 2022 and for capital expenditure in relation to 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 Parent. Further, the Non-convertible debentures issued to Greenko Wind Projects by Greenko AP01 IREP Private Limited are secured by pledge of assets of Storage Project and equity shares of Greenko AP01 IREP Private Limited through an Indian trustee.

CONSOLIDATED FINANCIAL STATEMENTS  
GREENKO ENERGY HOLDINGS  
FOR THE YEAR ENDED 31 MARCH 2022

**GREENKO ENERGY HOLDINGS**  
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## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GREENKO ENERGY HOLDINGS**

### **Report on the Audit of the Consolidated Financial Statements**

#### *Opinion*

We have audited the consolidated financial statements of Greenko Energy Holdings (the Group) and its subsidiaries (together the Group), which comprise the consolidated statement of financial position as at 31 March 2022 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 4 to 54.

In our opinion, these consolidated financial statements give a true and fair view of the consolidated financial position of Greenko Energy Holdings as at 31 March 2022, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Emphasis of Matter*

We draw attention to note 26(a) to the consolidated financial statements, which describes the ongoing litigation with Southern Power Distribution Company of Andhra Pradesh Limited ("APDISCOM") related to dues from APDISCOM against supply of power as per Power Purchase Agreements. Our opinion is not modified in respect of the above matter.



## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GREENKO ENERGY HOLDINGS**

### **Report on the Audit of the Consolidated Financial Statements**

#### *Responsibilities of Directors for the Consolidated Financial Statements*

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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



**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF GREENKO ENERGY HOLDINGS**

**Report on the Audit of the Consolidated Financial Statements**

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**KPMG**  
Ebène, Mauritius

Date: **26 July 2022**

**Imtiaz Ajeda**  
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# Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

## Consolidated statement of financial position

|                                                     | Notes | As at<br>31 March 2022 | As at<br>31 March 2021 |
|-----------------------------------------------------|-------|------------------------|------------------------|
| <b>Assets</b>                                       |       |                        |                        |
| <b>Non-current assets</b>                           |       |                        |                        |
| Property, plant and equipment                       | 7     | 4,843.33               | 4,694.81               |
| Intangible assets and goodwill                      | 8     | 1,164.51               | 1,235.74               |
| Equity-accounted investees                          | 30    | 152.12                 | 114.29                 |
| Bank deposits                                       | 15    | 30.13                  | 90.52                  |
| Derivative financial assets                         | 9     | 391.20                 | 285.82                 |
| Other investments                                   | 10    | 0.34                   | 0.34                   |
| Other receivables                                   | 12    | 15.24                  | 15.09                  |
|                                                     |       | <b>6,596.87</b>        | <b>6,436.61</b>        |
| <b>Current assets</b>                               |       |                        |                        |
| Inventories                                         | 13    | 10.82                  | 8.14                   |
| Trade receivables                                   | 11    | 672.54                 | 566.13                 |
| Other receivables                                   | 12    | 34.78                  | 73.04                  |
| Derivative financial assets                         | 9     | 38.17                  | -                      |
| Other investments                                   | 10    | 0.09                   | 0.07                   |
| Bank deposits                                       | 15    | 80.77                  | 116.18                 |
| Taxation receivable                                 |       | 8.92                   | 8.81                   |
| Cash and cash equivalents                           | 14    | 356.82                 | 558.63                 |
|                                                     |       | <b>1,202.91</b>        | <b>1,331.00</b>        |
| <b>Total assets</b>                                 |       | <b>7,799.78</b>        | <b>7,767.61</b>        |
| <b>Equity and liabilities</b>                       |       |                        |                        |
| <b>Equity</b>                                       |       |                        |                        |
| Share capital                                       | 16    | 2,437.31               | 2,255.16               |
| Currency translation reserve                        |       | (481.50)               | (326.02)               |
| Other reserves                                      |       | (2.76)                 | (2.76)                 |
| Retained earnings/ (deficit)                        |       | (154.41)               | (80.89)                |
| <b>Equity attributable to owners of the Company</b> |       | <b>1,798.64</b>        | <b>1,845.49</b>        |
| Non-controlling interests                           |       | 11.95                  | 14.39                  |
| <b>Total equity</b>                                 |       | <b>1,810.59</b>        | <b>1,859.88</b>        |
| <b>Liabilities</b>                                  |       |                        |                        |
| <b>Non-current liabilities</b>                      |       |                        |                        |
| Borrowings                                          | 18    | 3,797.79               | 4,415.24               |
| Retirement benefit obligations                      | 21    | 6.34                   | 5.65                   |
| Other financial liabilities                         | 9     | 234.61                 | 157.41                 |
| Deferred tax liabilities, net                       | 19    | 555.00                 | 528.89                 |
| Trade and other payables                            | 17    | 15.17                  | 24.85                  |
| Lease liabilities                                   | 27    | 14.01                  | 6.37                   |
|                                                     |       | <b>4,622.92</b>        | <b>5,138.41</b>        |
| <b>Current liabilities</b>                          |       |                        |                        |
| Borrowings                                          | 18    | 1,028.83               | 430.88                 |
| Trade and other payables                            | 17    | 238.85                 | 272.69                 |
| Other financial liabilities                         | 9     | 95.91                  | 64.29                  |
| Lease liabilities                                   | 27    | 1.28                   | 0.81                   |
| Taxation payable                                    |       | 1.40                   | 0.65                   |
|                                                     |       | <b>1,366.27</b>        | <b>769.32</b>          |
| <b>Total liabilities</b>                            |       | <b>5,989.19</b>        | <b>5,907.73</b>        |
| <b>Total equity and liabilities</b>                 |       | <b>7,799.78</b>        | <b>7,767.61</b>        |

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

# Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

## Consolidated statement of profit or loss and other comprehensive income

|                                                                                             | Notes | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|---------------------------------------------------------------------------------------------|-------|-------------------------------------|-------------------------------------|
| Revenue                                                                                     | 20    | 723.05                              | 594.94                              |
| Other operating income                                                                      |       | 3.75                                | 2.48                                |
| Cost of material and power generation expenses                                              |       | (71.67)                             | (56.97)                             |
| Employee benefits expense                                                                   | 22    | (33.28)                             | (61.24)                             |
| Other operating expenses                                                                    |       | (35.36)                             | (38.57)                             |
| Impairment loss on trade receivables                                                        | 11    | (27.58)                             | (18.85)                             |
| Impairment charge on non-financial assets                                                   | 8     | -                                   | (1.85)                              |
| Excess of group's interest in the fair value of acquiree's assets and liabilities over cost | 28    | 11.33                               | 10.80                               |
| <b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>              |       | <b>570.24</b>                       | <b>430.74</b>                       |
| Depreciation and amortisation                                                               | 7&8   | (232.92)                            | (194.81)                            |
| <b>Operating profit</b>                                                                     |       | <b>337.32</b>                       | <b>235.93</b>                       |
| Finance income                                                                              | 23    | 7.88                                | 12.41                               |
| Finance costs                                                                               | 23    | (383.77)                            | (405.80)                            |
|                                                                                             |       | <b>(38.57)</b>                      | <b>(157.46)</b>                     |
| Share of profit from equity-accounted investees                                             | 30    | 22.65                               | 2.50                                |
| <b>Loss before tax</b>                                                                      |       | <b>(15.92)</b>                      | <b>(154.96)</b>                     |
| Income tax expense                                                                          | 24    | (60.04)                             | (53.24)                             |
| <b>Loss for the year</b>                                                                    |       | <b>(75.96)</b>                      | <b>(208.20)</b>                     |
| <b>Loss for the year attributable to:</b>                                                   |       |                                     |                                     |
| Owners of the Company                                                                       |       | (73.52)                             | (205.56)                            |
| Non – controlling interests                                                                 |       | (2.44)                              | (2.64)                              |
|                                                                                             |       | <b>(75.96)</b>                      | <b>(208.20)</b>                     |
| <b>Other comprehensive income</b>                                                           |       |                                     |                                     |
| <b>Items that will be reclassified subsequently to profit or loss</b>                       |       |                                     |                                     |
| Exchange differences on translating foreign operations                                      |       | (155.48)                            | 98.64                               |
| <b>Total other comprehensive income</b>                                                     |       | <b>(155.48)</b>                     | <b>98.64</b>                        |
| <b>Total comprehensive income</b>                                                           |       | <b>(231.44)</b>                     | <b>(109.56)</b>                     |
| <b>Total comprehensive income attributable to:</b>                                          |       |                                     |                                     |
| Owners of the Company                                                                       |       | (229.00)                            | (106.92)                            |
| Non-controlling interests                                                                   |       | (2.44)                              | (2.64)                              |
|                                                                                             |       | <b>(231.44)</b>                     | <b>(109.56)</b>                     |

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

# Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

## Consolidated statement of changes in equity

|                                                | Ordinary<br>shares | Currency<br>translation<br>reserve | Other reserves | Retained<br>earnings/<br>(deficit) | Total attributable<br>to owners of<br>Company | Non-<br>controlling<br>interests | Total equity    |
|------------------------------------------------|--------------------|------------------------------------|----------------|------------------------------------|-----------------------------------------------|----------------------------------|-----------------|
| <b>As at 1 April 2020</b>                      | <b>1,709.28</b>    | <b>(424.66)</b>                    | <b>(2.76)</b>  | <b>96.97</b>                       | <b>1,378.83</b>                               | <b>17.03</b>                     | <b>1,395.86</b> |
| Issue of ordinary shares                       | 545.88             | -                                  | -              | -                                  | 545.88                                        | -                                | 545.88          |
| Share-based payments (Refer note 22)           | -                  | -                                  | -              | 27.70                              | 27.70                                         | -                                | 27.70           |
| <b>Transactions with owners of the Company</b> | <b>545.88</b>      | <b>-</b>                           | <b>-</b>       | <b>27.70</b>                       | <b>573.58</b>                                 | <b>-</b>                         | <b>573.58</b>   |
| Loss for the year                              | -                  | -                                  | -              | (205.56)                           | (205.56)                                      | (2.64)                           | (208.20)        |
| Other comprehensive income                     | -                  | 98.64                              | -              | -                                  | 98.64                                         | -                                | 98.64           |
| <b>Total comprehensive income</b>              | <b>-</b>           | <b>98.64</b>                       | <b>-</b>       | <b>(205.56)</b>                    | <b>(106.92)</b>                               | <b>(2.64)</b>                    | <b>(109.56)</b> |
| <b>As at 31 March 2021</b>                     | <b>2,255.16</b>    | <b>(326.02)</b>                    | <b>(2.76)</b>  | <b>(80.89)</b>                     | <b>1,845.49</b>                               | <b>14.39</b>                     | <b>1,859.88</b> |
| Issue of ordinary shares                       | 182.15             | -                                  | -              | -                                  | 182.15                                        | -                                | 182.15          |
| <b>Transactions with owners of the Company</b> | <b>182.15</b>      | <b>-</b>                           | <b>-</b>       | <b>-</b>                           | <b>182.15</b>                                 | <b>-</b>                         | <b>182.15</b>   |
| Loss for the year                              | -                  | -                                  | -              | (73.52)                            | (73.52)                                       | (2.44)                           | (75.96)         |
| Other comprehensive income                     | -                  | (155.48)                           | -              | -                                  | (155.48)                                      | -                                | (155.48)        |
| <b>Total comprehensive income</b>              | <b>-</b>           | <b>(155.48)</b>                    | <b>-</b>       | <b>(73.52)</b>                     | <b>(229.00)</b>                               | <b>(2.44)</b>                    | <b>(231.44)</b> |
| <b>As at 31 March 2022</b>                     | <b>2,437.31</b>    | <b>(481.50)</b>                    | <b>(2.76)</b>  | <b>(154.41)</b>                    | <b>1,798.64</b>                               | <b>11.95</b>                     | <b>1,810.59</b> |

Other reserves represent adjustments resulting from changes in ownership interest of subsidiaries.

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

# Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

## Consolidated statement of cash flows

|                                                                                             | Notes | For the year ended<br>31 March 2022 | For the year ended<br>31 March 2021 |
|---------------------------------------------------------------------------------------------|-------|-------------------------------------|-------------------------------------|
| <b>A. Cash flows from operating activities</b>                                              |       |                                     |                                     |
| Loss before tax                                                                             |       | (15.92)                             | (154.96)                            |
| <i>Adjustments for</i>                                                                      |       |                                     |                                     |
| Depreciation and amortisation                                                               | 7&8   | 232.92                              | 194.81                              |
| Finance income                                                                              |       | (7.88)                              | (12.41)                             |
| Finance costs                                                                               |       | 383.77                              | 405.80                              |
| Share-based payments                                                                        |       | -                                   | 27.70                               |
| Impairment loss on trade receivables                                                        |       | 27.58                               | 18.85                               |
| Impairment charge on non-financial assets                                                   |       | -                                   | 1.85                                |
| Share of profit from equity-accounted investees                                             |       | (22.65)                             | (2.50)                              |
| Excess of Group's interest in the fair value of acquiree's assets and liabilities over cost | 28    | (11.33)                             | (10.80)                             |
| <i>Changes in working capital</i>                                                           |       |                                     |                                     |
| Inventories                                                                                 |       | (2.98)                              | (2.21)                              |
| Trade and other receivables                                                                 |       | (138.99)                            | (112.69)                            |
| Trade and other payables                                                                    |       | (45.11)                             | 43.40                               |
| <i>Cash generated from operations</i>                                                       |       | <b>399.41</b>                       | <b>396.84</b>                       |
| Taxes paid                                                                                  |       | (10.83)                             | (8.14)                              |
| <b>Net cash from operating activities</b>                                                   |       | <b>388.58</b>                       | <b>388.70</b>                       |
| <b>B. Cash flows from investing activities</b>                                              |       |                                     |                                     |
| Purchase of property, plant and equipment and capital expenditure                           |       | (332.15)                            | (77.49)                             |
| Acquisition of business, net of cash and cash equivalents acquired                          | 28    | 4.20                                | (323.50)                            |
| Investment in Equity-accounted investees                                                    |       | (15.25)                             | (112.12)                            |
| Refund of advance given for purchase of equity                                              |       | -                                   | 9.14                                |
| Advances given to equity-accounted investees                                                |       | (3.87)                              | (1.72)                              |
| Amounts refunded by equity-accounted investees                                              |       | -                                   | 39.54                               |
| Consideration paid for acquisitions made by subsidiaries                                    |       | (12.28)                             | (33.28)                             |
| Bank deposits                                                                               |       | 91.58                               | 5.13                                |
| Interest received                                                                           |       | 9.44                                | 11.08                               |
| <b>Net cash used in investing activities</b>                                                |       | <b>(258.33)</b>                     | <b>(483.22)</b>                     |
| <b>C. Cash flows from financing activities</b>                                              |       |                                     |                                     |
| Proceeds from issue of shares                                                               | 16    | 182.15                              | 545.88                              |
| Proceeds from borrowings                                                                    | 18.6  | 1,365.34                            | 1,386.97                            |
| Repayment of borrowings                                                                     | 18.6  | (1,411.62)                          | (1,270.18)                          |
| Proceeds from unwinding of derivative contracts                                             |       | -                                   | 104.54                              |
| Payment of lease liabilities                                                                | 27    | (2.12)                              | (0.72)                              |
| Premium paid for derivative contracts                                                       |       | (79.07)                             | (74.10)                             |
| Interest paid (including loan restructuring costs)                                          | 24    | (375.62)                            | (365.86)                            |
| <b>Net cash (used in)/ from financing activities</b>                                        |       | <b>(320.94)</b>                     | <b>326.53</b>                       |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                                 |       | <b>(190.69)</b>                     | <b>232.01</b>                       |
| Cash and cash equivalents at the beginning of the year                                      | 14    | 558.63                              | 322.22                              |
| Exchange losses on cash and cash equivalents                                                |       | (11.12)                             | 4.40                                |
| <b>Cash and cash equivalents at the end of the year</b>                                     | 14    | <b>356.82</b>                       | <b>558.63</b>                       |

Refer note 18.6 for reconciliation of liabilities arising from financing activities.

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

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated 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 are hereinafter referred to as “the Group”.

#### **2. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

##### **2.1 Basis of preparation**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by International Accounting Standards Board (“IFRS”). The consolidated financial statements have been prepared under going concern principle using the historical cost convention, except for financial assets and financial liabilities (including derivative instruments) measured at fair value.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in the critical accounting estimates and judgments section (note 5).

These consolidated 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 owned subsidiaries. Greenko Energy Holdings is the Parent Guarantor for Senior Notes. Refer note 18 for Senior Notes.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

### **2.2 Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its return.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are any changes to one or more of the three elements of the control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give its power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holdings;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangement; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Non-Controlling Interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financials statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

#### **Changes in the Group's ownership interests in existing subsidiaries**

The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted/by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value at initial recognition for subsequent accounting or applicable the cost on initial recognition of an investment in an equity accounted investee.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

### **2.2 Consolidation (continued)**

#### **Equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence ceases.

#### **Transactions eliminated on consolidation**

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation. Unrealised gains arising from transactions with equity-accounted investees are considered as deferred gain in these consolidated financial statements.

### **2.3 Business combination**

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The cost of an acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the entity acquired, the difference is recognised directly in profit or loss. Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, previously held identifiable assets, liabilities and contingent liabilities of the acquired entity are revalued to their fair value at the date of acquisition, being the date at which the Group achieves control of the acquired entity. Further the equity interest previously held by the Group is re-measured at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

Initial estimates of consideration transferred and fair values of assets acquired and liabilities assumed are finalised within twelve months after the date of acquisition and any adjustments are accounted for as retroactive adjustments to goodwill. Beyond this twelve-month period, any adjustment is directly recognised in the statement of profit or loss and other comprehensive income.

When the consideration transferred by the Group in the business combination included assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The subsequent accounting for changes in the fair value of the contingent consideration depends on how the contingent consideration is classified. Contingent consideration that is qualified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

### **2.4 Foreign currency translation**

#### **a) Functional and presentation currency**

Items included in the financial statements in each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in 'United States Dollar' ("US\$"), which is the Company's functional and presentation currency. The functional currency of Group's primary subsidiaries is Indian Rupee ("INR").

#### **b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to financial liabilities are presented in the income statement within "Finance income and costs".

#### **c) Group companies**

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities presented for each reporting date are translated at the closing rate at the reporting date;
- income and expenses for each item in statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- resulting exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve within equity; and
- statement of cash flows is translated at average exchange rate for the period whereas cash and cash equivalents are translated at closing rate at the reporting date.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that are attributable to the non-controlling interests is derecognised and is not reclassified to profit or loss.

On the partial disposal of a subsidiary that includes a foreign operation, the entity shall re-attribute the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income to the non-controlling interests in that foreign operation.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the end of each reporting date.

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

## 2. Summary of significant accounting policies (continued)

### 2.5 Property, plant and equipment

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 cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance expenditure are charged to 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  |

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit or loss in the period the item is derecognised.

In case of projects constructed on lease hold land, useful life is considered at primary lease period or estimated useful life whichever is earlier. Leasehold improvements are amortised over the period of primary lease. Capital work-in-progress comprises costs of property, plant and equipment that are under construction and not yet ready for their intended use at the reporting date and the outstanding advances given for construction of such property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### 2.6 Intangible assets

#### a) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

#### b) Other intangibles

Intangible assets acquired individually, with a group of other assets or in a business combination are carried at cost less accumulated amortisation and any impairment in value. The intangible assets are amortised 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   |
|-----------------------------------|---------------|
| Licences                          | 14 – 40 Years |
| Development fee                   | 25 Years      |
| Power purchase agreements ("PPA") | 5 - 33 Years  |

Amortisation of intangible assets is included within 'Depreciation and amortisation' in profit or loss.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

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

### **2.8 Financial instruments**

#### **a) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### **b) Classification and subsequent measurement:**

##### **Financial assets:**

On initial recognition, a financial asset is classified as measured at:

##### **i) Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **ii) Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

##### **iii) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

### **2.8 Financial instruments (continued)**

#### **b) Classification and subsequent measurement: (continued)**

##### **Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortised cost.

##### **i) Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in profit or loss.

##### **ii) Financial liabilities at amortised cost:**

Financial liabilities at amortised cost (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Business model assessment and assessment whether contractual cashflows are solely payments of principal and interest**

The Group makes an assessment of the objectives of the business model in which a financial asset is held at portfolio level because it best reflects the way business is managed and information is provided to management. The assessment of business model comprises the stated policies and objectives of the financial assets, management strategy for holding the financial assets, the risk that affects the performance etc. Further the Group also evaluates whether the contractual cash flows are solely payment of principal and interest considering the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

#### **c) De-recognition of financial instruments**

##### **i) Financial asset**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transaction whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

##### **ii) Financial liability**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

#### **d) Offsetting**

Financial assets and financial liabilities are offset and the net amount is presented when, and only when, the Group has a legally enforceable right to set off the amount and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

### **2.9 Impairment of non-derivative financial assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Group measures loss allowances at an amount equal to lifetime expected credit losses (ECL), except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs. An impairment analysis was performed at each reporting date using a provision matrix to measure Expected Credit Losses. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, ageing, current conditions and forecasts of future economic conditions.

For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised as impairment loss on trade receivables in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### **2.10 Equity instruments**

#### **2.10.1 Classification as debt or equity**

Debt and equity instruments issued by the group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **2.10.2 Equity instruments**

An equity instruments is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group entity is recognised at the proceeds received, net of direct issue costs.

### **2.11 Derivative financial instruments**

The Group enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange risks, including foreign exchange forward contracts. Further details of derivative financials instruments are disclosed in note 9.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

### **2.11 Derivative financial instruments (continued)**

#### **2.11.1 Embedded derivatives**

Derivatives embedded in non-derivative host contracts are traded as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not, measured at FVTPL.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

#### **2.11.2 Compound instruments**

The compound parts of compound instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments are equity instruments.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity as determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently re-measured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital/share premium. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to other reserves in equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allotted to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

#### **2.12 Inventories**

##### **a) Raw material, stores and consumables**

Inventories of raw material, stores and consumables are valued at the lower of cost and net realisable value. Cost includes expenses incurred in bringing each product to its present location and condition and is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

##### **b) Renewable Energy Certificates ("REC")**

Inventories of REC are stated at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Electricity and RECs are treated as joint products, as they are generated simultaneously. Cost of generation is allocated in the ratio of relative net sale value of the products. Cost comprises all production, acquisition and conversion costs and is aggregated on a weighted average basis. To the extent that any impairment arises, losses are recognised in the period they occur. The costs associated with generating inventories are charged to the profit or loss in the same period as the related revenues are recognised.

#### **2.13 Bank deposits**

Bank deposits represent term deposits placed with banks earning a fixed rate of interest. Bank deposits with maturities of less than a year are disclosed as current assets and more than one year as non-current assets. At the reporting date, these deposits are measured at amortised cost using the effective interest method. Cash and cash equivalents which are pledged with the banks for availing term loans are classified as part of bank deposits.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

### **2.14 Cash and cash equivalents**

Cash and cash equivalents consist of cash and short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value. Bank overdrafts that are an integral part of cash management and where there is a legal right of set-off against positive cash balances are included in cash and cash equivalents.

### **2.15 Equity**

Ordinary shares are classified as equity and represent the nominal value of shares that have been issued. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction from the proceeds.

Retained earnings mainly represent all current and prior year profits as disclosed in the statement of profit or loss and other comprehensive income less dividend distribution.

All transactions with owners of the Company are recorded separately within equity.

Other reserves include all other transactions with the shareholders in their capacity as shareholders, impact of changes in the ownership interest in subsidiaries that do not result in loss of control.

Currency translation reserve – represents foreign currency translation differences arising on the translation of the Group's foreign entities.

### **2.16 Income tax expense**

Income tax expense comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

#### **Current tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and liabilities are offset only if certain criteria are met.

#### **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

### **2.17 Employee benefits**

Wages, salaries, bonuses, social security contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Group. The Group also operates retirement benefit plans for its employees.

#### **a) Gratuity plan**

The Gratuity Plan is a defined benefit plan that, at retirement or termination of employment, provides eligible employees with a lump sum payment, which is a function of the last drawn salary and completed years of service. The liability recognised in the statement of financial position in respect of the gratuity plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government of India securities that have terms to maturity approximating to the terms of the related gratuity liability.

Re-measurement, comprising actuarial gain and losses, the effect of changes to the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Service cost on the net defined benefit liability is included in employee benefits expense. Net interest expense on the net defined benefit liability is included in finance costs.

#### **b) State administered Provident Fund**

Under Indian law, employees are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. The Group has no further obligation under the Provident Fund beyond its contribution, which is expensed when accrued.

#### **c) Share-based payment arrangements**

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for the differences between expected and actual outcomes.

### **2.18 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

### **2.19 Revenue recognition**

The Group is in the business of generation and supply of electricity. Revenue from contracts with customers is recognised when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable in accordance with the relevant agreements, net of discounts, rebates and other applicable taxes and duties.

#### **a) Sale of electricity**

Revenue from the sale of electricity is recognised over time for number of units of electricity exported in accordance with joint meter readings undertaken with transmission companies at the rates prevailing on the date of export as determined by the power purchase agreement/feed-in-tariff policy/market rates as applicable less the wheeling and banking charges applicable if any. Claims for delayed payment charges and other claims, if any, are recognised as per the terms of power purchase agreements only when there is no uncertainty associated with the collectability of these claims.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the Group considers the effects of variable consideration and consideration payable to the customer (if any). In some PPAs, the Group provides rebates if payment is made before the due date. To estimate the variable consideration for the expected future rebate, the Group applies the most likely method.

#### **b) Sale of renewable energy certificates (REC)**

Revenue from sale of RECs is recognised after registration of the project with central and state government authorities, generation of power and execution of a contract for sale through recognised energy exchanges in India.

#### **c) Generation Based Incentive (GBI)**

Revenue from GBI is recognised 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 and GBI are treated as joint products, as they are generated simultaneously.

### **2.20 Finance income and finance costs**

The Group's finance income and finance costs include interest income, interest expense, dividend income, the net gain or loss on financial assets at FVTPL and the foreign currency gain or loss on financial assets and financial liabilities (including derivative assets and liabilities).

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

### **2.21 Leases**

#### **Accounting as lessee**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the profit or loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of use asset and profit or loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in of profit or loss.

The Group has elected not to apply the requirements of IFRS 16 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liability presented as a separate line item on face of the statement of financial position.

### **2.22 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

## **2. Summary of significant accounting policies (continued)**

### **2.23 Government grants**

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

The Group records the proceeds received from Viability Gap Funding (VGF) on fulfilment of the underlying conditions as deferred revenue. Such deferred VGF is transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other operating income.

### **2.24 Presentation of 'EBITDA' on the statement of profit or loss**

The Group has included a sub-total 'Earnings before interest, tax, depreciation and amortisation' (EBITDA) in profit or loss. The Directors believe that EBITDA is meaningful for investors because it provides an analysis of the Group's operating results, profitability and ability to service debt and because EBITDA is used by the Group's chief operating decision makers to track the Group's business evolution, establish operational and strategic targets and make important business decisions. EBITDA is calculated as earnings before interest, taxes, depreciation and amortisation and share of profit/(loss) from equity accounted investees.

EBITDA is not a measure of financial performance under IFRS. The calculation of EBITDA by the Group may be different from the calculations of similarly labelled measures used by other companies and it should therefore not be used to compare one company against another or as a substitute for analysis of the Group's operating results as reported under IFRS. EBITDA is not a direct measure of the Group's liquidity, nor is it an alternative to cash flows from operating activities as a measure of liquidity, and it needs to be considered in the context of the Group's financial commitments.

### **2.25 Rounding of amounts**

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest million to two decimal currency units unless otherwise stated. Transactions and balances with values below the rounding off norm adapted by the Group have been reflected as '0.00' in relevant notes.

## **3. Recent Accounting Pronouncements**

### **Standards issued but not yet effective and not early adopted by the Group**

Apart from below a number of other new standards, amendments and interpretations not yet effective for 31 March 2022 but they do not have a material effect on the consolidated financial statements.

### **Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)**

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Group does not currently have any Onerous contracts.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

#### **4. 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.

##### **4.1. 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 9 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 18.4.

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\$ 2.55 million (31 March 2021: US\$5.09 million). This analysis assumes that all other variables remain constant.

##### **4.2. 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 11 for details of trade receivables and expected credit losses).

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

#### **4 Financial risk management (continued)**

##### **4.2 Credit risk (continued)**

###### **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 balance sheet date.

##### **4.3 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.

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.

**Greenko Energy Holdings***(All amounts in US Dollar millions unless otherwise stated)***Notes to the consolidated financial statements****4 Financial risk management (continued)****Liquidity risk (continued)**

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

**As at 31 March 2022:**

|                                | Carrying<br>value | Less than<br>1 year | Between 1<br>and 2 years | Between 2<br>and 5 years | Over<br>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<br>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<br>liabilities | 330.52            | 96.30               | 77.01                    | 147.20                   | 30.26           | 350.77          |
| <b>Total</b>                   | <b>5,417.76</b>   | <b>1,587.54</b>     | <b>987.36</b>            | <b>2,765.19</b>          | <b>1,073.07</b> | <b>6,413.16</b> |

\* Refer note 31(a) for borrowings refinanced subsequent to 31 March 2022.

\*\* 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.

**As at 31 March 2021:**

|                                | Carrying<br>value | Less than<br>1 year | Between 1<br>and 2 years | Between 2<br>and 5 years | Over<br>5 years | Total           |
|--------------------------------|-------------------|---------------------|--------------------------|--------------------------|-----------------|-----------------|
| Borrowings                     |                   |                     |                          |                          |                 |                 |
| - Principal                    | 4,846.12          | 439.69              | 723.39                   | 2,212.00                 | 1,523.87        | 4,898.95        |
| - Interest                     | -                 | 327.14              | 303.65                   | 646.65                   | 459.34          | 1,736.78        |
| Trade and<br>other payables*   | 288.28            | 272.69              | 0.03                     | 15.56                    | -               | 288.28          |
| Lease liabilities              | 7.18              | 1.32                | 1.01                     | 3.03                     | 4.20            | 9.56            |
| Other financial<br>liabilities | 221.70            | 64.29               | 64.08                    | 102.50                   | 7.95            | 238.82          |
| <b>Total</b>                   | <b>5,363.28</b>   | <b>1,105.13</b>     | <b>1,092.16</b>          | <b>2,979.74</b>          | <b>1,995.36</b> | <b>7,172.39</b> |

\* Trade and other payables that are not financial liabilities (deferred income) amounting to US\$9.26 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.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

#### **5 Critical accounting judgements and key sources of estimating uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial information and the reported amounts of revenue and expenses during the reporting period. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily available from other sources.

##### **5.1 Critical judgments in applying the accounting policies**

###### **a) Application of business combination accounting rules, including identification and valuation of intangible assets acquired in a business combination**

The Group allocates the purchase price of the acquired companies to the tangible, intangible and other assets acquired and liabilities assumed based on their estimated fair values. The Group engages third-party external appraisal firms to assist in determining the fair values of the acquired assets and liabilities. Such valuation requires the Group to make significant estimate and assumptions, especially with respect to identification and valuation of intangible assets and fair value of property, plant and equipment.

###### **b) Application of lease accounting rules**

Under IFRS 16, a contract contains a lease if it conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. The Group assesses whether it has the right to obtain substantially all of the economic benefits from use of the identified asset, as well as the right to direct the use of that asset. The Group also determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. The majority of the Group's lease arrangements concern the lands on which its generation assets are located.

###### **c) Application of interpretation for service concession arrangements**

Management has assessed applicability of IFRIC 12: Service Concession Arrangements. In assessing the applicability the management has exercised significant judgement in relation to the underlying ownership of the assets, the ability to enter into power purchase arrangements with any customer, ability to determine prices, useful life etc., in concluding that the arrangements do not meet the criteria for recognition as service concession arrangements.

###### **d) Assessment of long-term receivables from foreign operations**

The Group has considered its investment in non-convertible debentures of Indian subsidiaries as part of its net investment in foreign operations. The Group has considered these receivables as long-term receivables from foreign operations, as in view of the management, the settlement of these receivables is neither planned, nor likely to occur in the foreseeable future. Accordingly, all exchange differences on translation of these receivables are recognised in other comprehensive income.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

#### **5 Critical accounting judgements and key sources of estimating uncertainty (continued)**

##### **5.2 Key sources of estimating uncertainty**

###### **a) Fair value estimation**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses their judgment to determine an appropriate method and make assumptions that are based on market conditions existing at each reporting date. The carrying value of trade and other receivables and payables are assumed to approximate their fair values due to the short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. 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.

###### **b) Income Tax**

The Group is subject to income taxes in multiple jurisdictions. Significant judgment is required in determining provision for income taxes. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

###### **c) Contingencies**

The Group is involved in disputes, lawsuits, claims, governmental and/or regulatory proceedings that arise from time to time in the ordinary course of business. The Group assesses the need to make a provision for a liability for such claims and record a provision when the Group determines that a loss related to a matter is both probable and reasonably estimable. Because litigation and other contingencies are inherently unpredictable, the Group's assessment can involve judgments about future events. Often, these issues are subject to uncertainties and therefore the probability of a loss, if any, being sustained and an estimate of the amount of any loss are difficult to ascertain. This is due to a number of factors, including: the stage of the proceedings (in many cases trial dates have not been set) and the overall length and extent of pre-trial discovery; the entitlement of the parties to an action to appeal a decision; clarity as to theories of liability; damages and governing law; uncertainties in timing of litigation; and the possible need for further legal proceedings to establish the appropriate amount of damages, if any. Consequently, in case of claims, where it is not possible to make a reasonable estimate of the expected financial effect that will result from ultimate resolution of the proceedings, the information with respect to the nature and facts of the case are disclosed.

###### **d) Estimated impairment of goodwill**

In accordance with the accounting policy stated in note 2.7, the Group tests annually whether goodwill has suffered any impairment. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates including future operating margins and discount rates.

###### **e) Useful life of depreciable assets**

Property, plant and equipment and intangible assets represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Refer note 2.5 and 2.6 for estimated useful life.

###### **f) Going concern**

The Group has incurred losses of US\$ 75.96 million for the year ended 31 March 2022 (31 March 2021: US\$ 208.20 million). As at 31 March 2022, the Group had net current liabilities of US\$ 163.36 million (31 March 2021: net current assets of US\$ 561.68 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. Refer note 31(a) for borrowings refinanced subsequent to 31 March 2022.

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 6 Subsidiaries

##### 6.1 Principal subsidiaries

Set out below are the details of the Group's material subsidiaries at the end of reporting periods. Unless otherwise stated, the subsidiaries as listed below have share capital consisting of ordinary shares which are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by Group. The country of incorporation or registration is also their principal place of business.

|                                               | Country of<br>incorporation | Principal business             | Holding as at<br>31 March 2022 | Holding as at<br>31 March 2021 |
|-----------------------------------------------|-----------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Wholly owned subsidiary:</b>               |                             |                                |                                |                                |
| Greenko Mauritius                             | Mauritius                   | Intermediate holding company   | 100%                           | 100%                           |
| <b>Subsidiaries of Greenko Mauritius:</b>     |                             |                                |                                |                                |
| Greenko Investment Company                    | Mauritius                   | Intermediate financing company | 100%                           | 100%                           |
| Greenko Dutch B.V.                            | Netherlands                 | Intermediate financing company | 100%                           | 100%                           |
| Greenko Solar (Mauritius) Limited             | Mauritius                   | Intermediate financing company | 100%                           | 100%                           |
| Greenko Wind Projects (Mauritius) Ltd         | Mauritius                   | Intermediate financing company | 100%                           | 100%                           |
| Greenko Power II Limited                      | Mauritius                   | Intermediate financing company | 100%                           | 100%                           |
| Greenko Energies Private Limited              | India                       | Indian holding company         | 100%                           | 100%                           |
| Greenko Solar Energy Private Limited          | India                       | Indian holding company         | 100%                           | 100%                           |
| Greenko AP01 IREP Private Limited             | India                       | Generation of power            | 100%                           | 100%                           |
| Greenko KA01 IREP Private Limited             | India                       | Generation of power            | 100%                           | 100%                           |
| Tadas Wind Energy Private Limited             | India                       | Generation of power            | 100%                           | 100%                           |
| Skeiron Renewable Energy Amidyala Limited     | India                       | Generation of power            | 100%                           | 100%                           |
| Lalpur Wind Energy Private Limited            | India                       | Generation of power            | 100%                           | 100%                           |
| Greenko Sironj Wind Power Private Limited     | India                       | Generation of power            | 54%                            | 54%                            |
| Greenko Mamatkhedha Wind Private Limited      | India                       | Generation of power            | 100%                           | 100%                           |
| Greenko Rayala Wind Power Private Limited     | India                       | Generation of power            | 100%                           | 100%                           |
| Ratedi Wind Power Private Limited             | India                       | Generation of power            | 100%                           | 100%                           |
| Khandke Wind Energy Private Limited           | India                       | Generation of power            | 100%                           | 100%                           |
| Tanot Wind Power Ventures Private Limited     | India                       | Generation of power            | 100%                           | 100%                           |
| Saipuram Wind Energies Private Limited        | India                       | Generation of power            | 100%                           | 100%                           |
| Axis Wind Farms (MPR DAM) Private Limited     | India                       | Generation of power            | 100%                           | 100%                           |
| Ratnagiri Wind Power Projects Private Limited | India                       | Generation of power            | 100%                           | 100%                           |
| Fortune Five Hydel Projects Private Limited   | India                       | Generation of power            | 100%                           | 100%                           |

**Greenko Energy Holdings***(All amounts in US Dollar millions unless otherwise stated)***Notes to the consolidated financial statements****6 Subsidiaries (continued)****6.1 Principal subsidiaries (continued)**

|                                                       | Country of<br>incorporation | Principal business  | Holding as at<br>31 March 2022 | Holding as at<br>31 March 2021 |
|-------------------------------------------------------|-----------------------------|---------------------|--------------------------------|--------------------------------|
| <b>Subsidiaries of Greenko Mauritius: (continued)</b> |                             |                     |                                |                                |
| Greenko Uravakonda Wind Power Private Limited         | India                       | Generation of power | 100%                           | 100%                           |
| Greenko Suvaan Energy Private Limited                 | India                       | Generation of power | 100%                           | 100%                           |
| Devarahipparigi Wind Power Private Limited            | India                       | Generation of power | 100%                           | 100%                           |
| Vyshali Energy Private Limited                        | India                       | Generation of power | 100%                           | 100%                           |
| Everest Power Private Limited                         | India                       | Generation of power | 100%                           | 100%                           |
| Himachal Sorang Power Private Limited                 | India                       | Generation of power | 100%                           | 100%                           |
| Greenko Anantapur Wind Power Private Limited          | India                       | Generation of power | 100%                           | 100%                           |

**6.2 Composition of the Group**

In addition to above material subsidiaries, the Group has 184 (31 March 2021: 172) subsidiaries based in India and 8 (31 March 2021: 8) subsidiaries incorporated and based in Mauritius and Singapore. The principal activity of Indian subsidiaries is owning, developing, constructing, operating and maintaining power projects. The subsidiaries incorporated outside India are primarily intermediate holding companies and intermediate financing companies.

The Group also has interest in 1 (31 March 2021: 4) associates. Set out below are the details of the Group's interest in equity-accounted investee of reporting periods. Refer note 30 for details of material associates and individually immaterial associates.

|    |                                          | % of equity holding |               |
|----|------------------------------------------|---------------------|---------------|
|    |                                          | 31 March 2022       | 31 March 2021 |
| 1. | Teesta Urja Limited                      | 34.31%              | 30%           |
| 2. | SEI Jyotishwaroop Power Private Limited* | -                   | 49%           |
| 3. | SEI Ravikiran Energy Private Limited*    | -                   | 49%           |
| 4. | SEI Renewable Energy Private Limited*    | -                   | 49%           |

\* The Group has acquired balance shareholding of these entities during the year. Refer Note 28 for details.

**6.3 Restrictions**

The Group has assets and liabilities in multiple jurisdictions held by various subsidiaries. There are certain restrictions on inter transfer/settlement of liabilities and movement of funds among subsidiaries in India. Further as per governmental regulations, there are certain restrictions on transfer of assets outside India.

# Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

## Notes to the consolidated financial statements

### 7 Property, plant and equipment

|                                                             | Land          | Buildings     | Plant and machinery | Furniture and equipment | Vehicles    | Right -of -use assets<br>(refer note 27) | Capital work-in-progress | Total           |
|-------------------------------------------------------------|---------------|---------------|---------------------|-------------------------|-------------|------------------------------------------|--------------------------|-----------------|
| <b>Cost</b>                                                 |               |               |                     |                         |             |                                          |                          |                 |
| As at 01 April 2020                                         | 86.09         | 342.76        | 3,504.71            | 9.79                    | 3.87        | 16.54                                    | 460.97                   | 4,424.73        |
| Acquisition through business combination<br>(Refer Note 28) | 11.89         | -             | 592.58              | 0.02                    | 0.02        | 0.23                                     | 13.41                    | 618.15          |
| Additions                                                   | 2.70          | 4.85          | 1.35                | 0.52                    | 0.70        | 3.52                                     | 107.00                   | 120.64          |
| Disposals/capitalisation                                    | (0.38)        | -             | (0.60)              | (0.00)                  | (0.42)      | (3.77)                                   | -                        | (5.17)          |
| Exchange differences                                        | 2.19          | 8.86          | 84.66               | 0.25                    | 0.11        | 0.42                                     | (0.67)                   | 95.82           |
| <b>As at 31 March 2021</b>                                  | <b>102.49</b> | <b>356.47</b> | <b>4,182.70</b>     | <b>10.58</b>            | <b>4.28</b> | <b>16.94</b>                             | <b>580.71</b>            | <b>5,254.17</b> |
| Acquisition through business combination<br>(Refer Note 28) | 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)        |
| <b>As at 31 March 2022</b>                                  | <b>107.56</b> | <b>389.84</b> | <b>4,226.12</b>     | <b>13.53</b>            | <b>5.79</b> | <b>27.93</b>                             | <b>784.33</b>            | <b>5,555.10</b> |
| <b>Accumulated depreciation</b>                             |               |               |                     |                         |             |                                          |                          |                 |
| At 01 April 2020                                            | -             | 33.45         | 355.46              | 4.53                    | 1.67        | 1.42                                     | -                        | 396.53          |
| Charge for the year                                         | -             | 10.84         | 137.60              | 1.65                    | 0.53        | 1.30                                     | -                        | 151.92          |
| Disposals                                                   | -             | -             | (0.07)              | -                       | (0.21)      | (0.42)                                   | -                        | (0.70)          |
| Exchange differences                                        | -             | 0.96          | 10.40               | 0.15                    | 0.05        | 0.05                                     | -                        | 11.61           |
| <b>As at 31 March 2021</b>                                  | <b>-</b>      | <b>45.25</b>  | <b>503.39</b>       | <b>6.33</b>             | <b>2.04</b> | <b>2.35</b>                              | <b>-</b>                 | <b>559.36</b>   |
| 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)         |
| <b>As at 31 March 2022</b>                                  | <b>-</b>      | <b>54.15</b>  | <b>644.76</b>       | <b>7.50</b>             | <b>2.38</b> | <b>2.98</b>                              | <b>-</b>                 | <b>711.77</b>   |
| <b>Net book values</b>                                      |               |               |                     |                         |             |                                          |                          |                 |
| <b>As at 31 March 2022</b>                                  | <b>107.56</b> | <b>335.69</b> | <b>3,581.36</b>     | <b>6.03</b>             | <b>3.41</b> | <b>24.95</b>                             | <b>784.33</b>            | <b>4,843.33</b> |
| As at 31 March 2021                                         | 102.49        | 311.22        | 3,679.31            | 4.25                    | 2.24        | 14.59                                    | 580.71                   | 4,694.81        |

Certain borrowings at project level are secured against the present and future moveable and immovable assets of the project. During the year, the Group has capitalised borrowing costs amounting to US\$ 78.05 million (31 March 2021: US\$38.60 million) on qualifying assets during construction. The weighted average of the borrowing costs applicable to general borrowings is 11.14%. Note 25 (g) provide details of capital commitments outstanding as at 31 March 2022.

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 8 Intangible assets and goodwill

|                                                             | Licences      | Electricity<br>PPAs | Development<br>fees | Goodwill      | Total           |
|-------------------------------------------------------------|---------------|---------------------|---------------------|---------------|-----------------|
| As at 01 April 2020                                         | 117.39        | 770.00              | 40.88               | 223.17        | 1,151.44        |
| Acquisition through business<br>combination (Refer Note 28) | -             | 195.70              | -                   | 14.62         | 210.32          |
| Exchange differences                                        | 3.02          | 17.95               | 1.05                | 5.59          | 27.61           |
| <b>As at 31 March 2021</b>                                  | <b>120.41</b> | <b>983.65</b>       | <b>41.93</b>        | <b>243.38</b> | <b>1,389.37</b> |
| Acquisition through business<br>combination (Refer Note 28) | -             | 16.10               | -                   | -             | 16.10           |
| Exchange differences                                        | (3.65)        | (30.15)             | (1.27)              | (7.38)        | (42.45)         |
| <b>As at 31 March 2022</b>                                  | <b>116.76</b> | <b>969.60</b>       | <b>40.66</b>        | <b>236.00</b> | <b>1,363.02</b> |

#### Accumulated amortisation and impairment

|                                |              |               |             |              |               |
|--------------------------------|--------------|---------------|-------------|--------------|---------------|
| As at 01 April 2020            | 11.38        | 67.11         | 3.18        | 24.10        | 105.77        |
| Amortisation for the year      | 4.72         | 36.42         | 1.75        | -            | 42.89         |
| Impairment charge for the year | -            | -             | -           | 1.85         | 1.85          |
| Exchange differences           | 0.34         | 2.07          | 0.09        | 0.62         | 3.12          |
| <b>As at 31 March 2021</b>     | <b>16.44</b> | <b>105.60</b> | <b>5.02</b> | <b>26.57</b> | <b>153.63</b> |
| Amortisation for the year      | 4.70         | 43.95         | 1.74        | -            | 50.39         |
| Exchange differences           | (0.58)       | (3.94)        | (0.18)      | (0.81)       | (5.51)        |
| <b>As at 31 March 2022</b>     | <b>20.56</b> | <b>145.61</b> | <b>6.58</b> | <b>25.76</b> | <b>198.51</b> |

#### Net book values

|                            |              |               |              |               |                 |
|----------------------------|--------------|---------------|--------------|---------------|-----------------|
| <b>As at 31 March 2022</b> | <b>96.20</b> | <b>823.99</b> | <b>34.08</b> | <b>210.24</b> | <b>1,164.51</b> |
| As at 31 March 2021        | 103.97       | 878.05        | 36.91        | 216.81        | 1,235.74        |

Amortisation is included under 'Depreciation and amortisation' in the statement of profit or loss and other comprehensive income. The average remaining amortisation period for licences is 21.59 years and for electricity PPAs is 17.66 years.

Goodwill acquired through business combination has been allocated to each individual power generation unit as 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. A CGU level summary of goodwill is presented below:

|                                                   | 31 March 2021 | Impairment<br>charge | Exchange<br>difference | 31 March 2022 |
|---------------------------------------------------|---------------|----------------------|------------------------|---------------|
| Greenko Rayala Wind Power Company Private Limited | 31.08         | -                    | (0.94)                 | 30.14         |
| Sneha Kinetic Power Projects Private Limited      | 28.82         | -                    | (0.87)                 | 27.95         |
| Tanot Wind Power Ventures Private Limited         | 22.10         | -                    | (0.67)                 | 21.43         |
| Ratnagiri Wind Power Projects Private Limited     | 19.52         | -                    | (0.60)                 | 18.92         |
| Fortune Five Hydel Projects Private Limited       | 20.31         | -                    | (0.61)                 | 19.70         |
| Vyshali Energy Private Limited                    | 17.14         | -                    | (0.52)                 | 16.62         |
| Multiple units without significant goodwill       | 77.84         | -                    | (2.36)                 | 75.48         |
|                                                   | <b>216.81</b> | <b>-</b>             | <b>(6.57)</b>          | <b>210.24</b> |

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 8 Intangible assets and goodwill (continued)

The following are 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.

#### 9 Financial assets and liabilities

The accounting policies for financial instruments have been applied to the line items below:

31 March 2022

|                                          | Amortised cost  | Financial assets at FVTPL | Financial assets at FVOCI | Total           |
|------------------------------------------|-----------------|---------------------------|---------------------------|-----------------|
| <b>Financial assets</b>                  |                 |                           |                           |                 |
| <b>Non-current</b>                       |                 |                           |                           |                 |
| Bank deposits (note 15)                  | 30.13           | -                         | -                         | 30.13           |
| Other receivables (note 12)              | 15.24           | -                         | -                         | 15.24           |
| Other investments (note 10)              | -               | -                         | 0.34                      | 0.34            |
| Derivative financial assets              | -               | 391.20                    | -                         | 391.20          |
| <b>Current</b>                           |                 |                           |                           |                 |
| Other investments (note 10)              | -               | 0.09                      | -                         | 0.09            |
| Bank deposits (note 15)                  | 80.77           | -                         | -                         | 80.77           |
| Trade receivables (note 11)              | 672.54          | -                         | -                         | 672.54          |
| Derivative financial assets              | -               | 38.17                     | -                         | 38.17           |
| Other receivables <sup>a</sup> (note 12) | 2.32            | -                         | -                         | 2.32            |
| Cash and cash equivalents (note 14)      | 356.82          | -                         | -                         | 356.82          |
| <b>Total</b>                             | <b>1,157.82</b> | <b>429.46</b>             | <b>0.34</b>               | <b>1,587.62</b> |

|                                                 | Amortised cost  | Total           |
|-------------------------------------------------|-----------------|-----------------|
| <b>Financial liabilities</b>                    |                 |                 |
| <b>Non-current</b>                              |                 |                 |
| Borrowings (note 18)                            | 3,797.79        | 3,797.79        |
| Trade and other payables <sup>b</sup> (note 17) | 6.48            | 6.48            |
| Other financial liabilities                     | 234.61          | 234.61          |
| Lease liabilities (note 27)                     | 14.01           | 14.01           |
| <b>Current</b>                                  |                 |                 |
| Borrowings (note 18)                            | 1,028.83        | 1,028.83        |
| Trade and other payables (note 17)              | 238.85          | 238.85          |
| Other financial liabilities                     | 95.91           | 95.91           |
| Lease liabilities (note 27)                     | 1.28            | 1.28            |
| <b>Total</b>                                    | <b>5,417.76</b> | <b>5,417.76</b> |

**Greenko Energy Holdings**
*(All amounts in US Dollar millions unless otherwise stated)*
**Notes to the consolidated financial statements**
**9 Financial assets and liabilities (continued)**
**31 March 2021**

|                                                 | Amortised cost  | Financial assets<br>at FVTPL      | Financial assets<br>at FVOCI | Total           |
|-------------------------------------------------|-----------------|-----------------------------------|------------------------------|-----------------|
| <b>Financial assets</b>                         |                 |                                   |                              |                 |
| <b>Non-current</b>                              |                 |                                   |                              |                 |
| Bank deposits (note 15)                         | 90.52           | -                                 | -                            | 90.52           |
| Other receivables (note 12)                     | 15.09           | -                                 | -                            | 15.09           |
| Other investments (note 10)                     | -               | -                                 | 0.34                         | 0.34            |
| Derivative financial assets                     | -               | 285.82                            | -                            | 285.82          |
| <b>Current</b>                                  |                 |                                   |                              |                 |
| Other investments (note 10)                     | -               | 0.07                              | -                            | 0.07            |
| Bank deposits (note 15)                         | 116.18          | -                                 | -                            | 116.18          |
| Trade receivables (note 11)                     | 566.13          | -                                 | -                            | 566.13          |
| Other receivables <sup>a</sup> (note 12)        | 30.19           | -                                 | -                            | 30.19           |
| Cash and cash equivalents (note 14)             | 558.63          | -                                 | -                            | 558.63          |
| <b>Total</b>                                    | <b>1,376.74</b> | <b>285.89</b>                     | <b>0.34</b>                  | <b>1,662.97</b> |
|                                                 |                 |                                   |                              |                 |
|                                                 | Amortised cost  | Financial liabilities<br>at FVTPL |                              | Total           |
| <b>Financial liabilities</b>                    |                 |                                   |                              |                 |
| <b>Non-current</b>                              |                 |                                   |                              |                 |
| Borrowings (note 18)                            | 4,415.24        | -                                 |                              | 4,415.24        |
| Trade and other payables <sup>b</sup> (note 17) | 15.59           | -                                 |                              | 15.59           |
| Other financial liabilities                     | 157.41          | -                                 |                              | 157.41          |
| Lease liabilities (note 27)                     | 6.37            | -                                 |                              | 6.37            |
| <b>Current</b>                                  |                 |                                   |                              |                 |
| Borrowings (note 18)                            | 430.88          | -                                 |                              | 430.88          |
| Trade and other payables (note 17)              | 245.59          | 27.10                             |                              | 272.69          |
| Other financial liabilities                     | 64.29           | -                                 |                              | 64.29           |
| Lease liabilities (note 27)                     | 0.81            | -                                 |                              | 0.81            |
| <b>Total</b>                                    | <b>5,336.18</b> | <b>27.10</b>                      |                              | <b>5,363.28</b> |

The carrying amounts reported in the statement of Group financial position for cash and cash equivalents, bank deposits, trade and other receivables, trade and other payables approximate their respective fair values due to their short maturity.

Financial liabilities are at FVTPL consists of contingent consideration payable against business combinations.

<sup>a</sup> Other receivables that are not financial assets (such as certain advances and other receivables, prepaid and advance for purchase of equity) of US\$ 32.46 million and US\$42.85 million as of 31 March 2022 and 31 March 2021, respectively, are not included.

<sup>b</sup> Trade and other payables that are not financial liabilities (such as deferred income) of US\$ 8.69 million and US\$9.26 million as of 31 March 2022 and 31 March 2021, respectively, are not included.

**Greenko Energy Holdings***(All amounts in US Dollar millions unless otherwise stated)***Notes to the consolidated financial statements****9 Financial assets and liabilities (continued)****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:

**31 March 2022**

|                                              | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|----------------------------------------------|----------------|----------------|----------------|--------------|
| <b>Financial assets:</b>                     |                |                |                |              |
| <b>Measured at fair value</b>                |                |                |                |              |
| Other investments                            | 0.09           | -              | 0.34           | 0.43         |
| Derivative financial assets                  | -              | 429.37         | -              | 429.37       |
| <b>Financial liabilities:</b>                |                |                |                |              |
| <b>Measured at amortised cost</b>            |                |                |                |              |
| 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       |

**31 March 2021**

|                                              | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|----------------------------------------------|----------------|----------------|----------------|--------------|
| <b>Financial assets:</b>                     |                |                |                |              |
| <b>Measured at fair value</b>                |                |                |                |              |
| Other investments                            | 0.07           | -              | 0.34           | 0.41         |
| Derivative financial assets                  | -              | 285.82         | -              | 285.82       |
| <b>Financial liabilities:</b>                |                |                |                |              |
| <b>Measured at amortised cost</b>            |                |                |                |              |
| Fixed rate borrowings (including current)    | 3,183.67       | 947.78         | -              | 4,131.45     |
| Floating rate borrowings (including current) | -              | 1,016.81       | -              | 1,016.81     |
| Other financial liabilities                  | -              | -              | 221.70         | 221.70       |
| <b>Measured at fair value</b>                |                |                |                |              |
| Contingent consideration payable             | -              | -              | 27.10          | 27.10        |

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 9 Financial assets and liabilities (continued)

##### Measurement of fair value of financial instruments:

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.

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 (Refer Note 4.1). 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 31 March 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 of outstanding foreign exchange derivative contracts.

| Instrument      | Currency | Cross currency | Notional amount as at 31 March 2022 | Notional amount as at 31 March 2021 | Fair value as at 31 March 2022 | Fair value as at 31 March 2021 |
|-----------------|----------|----------------|-------------------------------------|-------------------------------------|--------------------------------|--------------------------------|
| Forward options | US\$     | INR            | 3,207.50                            | 2,120.00                            | 429.37                         | 285.82                         |
|                 |          |                | <b>3,207.50</b>                     | <b>2,120.00</b>                     | <b>429.37</b>                  | <b>285.82</b>                  |

##### 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 4.3.

##### 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 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 18.5). 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 consolidated financial statements****10 Other investments****Non-current investments:*****Equity securities – at FVOCI***

|                                                                                                                                     | <b>31 March 2022</b> | <b>31 March 2021</b> |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Hindustan Power Exchange Limited<br>(earlier Pranurja Solutions Limited)<br>(25,000,000 Equity shares of INR 1 each, fully paid-up) | 0.34                 | 0.34                 |
|                                                                                                                                     | <b>0.34</b>          | <b>0.34</b>          |

The Group designated the investments shown above as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes. No strategic investments were disposed of during the year and there were no transfers of any cumulative gain or loss within equity relating to these investments.

**Current investments:**

Units of quoted mutual funds (Debt instruments)

|                               | <b>31 March 2022</b> | <b>31 March 2021</b> |
|-------------------------------|----------------------|----------------------|
| Beginning of the year         | 0.07                 | 0.05                 |
| Unrealised gains              | 0.02                 | 0.02                 |
| <b>At the end of the year</b> | <b>0.09</b>          | <b>0.07</b>          |

There are no impairment provisions on other investments during the year. None of the financial assets is either past due or impaired.

Other investments are denominated in Indian rupees. The maximum exposure to credit risk at the reporting date is the fair value of the units of mutual funds classified as other investments.

**11 Trade receivables**

|                                          | <b>31 March 2022</b> | <b>31 March 2021</b> |
|------------------------------------------|----------------------|----------------------|
| Gross trade receivables                  | 740.75               | 605.19               |
| Less: Allowance for expected credit loss | (68.21)              | (39.06)              |
|                                          | <b>672.54</b>        | <b>566.13</b>        |

All the trade receivables are short-term and their carrying values are considered a reasonable approximation of fair values. All trade receivables are designated as financial assets measured at amortised cost.

Trade receivables include unbilled receivables for passage of time of US\$ 5.85 million (31 March 2021: US\$14.18 million) and not past due US\$ 112.06 million (31 March 2021: US\$106.14 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:

|                                          | <b>31 March 2022</b> | <b>31 March 2021</b> |
|------------------------------------------|----------------------|----------------------|
| Current                                  | 117.91               | 120.32               |
| 1 to 6 months                            | 127.35               | 155.07               |
| 6 to 9 months                            | 102.13               | 68.24                |
| 9 to 12 months                           | 52.96                | 31.35                |
| Beyond 12 months                         | 340.40               | 230.21               |
| <b>Gross trade receivables</b>           | <b>740.75</b>        | <b>605.19</b>        |
| Less: Allowance for expected credit loss | (68.21)              | (39.06)              |
| <b>Trade receivables</b>                 | <b>672.54</b>        | <b>566.13</b>        |

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.

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 11 Trade receivables (continued)

As at 31 March 2022, trade receivables include US\$ 357.32 million (31 March 2021: US\$ 283.40 million) outstanding from Southern Power Distribution Company of Andhra Pradesh Limited ("APDISCOM"), of which current portion is US\$ 21.54 million (31 March 2021: US\$ 25.90 million) and past due is US\$ 335.78 million (31 March 2021: US\$ 257.50 million), of which US\$ 245.65 million are under litigation. The Group along with other companies in the industry have challenged the APDISCOM's non-payment of the outstanding dues in the Courts. The Hon'ble High Court of Andhra Pradesh ("AP HC"), vide its judgement dated 15 March 2022, set aside the order passed by the single Judge of AP HC on 24 September 2019 (for making payments at an interim rate) and has concluded that the tariff cannot be revisited after the PPA has been signed and executed. It has also directed the APDISCOM to release all the pending and future bills at the rate mentioned in the PPA within a period of six weeks from the order date. Refer note 26(a) for further details.

The Group has a provision in place to set aside an allowance to cover potential impairment and non-payment 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 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 (refer note 2.9 and 4.2) and adjusted for forward looking information. The movements on the allowance for expected credit losses of trade receivables is shown below:

|                                         | 31 March 2022 | 31 March 2021 |
|-----------------------------------------|---------------|---------------|
| As at the beginning of the year         | 39.06         | 19.60         |
| Charge for the year                     | 27.58         | 18.85         |
| Exchange differences                    | 1.57          | 0.61          |
| <b>Closing as at balance sheet date</b> | <b>68.21</b>  | <b>39.06</b>  |

#### 12 Other receivables

|                                             | 31 March 2022 | 31 March 2021 |
|---------------------------------------------|---------------|---------------|
| Other receivables                           | 12.23         | 25.76         |
| Advance for expenses                        | 21.35         | 21.14         |
| Receivables from equity-accounted investees | -             | 24.99         |
| Sundry deposits                             | 16.43         | 16.23         |
| Advance for purchase of equity              | 0.01          | 0.01          |
| <b>Total other receivables</b>              | <b>50.02</b>  | <b>88.13</b>  |
| Less: Non-current portion                   | (15.24)       | (15.09)       |
| <b>Current portion</b>                      | <b>34.78</b>  | <b>73.04</b>  |

The Group's exposure to credit risk related to financial assets are disclosed in note 4.2.

Receivables from equity-accounted investees primarily represent bridge loans given by the Group to equity-accounted investees for projects execution. These bridge loans are short-term in nature and these intermediate funding arrangements do not provide the Group with additional rights and are repayable upon loan proceeds from external lenders to these equity-accounted investees.

Other receivables include advances against purchase of stores and consumables, interest receivable on deposits and other advance recoverable.

#### 13 Inventories

|                        | 31 March 2022 | 31 March 2021 |
|------------------------|---------------|---------------|
| Stores and consumables | 9.95          | 7.30          |
| Raw materials          | 0.87          | 0.84          |
|                        | <b>10.82</b>  | <b>8.14</b>   |

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 14 Cash and cash equivalents

|              | 31 March 2022 | 31 March 2021 |
|--------------|---------------|---------------|
| Cash on hand | 0.33          | 0.35          |
| Cash at bank | 356.49        | 558.28        |
|              | <b>356.82</b> | <b>558.63</b> |

Cash at bank of the Group includes US\$ 36.28 million (31 March 2021: US\$ 70.32 million) in currencies other than INR (i.e., in US\$, GBP, SGD and EURO).

#### 15 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\$ 80.77 million (31 March 2021: US\$ 116.18 million) are classified as 'bank deposits' under current assets. Deposits with maturity date beyond 12 months from the reporting date amounting to US\$ 30.13 million (31 March 2021: US\$ 90.52 million) are disclosed under non-current assets. Bank deposits aggregating to US\$ 55.34 million (31 March 2021: US\$ 102.15 million) given as security against debt service coverage.

Bank deposits include US\$ 14.05 million (31 March 2021: US\$ 14.00 million) in currencies other than INR (i.e., in US\$).

#### 16 Share capital

|                                                                  | 31 March 2022   | 31 March 2021   |
|------------------------------------------------------------------|-----------------|-----------------|
| <b>Issued and fully paid with no par value</b>                   |                 |                 |
| 1,160,546,129 (31 March 2021: 1,088,146,129) Class A shares      | 2,437.31        | 2,255.16        |
| 7,044,000 (31 March 2021: 7,044,000) Class B2 Performance shares | 0.00            | 0.00            |
| <b>Total</b>                                                     | <b>2,437.31</b> | <b>2,255.16</b> |

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 for 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 has 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 104,100,000 rights shares till 31 March 2021 and a further subscription of 72,400,000 rights shares on 26 February 2022.
- During May 2019, the Company has entered into a Promoter Incentive Deed with GVL Management Services Limited, wherein the Company has issued 21,132,000 Class B2 performance shares in consideration for a subscription amount of US\$ 1. On 5 March 2021, 14,088,000 Class B2 performance shares were converted into Class A shares pursuant to and in accordance with the terms of the agreement.
- During June 2018, the Company granted a right to subscribe 51,271,209 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 had subscribed to 12,000,000 warrant shares during the year ended 31 March 2020 and subscribed to balance 39,271,209 warrant shares on 22 February 2021.
- 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. On 5 March 2021, GVL has subscribed to 32,311,786 warrant shares.
- During January 2021, the Company and shareholders entered into definitive agreements with Orix Corporation, Japan to acquire shares of the Company. On 5 March 2021, Orix Corporation has subscribed to 83,400,000 shares of the Company.

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 17 Trade and other payables

|                                            | 31 March 2022 | 31 March 2021 |
|--------------------------------------------|---------------|---------------|
| Trade payables                             | 30.78         | 35.42         |
| Capital creditors                          | 58.80         | 52.75         |
| Interest accrued but not due on borrowings | 69.05         | 50.67         |
| Cost of acquisition payable                | 47.53         | 60.75         |
| Deferred income                            | 8.69          | 9.26          |
| Advances from equity-accounted investees   | -             | 1.27          |
| Other payables                             | 39.17         | 87.42         |
| <b>Total trade and other payables</b>      | <b>254.02</b> | <b>297.54</b> |
| Less: Non-current portion                  | (15.17)       | (24.85)       |
| <b>Current portion</b>                     | <b>238.85</b> | <b>272.69</b> |

Other payables include accruals for expenses, statutory liabilities and other liabilities. All amounts are short term and the carrying values of trade and other payables are considered a reasonable approximation of fair value. Cost of acquisition payable is consideration payable towards acquisitions made by subsidiaries. Other payables as at 31 March 2021 also includes US\$ 40.70 million towards tax deducted at source by Greenko Power Projects (Mauritius) Limited on consideration paid to Orix Corporation towards acquisition of Orix Wind Projects (Refer note 28).

Deferred income represents subsidy in the form of Viability Gap Funding (VGF) in accordance with National Solar Mission in case of two solar projects acquired during the year. Upon satisfaction of underlying conditions for receipt of VGF, the subsidy, recognised as deferred income, is being amortised over the useful life of the solar plant.

#### 18 Borrowings

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

|                                                                       | 31 March 2022   | 31 March 2021   |
|-----------------------------------------------------------------------|-----------------|-----------------|
| <b>Non-current – Financial liabilities measured at amortised cost</b> |                 |                 |
| Term loans from banks                                                 | 115.02          | 402.88          |
| Term loans from financial institutions                                | 338.29          | 1,159.03        |
| 3.85% Senior Notes {Refer Note 18.5 (a)}                              | 878.84          | 905.83          |
| 4.875% Senior Notes {Refer Note 18.5 (b)}                             | 496.46          | 494.02          |
| 5.55% Senior Notes {Refer Note 18.5 (c)}                              | 495.28          | 493.75          |
| 5.95% Senior Notes {Refer Note 18.5 (c)}                              | 528.99          | 527.82          |
| 6.25% Senior Notes {Refer Note 18.5 (d)}                              | -               | 431.91          |
| 4.30% Senior Notes {Refer Note 18.5 (e)}                              | 944.91          | -               |
|                                                                       | <b>3,797.79</b> | <b>4,415.24</b> |
| <b>Current – Financial liabilities measured at amortised cost</b>     |                 |                 |
| Term loans from banks                                                 | 437.06          | 236.54          |
| Term loans from financial institutions                                | 27.02           | 66.82           |
| 6.25% Senior Notes {Refer Note 18.5 (d)}                              | 433.50          | -               |
| 3.85% Senior Notes {Refer Note 18.5 (a)}                              | 28.20           | 28.20           |
| 4.30% Senior Notes {Refer Note 18.5 (e)}                              | 45.00           | -               |
| Working capital loans                                                 | 58.05           | 99.32           |
|                                                                       | <b>1,028.83</b> | <b>430.88</b>   |
| <b>Total borrowings</b>                                               | <b>4,826.62</b> | <b>4,846.12</b> |

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 18 Borrowings (continued)

18.1 Term loans from banks and financial institutions mature over the financial years 2023 to 2040 and bear rates of interest in the range of 8.25% to 13.70%.

18.2 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\$ 24.42 million (31 March 2021: US\$ 77.34 million).

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

|                    | 31 March 2022   | 31 March 2021   |
|--------------------|-----------------|-----------------|
| Indian Rupee (INR) | 975.44          | 1,964.59        |
| US Dollar (US\$)   | 3,851.18        | 2,881.53        |
|                    | <b>4,826.62</b> | <b>4,846.12</b> |

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

|                           | 31 March 2022   | 31 March 2021   |
|---------------------------|-----------------|-----------------|
| Fixed rate of interest    | 4,563.24        | 3,829.31        |
| Variable rate of Interest | 263.38          | 1,016.81        |
|                           | <b>4,826.62</b> | <b>4,846.12</b> |

#### 18.5 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, the Company 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.

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 18 Borrowings (continued)

##### 18.5 Notes and Senior Notes (continued)

- 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.
- 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.
- f) The Group's borrowings are subject to maintaining certain financial covenants as defined by the debt funders. The Group has complied with all the financial covenants during the year.

##### 18.6 Reconciliation of liabilities arising from financing activities:

|                                | As at<br>1 April<br>2021 | Proceeds<br>during the<br>year | Repayment<br>during the<br>year | Additions<br>through<br>business<br>combinations | Non-cash changes                 |                                  | As at 31<br>March<br>2022 |
|--------------------------------|--------------------------|--------------------------------|---------------------------------|--------------------------------------------------|----------------------------------|----------------------------------|---------------------------|
|                                |                          |                                |                                 |                                                  | Foreign<br>Exchange<br>movements | Transaction<br>costs/<br>accrued |                           |
| Borrowings                     | 4,846.12                 | 1,365.34                       | (1,411.62)                      | 45.63*                                           | (43.60)                          | 24.75                            | 4,826.62                  |
| Lease liabilities<br>(note 27) | 7.18                     | 9.41                           | (2.12)                          | -                                                | (0.42)                           | 1.24                             | 15.29                     |

\* net of inter-company borrowings amounting to US\$ 27.31 million.

|                                | As at<br>1 April<br>2020 | Proceeds<br>during the<br>year | Repayment<br>during the<br>year | Additions<br>through<br>business<br>combinations | Non-cash changes                 |                                  | As at 31<br>March<br>2021 |
|--------------------------------|--------------------------|--------------------------------|---------------------------------|--------------------------------------------------|----------------------------------|----------------------------------|---------------------------|
|                                |                          |                                |                                 |                                                  | Foreign<br>Exchange<br>movements | Transaction<br>costs/<br>accrued |                           |
| Borrowings                     | 4,167.36                 | 1,386.97                       | (1,270.18)                      | 515.54*                                          | 28.80                            | 17.63                            | 4,846.12                  |
| Lease liabilities<br>(note 27) | 7.91                     | (1.82)                         | (0.72)                          | 0.26                                             | 0.87                             | 0.68                             | 7.18                      |

\* net of inter-company borrowings amounting to US\$ 30.21 million.

**Greenko Energy Holdings***(All amounts in US Dollar millions unless otherwise stated)***Notes to the consolidated financial statements****19 Deferred tax liabilities**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities from the same taxation authority. The offset amounts are as follows:

|                                                        | 31 March 2022 | 31 March 2021 |
|--------------------------------------------------------|---------------|---------------|
| Deferred tax liabilities                               |               |               |
| — to be recovered beyond 12 months from reporting date | 555.00        | 528.89        |
| — to be recovered within 12 months                     | -             | -             |
|                                                        | <b>555.00</b> | <b>528.89</b> |

The movement in deferred tax (assets)/liabilities during the period is as follows:

|                                                          | Tangible assets | Intangible assets | Others         | Total         |
|----------------------------------------------------------|-----------------|-------------------|----------------|---------------|
| <b>At 01 April 2020</b>                                  | <b>229.08</b>   | <b>228.21</b>     | <b>(17.71)</b> | <b>439.58</b> |
| Acquisition through business combination (Refer Note 28) | 40.12           | 49.26             | (42.59)        | 46.79         |
| Recognised in profit or loss                             | 41.54           | (12.98)           | 3.17           | 31.73         |
| Exchange difference                                      | 5.01            | 5.59              | 0.19           | 10.79         |
| <b>At 31 March 2021</b>                                  | <b>315.75</b>   | <b>270.08</b>     | <b>(56.94)</b> | <b>528.89</b> |
| Acquisition through business combination (Refer Note 28) | 0.44            | 4.05              | (1.06)         | 3.43          |
| Recognised in profit or loss                             | 49.99           | (14.61)           | 4.20           | 39.58         |
| Exchange difference                                      | (10.79)         | (7.75)            | 1.64           | (16.90)       |
| <b>At 31 March 2022</b>                                  | <b>355.39</b>   | <b>251.77</b>     | <b>(52.16)</b> | <b>555.00</b> |

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable and the Group did not recognise the deferred tax asset of US\$ 88.21 million (31 March 2021: US\$ 87.69 million) on losses as there may not be sufficient taxable profits to offset these losses. The Group did not recognise the deferred tax asset of US\$ 62.22 million (31 March 2021: US\$ 59.40 million) on Minimum Alternate Tax (MAT) credit entitlement in respect of certain Indian entities as there may not be sufficient future taxable profits will be available against which the Group can use these MAT credit entitlements.

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 20 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.

|                                       | 31 March 2022 | 31 March 2021 |
|---------------------------------------|---------------|---------------|
| Sale of power                         | 685.36        | 573.39        |
| Sale of renewable energy certificates | 9.20          | 0.11          |
| Generation based incentive            | 28.49         | 21.44         |
|                                       | <b>723.05</b> | <b>594.94</b> |

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 electricity 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.

**Breakdown of revenue by source of generation is given below:**

|                                | 31 March 2022 | 31 March 2021 |
|--------------------------------|---------------|---------------|
| Revenue from wind assets       | 418.09        | 316.09        |
| Revenue from solar assets      | 209.08        | 201.58        |
| Revenue from hydropower assets | 95.88         | 76.55         |
| Revenue from others            | -             | 0.72          |
| <b>Total</b>                   | <b>723.05</b> | <b>594.94</b> |

**Breakdown of revenue by concentration is given below:**

|                                | 31 March 2022 | 31 March 2021 |
|--------------------------------|---------------|---------------|
| Revenue from Government bodies | 628.19        | 547.94        |
| Revenue from Private parties   | 94.86         | 47.00         |
| <b>Total</b>                   | <b>723.05</b> | <b>594.94</b> |

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 20.10% (31 March 2021: 23.88%) and 10.96% (31 March 2021: 13.84%), respectively.

#### 21 Retirement benefit obligations

The Group has an obligation towards defined benefit plans which includes gratuity and compensated absences of US\$ 4.52 million (31 March 2021: US\$ 3.89 million) and US\$ 1.82 million (31 March 2021: US\$ 1.76 million) respectively.

The Group makes annual contributions under a group gratuity plan to Life Insurance Corporation of India ("LIC") of an amount advised by LIC. The expected rate of return on plan assets is based on the expectation of the average long-term rate of return expected on the insurer managed funds during the estimated term of the obligation. The Group expects to contribute US\$ 0.87 million towards the gratuity plan for the year ending 31 March 2023.

**Greenko Energy Holdings***(All amounts in US Dollar millions unless otherwise stated)***Notes to the consolidated financial statements****22 Employee benefit expense**

|                                                  | 31 March 2022 | 31 March 2021 |
|--------------------------------------------------|---------------|---------------|
| Salaries and wages                               | 30.49         | 28.96         |
| Share-based payments (refer note below)          | -             | 27.70         |
| Employee welfare expenses                        | 1.04          | 0.98          |
| Retirement benefits (defined contribution plans) | 1.28          | 1.03          |
| Retirement benefits (defined benefit plans):     |               |               |
| -Gratuity                                        | 0.41          | 1.92          |
| -Compensated absences                            | 0.06          | 0.65          |
|                                                  | <b>33.28</b>  | <b>61.24</b>  |

**Share-based payments:**

During the year ended 31 March 2020, the Company has issued 21,132,000 Class B2 performance shares to GVL Management Services Limited ("GMSL"), a company in which Anil Kumar Chalamalasetty and Mahesh Kolli (Non-Executive Directors) have a beneficial interest, in consideration for a subscription amount of US\$ 1. Class B2 Performance shares ("Performance shares") are not entitled to any dividends and distributions as declared from time to time and also not confer any voting rights. Further these shares are not entitled to participate in the net assets on liquidation of the Company. GMSL will be entitled to convert these performance shares into Class A Shares if and to the extent that the Group achieves certain financial targets such as EBITDA performance hurdle for three financial years and valuation performance hurdle as set out in the Promoter Incentive Deed entered on 23 May 2019.

The fair value of said performance shares has been determined using the price at which new shares have been allotted to all the other existing shareholders on the date of grant. The Group achieved the EBITDA performance hurdle for one of the three financial years, 31 March 2019 and did not achieve the EBITDA performance hurdle for the balance two financial years. Accordingly, the proportionate share warrants for the EBITDA performance hurdle were not exercisable. The Group achieved the valuation hurdle during the previous year. Accordingly, on 5 March 2021, 14,088,000 Class B2 performance shares were converted into Class A shares on fulfillment of EBITDA and valuation performance hurdle and the Group has recognised share-based payment costs to the extent performance hurdles has been met.

**23 Finance income and costs**

|                                         | 31 March 2022 | 31 March 2021 |
|-----------------------------------------|---------------|---------------|
| <b>Finance income</b>                   |               |               |
| Foreign exchange gain                   | 0.52          | 1.83          |
| Interest on bank deposits               | 7.34          | 10.39         |
| Fair value gain on derivative contracts | -             | 0.17          |
| Dividend from units of mutual funds     | 0.02          | 0.02          |
|                                         | <b>7.88</b>   | <b>12.41</b>  |
| <b>Finance costs</b>                    |               |               |
| Finance cost on borrowings              | 308.07        | 291.29        |
| Finance cost on derivative instruments  | 8.92          | 8.54          |
| Fair value loss on derivative contracts | 35.42         | 63.02         |
| Loan restructuring costs*               | 31.05         | 42.00         |
| Bank charges                            | 0.31          | 0.95          |
|                                         | <b>383.77</b> | <b>405.80</b> |

\* During the year, Greenko Power II Limited has issued Senior Notes for repayment of existing Rupee debt of certain Indian operating subsidiaries (Refer note 18.5 (e)). Loan restructuring costs amounting to US\$ 31.05 million represents the cost of prepayment, notice period interest and unamortised transaction costs of existing Rupee Debt of operating subsidiaries.

**Greenko Energy Holdings***(All amounts in US Dollar millions unless otherwise stated)***Notes to the consolidated financial statements****24 Income tax expense**

|                        | <b>31 March 2022</b> | <b>31 March 2021</b> |
|------------------------|----------------------|----------------------|
| Current tax            | 20.46                | 21.51                |
| Deferred tax (note 19) | 39.58                | 31.73                |
|                        | <b>60.04</b>         | <b>53.24</b>         |

Greenko Energy Holdings is incorporated in Mauritius having applicable income tax rate of 15%. However, the group's significant operations are based in India and are taxable as per Indian Income Tax Act, 1961. For effective tax reconciliation purposes, the applicable tax rate in India has been considered. The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group as follows:

|                                                                                                                 | <b>31 March 2022</b> | <b>31 March 2021</b> |
|-----------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Loss before tax</b>                                                                                          | (15.92)              | (154.96)             |
| Tax rate applicable to entities in Group operating in India                                                     | 26%                  | 26%                  |
| Expected tax expense/ (benefit)                                                                                 | (4.14)               | (40.29)              |
| <b>Tax effect of:</b>                                                                                           |                      |                      |
| Withholding tax in India on interest payments on inter-company debt from group companies in other jurisdictions | 8.73                 | 10.65                |
| Effect of tax rate in other jurisdictions (Mauritius and Singapore)                                             | <b>0.49</b>          | <b>0.49</b>          |
| Non-deductible losses and expenses                                                                              | 8.49                 | 12.24                |
| Minimum alternative tax by entities eligible for tax holiday period                                             | 11.73                | 10.53                |
| Deferred tax asset not recognised on temporary differences                                                      | 13.23                | 23.19                |
| Fair value loss/ (gain) on derivative contracts and loan restructuring costs                                    | 17.28                | 27.31                |
| Share of profit from equity-accounted investees and bargain purchase                                            | (8.83)               | (3.46)               |
| Share-based payments, impairments and others                                                                    | 13.06                | 12.58                |
| <b>Tax charge</b>                                                                                               | <b>60.04</b>         | <b>53.24</b>         |

The Indian subsidiaries of the Group are engaged in power generation. Majority of the 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 companies are still liable for Minimum Alternate Tax which is calculated on the book profits of the relevant entity and is currently at a rate of 15.00% (31 March 2021: 15.00%) plus applicable surcharge and cess.

The Taxation Laws (Amendment) Act, 2019 has brought key changes to corporate tax rates in the Income Tax Act, 1961, which provide an option to a domestic company to pay income-tax at reduced rate of 22% plus applicable surcharge and cess subject to certain conditions. Based on entity specific assessment, certain operating entities of the Group have opted for this lower tax benefit and majority of Indian operating subsidiaries which are entitled for tax holiday under 80-IA of the Income Tax Act, 1961 are being continued under the old tax rate regime. For the fiscal year ended 31 March 2022, the statutory income tax rate under old tax rate regime before availing the tax holiday benefit ranges between 25% to 30% (31 March 2021: 25% to 30%) plus applicable surcharge and cess.

## Greenko Energy Holdings

*(All amounts in US Dollar millions unless otherwise stated)*

### Notes to the consolidated financial statements

#### 25 Commitments and contingencies

The commitments and contingencies of the Group for the year 31 March 2022 and 31 March 2021 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. The Group has been successful in obtaining 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\$ 19.66 million (31 March 2021: US\$ 11.78 million).
- b) Greenko Budhil Hydro Power Private Limited (Greenko Budhil), one of the subsidiaries of the Company, had received demand notices aggregating to US\$ 6.16 million (31 March 2021: US\$ 6.36 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.

- 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\$3.86 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\$ 8.82 million vide its letter / notice dated 15 November 2018. Aggrieved by the said letter /notice of PGCIL, HSPL 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 HSPL. APTEL vide orders dated 30 November 2018, 18 December 2018 and 21 December 2018 directed PGCIL not to take any coercive steps against HSPL 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\$ 5.82 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.

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

#### **25 Commitments and contingencies (continued)**

- d) During the year, Everest Power Private Limited (EPPL), one of the subsidiaries of the Company, has received demand notices aggregating to US\$ 9.54 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 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\$ 0.66 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 31 March 2022 but not yet incurred aggregated to US\$ 999.78 million (31 March 2021: US\$ 681.96 million).

## **Greenko Energy Holdings**

*(All amounts in US Dollar millions unless otherwise stated)*

### **Notes to the consolidated financial statements**

#### **26 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 (“HLNC”) 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 (“IWPA”) 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”), which on 24 September 2019, set aside the said APDISCOM notices and also quashed the GO for constitution of the HLNC.

The APDISCOM had earlier filed a petition (“OP 17/19”) before the Andhra Pradesh Electricity Regulatory Commission (“APERC”) seeking revision of certain normative parameters used in determination of wind feed-in tariffs and redetermination of tariff for existing PPAs at that time. Against these petitions, IWPA and several wind generating companies filed writ petition before the AP HC. The Single Judge of AP HC vide its order dated 24 September 2019, as an interim measure, instructed APDISCOM to honour pending and future bills at an interim rate of Rs. 2.44 per unit (as against the billed rate based on original tariff rate) and until the matter is resolved by the APERC and directed the APERC to conclude the hearings in OP 17/19 within 6 months period from September 2019.

Against this, IWPA and power generating companies have filed Writ Appeals before the Division Bench of the AP HC challenging the jurisdiction of APERC in entertaining OP 17/19. Further, IWPA and power generating companies have filed another writ appeal before the Division Bench of the AP HC challenging the directions of Single Judge of AP HC to APDISCOM for releasing the monies at interim rate of Rs. 2.44 per unit. The above Writ Appeals were partly heard in March 2020 as the AP HC could only take up urgent matters during COVID pandemic.

The AP HC, vide its judgement dated 15 March 2022, set aside the order passed by the single Judge of AP HC on 24 September 2019 (for making payments at an interim rate) and has concluded that the tariff cannot be revisited after the PPA has been signed and executed. It has also 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 has also filed an application before the Hon’ble APHC seeking extension of time for payment of dues.

Based on above favourable judgement received at the AP HC level and the legal advice obtained, the management believes that no adjustment has to be made in the consolidated financial statements. Accordingly, the Group continues to recognise the revenue from supply of power to APDISCOM at the original rate as per PPA and has determined that the related trade receivables are currently fully recoverable. Total trade receivable balance outstanding from APDISCOM as on 31 March 2022 is US\$ 357.32 million (31 March 2021: US\$ 283.40 million), of which US\$ 245.65 million are under litigation.

## Greenko Energy Holdings

*(All amounts in US Dollar millions unless otherwise stated)*

### Notes to the consolidated financial statements

#### 26 Other disputes (continued)

##### (b) Receivables for GUVNL

Certain subsidiaries of the Group (“Wind SPVs”) acquired during the year ended 31 March 2021 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\$ 23.96 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.

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 developments the NCLAT has on 23 October 2019, allowed 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 APTEL vide its order 5 April 2022 set aside the GERC order dated 8 July 2019 and directed GERC to hear the matters afresh after taking into subsequent developments and to pass necessary orders. The proceedings are in progress before GERC.

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, the Management is of 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.

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 27 Leases

##### Group

##### Leases as lessee

The Group leases assets like office premises and lands for development of plants. These leases typically run for a period of 3 to 25 years, with an option to renew the lease after that date. The Group recognises right-of-use assets and lease liabilities for most leases.

The Group leases office equipment, vehicles, IT equipment and certain office and accommodation facilities with contract term of 11 months to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below:

##### Right-of-use assets:

Following are the changes in the carrying value of right of use assets:

|                                                   | <b>Lands</b> | <b>Buildings</b> | <b>Total</b> |
|---------------------------------------------------|--------------|------------------|--------------|
| Recognised on 01 April 2020                       | 9.80         | 6.74             | 16.54        |
| Additions                                         | 0.45         | 3.07             | 3.52         |
| Acquisition through business combination (note 7) | 0.23         | -                | 0.23         |
| Deletions                                         | -            | (3.77)           | (3.77)       |
| Exchange differences                              | 0.25         | 0.17             | 0.42         |
| <b>As at 31 March 2021</b>                        | <b>10.73</b> | <b>6.21</b>      | <b>16.94</b> |
| Additions                                         | 2.88         | 12.95            | 15.83        |
| Exchange differences                              | (0.37)       | (0.34)           | (0.71)       |
| Deletions                                         | -            | (4.13)           | (4.13)       |
| <b>As at 31 March 2022</b>                        | <b>13.24</b> | <b>14.69</b>     | <b>27.93</b> |
| <b>Accumulated depreciation and impairment</b>    |              |                  |              |
| As at 01 April 2020                               | 0.49         | 0.93             | 1.42         |
| Charge for the year                               | 0.46         | 0.84             | 1.30         |
| Deletions                                         | -            | (0.42)           | (0.42)       |
| Exchange differences                              | 0.01         | 0.04             | 0.05         |
| <b>As at 31 March 2021</b>                        | <b>0.96</b>  | <b>1.39</b>      | <b>2.35</b>  |
| Charge for the year                               | 0.51         | 1.58             | 2.09         |
| Deletions                                         | -            | (1.38)           | (1.38)       |
| Exchange differences                              | (0.04)       | (0.04)           | (0.08)       |
| <b>As at 31 March 2022</b>                        | <b>1.43</b>  | <b>1.55</b>      | <b>2.98</b>  |
| <b>Net book values</b>                            |              |                  |              |
| <b>As at 31 March 2022</b>                        | <b>11.81</b> | <b>13.14</b>     | <b>24.95</b> |
| As at 31 March 2021                               | <b>9.77</b>  | <b>4.82</b>      | <b>14.59</b> |

The aggregate charge for the year on ROU assets is included in Depreciation and amortisation in profit or loss in the consolidated financial statements.

The following is the movement in lease liabilities:

|                                      | <b>31 March 2022</b> | <b>31 March 2021</b> |
|--------------------------------------|----------------------|----------------------|
| <b>Opening balance</b>               | 7.18                 | 7.91                 |
| Additions                            | 12.95                | 3.06                 |
| Finance cost accrued during the year | 1.24                 | 0.68                 |
| Payment of lease liabilities         | (2.12)               | (0.72)               |
| Derecognised during the year         | (3.54)               | (4.62)               |
| Translation difference               | (0.42)               | 0.87                 |
| <b>Closing balance</b>               | <b>15.29</b>         | <b>7.18</b>          |
| Current                              | 1.28                 | 0.81                 |
| Non-current                          | 14.01                | 6.37                 |

Leases not yet commenced to which Group is committed amounts is Nil.

**Greenko Energy Holdings***(All amounts in US Dollar millions unless otherwise stated)***Notes to the consolidated financial statements****27 Leases (continued)****The following is maturity profile of undiscounted lease payments:**

|                      | <b>31 March 2022</b> | <b>31 March 2021</b> |
|----------------------|----------------------|----------------------|
| Less than one year   | 2.46                 | 1.32                 |
| One to five years    | 2.73                 | 4.04                 |
| More than five years | 19.44                | 4.20                 |
| <b>Total</b>         | <b>24.63</b>         | <b>9.56</b>          |

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. The weighted average incremental borrowing rate applied to lease liabilities is 10%.

**The following is the amount recognised in statement of profit and loss:**

|                                                 | <b>31 March 2022</b> | <b>31 March 2021</b> |
|-------------------------------------------------|----------------------|----------------------|
| Variable lease expenses (other than short term) | -                    | -                    |
| Short-term lease expense                        | 1.27                 | 1.06                 |
| Low value lease expense                         | -                    | -                    |

**Amounts recognised in the statement of cash flows:**

|                              | <b>31 March 2022</b> | <b>31 March 2021</b> |
|------------------------------|----------------------|----------------------|
| Payment of lease liabilities | 2.12                 | 0.72                 |

**28 Business combinations****A) During the year:**

The Group through its subsidiaries had acquired 49% shareholding in SEI Renewable Energy Private Limited, SEI Jyotishwaroop Power Private Limited and SEI Ravikiran Energy Private Limited from SunEdison Group in earlier years (collectively referred as “Solar entities”). These entities are operating entities with a capacity of 90 MW. On 17 November 2021, the Group has acquired the balance 51% shareholding of these Solar entities by assuming debt on the acquisition date pursuant to the conditions being met in October 2021, the Group obtained the control through 100% shareholding and control over the Board. The Group has assessed whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has concluded that the acquired set is a business.

The Group has accounted for the above transactions under IFRS 3, “Business Combinations” in the consolidated financial statements. Details of purchase consideration, fair value of the acquiree’s assets and liabilities arising from the acquisition and goodwill/ bargain purchase are given below:

Fair value of the acquiree’s assets and liabilities arising from the acquisition are as follows:

|                                                                                                    | <b>Solar entities</b> |
|----------------------------------------------------------------------------------------------------|-----------------------|
| Property, plant and equipment                                                                      | 63.58                 |
| Intangible assets (customer contracts)                                                             | 16.10                 |
| Trade receivables                                                                                  | 0.36                  |
| Loans and advances                                                                                 | 6.37                  |
| Cash and cash equivalents                                                                          | 4.20                  |
| Borrowings                                                                                         | (72.94)               |
| Trade and other payables                                                                           | (2.90)                |
| Deferred tax liability                                                                             | (3.43)                |
| <b>Net assets</b>                                                                                  | <b>11.34</b>          |
| Purchase consideration:                                                                            |                       |
| - Consideration paid                                                                               | 0.00                  |
| - Advance for purchase of equity                                                                   | 0.01                  |
| Total purchase consideration                                                                       | <b>0.01</b>           |
| Fair value of net assets acquired                                                                  | 11.34                 |
| <b>Excess of group’s interest in the fair value of acquiree’s assets and liabilities over cost</b> | <b>(11.33)</b>        |

**Greenko Energy Holdings***(All amounts in US Dollar millions unless otherwise stated)***Notes to the consolidated financial statements****28 Business combinations (continued)****A) During the year: (continued)****Net cash outflow on account of business combinations**

|                                        | <b>Solar entities</b> |
|----------------------------------------|-----------------------|
| Total purchase consideration           | 0.00                  |
| Cash and cash equivalents              | (4.20)                |
| <b>Net cash inflow on acquisitions</b> | <b>(4.20)</b>         |

Excess of group's interest in the fair value of acquiree's assets and liabilities over cost is on account of Seller's exit from the above entities and bilateral negotiations between parties which has resulted into gain of US\$ 11.33 million.

Revenue from operations and loss from the date of acquisition from these entities is US\$ 2.90 million and US\$ 0.41 million, respectively. If the acquisitions had occurred on 1 April 2021, the amount of revenue and loss from these entities would have been US\$ 7.78 million and US\$ 0.33 million, respectively.

The trade receivables comprise gross contractual amounts due of US\$ 0.36 million which are expected to be fully recoverable as at the date of acquisition.

Costs associated with acquisitions during the year and previous year are not significant and have been included in other operating expenses in profit or loss.

**B) During the previous year:**

- a) During January 2021, the Company through its wholly owned subsidiary Greenko Power Projects (Mauritius) Limited ("GPPM") entered into a definitive agreement with Orix Corporation, Japan to acquire the 100% equity shares of certain target Indian subsidiaries (collectively referred as "Orix Wind Projects").

The transaction primarily involved acquisition of wind power projects of Orix Corporation in India. The selected portfolio consists of 873.50 MW operational wind projects. The acquisition was completed on 05 March 2021. However, the valuation of the acquired assets and liabilities has been carried out on 01 March 2021 considering that the effect of transactions from 01 March 2021 to 04 March 2021 were not material to the consolidated financial statements. The Group has assessed whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has concluded that the acquired set is a business.

- b) The Group through its subsidiaries has acquired 49% shareholding in SEI Solarvana Power Private Limited, SEI Sooraj Renewable Energy Private Limited and SEI Sunshine Power Private Limited from SunEdison Group in earlier years (collectively referred as "Solar entities"). These entities are operating entities with a capacity of 90 MW. On 31 March 2021, the Group has acquired the balance 51% shareholding of these Solar entities by assuming debt on the acquisition date Pursuant to the conditions being met in March 2021, the Group obtained the control over the Board of these Solar entities including the power to direct the relevant activities of the investee unilaterally. Share transfer got completed subsequent to 31 March 2021. The Group has assessed whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has concluded that the acquired set is a business.

The Group has accounted for the above transactions under IFRS 3, "Business Combinations" in the consolidated financial statements. Details of purchase consideration, fair value of the acquiree's assets and liabilities arising from the acquisition and goodwill/ bargain purchase are given below:

|                                                                                                         | <b>Orix Wind Projects</b> | <b>Solar entities</b> | <b>Total</b>  |
|---------------------------------------------------------------------------------------------------------|---------------------------|-----------------------|---------------|
| Purchase consideration:                                                                                 |                           |                       |               |
| - Consideration paid                                                                                    | 341.82                    | -                     | 341.82        |
| - Advance for purchase of equity                                                                        | -                         | 0.00                  | 0.00          |
| Total purchase consideration                                                                            | <b>341.82</b>             | <b>-</b>              | <b>341.82</b> |
| Fair value of net assets acquired                                                                       | 327.20                    | 10.80                 | 338.00        |
| Goodwill/ (Excess of group's interest in the fair value of acquiree's assets and liabilities over cost) | <b>14.62</b>              | <b>(10.80)</b>        |               |

**Greenko Energy Holdings***(All amounts in US Dollar millions unless otherwise stated)***Notes to the consolidated financial statements****28 Business combinations (continued)****B) During the previous year: (continued)**

Fair value of the acquiree's assets and liabilities arising from the acquisition are as follows:

|                                        | <b>Orix Wind<br/>Projects</b> | <b>Solar entities</b> | <b>Total</b>  |
|----------------------------------------|-------------------------------|-----------------------|---------------|
| Property, plant and equipment          | 545.40                        | 72.75                 | 618.15        |
| Intangible assets (customer contracts) | 182.42                        | 13.28                 | 195.70        |
| Trade receivables                      | 80.50                         | 0.86                  | 81.36         |
| Loans and advances                     | 4.82                          | 5.56                  | 10.38         |
| Cash and cash equivalents              | 17.51                         | 0.81                  | 18.32         |
| Bank deposits                          | 15.75                         | 4.29                  | 20.04         |
| Lease liabilities                      | (0.26)                        | -                     | (0.26)        |
| Borrowings                             | (464.39)                      | (81.36)               | (545.75)      |
| Trade and other payables               | (11.66)                       | (1.49)                | (13.15)       |
| Deferred tax liability                 | (42.89)                       | (3.90)                | (46.79)       |
| <b>Net assets</b>                      | <b>327.20</b>                 | <b>10.80</b>          | <b>338.00</b> |

**Net cash outflow on account of business combinations**

|                                                  | <b>Orix Wind<br/>Projects</b> | <b>Solar entities</b> | <b>Total</b>  |
|--------------------------------------------------|-------------------------------|-----------------------|---------------|
| Total purchase consideration                     | 341.82                        | 0.00                  | 341.82        |
| Advances and investments in associates           | -                             | 0.00                  | 0.00          |
| Cash and cash equivalents                        | (17.51)                       | (0.81)                | (18.32)       |
| <b>Net cash outflow/(inflow) on acquisitions</b> | <b>324.31</b>                 | <b>(0.81)</b>         | <b>323.50</b> |

Goodwill recognised is primarily attributable to the future economic and synergy benefits arising from assets acquired to strengthen its position in renewable energy sector. Goodwill is allocated to the group of assets acquired. None of the goodwill recognized is expected to be deductible for income tax purposes.

Excess of group's interest in the fair value of acquiree's assets and liabilities over cost is on account of Seller's exit from the above entities and bilateral negotiations between parties which has resulted into gain of US\$ 10.80 million .

Revenue from operations and loss from the date of acquisition from these entities is US\$ 5.61 million and US\$ 1.23 million, respectively. If the acquisitions had occurred on 1 April 2020, the amount of revenue and loss from these entities would have been US\$ 98.68 million and US\$ 1.08 million, respectively.

The trade receivables comprise gross contractual amounts due of US\$ 78.92 million which are expected to be fully recoverable as at the date of acquisition.

Costs associated with acquisitions during the year and previous year are not significant and have been included in other operating expenses in profit or loss.

**Measurement of fair values:**

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

**Plant, property and equipment** - Replacement Cost Method. Represents the theoretical cost of current labor and materials necessary to construct or acquire a new asset of similar utility to the subject asset. Similar utility refers to similar economic satisfaction. That is, the substitute is comparable in terms of its utility to the owner, but it is not necessarily an exact duplicate.

**Intangible assets (Power Purchase Agreements)** - Multi Period Excess Earnings Method ("MEEM"). Power Purchase Agreements (PPAs) are long-term customer contracts having a term of 10 to 25 years. The MEEM is commonly used when a reliable direct measurement of future economic benefits generated by an intangible asset is not possible. The method takes a 'residual approach' to estimating the income that an intangible is expected to generate. It generally starts with the total expected income streams for a business or group of assets as whole and deducts charges for all the other assets used to generate income with the intangible asset under review during its economic life.

**Greenko Energy Holdings***(All amounts in US Dollar millions unless otherwise stated)***Notes to the consolidated financial statements****29 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 31 March 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 31 March 2022.
- b) The following transactions were carried out with related parties:

**Key management compensation**

|                                                 | 31 March 2022        | 31 March 2021        |
|-------------------------------------------------|----------------------|----------------------|
| <b>Short-term employee benefits</b>             |                      |                      |
| Mr. Om Prakash Bhatt                            | 0.25                 | 0.25                 |
| Mr. Kunnasagaran Chinniah                       | 0.08                 | 0.08                 |
| Mr. Nassereddin Mukhtar Munjee                  | 0.08                 | 0.07                 |
| Mr. Mark Gainsborough                           | 0.07                 | -                    |
|                                                 | <b>0.48</b>          | <b>0.40</b>          |
|                                                 |                      |                      |
|                                                 | <b>31 March 2022</b> | <b>31 March 2021</b> |
| <b>Share-based payments</b>                     |                      |                      |
| GVL Management Services Limited (Refer note 22) | -                    | 27.70                |
|                                                 | <b>-</b>             | <b>27.70</b>         |

Greenko Foundation, a non-profit organisation in which key management personnel are members of governing body

|                                                             | 31 March 2022 | 31 March 2021 |
|-------------------------------------------------------------|---------------|---------------|
| Contribution for corporate social responsibility activities | 1.30          | 2.02          |

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

|                             | 31 March 2022 | 31 March 2021 |
|-----------------------------|---------------|---------------|
| Corporate office lease rent | 1.55          | -             |
| Trade payables              | 0.38          | -             |

**c) Equity-accounted investees:**

|                                                               | 31 March 2022 | 31 March 2021 |
|---------------------------------------------------------------|---------------|---------------|
| <b>Interest free inter-company loans receivable on demand</b> |               |               |
| Advances given to Equity-accounted investees                  | 3.87          | 1.72          |
| Amounts refunded by Equity-accounted investees                | -             | 39.54         |
| Amount receivable                                             | -             | 24.99         |
| Amount payable                                                | -             | 1.27          |

## Greenko Energy Holdings

(All amounts in US Dollar millions unless otherwise stated)

### Notes to the consolidated financial statements

#### 30 Equity-accounted investees

|                         | 31 March 2022 | 31 March 2021 |
|-------------------------|---------------|---------------|
| Interests in Associates | 152.12        | 114.29        |
|                         | <b>152.12</b> | <b>114.29</b> |

#### Details of Material Associates:

During January 2020, the Company through its wholly owned subsidiaries, Greenko Power Projects (Mauritius) Limited and Greenko Energies Private Limited, entered into definitive purchase agreements with certain shareholders of Teesta Urja Limited for acquisition of 34.31% shareholding of Teesta Urja Limited, which has the underlying asset of 1,200 MW of Hydro power project in North Sikkim, India. On 2 February 2021, the Group had acquired 30.16% shareholding from few shareholders post the regulatory approvals and accordingly the Group determined that it has significant influence w.e.f. 2 February 2021. Further the Group has completed the acquisition of balance 4.15% in August 2021.

The following table summarises the financial information of Teesta Urja Limited, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Teesta Urja Limited.

|                                                                                                                                      | <b>Group</b>         |                      |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                                                                      | <b>31 March 2022</b> | <b>31 March 2021</b> |
| Percentage of ownership interest                                                                                                     | 34.31%               | 30.16%               |
| Non-current assets                                                                                                                   | 1,597.76             | 1,734.39             |
| Current assets                                                                                                                       | 180.00               | 110.61               |
| Non-current liabilities                                                                                                              | (1,240.51)           | (1,371.84)           |
| Current liabilities                                                                                                                  | (96.45)              | (89.11)              |
| <b>Net assets (100%)</b>                                                                                                             | <b>440.80</b>        | <b>384.05</b>        |
| Group's share of net assets                                                                                                          | 151.24               | 115.83               |
| Exchange differences                                                                                                                 | 0.88                 | (1.54)               |
| <b>Carrying amount of interest in associate</b>                                                                                      | <b>152.12</b>        | <b>114.29</b>        |
| Revenue#                                                                                                                             | 350.68               | 24.49                |
| Profit for the year/ period#                                                                                                         | 69.23                | (10.96)              |
| Other comprehensive income                                                                                                           | (0.08)               | (0.00)               |
| <b>Total comprehensive income for the year/ period#</b>                                                                              | <b>69.15</b>         | <b>(10.96)</b>       |
| <b>Group's share of total comprehensive income</b>                                                                                   | <b>22.65</b>         | <b>(3.31)</b>        |
| Excess of Group's share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment | -                    | 5.81                 |
| <b>Share of profit from equity-accounted investees</b>                                                                               | <b>22.65</b>         | <b>2.50</b>          |

# Revenue and the total comprehensive income for the year ended 31 March 2021 were for the period February 2021 (i.e. from the date of acquisition of initial investment) to March 2021.

#### 31 Subsequent events

- 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 (the Senior Notes) from institutional investors for repayment of existing project Rupee debt of US\$290.24 million outstanding as at 31 March 2022 and for 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.
- There have been no significant events after the reporting date which requires disclosures or amendments to the consolidated financial statements.