

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Clean Renewable Power (Mauritius) Pte. Ltd ("CRPMPL")

Report on the Audit of the Special Purpose Combined Financial Statements of Restricted Group

Opinion

We have audited the accompanying Special Purpose Combined Financial Statements of Restricted Group which consist of Clean Renewable Power (Mauritius) Pte. Ltd (the "Company"), a wholly owned subsidiary of Hero Future Energies Asia Pte. Ltd (the "Parent") and certain entities under common control of the Parent as listed in Note 1 to the Special Purpose Combined Financial Statements (collectively known as "the Restricted Group"), which comprise the Special Purpose Combined Balance Sheet as at March 31, 2024, the Special Purpose Combined Statement of Profit and Loss including Special Purpose Combined Other Comprehensive Income, the Special Purpose Combined Cash Flow Statement for the year then ended and the Special Purpose Combined Statement of Changes in Equity for the year ended March 31, 2024 and March 31, 2023 and a summary of material accounting policies and other explanatory information and disclosure (together hereinafter referred to as "Special Purpose Combined Financial Statements"). The Special Purpose Combined Financial Statements have been prepared by the Management of the Company in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Combined Financial Statements.

In our opinion, the accompanying Special Purpose Combined Financial Statements of the Company for the year ended March 31, 2024 and March 31, 2023 are prepared in all material respects, in accordance with the basis of preparation described in Note 2 to these Special Purpose Combined Financial Statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 1 and 2 to accompanying Special Purpose Combined Financial Statements, which described that the Restricted Group is not a separate legal group of entities during the year ended March 31, 2024 and March 31, 2023 and which further describes the basis of preparation, including the approach and the purpose for preparing those financial statements. Consequently, the Restricted Group's Special Purpose Combined Financial Statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group that would have occurred if it had operated as a separate group of entities during the year presented. The Special Purpose Combined Financial



Statements has been prepared solely to comply with financial reporting requirements under the indenture governing the 4.25% Senior secured Notes.

Our opinion is not modified in respect of this matter.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the Special Purpose Combined Financial Statements, which describe the basis of accounting. The Special Purpose Combined Financial Statements has been prepared solely to comply with financial reporting requirements under the indenture governing the 4.25% Senior secured Notes. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the purpose of complying with financial reporting requirements under the indenture governing the US\$ senior note ('USD Bonds') issued by the Company as mentioned in Note 1 to the Special Purpose Combined Financial Statements and should not be distributed to or used by any other parties. MSKA & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Other Matter

The Special Purpose Combined Financial Statements of the Restricted Group for the year ended March 31, 2023, were audited by another auditor whose report dated July 26, 2023 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those charged with Governance for Special Purpose Combined Financial Statements

Management is responsible for the preparation of these Special Purpose Combined Financial Statements in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Combined Financial Statements and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of Special Purpose Combined Financial Statement that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Combined Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

Those Charged with governance are responsible for overseeing the Company's financial reporting process.



MSKA & Associates

Chartered Accountants

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Combined Financial Statements.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGFOA6911



Place: Gurugram
Date: July 23, 2024

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE
COMBINED FINANCIAL STATEMENTS OF CLEAN RENEWABLE POWER (MAURITIUS) PTE. LTD
("CRPMPL")**

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

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

- Identify and assess the risks of material misstatement of the special purpose combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the company has internal financial controls with reference to special purpose combined financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special combined purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose combined financial statements, including the disclosures, and whether the special purpose combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



MSKA & Associates

Chartered Accountants

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Nipun Gupta

Partner

Membership No. 502896

UDIN: 24502896BKGFOA6911



Place: Gurugram

Date: July 23, 2024

Restricted Group
Special Purpose Combined Balance Sheet as at March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
I. ASSETS			
Non Current Assets			
(a) Property, plant and equipment	3	25,702.58	26,671.01
(b) Right of use asset	3	244.84	248.96
(c) Other intangible assets	4	25.40	113.67
(d) Financial assets			
(i) Trade receivables	5	194.71	474.24
(ii) Other financial assets	8	4,830.61	3,180.84
(e) Deferred tax assets (net)	19	8.77	176.27
(f) Other assets	9	140.99	147.50
(g) Non current tax assets (net)	10	120.60	137.71
Total Non Current Assets		31,268.50	31,150.20
Current assets			
(a) Inventories	11	55.12	37.53
(b) Financial assets			
(i) Trade receivables	5	1,215.30	1,140.58
(ii) Cash and cash equivalents	6	948.64	1,629.72
(iii) Other bank balances	7	1,005.84	5.57
(iv) Other financial assets	8	1,524.64	1,512.38
(c) Other current assets	9	202.80	560.66
Total Current Assets		4,952.34	4,886.44
Total Assets		36,220.84	36,036.64
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	4,446.27	4,446.27
(b) Other equity	13	(1,207.31)	(1,853.56)
		3,238.96	2,592.71
Liabilities			
Non Current Liabilities			
(a) Financial liabilities			
Borrowings	14	26,760.60	28,342.51
(b) Provisions	18	73.37	48.42
(c) Deferred tax liabilities (net)	19	1,184.47	760.77
(d) Other non current liabilities	17	1,570.93	1,289.24
Total Non Current Liabilities		29,589.37	30,440.94
Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,892.30	1,732.50
(ii) Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		7.55	10.74
- total outstanding dues of creditors other than micro enterprises and small enterprises		178.00	189.08
(iii) Other financial liabilities	16	1,116.50	890.44
(b) Other current liabilities	17	194.60	172.00
(c) Provisions	18	1.74	1.15
(d) Liabilities for current tax (net)	20	1.82	7.08
Total Current Liabilities		3,392.51	3,002.99
Total Liabilities		32,981.88	33,443.93
Total Equity and Liabilities		36,220.84	36,036.64
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes form an integral part of these special purpose combined financial statements

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm's Registration Number: 105047W

Nipun Gupta
Nipun Gupta

Partner
Membership Number: 502896
Place: Gurugram
Date : **July 23, 2024**



For and on behalf of the Restricted Group

Mustaameem Islam
Mustaameem Islam
Director
Clean Renewable Power (Mauritius) Pte. Ltd
Place: Mauritius
Date : July 22, 2024

Benjamin Paul Fraser
Benjamin Paul Fraser
Director
Hero Future Energies Pvt. Ltd.
Place: London
Date : July 22, 2024

Restricted Group**Special Purpose Combined Statement of Profit and Loss for the year ended March 31, 2024**

(All amounts are in Indian Rupees (in million), unless otherwise stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	21	4,986.50	4,767.60
II Other income	22	732.20	844.55
III Total income (I + II)		5,718.70	5,612.15
IV Expenses			
Cost of Goods Sold	23	0.87	-
Employee benefits expense	24	139.76	131.55
Finance costs	25	2,348.25	2,647.03
Depreciation and amortization expense	26	1,154.20	1,080.13
Other expenses	27	803.45	881.48
Total expenses		4,446.53	4,740.19
V Profit before tax (III-IV)		1,272.17	871.96
VI Tax expense:	28		
a) Current tax		226.40	250.69
b) Adjustment of tax relating to earlier years		-	0.61
c) Deferred Tax charge/(credit)		590.82	48.33
Total tax expense		817.22	299.63
VII Profit for the year (V-VI)		454.95	572.33
VIII Other comprehensive income			
Other comprehensive income that may be reclassified subsequently to statement of profit and loss in subsequent periods:	29		
Exchange difference on translation of foreign operations		(14.39)	(26.44)
Effective portion of cash flow hedges (net of tax)		206.75	(837.12)
Net comprehensive expense that will be reclassified to statement of profit or loss in subsequent periods		192.36	(863.56)
Other comprehensive income not to be reclassified to statement of profit and loss in subsequent periods:	29		
Re-measurement gains on defined benefit plans		(1.43)	1.16
Income tax effect		0.37	(0.30)
Net other comprehensive income not to be reclassified to statement of profit and loss in subsequent periods		(1.06)	0.86
Other comprehensive income/(loss) for the year, net of tax		191.30	(862.70)
IX Total comprehensive profit/(loss) for the year, net of tax (VII+VIII)		646.25	(290.37)
Basis of preparation, measurement and material accounting policies	2		

The accompanying notes form an integral part of these special purpose combined financial statements

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm's Registration Number: 105047W

*Nipun Gupta***Nipun Gupta**

Partner

Membership Number: 502896

Place: Gurugram

Date : July 23, 2024

**For and on behalf of the Restricted Group***Mustakeem Islam***Mustakeem Islam**

Director

Clean Renewable Power (Mauritius) Pte. Ltd

Place: Mauritius

Date : July 22, 2024

*Benjamin Paul Fraser***Benjamin Paul Fraser**

Director

Hero Future Energies Pvt. Ltd.

Place: London

Date : July 22, 2024

Restricted Group
Special Purpose Combined Statement of Changes in Equity for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

A. Equity Share Capital*

Equity shares-issued, subscribed and fully paid

As at April 01, 2022

Changes during the year

As at March 31, 2023

Changes during the year

As at March 31, 2024

Number of Equity Shares	Amount
363,125,909	3,688.28
75,799,793	758.00
438,925,702	4,446.28
-	-
438,925,702	4,446.28

* Share capital represents the aggregate amount of share capital of entities forming part of the Restricted Group as at the respective period and does not necessarily represent legal share capital of the Restricted Group.

B. Other Equity*

Particulars	Attributable to equity holders								Total
	Securities premium	Invested capital	Equity component of compulsory convertible debentures	Deemed capital contribution	Cash flow hedging reserve	Cost of hedging reserve	Foreign currency translation reserve	Retained Earnings	
As at April 1, 2022	257.80	463.31	783.00	61.64	(218.25)	(267.69)	(2.84)	(2,616.66)	(1,539.69)
Add: Profit for the year	-	-	-	-	-	-	-	572.33	572.33
Add: Other comprehensive income/(expenses) (net of tax)	-	-	-	-	-	-	-	0.86	0.86
Add: Addition during the year	-	-	-	-	134.65	(971.77)	(26.44)	-	(863.56)
Less: (Loss) on conversion of CCD into equity shares	(23.50)	-	-	-	-	-	-	-	(23.50)
As at March 31, 2023	234.30	463.31	783.00	61.64	(83.60)	(1,239.46)	(29.28)	(2,043.47)	(1,853.56)
Add: Profit for the year	-	-	-	-	-	-	-	454.95	454.95
Add: Other comprehensive income/(expenses) (net of tax)	-	-	-	-	-	-	-	(1.06)	(1.06)
Add: Addition during the year	-	-	-	-	(9.01)	215.76	(14.39)	-	192.36
As at March 31, 2024	234.30	463.31	783.00	61.64	(92.61)	(1,023.70)	(43.67)	(1,589.58)	(1,207.31)

*Other equity represents the aggregate amount of other equity of identified entities of Restricted Group as of the reporting date and does not necessarily represent legal other equity for the purpose of the Restricted Group.

Basis of preparation, measurement and material accounting policies

2

The accompanying notes form an integral part of these special purpose combined financial statements

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm's Registration Number: 105047W

Nipun Gupta

Nipun Gupta
Partner
Membership Number: 502896

For and on behalf of the Restricted Group

Mustakim Islam
Mustakim Islam
Director
Clean Renewable Power (Mauritius) Pte. Ltd

Benjamin Paul Fraser
Benjamin Paul Fraser
Director
Hero Future Energies Pvt. Ltd.

Place: Gurugram
Date : July 23, 2024



Place: Mauritius
Date : July 22, 2024

Place: London
Date : July 22, 2024

Restricted Group
Special Purpose Combined Statement of Cash Flows for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
I. Cash flow from operating activities		
Profit before tax	1,272.17	871.96
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	1,154.20	1,080.13
Amortisation of government grant/deferred revenue	(63.46)	(43.77)
Provisions no longer required written back	(14.11)	(6.87)
Unwinding of discount on deposits	(2.99)	(2.74)
Finance costs	2,348.25	2,496.88
Finance income	(435.15)	(227.48)
Interest expenses on discounting of trade receivables	-	150.15
Interest income on unwinding of discounted trade receivables	(67.85)	(62.51)
Provision for doubtful receivables and advances	3.64	18.78
Unrealised Exchange fluctuation (gain)/expense (net)	(39.47)	27.20
Operation and maintenance reserve accretion	(54.89)	(42.82)
	2,828.17	3,386.95
Operating profit before working capital changes	4,100.34	4,258.91
Change in working capital:		
Decrease in trade receivables	269.02	1,006.05
(Increase) in inventories	(17.59)	(24.15)
Increase/(decrease) in trade payables	25.19	(57.52)
Increase in provisions	20.32	3.11
Decrease/(increase) in other financial assets	(13.41)	(153.51)
(Increase)/Decrease in other assets	378.48	(386.23)
Increase in other financial liabilities	4.92	44.90
Increase in other liabilities	422.51	748.23
Change in working capital	1,089.44	1,180.88
Cash generated from operations	5,189.78	5,439.79
Less : Taxes paid	(214.17)	(332.47)
Net cash generated from operating activities	4,975.61	5,107.32
II. Cash flow from investing activities		
Purchase of property, plant and equipment(net)	(156.53)	(163.98)
Fixed deposits with banks (net)	(1,584.00)	(1.05)
Loan to related parties (net)	(456.35)	(750.00)
Interest received	276.21	46.38
Net cash (used in) investing activities:	(1,920.67)	(868.65)
III. Net cash flow from financing activities:		
Proceeds from equity share capital (net of share issue expenses)	(0.01)	734.50
Repayment of borrowings	(1,862.49)	(2,192.40)
Interest paid on borrowings	(1,855.69)	(2,046.95)
Net cash (used in) financing activities	(3,718.19)	(3,504.85)
Net change in Cash & cash equivalents (I+II+III)	(663.25)	733.82
Cash and cash equivalents as at the beginning of the year (a)	6	1,611.58
Effects of exchange rate changes on cash and cash equivalents (b)		(0.31)
Cash and cash equivalents as at the end of the period (c)	6	948.64
Net change in Cash & Cash equivalents (c+b-a)	(663.25)	733.82

Reconciliation for cash and cash equivalent as per cash flow statement for the year:

	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
- In current account	277.88	988.78
- Deposits with original maturity of three months or less	670.76	640.94
Cash Credit (Refer Note 14)	-	(18.14)
Cash and cash equivalents as at the end of the period	948.64	1,611.58

Basis of preparation, measurement and material accounting policies

2

Note:

The Special Purpose Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows"

* Refer Note 41 for change in financing activities disclosure pursuant to amendment to Ind AS 7

Figures in bracket represents cash outflow.

The accompanying notes form an integral part of these special purpose combined financial statements

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm's Registration Number: 105047W

Nipun Gupta
Nipun Gupta

Partner
Membership Number: 502896
Place: Gurugram
Date : **July 23, 2024**



For and on behalf of the Restricted Group

Mustakeem Istaim
Mustakeem Istaim

Director
Clean Renewable Power (Mauritius) Pte. Ltd
Place: Mauritius
Date : July 22, 2024

Benjamin Paul Fraser
Benjamin Paul Fraser

Director
Hero Future Energies Pvt. Ltd.
Place: London
Date : July 22, 2024

Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

1 Corporate Information

Clean Renewable Power (Mauritius) Pte. Ltd ("the CRPMPL") was incorporated on March 27, 2018 as a Private entity limited by shares incorporated under laws of Mauritius and a wholly-owned subsidiary of Hero Future Energies Asia Pte Ltd ("the Parent"). The CRPMPL and certain subsidiaries of Hero Future Energies Private Limited, collectively known as "Restricted Group" (as listed below), carry out business activities relating to generation of electricity through non-conventional renewable energy sources engaged in the ownership, maintenance, management of solar and wind power plants and generation of solar and wind energy based on long-term contracts (power purchase agreements or "PPA") with Indian government entities.

During the FY 2020-21, CRPMPL had issued 4.25% Senior secured notes to institutional investors and listed on Singapore Exchange Securities Trading Limited (SGX-ST). Net proceeds of this offering has been used to subscribe the onshore debt (rupee denominated external commercial borrowings in the form of bonds) issued by Indian entities of Restricted Group to replace existing Rupee and external debt of Restricted Group entities. Restricted Group entities are directly or indirectly under common control of the parent. The CRPMPL and Indian entities of Restricted Group have been considered as "Restricted Group" for the purpose of financial reporting.

The Restricted Group entities which are under the common control of the Parent comprises the following entities:

Entities	Holding Company	% Holding	Country of incorporation
Clean Renewable Power (Mauritius) Pte. Ltd	Hero Future Energies Asia Pte. Ltd	100%	Mauritius
Clean Wind Power (Ratlam) Private Limited	Hero Wind Energy Private Limited	100%	India
Clean Wind Power (Satara) Private Limited	Hero Wind Energy Private Limited	100%	India
Clean Wind Power (Piploda) Private Limited	Hero Wind Energy Private Limited	100%	India
Clean Wind Power (Bableshtar) Private Limited	Hero Wind Energy Private Limited	100%	India
Bhilwara Green Energy Limited	Hero Wind Energy Private Limited	100%	India
Clean Solar Power (Dhar) Private Limited	Hero Solar Energy Private Limited	100%	India
Rajkot (Gujarat) Solar Energy Private Limited	Hero Solar Energy Private Limited	100%	India
Clean Solar Power (Gulbarga) Private Limited	Hero Solar Energy Private Limited	100%	India

The Special Purpose Combined Financial Statements were authorized for issue in accordance with a resolution of the directors on July 22, 2024.

1.1 Purpose of Special Purpose Combined Financial Statements

These are special purpose combined financial statements, which have been prepared for the purpose of submission to the bond holders for complying with reporting requirements under the indenture governing the 4.25% Senior secured notes. These special purpose combined financial statements presented herein reflect the Restricted Group's results of operations, assets and liabilities and cash flows for the year presented. The basis of preparation and significant accounting policies used in preparation of these special purpose combined financial statements are set out in note 2.1 and 2.2 below.

2 Basis of Preparation, Measurement and Significant Accounting Policies

2.1 Basis of Preparation:

The special purpose combined financial statements of the Restricted Group have been prepared in accordance with recognition and measurement principles laid down by the Indian Accounting Standards (Ind AS) (except Ind AS - 33 on Earnings Per Share) as prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India and the Guidance Note on Combined and Carve-out Financial Statements issued by the Institute of Chartered Accountants of India (ICAI).

Management of the Restricted Group has prepared the Special Purpose Combined financial statements, which comprise the Special Purpose combined Balance Sheet as at March 31, 2024 and March 31, 2023, the Special Purpose Combined Statement of Profit and Loss including other comprehensive income, the Special Purpose Combined Statement of Cash Flows and Special Purpose Combined Statement of Changes in Equity for the year ended March 31, 2024 and March 31, 2023, a summary of the significant accounting policies and other explanatory information.

The items in the Special Purpose Combined financial statements have been classified considering the principles under Ind AS 1, Presentation of Financial Statements.

The Special Purpose Combined financial statements have been prepared on the accrual and going concern basis and the historical cost convention, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

This space has been left intentionally



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

As per the Guidance Note on Combined and Carve Out Financial Statements, the procedure for preparing Special Purpose Combined financial statements of the combining entities is the same as that for Special Purpose Combined financial statements as per the applicable Indian Accounting Standards. Accordingly, when Combined financial statements are prepared, intra-group transactions and profits or losses are eliminated. All the inter group transactions are undertaken on Arms Lengths basis. There is no allocation of expenses within the Restricted Group. The information presented in the Special Purpose Combined financial statements of the Restricted Group may not be representative of the position which might have existed if the combining businesses had been a stand-alone business.

Share capital and reserves disclosed in the Special Purpose Combined financial statements is not the legal capital and reserves of the Restricted Group and is the aggregation of the share capital and reserves of the individual combining entities. Income taxes are arrived at by aggregation of the tax expenses actually incurred by the combining businesses, after considering the tax effects of any adjustments which is in accordance with the Guidance Note on Combined and Carve-Out Financial Statements issued by the ICAI.

Accordingly, the procedures followed for the preparation of the Special Purpose Combined financial statements:

- (a) Combined like items of assets, liabilities, equity, income, expenses and cash flows of the combining entities.
- (b) Eliminated in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Restricted Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as fixed assets, are eliminated in full), any.

These Special Purpose Combined financial statements may not be necessarily indicative of the financial performance, financial position and cash flows of the Restricted Group that would have occurred if it had operated as a separate Group of entities during the year presented or the Restricted Group's future performance.

The Special Purpose Combined financial statements include the operation of entities in the Restricted Group, as if they had been managed together for the year presented.

The preparation of financial information in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Restricted Group's accounting policies.

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

Previous year's figures have been regrouped, reclassified whenever necessary to correspond with current year classification/disclosure in accordance with Devision II of schedule III of Companies Act, 2013.

2.2 Basis of Combination:

The procedure for preparing Special Purpose Combined Financial Statements of the Restricted Group are stated below:

- a) The Special Purpose Combined financial statements have been prepared using the principles of consolidation as per Ind AS 110- Consolidated Financial Statements, to the extent applicable.
- b) The financial statements of all the companies were Combined by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows.
- c) Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Restricted Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory) are eliminated in full;
- d) The tax expense involves aggregation of the tax expenses actually incurred by the combining businesses in accordance with para 33 of the Guidance Note on Combined and Carve-Out Financial Statements.
- e) Carrying amounts pertaining to all subsidiaries are Combined in accordance with para 16 of the Guidance Note on Combined and Carve-out Financial Statements.
- f) The figures in the notes to accounts and disclosures have been Combined line by line and only transactions and balances between the companies that form part of Restricted Group have been eliminated.
- g) Share capital represents the aggregate amount of share capital of entities forming part of the Restricted Group as at the respective date and does not necessarily represent legal share capital of the Restricted Group.

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

2.3 Summary of Material accounting policies

a) Current versus non-current classification

Assets and liabilities in the balance sheet are presented based on current/ non-current classification.

Assets:

An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

- (a) It is expected to be settled in normal operating cycle
- (b) It is held primarily for the purpose of trading
- (c) It is due to be settled within twelve months after the reporting period, or
- (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities are classified as non-current.

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

Operating cycle: The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The entities in the Restricted Group has identified twelve months as its operating cycle.

b) Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the respective Restricted Group entity

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For the purpose of fair value disclosures, the Restricted Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. (Refer Note 37).

The Restricted Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps are valued at mark to market which uses valuation techniques and employs the use of market observable inputs. The valuation technique incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the currency, interest rate curves and forward rate curves of the underlying instrument.

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

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

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

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

- Quantitative disclosures of fair value measurement hierarchy (Refer Note 37)
- Financial instruments (including those carried at amortised cost) (Refer Note 36)
- Disclosure for significant estimates and assumptions (Refer Note 2.4)

c) Revenue Recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Restricted Group expects to be entitled in exchange for those goods or services.

(i) Sale of power

Revenue from sale of power is recognised net of estimated rebates and other similar allowances over the time on the supply of units generated from plants to the grid as per terms of Power Purchase Agreements ("PPA") entered into with the customers.

(ii) Generation Based Incentive

Generation Based incentive ('GBI') is recognized with reference to "Extension scheme for GBI for Grid connected Wind Power Projects dated September 4, 2013 whereby GBI would be available for wind turbines commissioned on or after April 1, 2012. Under the scheme, GBI will be provided to wind electricity producers @ Rs 0.50 per unit of electricity fed into 'the grid for a year not less than 4 years and a maximum year of 10 years with a cap of Rs. 100 lacs per MW. GBI is recognized on the basis of supply of units generated by the Restricted Group entities to the state electricity board from the eligible project in accordance with the scheme of the "Generation Based Incentive (GBI)".

(iii) Interest Income

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

Contract balances:

Trade receivables

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

Trade receivables include unbilled revenue represents services rendered by the Restricted Group but not invoiced as at balance sheet date as the right to consideration is unconditional and only passage of time is required before payment of that consideration is due.

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

d) Foreign currencies

Functional and presentational currency

The Restricted Group's Special Purpose Combined Financial Statements are presented in Indian Rupees (Rs.) which is also the functional currency of all the entities in the Restricted Group except for CRPMPL. Functional Currency of CRPMPL is US Dollars (US\$). Functional currency is the currency of the primary economic environment in which a Restricted Group operates and is normally the currency in which the Restricted Group primarily generates and expends cash. All the financial information presented in Rs million except where otherwise stated.

(i) Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Foreign Operations

The functional currency of the CRPMPL is the United States Dollar ("US\$") and presentation currency for Special Purpose combined financial statement of Restricted Group is Indian rupees ("INR"). The Restricted Group entities which are having operations in India, use INR as the functional currency. The financial statements of the CRPMPL are translated into INR using the exchange rate as of the balance sheet date for assets and liabilities, historical exchange rates for equity transactions and average exchange rate for the year for income and expense items. Translation gains and losses are recorded in accumulated other comprehensive income or loss as a component of other equity.

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current income tax assets and liabilities are offset if a legally enforceable right exists to set off these.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

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

In the situations where one or more entities are entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday year, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday year. Deferred tax in respect of temporary differences which reverse after the tax holiday year is recognized in the year in which the temporary differences originate. However, the Restricted Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

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

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

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

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Restricted Group will pay normal income tax during the specified year. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future year based on the internal projections of the Management. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

f) Government grant

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant related to an expense item, it is recognized as income on a systematic basis over the years that the related costs, for which it is intended to compensate, are expensed. When the grant related to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When grants of non-monetary assets is received, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

The grants related to an expense item is presented as other income in the Statement of Profit and Loss.

g) Property, Plant and Equipment

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

Subsequent Costs

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

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Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)****Derecognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

h) Intangible assets**Recognition and measurement**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

i) Depreciation/amortization of Property Plant & Equipment and Intangible Assets

Based on expert legal opinion, management is of the view that rates notified by the Central Electricity Regulatory Commission (CERC) or State Electricity Regulatory Commission (SERC) are not applicable to the Restricted Group and accordingly the management is providing Depreciation on Property, plant and equipment based on useful life given in Part (a) and (c) of Schedule II of Companies Act, 2013 and is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives as given below, the management believes that these estimated useful lives are realistic and reflect fair approximation of the year over which the assets are likely to be used.

Assets	Useful Life (in years)
Plant & Equipments (including Wind Turbine Generator, Solar plants and transmission lines*)	30-35
Building & Substation	10-35
Computers and Data processing Machines	3-6

* Based on internal technical assessment, the Management believes that the useful life of Wind Turbine Generator, solar plants and transmission lines is 30-35 years as given above, which best represents the year over which Management expects the use of assets. Hence the useful life of these assets is different from the useful life as prescribed under Part C of schedule II of Companies Act, 2013.

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

Intangible assets with finite lives are amortized over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization year and the amortization method for an intangible asset with finite life are reviewed at least at the end of each reporting year.

Type of asset	Useful lives (in years)
Customer Contracts acquired during business combination*	13
Computer Software	3-5

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

k) Leases

At inception of a contract, the Restricted Group assesses whether a contract is, or contains, a lease. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Restricted Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Restricted Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Restricted Group has the right to direct the use of the asset. The Restricted Group has this right when it has the decision making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Restricted Group has the right to direct the use of the asset if either:
 - the Restricted Group has the right to operate the asset; or
 - the Restricted Group designed the asset in a way that predetermines how and for what purpose it will be used;

Right-of-use assets

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

If ownership of the leased asset transfers to the Restricted Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Short-term leases and leases of low value

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

l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Restricted Group has no obligation, other than the contribution payable to the provident fund. The Restricted Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined benefit plan

The Restricted Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Restricted Group accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest and if applicable), is reflected immediately in Other Comprehensive Income in the statement of profit and loss. All other expenses related to defined benefit plans are recognised in statement of profit and loss as employee benefit expenses. Re-measurements recognised in Other Comprehensive Income will not be reclassified to statement of profit and loss hence it is treated as part of retained earnings in the statement of changes in equity. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs. Curtailment gains and losses are accounted for as past service costs.

Other Long Term Employee Benefits

As per the Restricted Group's policy, eligible leaves can be accumulated by the employees and carried forward to future years to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary. The Restricted Group records an obligation for such compensated absences in the year in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

m) Provisions

General

Provisions are recognised when the Restricted 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. When the Restricted 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 a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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

Decommissioning costs:

Liability for decommissioning costs is provided for those lease arrangements where the Restricted Group has a binding obligation at the end of the lease year to restore the leased premises in a condition similar to inception of lease. Provision for decommissioning costs is provided at the present value of expected costs to settle the obligation using discounted cash flows and is recognised as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognised in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

n) Inventory

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted average basis.

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

o) Sale of Carbon credits

Carbon credits which are received on projects registered under the United Nations Framework on Climate Change, are recorded as inventory and initially measured at fair value when there is reasonable assurance that such Credits will be received, with credit being recognised as Income from sale of carbon credit under other operating revenue in the statement of profit or loss. Such credits are subsequently measured at cost or net realisable value, whichever is lower. The Group derecognises the credits when the certificate is sold, which occurs when units are transferred to the customer and the income from sale of carbon credit is recognised in statement of Profit & Loss.

p) Financial instruments

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

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

Debt instruments at amortised cost

The category applies to the Restricted Group's trade and other receivables, cash and cash equivalents, security deposits and other loans and advances, etc.

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

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The respective Restricted Group has transferred their rights to receive cash flows from the asset or have assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; And
- Either the Restricted Group has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortised cost e.g. deposits, trade receivables and bank balances. Financial asset that are debt instruments and are measured as at FVTOCI.

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

While applying the simplified approach, the Restricted Group classifies the receivables into different categories such as

- (i) Non-litigated receivables
- (ii) Litigated receivables
- (iii) Receivables under LPS scheme
- (iv) Receivables under GBI scheme and
- (v) Others.

The Restricted Group follows a simplified approach for recognition of impairment loss allowances on non-litigated trade receivables, contract assets and receivables under GBI scheme.

The simplified approach does not require the Restricted Group to track changes in credit risk. Instead, it recognises impairment loss allowances based on lifetime ECLs at each reporting date from initial recognition. Under this approach, the Restricted Group determine impairment losses based on the provision matrices that are based on historical trend in different ageing buckets adjusted with forward-looking macroeconomic factors. The credit risk of the receivables is insignificant since the Restricted Group's receivables are primarily with the central government or with state owned DISCOMs.

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

For litigated receivables, the Restricted Group determines the impairment loss based on the legal assessment of recoverability and applies appropriate loss.

For the recognition of impairment losses on other financial assets including receivables under the LPS scheme and risk exposure, the Restricted Group determines whether there has been a significant increase in credit risk since initial recognition. If the credit risk has not increased significantly, a 12 month ECL is used to provide for impairment loss. However, lifetime ECL is used if the credit risk has increased significantly. If, in a subsequent year, the credit quality of the customer/counterparty improves such that there is no longer a significant increase in credit risk since initial recognition, then the Restricted Group reverts to recognising impairment loss allowance based on a 12 month ECL.

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Restricted Group is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) is recognized during the period as expense/ income in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for financial instruments is described below:

For financial assets measured at amortised cost: ECL is presented as an allowance i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Initial recognition and measurement

On the date of issuance Financial Instruments with conversion feature are evaluated for equity, liability and compound instrument classification as per the contractual terms. Basis the assessment if considered appropriate, consideration received is allocated to different components per the applicable accounting guidance. If there is any embedded derivative same has been accounted as per guidance.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities of the Restricted Group include trade and other payables, derivative financial instruments, loans and borrowings including bank overdraft, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as discussed below:-

Trade Payables

These amounts represents liabilities for goods and services provided to the Restricted Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. This category generally applies to borrowings.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

De-recognition

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

The Restricted Group recognise debt modifications agreed with lenders to restructure their existing debt obligations. Such modifications are done to take advantage of falling interest rates by cancelling the exposure to high interest fixed rate debt, pay a fee or penalty on cancellation and replace it with debt at a lower interest rate (exchange of old debt with new debt). The qualitative factors considered to be relevant for modified financial liabilities include, but are not limited to, the currency that the debt instrument is denominated in, the interest rate (that is fixed versus floating rate), conversion features attached to the instrument and changes in covenants. The accounting treatment is determined depending on whether modifications or exchange of debt instruments represent a settlement of the original debt or merely a renegotiation of that debt. The exchange of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Compound Financial Instruments

A compound financial instrument is a non-derivative financial instrument that, from the issuer's perspective, contains both a liability and an equity component.

On issuance of the mandatorily redeemable preference shares with dividends paid at the issuer's discretion, the fair value of the liability component is measured by determining the net present value of redemption amount, discounted at the market rate of interest prevailing at the time of issue. This amount is classified as a borrowing measured at amortised cost until it is extinguished on redemption. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole, the amount separately determined for the liability component.

After initial measurement, on the liability component, interest is accrued using EIR and is recognised in the Special Purpose Combined statement of profit and loss as finance costs. Any dividends paid are related to the equity component and are recognised directly in the equity.

Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

Reclassification of financial assets and liabilities

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Special Purpose Combined financial statement if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Impairment of non-financial assets

The Restricted Group assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Restricted Group estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Restricted Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, other available fair value indicators.

The Restricted Group bases its impairment indicator assessment on detailed budgets and forecast calculations (if required), which are prepared separately for each of the Restricted Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover the term of the Power Purchase Agreement.

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Restricted Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss.

r) Derivative financial instruments

Initial recognition and subsequent measurement

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

Derivative and Hedging activities

Derivative financial instruments and hedge accounting

In the normal course of business, the Group uses derivative instruments for the purpose of mitigating the exposure from foreign currency fluctuation risks associated with recognized asset or liability denominated in certain foreign currencies and to minimize earnings and cash flow volatility associated with changes in foreign currency exchange rates, and not for speculative trading purposes. These derivative contracts are purchased within the Restricted Group's policy and are with counterparties that are highly rated financial institutions. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through Profit & loss. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging and if so, the nature of the item hedged.

Contracts designated as Cash Flow Hedge

The effective portion of cumulative changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity.

Where option contracts are used to hedge recognized asset or liability, the Restricted Group designates intrinsic value of the option contract as hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the option contract are recognised in the cash flow hedging reserve within equity. The changes in time value of the option contracts that relate to the hedged items are recognised through other comprehensive income as 'Costs of hedging' within equity. The cost associated with a hedging instrument is treated as cost of hedging and expensed over the period of the hedge contract.

The amounts recognized in the cash flow hedging reserve are recycled to the statement of profit and loss at the same time when the impact from the underlying transaction affects statement of profit and loss. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss, within other gains/(losses).

When a hedging instrument expires, or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time is recognised in the Statement of Profit and Loss.

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and onhand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net off bank overdrafts as they considered an integral part of the Restricted Group's cash management.

t) Contingent liabilities

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

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Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024 (All amounts are in Indian Rupees (in million), unless otherwise stated)

u) Events occurring after the Balance Sheet date

Impact of events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective assets and liabilities.

The Restricted Group does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting year.

The Restricted Group makes disclosures in the financial statement in cases of significant events.

v) Changes in accounting policies and disclosures

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective from April 01, 2023:

- Disclosure of accounting policies - amendments to Ind AS 1
- Definition of accounting estimates - amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the new mandatory requirement.

w) Standards issued but not yet effective

There are no new standards that are issued, but not yet effective, up to the date of issuance of the Restricted Group's financial statements.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Restricted Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the Restricted Grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

i) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013 (Refer Note 3 and 4).

ii) Fair Value measurement of financial instruments

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

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 37 and 38 for further disclosures.

iii) Recognition and estimation of tax expense including deferred tax

The Restricted Group makes various assumptions and estimates while computing deferred taxes which include production related data (PLFs), projected operations and maintenance costs, projected finance costs, proposed availment of deduction under section 80IA of the Income Tax Act, 1961 and the period over which such deduction shall be availed, usage of brought forward losses etc. While these assumptions are based on best available facts in the knowledge of management as on the balance sheet date however, they are subject to change year on year depending on the actual tax laws and other variables in the respective year. Given that the actual assumptions which would be used to file the return of income shall depend upon the tax laws prevailing in respective year, management shall continue to reassess these assumptions while calculating the deferred taxes on each balance sheet date and the impact due to such change, if any, is considered in the respective year. Refer Note 31.

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Restricted Group**Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)****iv) Estimation of assets and obligations relating to employee benefits (including actuarial assumptions)**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Refer Note 33.

v) Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, legal interpretations of various other acts/laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Restricted Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies. Refer Note 35.

vi) Impairment of non-financial assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for useful life of the project and do not include restructuring activities that the Restricted Group entities are not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

vii) Provision for expected credit losses of trade receivables and contract assets:

The Restricted Group follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Restricted Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the Restricted Group in accordance with the contract and all the cash flows that the Restricted Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. As concluded by the management that there is no risk of default from the DISCOMs/State Government bodies being a state government entities. Accordingly, no provision for default risk is required for receivables from DISCOM. As per the requirements of Ind AS 109, on subsequent measurement, the management while making ECL assessment considered the past experience with the Government of honouring its commitments and the strong capacity and ability of the Government to meet its contractual cash flow obligations.

(viii) Application of interpretation for Service Concession Arrangements (SCA):

Management has assessed applicability of Appendix C of Indian Accounting Standards 115: Service Concession Arrangements for the power purchase agreement which the Restricted Group entities have entered into. In assessing the applicability of SCA, the management has exercised significant judgement in relation to the underlying ownership of the assets, the attached risks and rewards of ownership, residual interest and the fact that secondary lease periods are not at nominal lease rentals etc. in concluding that the arrangements don't meet the criteria for recognition as service concession arrangements.

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Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

3 Property, plant and equipment

	Freehold land (Refer Note (a) and (b) below)	Plant and Equipments*	Building and Substation	Computers and Data processing Machines	Total	Right of use asset (Land)#	Grand Total
Gross Block (At cost)							
As at April 01 2022	1,365.89	32,326.52	973.18	48.28	34,713.87	304.27	35,018.14
Additions made during the year	-	7.17	16.18	2.29	25.64	-	25.64
Disposals / adjustments during the year	-	(0.02)	(0.02)	(2.85)	(2.89)	-	(2.89)
As at March 31, 2023	1,365.89	32,333.67	989.34	47.72	34,736.62	304.27	35,040.89
Additions made during the year	8.26	68.17	7.13	1.78	85.34	10.26	95.60
Disposals / adjustments during the year	(0.88)	(0.92)	-	(0.11)	(1.91)	(0.31)	(2.22)
As at March 31, 2024	1,373.27	32,400.92	996.47	49.39	34,820.05	314.22	35,134.27
Depreciation and impairment							
As at April 01, 2022	-	6,751.93	216.55	41.32	7,009.80	41.50	7,051.30
Depreciation charge for the year	-	1,017.33	37.32	3.69	1,058.34	13.81	1,072.15
Disposals / adjustments during the year	-	(0.01)	(0.01)	(2.51)	(2.53)	-	(2.53)
As at March 31, 2023	-	7,769.25	253.86	42.50	8,065.61	55.31	8,120.92
Depreciation charge for the year	-	1,011.57	39.17	1.12	1,051.86	14.07	1,065.93
On disposals / adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2024	-	8,780.82	293.03	43.62	9,117.47	69.38	9,186.85
Net book value							
As at March 31, 2023	1,365.89	24,564.42	735.48	5.22	26,671.01	248.96	26,919.97
As at March 31, 2024	1,373.27	23,620.10	703.44	5.77	25,702.58	244.84	25,947.42

#The Restrictred Group has lease contracts for land. Leases of land generally has lease term between 21 to 30 years. The Restrictred Group's obligation under its leases are secured by the lessor's title to the lease assets. The Restrictred Group has considered extension terms as part of assessing the length of the lease. The right-of-use assets have been disclosed within property, plant and equipment. Refer note 27 for the amounts recognised in the Statement of Profit & Loss.

- (a) 1069.15 acre (March 31, 2023: 1069.15 acre) of land are hypothecated for long term borrowings.
(b) Refer Note 14 for charge against the above mentioned assets.
(c)Below is the details of title deeds of immovable property not held in name of the Indian RG entities

Particulars	As at March 31, 2024	As at March 31, 2023
Description of the property	Land	Land
Area (acres)	159.29	186.06
Title deed held in the name of	Various Persons	Various Persons
Whether title deed holder is promoter, director or relative of promoter/ director or employee of promoter/ director	No	No
Property held since	Year 2017-2019	Year 2017-2019
Reason for not being held in the name of the Entity	Pending procedural formalities	Pending procedural formalities

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****4 Other Intangible Assets**

	Customer Contracts (Power purchase agreement)*	Total
<u>Gross Block (At cost)</u>		
As at April 01, 2022	157.00	157.00
Additions made during the year	-	-
As at March 31, 2023	157.00	157.00
Additions made during the year	-	-
As at March 31, 2024	157.00	157.00
<u>Amortisation and impairment</u>		
As at April 01, 2022	35.35	35.35
Amortisation for the year	7.98	7.98
As at March 31, 2023	43.33	43.33
Amortisation for the year*	88.27	88.27
As at March 31, 2024	131.60	131.60
<u>Net book value</u>		
As at March 31, 2023	113.67	113.67
As at March 31, 2024	25.40	25.40

*During the current year, management has changed the estimate related to the useful life of customer contracts from 25 years to 13 years over which management intends to use the asset. Such change in estimate has resulted into impact of Rs. 80.29 million in the amortisation of intangible assets during the current year.

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Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)
5 Trade receivables
Non current
Trade receivables

- Receivables considered good - Unsecured;

As at March 31, 2024	As at March 31, 2023
194.71	474.24
194.71	474.24

Current
Trade receivables*

- Receivables considered good - Unsecured;

- Receivables - credit impaired

1,215.30	1,140.58
8.15	5.14
1,223.45	1,145.72

Impairment Allowance (allowance for bad and doubtful debts)

- Receivables - credit impaired

(8.15)	(5.14)
1,215.30	1,140.58

Total

1,410.01	1,614.82
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* Trade receivables include the amount of unbilled revenue

394.38

398.37

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

b) Trade receivables are non-interest bearing and generally on terms of 45 to 60 days except receivables agreed under LPS Rules 2022 (refer note 43)

Below is the ageing, from the due date of payment, of the outstanding trade receivables as at reporting dates: ^

Particulars	(i) Undisputed Trade receivables - considered good	(ii) Undisputed Trade Receivables - which have significant increase in credit risk	(iii) Undisputed Trade Receivables - credit impaired	(iv) Disputed Trade Receivables - considered good	(v) Disputed Trade Receivables - which have significant increase in credit risk	(vi) Disputed Trade Receivables - credit impaired	Total
As at March 31, 2024							
Unbilled	394.38	-	-	-	-	-	394.38
Not Due	747.81	-	-	-	-	-	747.81
Less than 6 months	261.11	-	0.14	-	-	-	261.25
6 months- 1 year	2.88	-	0.01	-	-	-	2.89
1-2 years	3.27	-	0.61	-	-	-	3.88
2-3 years	0.56	-	1.87	-	-	-	2.43
More than 3 years	-	-	0.64	-	-	4.88	5.52
Total	1,410.01	-	3.27	-	-	4.88	1,418.16
As at March 31, 2023							
Unbilled	398.36	-	-	-	-	-	398.36
Not Due	908.70	-	0.00	-	-	-	908.70
Less than 6 months	299.10	-	0.01	-	-	-	299.11
6 months- 1 year	6.47	-	0.00	-	-	-	6.47
1-2 years	1.58	-	0.21	-	-	-	1.79
2-3 years	0.57	-	0.00	-	-	2.00	2.57
More than 3 years	0.04	-	0.04	-	-	2.88	2.96
Total	1,614.82	-	0.26	-	-	4.88	1,619.96

^ Trade receivables include the non- current and current balances.

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Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

6 Cash and cash equivalents

Balances with banks:
- In current accounts*
- Deposits with original maturity of three months or less

As at March 31, 2024	As at March 31, 2023
277.88	988.78
670.76	640.94
948.64	1,629.72

Short-term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the entities within Restricted Group, and earn interest at the respective short-term deposit rates.

*Balance with banks-current account of Rs. 272.29 million (March 31, 2023: 281.54 million) pertains to funds which can be used by CRPMPL for meeting its operating expenses.

a) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

Balances with banks:
- In current accounts
- Deposits with original maturity of three months or less
Cash Credit (Refer Note 14)

As at March 31, 2024	As at March 31, 2023
277.88	988.78
670.76	640.94
-	(18.14)
948.64	1,611.58

7 Other bank balances

Deposits with original maturity for more than 3 months but less than or equal to 12 months*

As at March 31, 2024	As at March 31, 2023
1,005.84	5.57
1,005.84	5.57

* includes deposits held as margin money against bank guarantee and short term loan.

0.38	0.68
------	------

8 Other financial assets

Non- current

Derivative asset
Deposits with original maturity of more than 12 months #
Loan to related parties (Refer Note note 32)##
Security deposits- considered good
Other receivables (Refer Note 43)*

As at March 31, 2024	As at March 31, 2023
1,532.22	1,082.62
200.08	-
3,025.69	1,941.02
48.74	43.87
23.88	113.33
4,830.61	3,180.84

Current

Loan to related parties (Refer Note 32)##
Deposits with remaining maturity of less than 12 months (Refer Note I)
Accrued interest on fixed deposits with banks
Accrued interest on loan to related parties (Refer Note 32)##
Other receivables (Refer Note 43)*
Less: provision for doubtful debts

204.70	833.02
522.42	138.77
11.15	0.24
295.22	150.18
525.71	424.70
(34.56)	(34.53)
1,524.64	1,512.38
6,355.25	4,693.22

Total

#Includes fixed deposit with interest under lien held as margin money

Accrued interest converted to loan during the year

*Other receivables also includes receivables from late payment surcharge (Refer Note 43)

0.33	-
107.65	311.02
75.02	141.55

Notes:

(i)Includes amount representing 0.5% of outstanding 4.25% Senior secured notes ("Equity Cushion Amount") to be maintained by the CRPMPL as per underlying indenture.



(ii) Loan to related parties:

Lending entity	Borrower	Amount outstanding (as at March 31, 2024)	Amount outstanding (as at March 31, 2023)	Terms
Clean Wind Power (Radlam) Pvt Ltd.	Hero Solar Energy Private Limited	919.52	680.00	Company entered into Loan Agreement (dated March 04, 2019) with Hero Solar Energy Private Limited for provision of loan. The applicable interest will be 55 bps higher than interest rate of secured lenders and is at fixed rate i.e. 9.30% p.a.
Rajkot (Gujarat) Solar Energy Private Limited	Hero Wind Energy Private Limited	271.50	200.00	Company entered into Loan Agreement (dated April 01, 2019) with Hero Wind Energy Private Limited for provision of loan. The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan and is at fixed rate i.e. 9.59% p.a.
Clean Wind Power (Bableshter) Pvt Ltd.	Hero Wind Energy Private Limited	181.20	181.20	Company entered into Loan Agreement (dated April 15, 2021) with Hero Wind Energy Private Limited for provision of loan. The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan and is at fixed rate i.e. 10.09% p.a.
Clean Solar Power (Dhar) Pvt Ltd.	Hero Solar Energy Private Limited	207.62	207.62	Company entered into Loan Agreement (dated April 15, 2021) with Hero Solar Energy Private Limited for provision of loan. The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan and is at fixed rate i.e. 10.09% p.a.
Rajkot (Gujarat) Solar Energy Private Limited	Hero Solar Energy Private Limited	140.00	140.00	Company entered into Loan Agreement (dated April 15, 2021) with Hero Solar Energy Private Limited for provision of loan. The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan and is at fixed rate i.e. 10.09% p.a.
Clean Solar Power (Gulbarga) Pvt Ltd.	Hero Solar Energy Private Limited	319.50	304.20	Company entered into Loan Agreement (dated June 19, 2021) with Hero Solar Energy Private Limited for provision of loan. The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan and is at fixed rate i.e. 10.09% p.a.
Clean Solar Power (Gulbarga) Pvt Ltd.	Hero Solar Energy Private Limited	1,083.40	750.00	Company entered into Loan Agreement (dated Jan 01, 2023) with Hero Solar Energy Private Limited for provision of loan. The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan and is at fixed rate i.e. 9.59% p.a.

a) Break up of financial assets carried at amortised cost:

Trade receivables (Refer to note 5)
Cash and cash equivalents (Refer to note 6)
Other bank balances (Refer to note 7)
Other financial assets (Refer to note 8)
Total

As at March 31, 2024	As at March 31, 2023
1,410.01	1,614.82
948.64	1,629.72
1,005.94	5.57
4,823.03	3,610.60
8,187.52	6,860.71

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Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

9 Other assets

Non- current (Unsecured)

Capital advances	90.79	90.79
Less: Provision for doubtful capital advances	(87.51)	(87.51)
Prepaid expenses	0.86	0.87
Prepaid gratuity- funded (net of provision for gratuity) (Refer Note 33)	4.62	3.78
Deferred asset	132.23	139.57
	140.99	147.50

Current (Unsecured)

Current

Advance to Vendors	251.85	616.60
Less: provision for doubtful advance (Refer Note 35 (b) (II))	(128.30)	(139.45)
Prepaid expenses	71.33	75.30
Advance to employees	0.65	0.08
Deferred asset	7.27	7.27
Other receivables	7.99	8.00
Less: Provision for doubtful receivable	(7.99)	(7.99)
Prepaid gratuity- funded (net of provision for gratuity) (Refer Note 33)	-	0.85
	202.80	560.66

10 Non- current tax assets (net)

Advance Income Tax (Net) *

*net of provision for tax

11 Inventories

Stores and spares

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****12 Equity Share Capital**

The Special Purpose Combined Financial Statements do not represent a legal entity structure. The share capital of the Restricted Group is the summation of the share capital of the respective entities forming part of the Restricted Group.

	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
12,000,000 (March 31, 2023: 12,000,000) equity shares of Rs. 10 each in Clean Wind Power (Bableshtar) Private Limited*	120.00	120.00
60,000,000 (March 31, 2023: 60,000,000) equity shares of Rs. 10 each in Bhilwara Green Energy Limited*	600.00	600.00
15,000,000 (March 31, 2023: 15,000,000) equity shares of Rs. 10 each in Clean Wind Power (Piploda) Private Limited*	150.00	150.00
35,000,000 (March 31, 2023: 35,000,000) equity shares of Rs. 10 each in Clean Wind Power (Ratlam) Private Limited*	350.00	350.00
120,000,000 (March 31, 2023: 120,000,000) equity shares of Rs. 10 each in Clean Wind Power (Satara) Private Limited#	1,200.00	1,200.00
45,010,000 (March 31, 2023: 45,010,000) equity shares of Rs. 10 each in Clean Solar Power (Dhar) Private Limited#	450.10	450.10
201,799,793 (March 31, 2023: 201,799,793) equity shares of Rs. 10 each in Clean Solar Power (Gulbarga) Private Limited#	2,018.00	2,018.00
15,000,000 (March 31, 2023: 15,000,000) equity shares of Rs. 10 each in Rajkot (Gujarat) Solar Energy Private Limited#	150.00	150.00
893,840 (March 31, 2023: 893,840) equity shares of \$ 1 each in Clean Renewable Power (Mauritius) Pte. Ltd@	65.96	65.96
	5,104.06	5,104.06
Issued, subscribed and paid up		
Equity Share capital		
10,000 (March 31, 2023: 10,000) equity shares of Rs. 10 each in Clean Wind Power (Bableshtar) Private Limited*	0.10	0.10
56,960,070 (March 31, 2023: 56,960,070) equity shares of Rs. 10 each in Bhilwara Green Energy Limited*	569.60	569.60
13,613,000 (March 31, 2023: 13,613,000) equity shares of Rs. 10 each in Clean Wind Power (Piploda) Private Limited*	136.13	136.13
35,000,000 (March 31, 2023: 35,000,000) equity shares of Rs. 10 each in Clean Wind Power (Ratlam) Private Limited*	350.00	350.00
71,889,000 (March 31, 2023: 71,889,000) equity shares of Rs. 10 each in Clean Wind Power (Satara) Private Limited*	718.89	718.89
45,010,000 (March 31, 2023: 45,010,000) equity shares of Rs. 10 each in Clean Solar Power (Dhar) Private Limited#	450.10	450.10
201,799,793 (March 31, 2023: 201,799,793) equity shares of Rs. 10 each in Clean Solar Power (Gulbarga) Private Limited#	2,018.00	2,018.00
13,750,000 (March 31, 2023: 13,750,000) equity shares of Rs. 10 each in Rajkot (Gujarat) Solar Energy Private Limited#	137.50	137.50
893,840 (March 31, 2023: 893,840) equity shares of \$ 1 each in Clean Renewable Power (Mauritius) Pte. Ltd@	65.95	65.95
	4,446.27	4,446.27

* represents entities whose holding company is by Hero Wind Energy Private Limited

represents entities whose holding company Hero Solar Energy Private Limited

@ represents entities whose holding company Hero Future Energies Asia Pte. Ltd

a) Reconciliation of authorised, issued and subscribed share capital:**i. Reconciliation of authorised share capital as at year end :****Balance as at April 1, 2022**

Increase during the year

Balance as at March 31, 2023

Increase during the year

Balance as at March 31, 2024

No. of shares	(Rs. in million)
428,903,839	4,346.06
75,799,793	758.00
504,703,632	5,104.06
-	-
504,703,632	5,104.06

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024**

(All amounts are in Indian Rupees (in million), unless otherwise stated)

ii. Reconciliation of issued and subscribed share capital:**Balance as at April 1, 2022**

Increase during the year

Balance as at March 31, 2023

Increase during the year

Balance as at March 31, 2024

No. of shares	(Rs. in million)
363,123,909	3,688.28
75,799,793	758.00
438,923,702	4,446.28
-	-
438,923,702	4,446.28

b) Terms/ rights attached to equity shares:

The Restricted Group has only one class of equity shares. Each holder of equity shares is entitled to one vote per share and entitled to receive dividends as declared from time to time.

In the event of liquidation of the entities of the Restricted Group, the holders of equity shares will be entitled to receive remaining assets of the entities, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Below is the details of the shares held by the promoters:

	No of the shares at the beginning of the year	change during the year	No. of shares at the end of the year	% of total shares at year end	% change during the year
For the year ended March 31, 2024					
Hero Wind Energy Private Limited	177,472,070	-	177,472,070	40.43%	0.00%
Hero Solar Energy Private Limited	260,559,793	-	260,559,793	59.36%	0.00%
Hero Future Energies Asia Pte. Ltd.	893,839.30	-	893,839	0.20%	0.00%
For the year ended March 31, 2023					
Hero Wind Energy Private Limited	177,472,070	-	177,472,070	40.43%	0.00%
Hero Solar Energy Private Limited	184,760,000	75,799,793	260,559,793	59.36%	41.03%
Hero Future Energies Asia Pte. Ltd.	893,839	-	893,839	0.20%	0.00%

Includes shares held by other shareholder as nominee.

d) Details of shareholders holding more than 5% shares**As at March 31, 2024**

Hero Wind Energy Private Limited along with its nominee

Hero Solar Energy Private Limited along with its nominee

Hero Future Energies Asia Pte. Ltd.

No. of shares	Holding %
177,472,070	40.43%
260,559,793	59.36%
893,839	0.20%
438,923,702	100%

As at March 31, 2023

Hero Wind Energy Private Limited along with its nominee

Hero Solar Energy Private Limited along with its nominee

Hero Future Energies Asia Pte. Ltd.

177,472,070	40.43%
260,559,793	59.36%
893,839	0.20%
438,923,702	100%

(e) The status of shares mentioned above is as under:

Company	% of Shares pledged	By	Purpose
Bhilwara Green Energy Limited	51	Hero Wind Energy Private Limited	Borrowing obtained by the entity (Refer Note 14).
	26		Borrowing obtained by the Hero Wind Energy Private Limited*
Clean Wind Power (Bableshtar) Private limited	51	Hero Wind Energy Private Limited	Borrowing obtained by the entity (Refer Note 14).
Clean Wind Power (Piploda) Private Limited	51	Hero Wind Energy Private Limited	Borrowing obtained by the entity (Refer Note 14).
Clean Wind Power (Satara) Private Limited	51	Hero Wind Energy Private Limited	Borrowing obtained by the entity (Refer Note 14).
Clean Wind Power (Ratlam) Private Limited	51	Hero Wind Energy Private Limited	Borrowing obtained by the entity (Refer Note 14).
Rajkot (Gujarat) Solar Energy Private Limited	51	Hero Solar Energy Private Limited	Borrowing obtained by the entity (Refer Note 14).
	30		Borrowing obtained by the Hero Solar Energy Private Limited
Clean Solar Power (Dhar) Private Limited	51	Hero Solar Energy Private Limited	Borrowing obtained by the entity (Refer Note 14).
Clean Solar Power (Gulbarga) Private Limited	51	Hero Solar Energy Private Limited	Borrowing obtained by the entity (Refer Note 14).

*Subsequent to year ended March 31, 2024 this Pledge has been released.

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

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Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

13 Other equity

Particulars	Retained earnings	Securities premium	Invested capital	Foreign currency translation reserve	Cash flow hedging reserve	Cost of hedging reserve	Deemed capital contribution	Equity component of compulsory convertible debentures*	Total
Balance as at April 1, 2022	(2,616.66)	257.80	463.31	(2.84)	(218.25)	(267.69)	61.64	783.00	(1,539.69)
Add: Profit for the year	572.33	-	-	-	-	-	-	-	572.33
Add: Other comprehensive income/(expenses) (net of tax)	0.86	-	-	-	-	-	-	-	0.86
Add: Addition during the year	-	-	-	(26.44)	134.65	(971.77)	-	-	(863.56)
Less: (Loss) on conversion of CCD into equity shares	-	(23.50)	-	-	-	-	-	-	(23.50)
Balance as at March 31, 2023	(2,043.47)	234.30	463.31	(29.28)	(83.60)	(1,239.46)	61.64	783.00	(1,853.56)
Add: Profit for the year	454.95	-	-	-	-	-	-	-	454.95
Add: Other comprehensive income/(expenses) (net of tax)	(1.06)	-	-	-	-	-	-	-	(1.06)
Add: Addition during the year	-	-	-	(14.39)	(9.01)	215.76	-	-	192.36
Balance as at March 31, 2024	(1,589.58)	234.30	463.31	(43.67)	(92.61)	(1,023.70)	61.64	783.00	(1,207.31)

Nature and purpose of reserves:

Equity component of compulsory convertible debentures

*One of the Restricted Group Entity, Clean Solar Power (Gulbarga) Private Limited had issued unrated, unlisted, unsecured Compulsory Convertible Cumulative Debentures to its holding company Hero Solar Energy Private Limited, having a face value of Rs. 10 each to finance the project. The said entity has adopted the split method of accounting under IND AS and discounted the expected cash outflows and determined the same as financial liability as on the date of issue of debentures. The entity has allocated the residual value to the equity component. Refer Note 14 for further details.

Securities Premium

Securities premium reserve is created to record the premium on issue of shares of Clean Solar Power (Gulbarga) Private Limited. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Invested Capital

Parent Contribution represents fair value uplift (net of tax) recognised in accordance with Ind AS 103 'Business Combinations' and Para 16 of the guidance note on Combined and/or Carve-out financial statements issued by ICAI, on account of acquisition of Bhilwara Green Energy Limited.

Cash Flow Hedging Reserve

The Restricted Group uses hedging instruments as part of its management of foreign currency risk associated on borrowings. For hedging foreign currency, the CRP Mauritius entity uses call spread option with cross currency swap for coupon payments. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the effective portion of cash flow hedges. Amounts recognised in the effective portion of cash flow hedges is reclassified to the statement of profit and loss when the hedged item affects profit or loss.

Cost of Hedging Reserve

The CRPML entity designates the spot component of foreign currency forward contracts and the intrinsic value of foreign currency option contracts as hedging instruments in cash flow hedge relationships. Such amount is recognised in OCI and amortised to the statement of profit and loss on a rational basis. The Restricted Group also excludes from the designation the foreign currency basis spread element of the swap, which is recognised in OCI and amortised to statement of profit and loss on a rational basis.

Foreign Currency Translation Reserves

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Deemed capital contribution

Includes loan from related parties which carry 0% interest rate and are repayable at the discretion of the entities Rajkot and Satara.



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

	As at March 31, 2024	As at March 31, 2023
14 Borrowings		
Non- current		
Secured		
4.25% Senior secured notes	24,224.10	25,753.99
Unsecured		
Optional Convertible Cumulative Debentures	1,066.44	1,065.61
Compulsory Convertible Debentures	1,437.22	1,490.07
Loan from Related Party	32.84	32.84
	26,760.60	28,342.51
Current		
Secured		
Current maturities of 4.25% Senior secured notes	1,892.30	1,714.36
Cash credit	-	18.14
	1,892.30	1,732.50
Total	28,652.90	30,075.01

Unsecured

- a) Senior Secured notes attract interest rate of 4.25% p.a.
b) Loan from Related parties, Working Capital facility and cash credit from banks carries interest in the range of @ 8.45% p.a.- 11% p.a.
c) Optional Convertible Cumulative Debentures ("OCCD") carry interest in the range of 8.90% p.a.- 9.94% p.a., which is linked to MCLR
d) Compulsory Convertible Debentures ("CCD") carry interest of 6% p.a.-9.40% p.a., which is linked to MCLR

Notes on security terms:

I 4.25% Senior Secured Notes

On March 19, 2021, the Entity had carried out issuance of 4.25% Senior secured notes for US\$363 million (Equivalent Rs. 26,680.50 million) with a tenor of 6 years falling due in 2027 to Qualified Institutional buyers.

4.25% Senior secured notes is secured by pledge of 100% of the Entity held by Hero Future Energies Asia Pte Ltd, floating charge over all assets of the Issuer (excluding the Onshore Debt, but including, any receivables from the Onshore Debt and any proceeds realized therefrom) and first-priority security interest in the Escrow Account. Security will be shared pari-passu with hedge providers. The notes will mature on March 25, 2027.

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II Optional Convertible Cumulative Debentures ("OCCD"):

Entity name	Nature of Lender	March 31, 2024 Amount (Rs. in million)	March 31, 2023 Amount (Rs. in million)	Payment terms	Security and other details
Clean Wind Power (Rattlam) Private Limited	Hero Wind Energy Private Limited	528.83	528.08	(i) OCCD I - 35,000,000 debentures of face value Rs. 10 each (March 31, 2023 35,000,000 debentures of face value Rs. 10 each)- On 20th anniversary of the issuance of the Series I OCCDs, (Issuance Date- January 18, 2016). (Conversion ratio 1:1) Debentures carry interest rate of 9.50% per annum which is linked to ICICI Bank (ii) OCCD II - 18,000,000 debentures of face value Rs. 10 each (March 31, 2023 18,000,000 debentures of face value Rs. 10 each)- On 23rd anniversary of the issuance of the Series II OCCDs (Issuance Date- January 18, 2016) (Conversion ratio 1:1) Debentures carry interest rate of 9.75% per annum which is linked to ICICI Bank Subject to prior approval from the lenders of the entity at the option of Debenture Subscriber.	Unsecured
Clean Wind Power (Piploda) Private Limited	Hero Wind Energy Private Limited	238.20	238.15	(i) OCCD I - 3,05,000 debentures of face value Rs. 10 each (March 31, 2023 3,05,000 debentures of face value Rs. 10 each)- On 20th anniversary of the issuance of the Series I OCCDs (Issuance Date- February 01, 2017). Debentures carry interest rate of 9.25% per annum linked to MCLR (ii) OCCD II - 20,838,000 debentures of face value Rs. 10 each (March 21, 2023 20,838,000 debentures of face value Rs. 10 each)- On 25th anniversary of the issuance of the Series II OCCDs (Issuance Date- February 01, 2017) Debentures carry interest rate of 9.5% per annum linked to MCLR Subject to prior approval from the lenders of the entity at the option of Debenture Subscriber.	Unsecured
Rajkot(Gujarat) Solar Energy Private Limited	Hero Solar Energy Private Limited	299.41	299.38	(i) OCCD I - 15,500,000 debentures of face value Rs. 10 each (31 March, 2023 15,500,000 debentures of face value Rs. 10 each)- On 20th anniversary of the issuance of the Series I OCCDs (Issuance Date- January 30, 2017). (Conversion ratio 1:1) Debentures carry interest rate of 9.05% which is linked to MCLR of senior lender. (ii) OCCD II - 14,500,000 debentures of face value Rs. 10 each (31 March, 2023 14,500,000 debentures of face value Rs. 10 each)- On 25th anniversary of the issuance of the Series II OCCDs (Issuance Date- January 30, 2017) (Conversion ratio 1:1) Debentures carry interest rate of 9.30% which is linked to MCLR of senior lender. Subject to prior approval from the lenders of the entity at the option of Debenture Subscriber.	Unsecured
Total		1,066.44	1,065.61		

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Compulsory Convertible Debentures ("CCD")

Entity name	Nature of Lender	March 31, 2024 Amount (Rs. in million)	March 31, 2023 Amount (Rs. in million)	Payment terms	Security and other details
Clean Solar Power (Gulbarga) Private Limited	Hero Solar Energy Private Limited	1,437.22	1,490.07	(i) CCD (Series I) (57 million of face value Rs 10 each)- Conversion into equity shares is fixed in the ratio of 1:1 upon expiry of 10 year. The entity with a written notice of 30 days, shall have right to call upon the debenture subscriber to convert CCD at any time after 3 years from the date of issuance of the CCD i.e, March 02, 2017 and mandatory conversion upon expiry of 10 years from issuance. (Debentures carry interest rate of 9.40% which is linked to MCLR of the Lender rate to get an effective interest rate lower than the applicable rate of lender.) (ii) CCD (Series I) (50 million of face value Rs 10 each)- Conversion into equity shares is fixed in the ratio of 1:1 upon expiry of 10 year. The entity with a written notice of 30 days, shall have right to call upon the debenture subscriber to convert CCD at any time after 3 years from the date of issuance of the CCD i.e, November 28, 2017 and mandatory conversion upon expiry of 10 years from issuance. (Debentures carry interest rate of 9.40% which is linked to MCLR of the Lender rate to get an effective interest rate lower than the applicable rate of lender.) (iii) CCD (Series A) (129.96 million of face value Rs 10 each)- The entity with a written notice of 30 days, shall have right to call upon the debenture subscriber to convert Series A CCD at any time. (Debentures carry interest rate of 6 %) (iv) CCD IV (Series A*) (20 million of face value Rs 10 each)- The entity with a written notice of 30 days, shall have right to call upon the debenture subscriber to convert Series A CCD at any time. * Allotment of Compulsorily Convertible Debentures Series (A) is of Rs. 5.00 million out of Rs. 20.00 million number of CCDs. (Debentures carry interest rate of 6%)	Unsecured
Total		1,437.22	1,490.07		

Cash credit

Entity name	Nature of Lender	March 31, 2024 Amount (Rs. in million)	March 31, 2023 Amount (Rs. in million)	Payment terms	Security and other details
Rajkot (Gujarat) Solar Energy Private Limited	Axis Bank Ltd	-	18.14	Repayable on demand	Facility is secured by first charge on the entire current assets of the respective entity, present and future; second charge on the entire movable fixed assets of respective entity, present and future and corporate guarantee of Hero Future Energies Private Limited. These balances are repayable on demand.
Total		-	18.14		

The Restricted Group is also having a sanctioned limit of Rs. 890.00 million as secured CC/WCDL facility from Axis bank out of which Rs NIL million has been availed by the Restricted Group as on March 31, 2024 (March 31, 2023 : Rs. 18.14 million).

III Loan from related parties

Borrower	Lending entity	Amount outstanding (as at March 31, 2024)	Amount outstanding (as at March 31, 2023)	Terms
Clean Wind Power (Satara) Private Limited	Hero Wind Energy Private Limited	0.70	0.70	"Loan Agreement" dated Feb 05, 2016 (amended December 21, 2016) with Hero Wind Energy Private Limited. The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45% p.a. The said loan is repayable on demand. Sanction limit: Rs. 1500 million
Clean Wind Power (Ratlam) Private Limited	Hero Wind Energy Private Limited	16.00	16.00	"Loan Agreement" dated February 5, 2016 with Hero Wind Energy Private Limited. The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed interest rate i.e. 9.45% p.a. The said loan is repayable on demand. Sanction limit: Rs. 500 million
Bhilwara Green Energy Limited	Hero Wind Energy Private Limited	13.64	13.64	"Loan Agreement" dated January 24, 2018 with Hero Wind Energy Private Limited. The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45% p.a. The said loan is repayable on demand. Sanction limit: Rs. 500 million
Clean Wind Power (Bableshtar) Private Limited	Hero Wind Energy Private Limited	2.50	2.50	"Loan Agreement" dated December 19, 2016 with Hero Wind Energy Private Limited. The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45% p.a. The said loan is repayable on demand. Sanction limit: Rs. 500 million

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****15 Trade payables**

	As at March 31, 2024	As at March 31, 2023
Trade payables		
- total outstanding dues to micro and small enterprises*	7.55	10.74
- total outstanding dues to parties other than micro and small enterprises	178.00	189.08
Total	185.55	199.82
Includes payable to related parties (Refer Note 32)	29.14	50.16

*These have been identified by the Restricted Group from available information.

For explanations on the Restricted Group's credit risk management processes, refer to note 38.

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:

	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	7.55	10.74
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Particulars	(a) Undisputed total outstanding dues of micro and small enterprises	(b) Undisputed total outstanding dues of creditors other than micro and small enterprises	(c) Disputed dues of micro and small enterprises	(d) Disputed total outstanding dues of creditors other than micro and small enterprises	Total
As at March 31, 2024					
Unbilled	-	85.37	-	36.27	121.64
Not due	2.02	12.66	-	6.54	21.22
Less than 1 Year	4.72	32.81	-	0.19	37.71
1-2 Years	-	2.63	-	-	2.63
2-3 Years	0.43	0.51	-	0.28	1.22
More than 3 Years	0.38	0.74	-	-	1.12
Total	7.55	134.72	-	43.28	185.55
As at March 31, 2023					
Unbilled	-	151.04	-	-	151.04
Not due	9.17	5.65	-	-	14.82
Less than 1 Year	1.57	29.68	-	0.01	31.26
1-2 Years	-	1.42	-	-	1.42
2-3 Years	-	0.47	-	-	0.47
More than 3 Years	-	0.81	-	-	0.81
Total	10.74	189.07	-	0.01	199.82

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****16 Other current financial liabilities**

	As at March 31, 2024	As at March 31, 2023
Interest accrued on 4.25% Senior secured notes	18.65	19.66
Interest accrued and due to related parties	191.05	133.49
Interest accrued on Optional Convertible Cumulative Debentures (Refer Note 32)	357.97	319.46
Interest accrued on Compulsory Convertible Debentures (Refer Note 32)	334.42	145.00
Payables for property, plant and equipment and intangible asset	144.72	209.81
Other payables (Refer Note 32)	69.69	63.02
Total	1,116.50	890.44

Breakup of financial liabilities at amortised cost:

	As at March 31, 2024	As at March 31, 2023
Borrowings (Refer Note 14)	28,652.90	30,075.01
Trade payables (Refer Note 15)	185.55	199.82
Other financial liabilities (Refer Note 16)	1,116.50	890.44
	29,954.95	31,165.27

17 Other liabilities**Non current****Contract Liability**

Deferred revenue*	157.94	129.03
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Others

Deferred government grant (Refer Note 40)- non current	1,302.19	981.84
Operation and maintenance equalisation reserve	110.80	178.37
	1,570.93	1,289.24

Current**Contract Liability**

Deferred revenue current*	33.84	34.20
Advance from customers	-	1.03

Others

Deferred government grant (Refer Note 40)	73.41	56.02
Statutory dues	19.78	25.86
Operation and maintenance equalisation reserve	67.57	54.89
	194.60	172.00

Total

	1,765.53	1,461.24
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* The one of the restricted group entity namely Clean Solar Power (Gulbarga) Private Limited executed five Power Purchase Agreements (PPAs) of 200 MW with Solar Energy Corporation of India ("SECI") dated August 2, 2016. Central Government introduced new Indirect Tax regime "Goods and Services Tax Act" (GST) on July 1, 2017 which resulted in an increase in non-recurring expenditure on the project. In accordance with accounting policy of the Company, such additional cost incurred in relation to GST has been capitalized under Property, plant and equipment.

Central Electricity Regulatory Commission ('CERC') vide order dated March 26, 2020 has directed SECI to pay the additional cost incurred by the Company on account of change in law subject to certain conditions. SECI vide letters dated December 31, 2021 has agreed to refund the said amount of 489.80 million. Out of 489.80 million, 134.13 million was paid upfront and for rest of the amount in monthly annuity of 4.96 million.

Accordingly, the company has recognized INR. 21.19 million (INR. 20.57 million) as other operating Income and INR 9.89 million (INR. 9.94 million) as interest income on GST refund for the year ended March 31, 2024 and March 31, 2023 respectively and has disclosed the remaining balance as "Deferred Revenue". The outstanding balance of GST refund as at March 31, 2024 is INR 298.61 million.

The Group has knocked off the deferred revenue and other financial assets during the year ended March 31, 2023.

18 Provisions**Non current**

Provision for employee benefits:		
- Provision for gratuity (Refer Note 33)	1.07	0.42
- Provision for compensated absences	7.06	5.54

Others

Provision for decommissioning cost	65.24	42.46
	73.37	48.42

Current

Provision for employee benefits:		
- Provision for gratuity (Refer Note 33)	0.95	0.20
- Provision for compensated absences	0.79	0.95
	1.74	1.15

Total

	75.11	49.57
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Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

Movement of provision for decommissioning cost		As at March 31, 2024	As at March 31, 2023
Opening Balance		42.46	38.82
Accretion during the period		5.19	3.64
Addition during the period		10.26	-
Change in estimate		7.33	-
Closing Balance		65.24	42.46
19 Deferred tax assets/ liability (net)		As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities (net)		1,184.47	760.77
		1,184.47	760.77
Deferred tax assets (net)		8.77	176.27
		8.77	176.27
20 Liabilities for current tax (net)		As at March 31, 2024	As at March 31, 2023
Liabilities for current tax (net of advance tax)*		1.82	7.08
		1.82	7.08
* Net of advance tax		59.21	66.36
21 Revenue from operations		For the year ended	
Type of goods or service		March 31, 2024	March 31, 2023
Sale of electricity		4,777.98	4,579.66
Less: Rebate and Discounts		(30.85)	(29.11)
		4,747.13	4,550.55
Incentive under generation based incentive scheme		193.66	196.48
Other operating revenue			
Income from amortisation of deferred revenue (Refer Note 17)		21.19	20.57
Sale of Carbon Credit		22.77	-
Sale of traded goods		1.75	-
Total		4,986.50	4,767.60

Performance Obligation
Sale of Electricity

The Restricted Group considers the power supplied under PPAs to be a distinct performance obligation and the sale of power to be series of distinct goods that are substantially the same and have the same pattern of transfer to the customer. The Restricted Group has therefore determined that the sale of power meets the revenue recognition criteria to be recognised over time.

Sale of Carbon Credit

Revenue from the sale of carbon credit emissions are recognized at the time of transfer of carbon credits to the customers, at consideration agreed under the sale agreements.

Disaggregation of Revenue

The Restricted Group derives its revenue from a single stream of revenue and from the transfer of electricity over time for each unit of electricity sold.

Contract Balances

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables (Note 5)	1,410.01	1,614.82
Contract Liability (Note 17)		
Deferred revenue	191.78	163.23
Advance from customer	-	1.03

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

For the year ended		
Particulars	March 31, 2024	March 31, 2023
Revenue as per contracted price	5,040.37	4,819.32
Adjustments for:		
Rebate and Discounts	30.85	29.11
Deviation settlement charges	23.02	22.61
Revenue from contract with customers	4,986.50	4,767.60

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)**

22	Other income	For the year ended	
		March 31, 2024	March 31, 2023
	Late payment surcharge (Refer Note 43)	23.11	437.78
	Interest income on loan to related parties	281.40	181.23
	Interest income on unwinding of discounted trade receivables	67.85	62.51
	Insurance claim*	68.03	44.61
	Interest income on fixed deposits	150.76	43.51
	Miscellaneous income	-	13.95
	Interest Income on GST refund (Refer Note 17)	9.89	9.94
	Amortisation of deferred government grant (Refer Note 40)	63.46	32.32
	Balances and Provision written back	14.11	6.87
	Interest income on income tax refund	5.53	2.87
	Unwinding of discount on deposits	2.99	2.74
	Scrap sales	5.60	6.21
	Exchange fluctuation (net)	39.47	-
		732.20	844.55

*The Restricted Group recognises income from insurance claims from third parties when the compensation becomes receivable.

23	Cost of material consumed	For the year ended	
		March 31, 2024	March 31, 2023
	Balance at the beginning of the year	-	-
	Add : Purchases during the year	0.87	-
	Less: Transfer to CWIP	-	-
	Less: Balance at the end of the period	-	-
		0.87	-

24	Employee benefit expenses	For the year ended	
		March 31, 2024	March 31, 2023
	Salaries, wages and bonus	132.48	124.17
	Contribution to provident and other funds (Refer Note 33)	5.47	5.39
	Gratuity expense (Refer Note 33)	1.75	1.93
	Staff welfare expenses	0.06	0.06
		139.76	131.55

25	Finance cost	For the year ended	
		March 31, 2024	March 31, 2023
	Interest expense on financial liabilities measured at amortised cost:		
	Interest on 4.25% Senior secured notes	2,090.88	2,217.14
	Interest expenses on discounting of trade receivables	-	150.15
	Interest on compulsory convertible debenture (Refer Note 32)	129.21	145.49
	Interest on Optional Cumulative Convertible Debenture (Refer Note 32)	102.00	111.02
	Interest on debts and borrowings banks and financial institutions	0.02	3.28
	Interest on loan from related parties (Refer Note 32)	3.11	3.10
	Other finance costs	23.03	16.85
		2,348.25	2,647.03

26	Depreciation and amortisation expense	For the year ended	
		March 31, 2024	March 31, 2023
	Depreciation of tangible assets	1,051.86	1,058.34
	Depreciation of right of use asset	14.07	13.81
	Amortisation of intangible assets	88.27	7.98
		1,154.20	1,080.13

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****27 Other expenses**

Operation and maintenance expenses* (Refer Note 32)
Legal and professional expense
Exchange fluctuation expense (net)
Rent, rates and taxes#
Travelling and conveyance
Bad Debt write off
Power and fuel
Management Fees (Refer Note 32)
Insurance
Provision for doubtful debts and advances
Corporate Social Responsibility expenditure
Repair and maintenance
Miscellaneous expenses

For the year ended	
March 31, 2024	March 31, 2023
396.51	434.52
47.42	73.10
-	27.20
6.29	16.21
8.29	5.54
6.66	-
23.44	22.40
183.37	174.64
60.52	61.53
3.64	18.78
8.04	8.90
49.33	27.60
9.94	11.06
803.45	881.48
54.89	42.82

* Includes impact of operation and maintenance equalisation reserve

#The following are the amounts recognised in the Statement of Profit & Loss in relation to land lease:

Depreciation
Expense relating to short- term leases and low value assets(included in other expenses)

For the year ended	
March 31, 2024	March 31, 2023
14.07	13.81
0.15	2.12
14.22	15.93

28 Tax expense

Current tax
Adjustment of tax relating to earlier periods
Deferred tax

For the year ended	
March 31, 2024	March 31, 2023
226.40	250.69
-	0.61
590.82	48.33
817.22	299.63

29 Other Comprehensive Income

Re-measurement gains on defined benefit plans
Income tax effect on Re-measurement gains/ (losses) on defined benefit plans
Effective portion of cash flow hedges (net of tax)
Foreign currency translation reserve

For the year ended	
March 31, 2024	March 31, 2023
(1.43)	1.16
0.37	(0.30)
206.75	(837.12)
(14.39)	(26.44)
191.30	(862.70)

30 Earnings per Share (EPS)

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

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Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (In million), unless otherwise stated)

31 Deferred Tax

a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023 as follows:

Considering, Restricted Group comprises of nine entities out of which eight entities are located in India. Further, all the business operations are carried out in these eight Indian entities. Consequently, we have presented ETR as per the tax rate applicable in Indian Jurisdiction and impact of difference in tax rate is shown as "Effect of tax rate differences due to entity operating in other jurisdictions".

	As at March 31, 2024	As at March 31, 2023
Accounting profit before tax	1,272.17	871.96
Applicable tax rate	23.59%	23.22%
Computed Tax Expense	300.10	202.47
Non-deductible expenses*	300.38	223.41
Effect on tax due to new tax regime opted#	(39.70)	(183.85)
Effect on tax due to reassessment of temporary differences reversing under tax holiday period	130.26	(120.26)
Deferred tax assets (created)/reversed on carry forward business	(3.80)	97.07
Withholding tax on interest income lapsed	125.32	139.10
Others	4.66	(58.32)
Income tax charged to Consolidated Statement of Profit & Loss	817.22	299.62

* Primarily includes Section 94B and 36(I) disallowance.

On September 20, 2019, vide Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance'), the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019, subject to certain conditions. The Restricted group has decided to opt for the reduced corporate tax rates for the entities with in the Restricted Group in March 31, 2023 and March 31, 2024 and the full impact of this change has been recognised in tax expense during the year ended March 31, 2023 and March 31, 2024. Accordingly, the Restricted group has recognised Provision for Income Tax and re-measured its deferred taxes as per the provisions of the Ordinance. This has resulted in re-assessment of deferred tax liability by Rs 39.70 million as at March 31, 2024 (March 23: Rs 183.85 millions). In cases where the timing differences were reversing within the tax holiday period under the provisions of section 80-IA of the Income Tax Act, deferred tax were not recognised on those permanent differences till previous year, however same has been recognised during the year as the group has opted for new tax regime.

i) In respect of BGEL covered under tax holiday period as specified under section 80 IA of Income tax Act, 1961, entities reassess its projected taxable profits during the tax holiday period based on current year actual performance and other external factors impacting the projected project performance on periodic basis. Based on revised projections, entities have reassessed its deferred tax and and its impact thereon.

ii) Deferred tax assets and liabilities have been offset where they arise in the same taxing jurisdiction with a legal right to offset but not otherwise. Accordingly the net deferred tax (assets)/liability has been disclosed in the Balance Sheet as follows :

Particulars

	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	8.77	176.27
Deferred tax liabilities	(1,184.47)	(760.77)
Net Deferred tax assets/ (liabilities)	(1,175.70)	(584.50)

b) Component of Deferred tax Assets/liabilities (net):

As on March 31, 2024

Significant components of deferred tax asset/(liabilities)	Opening Balance as on April 01, 2022	(Charged) / credited to Statement of profit and loss	Charged / (credited) to OCI	(Charged) / credited directly in Equity	Closing Balance as on March 31, 2023
Carry forward tax loss and Unabsorbed depreciation	1,098.25	(44.12)	-	-	1,054.13
Accelerated depreciation for tax purposes	(2,512.53)	(480.47)	-	-	(2,993.00)
Equity component of compound financial instruments	35.48	-	-	-	35.48
Deferred Government Grant	217.52	-	-	-	217.52
Minimum alternative tax credit entitlement [Refer Note (a) below]	405.70	(181.58)	-	-	224.12
Others	171.08	115.34	(0.37)	-	286.05
Total	(584.50)	(590.83)	(0.37)	-	(1,175.70)

As at March 31, 2023

Significant components of deferred tax asset/(liabilities)	Opening Balance as on April 01, 2022	(Charged) / credited to Statement of profit and loss	Charged / (credited) to OCI	(Charged) / credited directly in Equity	Closing Balance as on March 31, 2023
Carry forward tax loss and Unabsorbed depreciation	894.18	204.07	-	-	1,098.25
Accelerated depreciation for tax purposes	(1,950.65)	(561.88)	-	-	(2,512.53)
Equity component of compound financial instruments	46.26	(10.78)	-	-	35.48
Deferred Government Grant	25.63	191.89	-	-	217.52
Minimum alternative tax credit entitlement [Refer Note (a) below]	349.85	55.85	-	-	405.70
Gain/(loss) on mark to market of derivative instrument	(63.38)	-	-	63.38	-
Others	162.24	9.14	(0.30)	-	171.08
Total	(535.87)	(111.71)	(0.30)	63.38	(584.50)

(a) The Indian entities of Restricted Group has recognized an asset of Rs 224.12 million (March 31, 2023: Rs 405.70 million) as "MAT credit entitlement". It represents that portion of MAT liability which can be set off in subsequent years based on provisions of Income Tax Act 1961. The management based on future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable one of the restricted group entity Bhilwara Green Energy Limited to utilize MAT credit assets which is still in old tax regime.

(b) As at March 31, 2024, the Entity has carry forward tax losses of Rs. 385.65 million (expiring Rs. 59.23 million in financial year 2027-28, Rs. 326.42 million in financial year 2028-29) on which one of the Restricted group entity CSP Gulbarga has not recognized deferred tax asset of Rs. 97.07 million primarily due to unavailability of projected taxable profits.

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Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

32 Related party disclosures:

a) Name of related parties

Name of related parties	Nature of relationship
BM Munjal Energies Private Limited	Ultimate holding company
Hero Future Energies Private Limited	Intermediate holding company
Hero Future Energies Asia Pte. Ltd.	Holding company
Hero Solar Energy Private Limited	Holding company
Hero Wind Energy Private Limited	Holding company
Clean Wind Power (Anantapur) Private Limited	Fellow subsidiary
Clean Wind Power (Pratapgarh) Private Limited	Fellow subsidiary
Clean Wind Power (Devgarh) Private Limited	Fellow subsidiary
Clean Wind Power (Manvi) Private Limited	Fellow subsidiary
Clean Solar Power (Tumkur) Private Limited	Fellow subsidiary
Clean Solar Power (Chitradurga) Private Limited	Fellow subsidiary
Clean Solar Power (Jaipur) Private Limited	Fellow subsidiary
LNJ Power Ventures Limited	Fellow subsidiary
Waaneep Solar Private Limited	Fellow subsidiary
Vayu Urja Bharat Private Limited	Fellow subsidiary
Clean Wind Power (Bhavnagar) Private Limited	Fellow subsidiary
Hero Future Energies Limited Employees Group Gratuity Trust	Enterprises over which key management personnel and their relatives able to control
Neha Sethi	Company Secretary
Ritu Chauhan (appointed w.e.f September 20, 2022)	Company Secretary
Ram Swaroop Vij (resigned w.e.f May 19, 2023)	Chief Executive Officer
Maya Shankar Roy (resigned w.e.f March 20, 2024)	Chief Executive Officer
Rahul Kumar (resigned w.e.f November 08, 2022)	Company Secretary
Aditya Kumar (appointed w.e.f June 10, 2021)	Company Secretary
Pulkit (resigned w.e.f June 05, 2023)	Company Secretary
Sanjeev Tripathi (appointed w.e.f June 05, 2023)	Company Secretary
Teena sharma (resigned w.e.f December 31, 2022)	Company Secretary
Shallini Gupta (appointed w.e.f June 01, 2023)	Company Secretary
Nelson Mandela	Company Secretary

b) Transactions with related parties

Particulars	As at March 31, 2024	As at March 31, 2023
Management and development fee		
Hero Future Energies Private Limited	47.32	45.07
Hero Solar Energy Private Limited	88.00	84.91
Hero Wind Energy Private Limited	48.05	45.76
Repayment of borrowings		
Hero Wind Energy Private Limited	-	689.50
Repayment of Optional Convertible Cumulative Debentures		
Hero Solar Energy Private Limited	-	45.00
Interest expenses		
Hero Wind Energy Private Limited	2.81	3.10
Loan given		
Hero Solar Energy Private Limited	348.70	-
Interest expense on Optional Convertible Cumulative Debentures		
Hero Wind Energy Private Limited	73.92	82.64
Hero Solar Energy Private Limited	27.59	28.06

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****Interest expense on Compulsory Convertible Debentures**

Hero Solar Energy Private Limited	182.05	188.30
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Issue of compulsorily convertible debentures (CCD)

Hero Solar Energy Private Limited	-	734.50
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Conversion of compulsorily convertible debentures (CCD)

Hero Solar Energy Private Limited	-	734.50
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Operation & maintenance expense

Hero Solar Energy Private Limited	100.57	132.38
Hero Wind Energy Private Limited	283.75	284.64

Interest income on loan

Hero Solar Energy Private Limited	236.96	143.77
Hero Wind Energy Private Limited	44.44	37.46

Expenses incurred by them

Hero Future Energies Private Limited	0.15	-
Vayu Urja Bharat Private Limited	0.13	-
Hero Wind Energy Private Limited	2.47	-
Waaneep Solar Private Limited	0.03	-
Clean Solar Power (Tumkur) Private Limited	1.65	-
Hero Solar Energy Private Limited	0.99	0.05

Expenses incurred by us

Hero Wind Energy Private Limited	-	0.02
Clean Solar Power (Chitradurga) Private Limited	-	0.00
Clean Wind Power (Manvi) Private Limited	-	0.01

Contribution to Gratuity Fund Trust

Hero Future Energies Limited Employees Group Gratuity Trust	0.72	0.05
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Payment of Trade payable

Hero Future Energies Private Limited	0.11	-
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Sale of Trade Goods

Clean Solar Power (Bhadla) Private Limited	2.06	-
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c) Closing balance of related parties:

Particulars	As at March 31, 2024	As at March 31, 2023
Loan balances receivables		
Hero Wind Energy Private Limited	476.20	381.20
Hero Solar Energy Private Limited	2,754.20	1,331.82
Interest accrued on loan balances receivables		
Hero Wind Energy Private Limited	47.06	102.06
Hero Solar Energy Private Limited	248.16	358.57
Other receivables		
Clean Wind Power (Pratapgarh) Private Limited	0.05	0.05
Clean Wind Power (Manvi) Private Limited	0.01	0.01
Clean Wind Power (Anantapur) Private Limited	0.27	0.27
LNJ Power Ventures Limited	0.14	0.14
Clean Wind Power (Devgarh) Private Limited	329.07	328.54
Hero Wind Energy Private Limited	-	0.12
Clean Solar Power (Bhadla) Private Limited	2.06	-
Hero Future Energies Private Limited	3.07	2.54
Hero Solar Energy Private Limited	3.39	3.39
Waaneep Solar Private Limited	0.03	0.03

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****Loans payables**

Hero Wind Energy Private Limited	32.84	32.84
Hero Solar Energy Private Limited**	60.00	60.00

Payable on account of Optional Convertible Cumulative Debentures

Hero Solar Energy Private Limited	300.00	300.00
Hero Wind Energy Private Limited	768.88	768.88

Payable on account of compulsory convertible debentures

Hero Solar Energy Private Limited	2,419.60	2,419.60
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Payable on account of interest on Optional Convertible Cumulative Debentures

Hero Wind Energy Private Limited	86.86	147.47
Hero Solar Energy Private Limited	-	59.25

Interest accrued on loans:

Hero Solar Energy Private Limited	-	0.05
Hero Wind Energy Private Limited	295.24	71.14

Payable on account of interest on Compulsory Convertible Debentures

Hero Solar Energy Private Limited	501.33	319.46
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Contribution towards gratuity fund

Hero Future Energies Limited Employees Group Gratuity Trust	12.15	10.90
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Advances given

Hero Future Energies Private Limited	-	0.13
Hero Wind Energy Private Limited	18.13	316.72
Hero Solar Energy Private Limited	-	11.65

Trade Receivables

Hero Future Energies Private Limited	-	0.51
Clean Wind Power (Devgarh) Private Limited	-	0.53

Trade payables

Clean Solar Power (Jaipur) Private Limited	-	48.40
Hero Wind Energy Private Limited	1.65	0.35
Hero Solar Energy Private Limited	1.76	1.41
Hero Future Energies Private Limited	0.74	-

Payable for capital goods

Clean Solar Power (Jaipur) Private Limited	3.13	3.13
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Other payables

Clean Solar Power (Jaipur) Private Limited	45.37	0.10
Clean Wind Power (Manvi) Private Limited	0.23	0.23
Vayu Urja Bharat Private Limited	1.30	1.17
Clean Solar Power (Tumkur) Private Limited	3.31	1.65
Clean Wind Power (Bhavnagar) Private Limited	0.17	0.17
Clean Wind Power (Devgarh) Private Limited	0.01	0.01
Clean Solar Power (Chitradurga) Private Limited	0.02	0.02
Hero Wind Energy Private Limited	5.72	3.38
Hero Solar Energy Private Limited	5.71	4.71
Hero Future Energies Private Limited	7.80	7.80
Hero Future Energies Asia Pte. Ltd.	-	-

** includes Rs. 60.00 million loan carrying 0% interest rate, classified under deemed capital contribution

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****d) Compensation of key management personnel of the Restricted Group**

Particulars	As at March 31, 2024	As at March 31, 2023
Payment to Key management personnel*	2.13	4.59
Total	2.13	4.59

Particulars	As at March 31, 2024	As at March 31, 2023
Remuneration payable*#	0.10	0.34
Total	0.10	0.34

* Remuneration to the Key managerial personnel does not include the provision made for gratuity and leave encashment, as they are determined on an actuarial basis for the Restricted Group as whole.

#Disclosure related to only those key managerial person with whom the entity have transactions during the year.

e) Other transactions with Related Parties**In case of Clean Wind Power (Satara) Private Limited**

i) Pursuant to scheme of amalgamation, Stock option holders under erstwhile Hero Future Energies Private Limited (now amalgamated) are entitled to stock options in Hero Future Energies Private Limited. Hero Future Energies Private Limited has not completed the process for the adoption of the new employee stock option plan

During the year no share options are granted to any employees (March 31, 2023: Nil) and no further awards are planned. Management has assessed that it is not probable that total settlements will exceed the already provisioned Rs. 1.64 million and therefore no further expense has been recognised for the half year ended March 31, 2024.

(ii) Hero Future Energies Private Limited has given the guarantee in the favour of Axis Trustee Services Limited towards bond related obligations and working capital obligations.

(ii) 51,450,000 OCCDs of one of the restriced group entity namely Clean Wind Power (Ratlam) Private Limited, are pledged by the holding company Hero Wind Energy Private Limited for Non-convertible debentures.

f) Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transaction The income expense from sale/Purchase from related parties are made on arm's length basis outstanding balances at the year end are unsecured and interest free.

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Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

33 Gratuity and other post-employment benefit plans

a) Defined contribution plans

The Restricted Group makes contribution towards provident fund/ pension fund. Under the scheme, the Restricted Group is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to the defined contribution scheme. The Restricted Group has recognized Rs. 5.47 million (March 31, 2023: Rs. 5.39 million) during the year as expense towards contribution to the plan.

	As at March 31, 2024	As at March 31, 2023
Provident fund	5.47	5.39
Total	5.47	5.39

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, through which the Restricted Group is able to determine the present value of obligations. "Projected Unit Credit Method" recognizes each year of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

c) The following tables summarize the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the defined benefit plan

	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the beginning of the year	4.74	6.45
Add: Current service cost	2.04	2.11
Add: Interest cost	0.50	0.54
Add: Actuarial (gain) / loss	1.86	(1.51)
Less: Benefits paid	(1.76)	(2.85)
Present value of obligation as at the end of the year	7.38	4.74

d) The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	As at March 31, 2024	As at March 31, 2023
Add: Current service cost	2.04	2.11
Add: Interest cost	0.50	0.54
Less: Investment Income	(0.79)	(0.72)
Net cost	1.75	1.93

e) Changes in the fair value of the plan assets are as follows:

	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at the beginning	10.89	10.52
Add: Investment income	0.79	0.72
Add: Expected return on plan assets	0.43	(0.35)
Fair value of plan assets at the end	12.11	10.89

The Plan assets has been invested in Insurance policies with Bajaj Allianz Life Insurance Co. Ltd.

The major categories of plan assets are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Equity	2.37	2.08
Corporate bond	1.39	2.15
Sovereign	7.76	5.58
Money Market, Deposits & Other	0.61	1.08
	12.13	10.89

f) Detail of actuarial gain/loss recognised in OCI is as follows:

	As at March 31, 2024	As at March 31, 2023
Actuarial gain / (loss) for the year – obligation	(1.86)	1.51
Actuarial gain / (loss) for the year - plan assets	0.43	(0.35)
Total gain / (loss) for the year	(1.43)	1.16

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Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

g) Principal actuarial assumptions are as follows:

	As at March 31, 2024	As at March 31, 2023
Economic assumptions		
Discount rate	7.15%	7.30%
Rate of increase in compensation levels	12%	10%
Demographic assumptions		
Expected average remaining working lives of employees (years)	21.64-28.14	23.29-30.86
Retirement Age (years)	60.00	60.00
Mortality Table	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate
Withdrawal Rate		
Ages up to 30 Years	4.63%	5.78%
Ages from 31-44	15.44%	22.74%
Above 44 years	2.32%	0.72%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Discount rate- Reduction in discount rate in subsequent valuations can increase the liability.

Salary escalation rate - Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations which in turn also increase the liability.

Withdrawal rate- Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability

h) Net (assets) / liabilities recognized in the Balance Sheet and experience adjustments on actuarial gain / (loss) for benefit obligation and plan assets.

	As at March 31, 2024	As at March 31, 2023
Present value of obligation	7.38	4.74
Less: Fair value of plan assets	(12.11)	(10.89)
Net (assets) / liability	(4.73)	(6.15)

i) A quantitative sensitivity analysis for significant assumption as is as shown below:

	As at March 31, 2024	As at March 31, 2023
A. Discount rate		
Effect on DBO due to 1% increase in Discount Rate	(0.89)	(0.51)
Effect on DBO due to 1% decrease in Discount Rate	1.06	1.13
B. Salary escalation rate		
Effect on DBO due to 1% increase in Salary Escalation Rate	1.00	0.56
Effect on DBO due to 1% decrease in Salary Escalation Rate	(0.86)	(0.50)
C. Withdrawal Rate		
Effect on DBO due to 50% increase in Withdrawal Rate	(1.07)	(0.36)
Effect on DBO due to 50% decrease in Withdrawal Rate	2.04	0.81
D. Mortality Rate		
Effect on DBO due to 50% increase in Mortality Rate	(0.01)	(0.00)
Effect on DBO due to 50% decrease in Mortality Rate	0.01	0.00

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

j) Maturity profile of defined benefit obligation is as follows:

	As at March 31, 2024	As at March 31, 2023
1 year	0.71	0.79
2 to 5 years	3.96	2.80
6 to 10 years	3.76	3.20
More than 10 years	16.04	7.45

The Restricted Group expects to contribute Rs. 5.12 million (March 31, 2023: Rs. 1.67 million) to the plan during the next financial year.

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****34 Capital Management**

For the purpose of Restricted Group's capital management, capital includes issued equity capital and equity reserves attributable to the equity holders of the parent. The primary objective of the Restricted Group's capital management is to maximise the shareholder value.

The Restricted Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Restricted Group may return capital to shareholders or issue new shares. The Restricted Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The net debt of the Restricted Group includes interest bearing borrowings less cash and cash equivalents.

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Borrowings (including current maturities of long term borrowings) (Refer Note 14)	28,652.90	30,075.01
Less: Cash and cash equivalents (Refer Note 6)	948.64	1,629.72
Net debt	27,704.26	28,445.29
Equity share capital (Refer Note 12)	4,446.27	4,446.28
Other equity (Refer Note 13)	(1,207.31)	(1,853.56)
Total Capital	3,238.96	2,592.72
Capital and net debt	30,943.22	31,038.01
Gearing ratio	89.53%	91.65%

No changes were made in the objectives, policies or processes for managing capital during respective financial years.

In order to achieve this overall objective, the Restricted Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There is no breach covenant except as mentioned in note 14 'Borrowings'.

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Restricted Group

Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024

(All amounts are in Indian Rupees (in million), unless otherwise stated)

35 Commitments and Contingent Liabilities

a. Commitments

(i) The various entities of the Restricted Group have entered in to long term Power Purchase Agreements ('PPA') ranging from 13 to 25 years from the respective date of commissioning with various Discoms and private parties wherein the said entities have committed to sell and Discoms & private parties have committed to purchase entire generation from installed capacity.

b. Other Legal Proceedings

General

- I** In Clean Solar Power (Gulbarga) Private Limited and Clean Wind Power (Piploda) Private Limited, there are 7 land cases filed by third parties against the entities on various issues including (i) the unauthorized sale of their ancestral land by relatives to the Entities (ii) encroachment/erection of towers by the Entities on their land (iii) the reduction of land value and damage to crops due to the installation of power transmission lines over their land (iv) the receipt of inadequate sales consideration from the Entities for the sale of their land. The Entities is contesting all such cases and based on advice from legal counsel, management believes that they have a good case on merits. The Entities has concluded that it is only possible, but not probable that the actions of the various third parties will succeed. Accordingly, no provision has been made in these financial statements. Although carrying value of these parcels of land are not individually or collectively material, the potential impact on the future success or viability of the relevant projects could be material to the Entities. Given the uncertainty surrounding the various claims against the Entities, it is also not practicable to quantify the potential future effect on earnings, operations, cash flow or financial condition of the Entities.
- II** Bhilwara Green Energy Limited (BGEL) had entered into Operation & Maintenance ('O&M') agreement with ReGen Infrastructure and Services Private Limited ('ReGen') dated September 18, 2015. Vide order dated February 19, 2020, National Company Law Tribunal has ordered the commencement of corporate insolvency resolution process of the ReGen and appointed Interim Resolution Professionals ('IRP'). Accordingly, BGEL had filed its claim with the IRP for operational debt amounting to 212.6 million. However, the IRP arbitrarily reduced the claim amount to 190.28 Million. Hence, BGEL filed an application under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 before NCLT, Chennai seeking appropriate directions against the reduction in amount claimed filed by it before Resolution Professional as an Operational Creditor under Insolvency Resolution Plan of RISPL. Apart from the aforesaid, BGEL has also filed an application before the NCLT Chennai for treatment of certain amounts (e.g. Liquidated damages) as CIRP costs. The matters are to be listed for arguments.

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Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

36 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Restricted Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying values		Fair values	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Financial Assets measured at fair value through other comprehensive income				
Derivative asset designated as hedge (Refer Note 8)	1,532.22	1,082.62	1,532.22	1,082.62
Total	1,532.22	1,082.62	1,532.22	1,082.62
Financial assets measured at amortised cost				
Security deposits (Refer Note 8)	48.74	43.87	48.74	43.87
Trade receivables (Refer Note 5)	1,410.01	1,614.82	1,410.01	1,614.82
Cash and cash equivalents (Refer Note 6)	948.64	1,629.72	948.64	1,629.72
Other bank balances (Refer Note 7)	1,005.84	5.57	1,005.84	5.57
Other financial assets (Refer Note 8)	6,355.25	4,693.22	6,355.25	4,693.22
Total	9,768.48	7,987.20	9,768.48	7,987.20
Financial liabilities measured at fair value through other comprehensive income				
Derivative liability designated as hedge	-	-	-	-
Total	-	-	-	-
Financial liabilities measured at amortised cost				
Borrowings (Refer Note 14)*	28,652.90	30,075.01	26,054.65	31,145.81
Trade payables (Refer Note 15)	185.55	199.82	185.55	199.82
Other financial liabilities (Refer Note 16)	1,116.50	890.44	1,116.50	890.44
Total	29,954.95	31,165.27	27,356.70	32,236.07

*Long term borrowings mainly include 4.25% Senior secured notes, Optional Convertible Cumulative Debentures, Compulsory Convertible Debentures and Loan from related parties with fixed interest rate. There are no floating interest rate borrowing.

Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings of the Restricted Group and in case of financial asset is the average market rate of similar credit rated instrument. The Restricted Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

The following methods and assumptions were used to estimate the fair values:

a) Fair values of the Restricted Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the rate as at the end of the reporting year. The own non-performance risk as at reporting date was assessed to be insignificant.

b) Fair value for security deposits (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date. Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

c) For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

d) The Entity has hedged foreign currency exposure risk related to investments in restricted group entities denominated in INR using derivative financial instruments. Foreign currency exposure related to the principal cashflows is hedged using call spread options & coupon cash-flows is using cross currency swaps. These were entered into with various counterparties, principally financial institutions with investment grade credit ratings. For the purpose of determining the fair value of derivative financial instruments, the Entity uses swap pricing model based on present value calculations and option pricing model based on principles of black Scholes model. These models incorporate various market observable such as foreign exchange spot and forward rates, interest rate curves of the respective currencies, implied volatility of respective currencies etc. prevailing as of valuation date.

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****37 Fair value hierarchy**

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The fair value of trade receivables, trade payables and other financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. There has been no change in the valuation methodology during the year. The sensitivity of change in the unobservable inputs used in fair valuation of financial assets and liabilities does not have a significant impact on their value.

The following table provides the fair value measurement hierarchy of the Restricted Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets

Particulars	Level Classification	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value through other comprehensive income			
Derivative assets designated as hedge	Level 2	1,532.22	1,082.62
Financial assets measured at amortised cost			
Security deposits	Level 2	48.74	43.87
Total		1,580.96	1,126.49
Financial liabilities measured at amortised cost			
Borrowings	Level 3	26,054.65	31,145.81
Total		26,054.65	31,145.81

There have been no transfers between Level 2 and Level 3 during the year ended March 31, 2024.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

-Borrowings are primarily Indian domestic long-term rupee loans wherein interest rates are linked to benchmark rates (Marginal Cost of Lending Rates/ Prime Lending Rates) of respective lenders. These benchmark rates are determined based on cost of funds of the lenders, as well as, market rates. The benchmark rates are periodically revised by the lenders to reflect prevalent market conditions. Accordingly, effective cost of debt for borrowings at any point of time is in line with the prevalent market rates. Due to these reasons, management is of the opinion that they can achieve refinancing, if required, at similar cost of debt, as current effective interest rates. Hence, the discounting rate for calculating the fair value of Borrowings has been taken in line with the current cost of debt.

- Fair value of other non-current assets and liabilities is determined based on discounted cash flow method using risk adjusted discount rate.

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****38 Financial risk management objectives and policies**

The Restricted Group's principal financial liabilities comprise trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Restricted Group's operations and to provide guarantees to support its operations.

The Restricted Group's principal financial assets includes security deposits, deposit with original maturity of 12 months, trade receivables, cash and bank balance and others thereon.

The Restricted Group is exposed to credit risk, liquidity risk and market risk. The Restricted Group's senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

All derivative activities for risk management purposes are carried out by the teams that have the appropriate skills, experience and supervision. In order to minimise any adverse affects on the financial performance of the Restricted Group, the Restricted Group may use foreign forward contracts including currency rate swaps to hedge certain foreign currency risk exposures. The use of financial derivatives is governed by the Restricted Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives, and the investments of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. Derivatives are used exclusively for hedging purposes and not for trading and speculative purposes.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.

i) 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. The Restricted Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Restricted Group to interest rate risk.

Long term borrowings primarily consists of US dollar denominated loan with fixed interest rate. The said loan is carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Restricted Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Restricted Group's financing activities.

The Entity hedged the foreign currency exposure risk related to certain investments in India restricted group entities through call spread option with cross currency swap for coupon payments.

As the Entity has entered into foreign exchange derivative contract to mitigate the foreign exchange fluctuation risk, these derivatives act as economic hedges and will offset the impact of any fluctuations in foreign exchange rates.

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Restricted Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Information about revenue from major customers who contributed 10% or more relating to revenue from sale of power:

Particulars	For the year ended March 31, 2024
Solar Energy Corporation of India (SECI)	1,754.80
MP Power Transmission Co. Ltd	1,119.51
Hubli Electricity Supply Company Limited	592.66
Maharastra State Electricity Distribution Company	878.48

The Restricted Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are government owned companies with high quality credit ratings.

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Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024
(All amounts are in Indian Rupees (in million), unless otherwise stated)

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Restricted Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

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

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

Movement in expected credit loss on trade receivables during the year (refer note 2(c)):

	Fair Value in (Rs in million)	
	March 31, 2024	March 31, 2023
Opening Balance	5.14	0.26
Changes in allowance for expected credit loss:		
Additional provision during the year	3.01	4.88
Adjustment during the year	-	-
Closing Balance	8.15	5.14

Refer Note 5 for the ageing analysis of trade receivables as at respective reporting dates.

ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Restricted Group's treasury department in accordance with the Restricted Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Restricted Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Restricted Group's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

C. Liquidity risk

Liquidity risk is the risk that the Restricted Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Restricted Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Restricted Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The Restricted Group expects to generate positive cash flows from operations in order to meet its external financial liabilities as they fall due and also consistently monitors funding and refinancing options available in the debt market with a view to maintain financial flexibility.

The table below summarises the maturity profile of the Restricted Group's financial liabilities based on contractual undiscounted payments.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2024						
Borrowings* #	-	298.41	2,766.93	27,770.58	1,066.44	31,902.36
Trade payables (Refer Note 15)	-	7.55	178.00	-	-	185.55
Other financial liabilities (Refer Note 16)	-	-	1,116.50	-	-	1,116.50
Total	-	305.96	4,061.43	27,770.58	1,066.44	33,204.40
As at March 31, 2023						
Borrowings* #	18.14	294.90	2,655.10	28,939.95	2,590.67	34,498.76
Trade payables (Refer Note 15)	-	10.74	234.34	-	-	245.08
Other financial liabilities (Refer Note 16)	452.95	-	392.22	-	-	845.17
Total	471.09	305.64	3,281.66	28,939.95	2,590.67	35,589.01

* Refer Note 14

It includes contractual interest payment based on interest rate prevailing at the end of the reporting period.

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)****39 Segment Note**

The Restricted Group is engaged in a single segment i.e., the business of "generation and sale of power" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM) including CEO, CFO and the functional heads. All the Restricted Group's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

The Restricted Group operates within India and does not have operations in economic environments with different risks and returns.

40 Accounting of Viability Gap Funding (government grant)

In respect of one of the Restricted Group namely Clean Solar Power (Dhar) Private Limited, the said entity has entered into Viability Gap Funding (VGF) securitization agreement with Solar Energy Corporation of India ("SECI") for creating a charge on project assets based on which the said entity is eligible to receive VGF support amounting to Rs. 492.00 million.

As per the terms of the agreement, VGF for 30MW plant shall be released in two instalments: first instalment of 50% of VGF shall be released at a date not earlier than three months from scheduled commissioning date and balance 50% to be received in 5 equal instalment over the next 5 years, subject to plant meeting the generation requirement specified in the VGF Securitization Agreement.

VGF received is treated as deferred revenue and is being amortized over the useful life of the assets in the same proportion in which depreciation on related assets is charged to statement of profit and loss. Accordingly, the company has recorded an amount of Rs. 23.67 million as Other income, which is recorded under Note 19 of the financial statements, while an amount of Rs. 279.9 million has been recorded as "Deferred government grant" under Note 15 of the financial statements.

In respect of Another Restricted Group Entity CSP Gulbarga has entered into Viability Gap Funding (VGF) securitization agreement with Solar Energy Corporation of India ("SECI") for creating a charge on project assets based on which the Company is eligible to receive VGF support amounting to Rs. 1,360.00 million. As per the terms of the agreement, VGF for 200MW plant shall be released in two instalments: first instalment of 50% of VGF shall be released at a date not earlier than three months from scheduled commissioning date and balance 50% to be received in 5 equal instalment over the next 5 years, subject to plant meeting the generation requirement specified in the VGF Securitization Agreement. On account of reasonable certainty of collection of VGF, the same has been treated as deferred revenue and is being amortized over the useful life of the assets in the same proportion in which depreciation on related assets is charged to statement of profit and loss. Accordingly, the company has recorded an amount of Rs. 39.78 million as Other income, which is recorded under Note 22 of the financial statements, while an amount of Rs. 1095.70 million has been recorded as "Deferred government grant" under Note 17 of the financial statements.

41 Reconciliation of movements of liabilities to cash flows arising from financing activities:

Particulars	Balance at the beginning of the year	Cash flows	Non-cash transactions		Balance at the end of the year
			Interest accretion	Others	
For the year ended March 31, 2024					
4.25% Senior secured notes	26,734.18	(1,862.49)	76.86	383.84	25,332.39
Cash credit facilities	18.14	(18.14)	-	-	-
Loan from Related Party	32.84	-	-	-	32.84
Compulsory Convertible Debentures	1,490.07	-	(52.85)	-	1,437.22
Optional Convertible Debentures	1,065.61	-	0.83	-	1,066.44
Total	29,340.84	(1,880.63)	24.84	383.84	27,868.89
For the year ended March 31, 2023					
4.25% Senior secured notes	26,630.96	(2,192.40)	76.14	2,219.48	26,734.18
Cash credit facilities	-	18.14	-	-	18.14
Loan from Related Party	32.84	-	-	-	32.84
Compulsory Convertible Debentures	1,532.89	-	(42.82)	-	1,490.07
Optional Convertible Debentures	1,799.78	-	-	(734.17)	1,065.61
Total	29,996.47	(2,174.26)	33.32	1,485.31	29,340.84

During the previous year ended March 31, 2023, one of the Restricted Group namely Clean Solar Power (Gulbarga) Private Limited has converted the OCCD into equity shares 75,799,793 equivalent to Rs. 758.00 million to Hero Future Energies Asia Pte Ltd to discharge the liability in respect of expenditure incurred by Hero Future Energies Asia Pte Ltd on behalf of the Entity.

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)**

- 42 In April 2021, the Company hedged the foreign currency exposure risk related to certain investments in Indian restricted group entities denominated in foreign currency through call spread option with cross currency swap for coupon payments. The foreign currency swap contracts and options were not entered for trading or speculative purposes.

The Company documented each hedging relationship and assessed its initial effectiveness on inception date and the subsequent effectiveness was tested on each reporting date using dollar offset method. When the relationship between the hedged items and hedging instrument is effective at achieving offsetting changes in cashflows attributable to the hedged risk, the Company records in other comprehensive income the entire change in fair value of the designated hedging instrument that is included in the assessment of hedge effectiveness. The gain or loss on the hedge contracts shall be reclassified to interest expense when the coupon payments and principal repayments are made on the related investments. The hedge contracts were effective as of March 31, 2024.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the derivative contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Entity has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the derivative contracts are identical to the hedged risk components. To test the hedge effectiveness, the Entity uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. The hedge ineffectiveness can arise from:

- (i) Differences in the timing of the cash flows of the hedged items and the hedging instruments
- (ii) Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
- (iii) The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items

The Restricted Group recorded an expense of Rs. 846.59 million (March 23: Rs. 942.06 million) against the interest income from the hedged item for the year ended March 31, 2024. Intrinsic value of hedging instrument is reclassified from other comprehensive income to statement of profit and loss of Rs. 2619.36 million (March 23: Rs. 2336.39 million) offsetting retranslation loss of Rs. 2445.21 million (March 23: Rs. 2363.56 million) on hedged item, grouped under Exchange fluctuation (net). There is no ineffectiveness recognised in the statement of profit or loss account.

The following table presents outstanding notional amount and balance sheet location information related to foreign exchange derivative contracts as of respective reporting dates:

Particulars	Foreign Currency Option Contracts	
	As at	As at
	March 31, 2024	March 31, 2023
Notional Amount (US\$ denominated in million)	315.81	337.59
Non-current – Other financial Asset (Rs. in million)	1532.22	1082.62
Cash Flow Hedging Reserve (Rs. in million)	(92.61)	(83.60)
Cost of Hedging Reserve (Rs. in million)	(1,023.70)	(1,239.46)

The Entity is holding the following call spread contracts:

Particulars	As at March 31, 2024			As at March 31, 2023		
	Less than 1 year	1 year to 5 year	Total	Less than 1 year	1 year to 5 year	Total
Call Spread contracts (highly probable forecast transaction)						
Notional amount (in USD)	3.32	41.08	44.40	3.06	44.40	47.46
Average strike price (INR/USD):						
Sell call	89.55	96.24		85.30	95.74	
Buy Call	75.05	75.05		75.05	75.05	
Notional amount (in USD)	6.65	82.36	89.01	6.14	89.01	95.15
Average strike price (INR/USD):						
Sell call	89.23	95.26		85.10	94.81	
Buy Call	74.92	74.92		74.92	74.92	
Notional amount (in USD)	4.47	55.34	59.81	4.13	59.81	63.94
Average strike price (INR/USD):						
Sell call	89.13	96.12		85.00	95.60	
Buy Call	74.60	74.60		74.60	74.60	
Notional amount (in USD)	9.16	113.43	122.59	8.45	122.59	131.04
Average strike price (INR/USD):						
Sell call	89.55	96.25		85.30	95.75	
Buy Call	75.05	75.05		75.05	75.05	

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Restricted Group**Notes to Special Purpose Combined Financial Statements for year ended March 31, 2024****(All amounts are in Indian Rupees (in million), unless otherwise stated)**

- 43 The Ministry of Power has notified Electricity (Late Payment Surcharge ("LPS") and Related Matters) Rules, 2022 through a notification dated 3 June 2022. The rules prescribe the manner in which the DISCOM shall clear outstanding dues in EMIs ranging between 12 and 48 months, pertaining to generating companies.

Total receivables of Rs 2,110.32 million as of 30 June 2022 (including LPS) have been discounted using a discount rate of 9.50% per annum. The resultant discounting effect of Rs 148.10 million had been recognised as other financing costs in the year ended 31 March 2023.

During the year, the Group has recognised the following transactions:

- a) The Restricted Group had recognised interest income on delayed payment (LPS) of Rs 23.11 million for the year ended March 31, 2024 which were not earlier recognized due to lack of reasonable certainty.
- b) The Group has also recognised unwinding of discounting over the period. This results effect of Rs 67.85 million is recognised as interest income during year ended 31 March 2024.
- c) Non-current and current portion of receivables (including LPS) as of 31 March 2024 amounted to Rs 218.59 million and Rs 327.39 million respectively.
- 44 Kohlberg Kravis Roberts (KKR) & Co, a leading global investment management firm, has entered into an agreement during the period ended September 30, 2022, along with the prompter (BM Munjal Energies Pvt Ltd), for the investment up to US\$ 450 million (Rs. 36,997.60 million) in Hero Future Energies Global Ltd (the ultimate holding company) in the form of convertible preference shares. Most of the proceeds from this raise will be drawn as required for capital expenditure for new projects. In March 2023 the Group received US\$ 165.5 (Rs. 13,606.90 million) of the investment for deleveraging and purchase by the Group of some of the equity previously invested by Abu Dhabi Future Energy Company PJSC- Masdar ("Masdar") who have exited. During the year Group received US\$ 70.22 million (Rs. 5,819.90 million) of investment for deleveraging and for capital expenditure for new projects.

45 Events after reporting period

There are no events occurred after the reporting period which may impact the financial statement as on March 31, 2024.

- 46 The company uses SAP ECC as an accounting software for maintaining its books of accounts for the year ended March 31, 2024. The feature of recording audit trail (edit log) facility has been enabled at transaction level throughout the year. However, the audit trail feature at database level was enabled in May 2024.

- 47 Figures have been rounded off to the nearest million unless otherwise stated and absolute amounts less than Rs. 5,000 are appearing in the financial statements as "0" due to presentation in million, if any.

*USD to INR exchange rate used is Rs. 83.3739 as at March 31, 2024.

48 Reclassifications

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the balance sheet and statement of cash flows, the details of which are as under:

Items of balance sheet before and after reclassification as at March 31, 2023

Particulars	Note	Amount Before Reclassification	Reclassification	Amount after Reclassification
Right of use asset	3	211.86	37.10	248.96
Other financial assets (Non Current)	8	2,244.03	936.81	3,180.84
Other financial assets (current)	8	2,444.55	(931.82)	1,512.73
Trade receivables	5	1,145.22	(4.64)	1,140.58
Other non current assets	9	183.52	(36.02)	147.50
Other current assets	9	561.74	(1.08)	560.66

Items of Profit and Loss before and after reclassification as at March 31, 2023

Particulars	Note	Amount Before Reclassification	Reclassification	Amount after Reclassification
Revenue from operations	21	4,769.64	(2.04)	4,767.60
Other Income	22	865.11	(20.56)	844.55
Depreciation and amortization expense	26	1,078.17	1.96	1,080.13
Other expenses	27	906.05	(24.57)	881.48

For M S K A & Associates

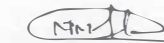
Chartered Accountants

Firm's Registration Number: 105047W


Nipun Gupta

Partner

Membership Number: 502896

For and on behalf of the Restricted Group

Mustakeem Islam

Director

Clean Renewable Power (Mauritius) Pte. Ltd


Benjamin Paul Fraser

Director

Hero Future Energies Pvt. Ltd.

Place: Gurugram

Date : **July 23, 2024**

Place: Mauritius

Date : July 22, 2024

Place: London

Date : July 22, 2024

Restricted Group
Results of Operations-Special Purpose Combined Financials
For the year ended March 31, 2024
(Amount in Rs million, unless otherwise stated)

Operating Results

Revenue from operations

Revenue from operations increase to Rs. 4,986.50 million for the year ended March 31, 2024, from Rs. 4,767.60 million for the year ended March 31, 2023. The primary reason for increase is on account of higher revenue generation from wind power plants owing to higher average wind speed and higher average irradiance in solar power plant during the year ended March 31, 2024 and sale of carbon credit during the year amounting to Rs. 22.77 million.

Generation for the year ended March 31, 2024, and March 31, 2023 was 956.40 GWh million units and 938.84 GWh million units respectively, representing a 1.87% increase as compared to the year ended March 31, 2023.

Other income

Other income decreased to Rs. 732.20 million for the year ended March 31, 2024, from Rs. 844.55 million for the year ended March 31, 2023, primarily on account of decrease in LPS income of Rs. 414.67 million, offset by increase in interest income on loan given to related parties of Rs. 100.17 million, increase in interest income on fixed deposits of Rs. 107.25 million, increase in insurance claim of Rs. 23.42 million, increase in exchange fluctuation of Rs. 39.47 million and amortisation of deferred government grant of Rs. 31.14 million during the year ended March 31, 2024.

Expenses

Employee benefits expense

Employee benefits expense increased to Rs. 139.76 million for the year ended March 31, 2024, from Rs. 131.55 million for the year ended March 31, 2023, primarily due to increase in salaries, wages on account of annual increment cycle and new hirings.

Finance costs

Finance costs decreased to Rs. 2,348.25 million for the year ended March 31, 2024, from Rs. 2,647.03 million for the year ended March 31, 2023, primarily on account of (i) decrease in interest on 4.25% senior secured notes of Rs. 126.26 million (ii) decrease in interest on discounting of trade receivables of Rs. 150.15 million (iii) decrease in interest on debts and borrowings banks and financial institutions of Rs. 3.26 million (iv) decrease in interest on compulsory convertible debenture of Rs. 16.28 million and (v) decrease in interest on optionally cumulative convertible debenture of Rs. 9.02 million offset by increase in other finance cost Rs. 6.18 million.

Depreciation and amortization expense

Depreciation and amortization expense was Rs. 1,154.20 million for the year ended March 31, 2024 and Rs. 1,080.13 million for the year ended March 31, 2023.

Other expenses

Other expenses decreased to Rs. 803.45 million for the year ended March 31, 2024, from Rs. 881.48 million for the year ended March 31, 2023, primarily on account of (i) decrease in operation and maintenance expenses of Rs. 38.01 million (ii) decrease in exchange fluctuation expenses of

Restricted Group
Results of Operations-Special Purpose Combined Financials
For the year ended March 31, 2024
(Amount in Rs million, unless otherwise stated)

Rs. 27.20 million (iii) decrease in legal and professional of Rs. 25.68 million (iv) decrease in provisions for doubtful debts and advances of Rs. 15.14 million in the current year (v) decrease in rent, rates and taxes by Rs. 9.92 million offset with increase in management fees of Rs. 8.73 million and increase in repair and maintenance of Rs. 21.73.

Tax expense

Tax expense increased to Rs. 817.22 million for the year ended March 31, 2024, from a tax expense of Rs. 299.63 million for the year ended March 31, 2023, primarily on account of increase in deferred tax by 542.49 million and decrease in current tax expense by 24.29 million.

Net Profit/(loss) after tax

As a result of the foregoing, profit for the year increased to Rs. 454.95 million for the year ended March 31, 2024, from profit of Rs. 572.33 million for the year ended March 31, 2023.

Cash Flow Discussion

Net cash flow from operating activities

During the year ended March 31, 2024, the net cash flow from operating activities was Rs. 4,975.61 million. This net cash flow was primarily attributable to (i) operating profit before working capital changes of Rs. 4,100.34 million during the year; (ii) increase in working capital of Rs. 1,089.44 million and (iii) taxes paid (net of refunds) of Rs. 214.17 million.

Operating profit before working capital changes of Rs. 4,100.34 million in the year ended March 31, 2024, was primarily attributed to (i) profit before tax of Rs. 1,272.17 million (ii) adjustment of finance cost of Rs. 2,348.25 million (ii) adjustment of depreciation and amortisation expense of Rs. 1,154.20 million (iii) adjustment of provision for doubtful receivables and advances of Rs. 3.64 million (iv) adjustment of exchange fluctuation income of Rs. 39.47 million (v) adjustment of finance income of Rs. 435.15 million (vi) adjustment of interest income on unwinding of discounted trade receivables of Rs. 67.85 and (vii) adjustment of amortisation of government grant and deferred revenue of Rs. 63.46 million (viii) adjustment of provisions no longer required written back of Rs. 14.11 million (v) adjustment of unwinding of discount on deposits of Rs. 2.99 million and (vi) adjustment of operation and maintenance reserve accretion of Rs. 54.89 million .

The changes in working capital in the year ended March 31, 2024 of Rs. 1,089.44 million, was primarily attributed to (i) decrease in trade receivables of Rs. 269.02 million; (ii) increase in trade payables Rs. 25.19 (iii) increase in provision of Rs. 20.32 million (iv) increase in inventories of Rs. 17.59 million (v) increase in other financial assets of Rs. 13.41 million; (vi) decrease in other assets of Rs. 378.48 million (vii) increase in other financial liabilities of Rs. 4.92 million; and (viii) increase in other liabilities of Rs. 422.51 million.

Net cash generated from investing activities

During the year ended March 31, 2024, the net cash flow used in investing activities was Rs. 1,920.67 million, which was primarily on account of purchase of Property plant & Equipment Rs. 156.53 million, investment in fixed deposits of Rs. 1,584.00 million and loan given to related parties of Rs. 456.35 million offset with interest received during the year of Rs. 276.21 million.

Restricted Group
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(Amount in Rs million, unless otherwise stated)

Net cash generated from financing activities.

During the year ended March 31, 2024, the net cash flow used in financing activities was Rs. 3,718.19 million, which primarily on account of repayments of borrowings by Rs. 1,862.49 million and interest payment of Rs. 1,855.69 million.