

STRICTLY CONFIDENTIAL — DO NOT FORWARD

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS (AS DEFINED BELOW) UNDER RULE 144A OR (2) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S.

IMPORTANT: You must read this disclaimer before continuing. This disclaimer applies to the attached offering memorandum (the “**Offering Memorandum**”). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Offering Memorandum. In accessing the attached Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of your representation: By accepting and accessing the attached Offering Memorandum you are deemed to have represented to Deutsche Bank AG, Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd., Emirates NBD Bank PJSC, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, J.P. Morgan Securities Asia Private Limited and Standard Chartered Bank (Singapore) Limited (collectively, the “**Initial Purchasers**”) that (1) (i) you are not in the United States as defined in Regulation S (“**Regulation S**”) under the U.S. Securities Act of 1933 (the “**Securities Act**”) and, to the extent you will purchase the securities described in the attached Offering Memorandum, you will be doing so pursuant to Regulation S or (ii) you are acting on behalf of, or you are, a qualified institutional buyer (“**QIB**”), as defined in Rule 144A under the Securities Act, and (2) you consent to the delivery of the attached Offering Memorandum and any amendments or supplements thereto by electronic transmission.

The attached Offering Memorandum has been made available to you in electronic form. You are reminded that documents may be altered when transmitted electronically and consequently none of Continuum Energy Aura Pte. Ltd. (the “**Issuer**”), Continuum Green Energy Limited (the “**Parent Guarantor**”) or the Initial Purchasers or any of their respective directors, employees, representatives, affiliates or agents accept any liability or responsibility whatsoever in respect of any discrepancies between the Offering Memorandum distributed to you electronically and the hard copy version. A hard copy version will be provided to you upon request.

Restrictions: The attached Offering Memorandum is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein. The information in the attached Offering Memorandum is not complete and may be changed.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation to subscribe for or purchase any of the securities described herein, and access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Initial Purchaser or any affiliate of any Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Initial Purchaser or affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Memorandum on the basis that you are a person into whose possession it may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If you have gained access to this electronic transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Actions that you may not take: You should not reply by e-mail to this communication, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “**Reply**” function on your e-mail software, will be ignored or rejected.

You may not forward or deliver the attached Offering Memorandum, electronically or otherwise, to any other person or reproduce it in any manner whatsoever. Any forwarding, distribution or reproduction of the attached Offering Memorandum, in whole or in part, is unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the securities laws of other jurisdictions.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Offering Memorandum dated August 17, 2023



Continuum Energy Aura Pte. Ltd.

(incorporated in Singapore with limited liability)

Guaranteed on a senior basis by

Continuum Green Energy Limited

(incorporated in Singapore with limited liability)

U.S.\$435,000,000 9.50% Senior Secured Notes due 2027

Continuum Energy Aura Pte. Ltd. (the “**Issuer**”), a wholly-owned subsidiary of Continuum Green Energy Limited (the “**Parent Guarantor**”), is offering U.S.\$435,000,000 in aggregate principal amount of its 9.50% Senior Secured Notes due 2027 (the “**Notes**”). The Issuer will pay interest on the Notes semi-annually in arrears on each February 24 and August 24, commencing on February 24, 2024. The Notes will mature on February 24, 2027.

The Notes will be unsubordinated obligations of the Issuer, senior in right of payment to any obligations of the Issuer expressly subordinated in right of payment to the Notes, will rank at least *pari passu* in right of payment with all unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law), unconditionally guaranteed by the Parent Guarantor on a senior basis in accordance with the Indenture (subject to certain limitations) and effectively junior to any secured indebtedness of the Issuer, to the extent of the value of assets securing such indebtedness (other than the Collateral (as defined below), to the extent applicable). In addition, within 10 days of the date of the Indenture, the obligations of the Issuer under the indenture governing the Notes (the “**Indenture**”) and the Notes will be secured by a security package (the “**Collateral**”), which will consist of (1) a first-priority fixed share charge (the “**Share Charge**”) by the Parent Guarantor over the Capital Stock of the Issuer; (2) a first-priority fixed security (the “**Fixed Security**”) over the Issuer’s assets (including but not limited to its contractual rights, proceeds, accounts, property, equipment, investments, intellectual property, goodwill and uncalled capital); and (3) a first-priority floating charge (the “**Floating Charge**”) over all assets and undertaking of the Issuer (other than, in the case of each of the Fixed Security and the Floating Charge, (i) any Onshore Debt, (ii) any proceeds of, income from, and sums arising from any Onshore Debt which is held or caused to be held on behalf of the Issuer in India, and (iii) to the extent restricted by applicable Indian regulations, the issuer’s rights, title and interest under the documents executed by the issuer in relation to the Onshore Debt), as described in “*Description of the Notes — Security.*” The Collateral will also secure certain hedging obligations and in the event of enforcement of the Collateral, the counterparties under such hedging obligations will be repaid from the enforcement of such Collateral in priority to the Noteholders. In certain circumstances, the Parent Guarantor will be permitted to lien the shares of CGEIP, as described in “*Description of the Notes — Certain Covenants — Parent Guarantor’s Business Activities and Obligations.*”. The guarantee of the Notes by the Parent Guarantor (the “**Parent Guarantee**”) will be a general obligation of the Parent Guarantor, senior in right of payment to any existing and future obligations of the Parent Guarantor expressly subordinated in right of payment to the Parent Guarantee, effectively junior to any existing and future secured indebtedness of the Parent Guarantor, to the extent of the value of the assets securing such indebtedness and effectively junior to all future obligations of any subsidiary of the Parent Guarantor (other than the Issuer or any Guarantor). For a more detailed description of the Notes, see “*Description of the Notes*” and for a description of certain risks relating to the Notes, the Note Guarantees and the Collateral, see “*Risk Factors — Risks relating to the Notes, the Parent Guarantee and the Collateral*”.

At any time prior to February 24, 2025, upon not less than 10 nor more than 60 days’ prior notice to the Holders, the Trustee and the Paying Agent, the Issuer may, on any one or more occasions, redeem all or redeem (on a *pro rata* basis) any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest and additional amounts, if any, plus an Applicable Premium as described in this Offering Memorandum. At any time on or after February 24, 2025, upon not less than 10 nor more than 60 days’ prior notice to the Holders, the Trustee and the Paying Agent, the Issuer may redeem on any one or more occasions all or redeem (on a *pro rata* basis) any portion of the Notes at the redemption prices set forth in this Offering Memorandum. In addition, at any time prior to February 24, 2025, upon not less than 10 nor more than 60 days’ prior notice to the Holders, the Trustee and the Paying Agent, the Issuer may on any one or more occasions redeem (on a *pro rata* basis) up to 40% of the aggregate principal amount of the Notes with the net cash proceeds from certain equity offerings at the redemption price set forth in this Offering Memorandum. The Issuer may also redeem all, but not less than all, of the Notes upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain events constituting a Change of Control Triggering Event (as defined in the Indenture), the Issuer may be required to make an offer to repurchase the Notes at 101% of their principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the applicable date of purchase.

Investing in the Notes involves a high degree of risk. See “*Risk Factors*” beginning on page 52.

Price: 9.50%

It is expected that delivery of the Notes will be made through the facilities of The Depository Trust Company (“**DTC**”) on or about August 24, 2023 (the “**Closing Date**”). Application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or information contained in this Offering Memorandum. Admission of the Notes to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the offering, the Notes, the Issuer, the Parent Guarantor, any of their respective subsidiaries or its associated companies. The Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require. Currently, there is no public market for the Notes.

The Notes and the Parent Guarantee have not been, and will not be, registered under the U.S. Securities Act of 1933 (the “**Securities Act**”), or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold only to qualified institutional buyers (“**QIBs**”) in accordance with Rule 144A under the Securities Act (“**Rule 144A**”) and outside the United States in offshore transactions in accordance with Regulation S under the Securities Act (“**Regulation S**”). For a description of certain restrictions on resales and transfers, see “*Transfer Restrictions.*”

The Notes are expected to be rated “B+” by S&P Global Ratings Singapore Pte. Ltd. (“**S&P**”) and “B+” by Fitch Ratings Limited (“**Fitch**”). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

Left Lead	Joint Bookrunners and Joint Lead Managers				
Deutsche Bank	Citigroup	Emirates	HSBC	J.P. Morgan	Standard
Green Structuring Agent		NBD Capital			Chartered Bank

The date of this Offering Memorandum is August 17, 2023

NOTICE TO INVESTORS

This Offering Memorandum is not an offer to sell the Notes and we are not soliciting an offer to buy the Notes in any jurisdiction in which the offer or sale is prohibited. Neither the delivery of this Offering Memorandum nor any sale made under the terms described herein shall imply that the information herein is correct as of any date after the date hereof.

This Offering Memorandum has not been and will not be registered as a prospectus or a statement in lieu of a prospectus with the Registrar of Companies in India. This Offering Memorandum has not been and will not be reviewed or approved by any regulatory authority in India, including but not limited to the Securities and Exchange Board of India, any Registrar of Companies or any stock exchange in India. This Offering Memorandum is not and should not be construed as an advertisement, offer, invitation to offer, invitation to subscribe, or sale, of any securities to the public or any person resident in India. This Offering Memorandum or any other document or material relating to the Notes has not been and will not be circulated or distributed in India, directly or indirectly, to the public or members of the public in India. The Notes have not been, and will not be, offered or sold to any person resident in India.

This offering is being made in reliance upon exemptions from registration under the Securities Act, for an offer and sale of securities which does not involve a public offering. The Notes will be initially purchased by Deutsche Bank AG, Singapore Branch, Citigroup Global Markets Singapore Pte. Ltd., Emirates NBD Bank PJSC, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, J.P. Morgan Securities Asia Private Limited and Standard Chartered Bank (Singapore) Limited (collectively, the “**Initial Purchasers**”) in accordance with such exemptions. If you purchase any of the Notes, you will be deemed to make certain acknowledgments, representations and agreements set forth under “*Transfer Restrictions*.” You may be required to bear the financial risks of this investment for an indefinite period of time.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Initial Purchaser or any affiliate of any Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Initial Purchaser or affiliate on behalf of the Issuer in such jurisdiction.

We prepared this Offering Memorandum solely for use in connection with this offering. In accepting this Offering Memorandum, you have agreed that this Offering Memorandum is highly confidential and that you will hold the information contained or referred to herein in confidence. We and the Initial Purchasers reserve the right to reject any offer to purchase any of the Notes for any reason, or to sell less than the principal amount of the Notes for which any prospective purchaser has subscribed. This Offering Memorandum is personal to each offeree and is not an offer to any other person or to the public generally to subscribe for the Notes. You represent that you are basing your investment decision solely on this Offering Memorandum and your own examination of us and the terms of this offering. You cannot distribute this Offering Memorandum or the information contained in it, by electronic or other means, to any person other than your professional advisor without our prior written consent. You cannot make any photocopies of this Offering Memorandum or any documents referred to in this Offering Memorandum.

We accept responsibility for the information contained in this Offering Memorandum. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information contained in this Offering Memorandum with regard to us and our subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this Offering Memorandum are honestly held and that we are not aware of any other facts, the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect.

By receiving this Offering Memorandum and by purchasing the Notes, you acknowledge that (1) you have not relied on the Initial Purchaser or any person affiliated with the Initial Purchasers in connection with investigating the accuracy of such information or your investment decision, and (2) no person has been authorized to give information or to make any representation concerning us or the Notes other than as contained in this Offering Memorandum and information given by our duly authorized officers and employees in connection with your examination of us and the terms of this offering. You cannot rely on any such other information or representation.

Neither the Initial Purchasers, the Trustee, the Common Collateral Agent, the Paying Agent, the Registrar nor the Transfer Agent makes any representation or warranty, express or implied, concerning the accuracy or completeness of the information in this Offering Memorandum, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation, from the Initial Purchasers, the Trustee, the Common Collateral Agent, the Paying Agent, the Registrar or the Transfer Agent whether as to the past or the future. To the fullest extent permitted by law, none of the Initial Purchasers accept any responsibility for the contents of this Offering Memorandum or for any statement made or purported to be made by the Initial Purchasers, the Trustee, the Common Collateral Agent, the Paying Agent, the Registrar or the Transfer Agent or on its behalf in connection with the Issuer or the Parent Guarantor or the issue and offering of the Notes. The Initial Purchasers, the Trustee, the Common Collateral Agent, the Paying Agent, the Registrar and the Transfer Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Offering Memorandum or any such statement.

We cannot give you any assurance and you should not assume that the information contained in this Offering Memorandum is accurate or complete after the date appearing on the cover page. Our business, financial condition, results of operations and prospects may have changed since that date.

The contents of this Offering Memorandum do not constitute legal, business or tax advice, and neither we nor the Initial Purchasers are making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. You should consult your own attorney, business advisor and tax advisor as to legal, business or tax advice related to a purchase of the Notes.

The Notes and the Parent Guarantee have not been and will not be registered under the Securities Act or the securities laws of other jurisdictions and are being offered and sold in the United States only to qualified institutional buyers in reliance on an exemption from registration provided by Rule 144A under the Securities Act and in transactions outside the United States in reliance on Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the Issuer of the Notes and the Parent Guarantor may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Notes are not transferable except in accordance with the restrictions described under “*Transfer Restrictions*.”

Notes sold in reliance on Rule 144A under the Securities Act will initially be represented by a single permanent global certificate (which may be subdivided), and Notes sold in reliance on Regulation S under the Securities Act will initially be represented by a separate single global note (which may be subdivided), in each case in fully registered form without coupons, and each such global note will be registered in the name of a nominee of The Depository Trust Company, as depository. See “*Description of the Notes — Book-Entry, Delivery and Form*.”

You must comply with all applicable laws and regulations (including obtaining required consents, approvals or permissions) in force in any jurisdiction in which you purchase, offer or sell the Notes. Neither we nor the Initial Purchasers have any responsibility for any purchase, offer or sale of the Notes by you.

In connection with this offering, the Initial Purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Initial Purchasers may over-allot in connection with this offering, may bid for and purchase Notes in the open market and may impose penalty bids. For a description of these activities, see “*Plan of Distribution*.”

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission nor any other securities regulatory authority has approved or disapproved of these securities or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

EU MiFID II Product Governance / Professional Investors and ECPs Only Target Market — Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU on markets in financial instruments (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

UK MiFIR Product Governance / Professional Investors and ECPs Only Target Market — Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) and the regulations made under the EUWA (“**UK MiFIR**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Prohibition of Sales to EEA Retail Investors — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**EU PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”) and the regulations made under the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that

customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and the regulations made under the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA and the regulations made under the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Important notice pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Initial Purchasers, are “capital market intermediaries” (“**CMI**s”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMI, which require the attention and cooperation of prospective investors.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Parent Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer or the Parent Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer or the Parent Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMI). If a prospective investor is an asset manager arm affiliated with any Initial Purchaser, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Initial Purchaser or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMI in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any Initial Purchaser, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Bookrunner when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMI (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Initial Purchasers and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

PRESENTATION OF FINANCIAL AND OTHER DATA

Unless otherwise specified or the context provides otherwise:

- “Issuer” refers to Continuum Energy Aura Pte. Ltd.;
- “Parent Guarantor”, “Company” or “CGEL” refers to Continuum Green Energy Limited;
- “Group” or “Continuum” refers to Continuum Green Energy Limited and its subsidiaries;
- “Sponsor” refers to Clean Energy Investing Limited;
- “We”, “us” or “our” refer to the Group, the Issuer or the Parent Guarantor, as the context requires; and
- “FY”, “fiscal” or “fiscal year” refers to the fiscal year ended or ending on March 31 of the year indicated.

Financial Statements

This Offering Memorandum includes the consolidated financial statements and the notes thereto of the Group for the fiscal years ended March 31, 2021, 2022 and 2023 (the “**Consolidated Financial Statements**”). The Consolidated Financial Statements have been prepared in accordance with accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles in India (“**Indian GAAP**”). The Group’s consolidated financial statements for the fiscal years ended March 31, 2021 and 2022 have been audited by S R B C & CO LLP as set forth in their reports thereon. The Group’s consolidated financial statements for the fiscal year ended March 31, 2023 have been audited by Deloitte Haskins & Sells LLP as set forth in their report thereon.

The Issuer was incorporated on February 25, 2022. As such, its financial statements are not reflected in the consolidated financial statements for the fiscal year ended March 31, 2021. The Issuer is a wholly owned subsidiary of the Parent Guarantor and is a company formed for the purposes of issuing the Notes and has no material assets or liabilities or business operations.

Indian GAAP differ from Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended (“**IND-AS**”), generally accepted accounting principles in the United States (“**U.S. GAAP**”) and the International Financial Reporting Standards (“**IFRS**”). For a discussion of certain significant differences between Indian GAAP and IFRS see “*Description of Certain Differences Between Indian GAAP and IFRS*.” Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and IFRS and how these differences might affect their understanding of the financial information contained herein.

Unless context requires otherwise, financial information as of and for the years ended March 31, 2021, 2022 and 2023 is derived from the Consolidated Financial Statements.

EBITDA, Net Revenue, EBITDA Margin, EBITDA as a Percentage of Net Revenue, Capital Expenditure, Adjusted Borrowings and FFO

This Offering Memorandum contains measures and ratios, including Earnings before Interest, Tax, Depreciation and Amortization (“**EBITDA**”), net revenue, EBITDA margin, EBITDA as a percentage of net revenue, capital expenditure, adjusted borrowings and fund from operations (“**FFO**”) (collectively “**Non-GAAP Measures**”) that are supplemental measures of our performance and liquidity, and are not required by “Indian GAAP”, “IFRS”,

“U.S. GAAP” or presented in accordance with SEC requirements or the accounting standards of any other jurisdiction. We present these measures because management uses them in measuring operating performance, and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of our operating cash flow and liquidity. We also believe that these measures and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Indian GAAP, IFRS or U.S. GAAP. In addition, EBITDA, net revenue, EBITDA margin, EBITDA as a percentage of net revenue, adjusted borrowings and FFO are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, these measures are defined by us as follows:

- “EBITDA” is calculated as profit before tax, finance costs, exceptional items and depreciation expense;
- “Net revenue” is calculated as total income minus transmission, open access and other operating charges;
- “EBITDA margin” is calculated as EBITDA divided by total income;
- “EBITDA as a percentage of net revenue” is calculated as EBITDA divided by net revenue;
- “Capital expenditure” represents additions in property, plant and equipment plus closing capital work-in-progress less opening capital work-in-progress;
- “Adjusted borrowings” is calculated as long-term borrowings from banks, financial institutions, Non-Convertible Debentures (NCD) issued to external parties and Senior Notes, short-term borrowings, interest accrued but not due on borrowings, liability towards premium on redemption of NCDs issued to external parties, interest accrued but not due on NCDs issued to external parties and interest accrued but not due on working capital; and
- “FFO” is defined as EBITDA less interest expenditure less tax paid.

EBITDA, EBITDA margin and EBITDA as a percentage of net revenue and related ratios along with other Non-GAAP measures should not be considered in isolation and are not measures of our financial performance or liquidity under Indian GAAP and should not be considered as an alternative to operating profit or loss for the year or any other performance measures derived in accordance with Indian GAAP or as an alternative to cash flow from operating, investing or financing activities or any other measure of our liquidity derived in accordance with Indian GAAP. These measures do not necessarily indicate whether cash flow will be sufficient or available for cash requirements and may not be indicative of our results of operations.

EBITDA and EBITDA margin may not be comparable to other similarly titled measures of other companies. These measures have limitations as analytical tools. Some of these limitations include the following: (i) they do not reflect our capital expenditures, their future requirements for capital expenditures or their contractual commitments; (ii) they do not reflect changes in, or cash requirements for, their working capital needs; (iii) they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on their debt; (iv) although depreciation and amortization are non-cash charges, the assets being

depreciated and amortized, may need to be replaced in the future and they do not reflect any cash requirements that would be required for such replacements; and (v) other companies in our industry may calculate these measures differently from the way we do, limiting their usefulness as comparative measures.

Due to these limitations, EBITDA and EBITDA margin should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on the Consolidated Financial Statements included elsewhere in this Offering Memorandum.

The financial information included in this Offering Memorandum is not intended to comply with the applicable accounting requirements of the Securities Act and the related rules and regulations of the SEC which would apply if the Notes were being registered with the SEC.

Independent Consultant's Report

This Offering Memorandum contains certain assumptions and projections with respect to the revenue, generating capacity and the associated costs of the operational and under construction projects held by the Group (collectively, the “**Reviewed Projects**”). S R B C & CO LLP and Deloitte Haskins & Sells LLP, our auditors for the purpose of the Consolidated Financial Statements, have provided no assurance on the prospective financial information or projections and have performed no services with respect to it. The Independent Consultant ascertained the logic, assumptions and flow of data used in and evaluated the mathematical accuracy of the Group's EBITDA projections model, which are as set forth in the Independent Consultant's Report in light of the technical and operational parameters of each of the Reviewed Projects, assuming wind and solar resources, contractual arrangements, the operation and maintenance budgets, tariff details, and the completion date of each of the projects part of the Reviewed Projects and the related assumptions contained therein. The Independent's Consultant's Report was also prepared based on certain assumptions as detailed in Appendix A.

You should review the Independent Consultant's Report, which contains a discussion of the assumptions used in preparing the projections, in its entirety. After the issuance of the Notes, neither we nor the Independent Consultant will provide the Holders with revised projections, or any report or analysis of any differences between the projections contained therein and actual results later achieved, and we expressly disclaim any duty to update the projections under any circumstances. See “*Risk Factors — Risks Relating to the Projections — The projections contained herein and their underlying assumptions may be inaccurate.*”

Rounding

Certain figures contained in this Offering Memorandum have been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row of a table contained in this Offering Memorandum may not conform exactly to the total figure given for that column or row.

Currency

Unless otherwise indicated, financial information relating to the Group is presented in Indian rupees.

Currency Presentation

Unless otherwise specified or the context otherwise requires, all references to “rupee(s),” “Rs.,” “INR” or “Indian rupee(s)” are to the lawful currency of India and all references to “\$,” “U.S.\$,” “US\$,” “USD” or “U.S. dollar(s)” are to the lawful currency of the United States.

CERTAIN DEFINITIONS

Unless otherwise specified or the context otherwise requires, in this Offering Memorandum:

“2026 Notes” refer to the senior secured floating rate notes due 2026 issued by Continuum Energy Aura Pte. Ltd., a wholly owned subsidiary of the Parent Guarantor;

“2027 Notes” refers to the 4.50% senior secured notes due 2027 issued by Continuum Energy Levanter Pte. Ltd., a wholly owned subsidiary of the Parent Guarantor;

“ACOS” refers to Average Cost of Supply of electricity by discoms;

“Appropriate Government” has the meaning ascribed to the said term in sub-section (5) of section 2 of the Electricity Act;

“APTEL” refers to the Appellate Tribunal for Electricity;

“CEA” refers to Central Electricity Authority;

“CERC” refers to the Central Electricity Regulatory Commission of India;

“Companies Act” refers to the Companies Act 2013 and/or the Companies Act, 1956, as applicable;

“Companies Act 1956” refers to the Companies Act, 1956 of India (without reference to the provisions thereof that have ceased to have effect upon the notification of the sections of the Companies Act, 2013) along with the relevant rules, regulations, clarifications and modifications thereunder;

“Companies Act 2013” refers to the Companies Act, 2013 of India and to the extent effective, read with the rules, regulations, clarifications and modifications thereunder;

“Discom” refers to distribution company or utility;

“ECBs” refers to Rupee ECBs and/ or U.S. Dollar ECBs, as the context may require;

“ECB Regulations” refers to Master Directions on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended, updated or replaced, from time to time, applicable provisions of the Master Directions on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, as amended, updated or replaced, from time to time, the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, as amended from time to time and the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time and the circulars issued thereunder;

“GoI” refers to the Government of India;

“Independent Consultant” refers to CRISIL Limited;

“Independent Consultant’s Report” refers to the report by the Independent Consultant set forth in Appendix A;

“Indian Restricted Subsidiaries”, on the Original Issue Date, refers to all the subsidiaries of the Parent Guarantor incorporated in India;

“MERC” refers to Maharashtra Electricity Regulatory Commission;

“MPPMCL” refers to Madhya Pradesh Power Management Company Limited;

“MSEDCL” refers to Maharashtra State Electricity Distribution Company Limited;

“MSI” refers to Morgan Stanley Infrastructure Inc.;

“Electricity Act” refers to the Electricity Act, 2003 of India and to the extent effective, read with the rules, regulations, clarifications and modifications thereunder;

“FBIL” refers to the Financial Benchmarks India Pvt. Ltd.;

“National Load Despatch Center” means the Center established under sub-section (1) of section 26 of the Electricity Act;

“NCDs” refers to non-convertible debentures;

“NHIP-I” refers to North Haven Infrastructure Partners LP and parallel funds;

“Onshore Debt” refers to the Rupee ECBs, the U.S. Dollar ECBs, the Rupee NCDs and any other permitted form of indebtedness incurred by the Indian Restricted Subsidiaries from the Issuer and/or the Parent Guarantor;

“RBI” refers to the Reserve Bank of India;

“Restricted Group” refers to the Parent Guarantor and the Restricted Subsidiaries;

“Restricted Subsidiary” refers to any Subsidiary of the Parent Guarantor other than an Unrestricted Subsidiary;

“Reviewed Projects” refer to the 2,123.0 MW of operational and shortly operational projects that is the subject of the Independent Consultant’s Report, comprising the Surajbari 1, Surajbari 2, Bothe, Ratlam 1, Periyapatti, Rajkot 1, Rajkot 2A, Dayapar, Rajkot 2B, Morjar 1, Rajkot 3, Dalavaipuram, Ratlam 2 and Bhavnagar projects;

“Rupee ECBs” refers to the Rupee denominated external commercial borrowings that will be issued or borrowed by the Indian Restricted Subsidiaries;

“Rupee NCDs” refers to the Rupee denominated non-convertible debentures, unlisted or which may be listed on any securities exchange, that may be or have been issued by the Indian Restricted Subsidiaries;

“SECI” refers to Solar Energy Corporation of India Limited;

“SERC” refers to a State Electricity Regulatory Commission;

“State Commission” means the State Electricity Regulatory Commission constituted under sub-section (1) of section 82 of the Electricity Act and includes a Joint Commission constituted under sub-section (1) of section 83 of the Electricity Act;

“UNFCCC” refers to United Nations Framework Convention on Climate Change;

“T&D” refers to transmission and distribution of electricity;

“U.S. Dollar ECBs” refers to the United States Dollar denominated external commercial borrowings that will be issued or borrowed by the Indian Restricted Subsidiaries;

“Unrestricted Subsidiary” means (1) a Subsidiary of the Parent Guarantor that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture and (2) any Subsidiary of an Unrestricted Subsidiary; and

“VRR” refers to the voluntary retention route under the circular titled “Voluntary Retention Route’ (VRR) for Foreign Portfolio Investors (FPIs) investment in debt” dated May 24, 2019, “‘Voluntary Retention Route’ (VRR) for Foreign Portfolio Investors (FPIs) investment in debt – relaxations” dated January 23, 2020 and the circular titled “‘Voluntary Retention Route’ (VRR) for Foreign Portfolio Investors (FPIs) investment in debt” dated February 10, 2022, as amended, modified and supplemented from time to time.

GLOSSARY OF TECHNICAL INDUSTRY TERMS

“BOP” refers to balance of plant;

“C&I” refers to commercial and industrial;

“CAGR” refers to compounded annual growth rate;

“CER” refers to certified emission reduction;

“CUF” refers to capacity utilization factor and “PLF” refers to plant load factor, both of which refer to a project’s actual or estimated generation output over the stated period of time as a percentage of to the maximum possible energy that can be generated by the plant working at its rated capacity, over the same stated period of time;

“COD” date of commissioning of the wind turbine or wind project and solar project;

“EPA” refers to energy purchase agreements;

“EPC” refers to engineering, procurement and construction;

“FIT” refers to feed-in tariff;

“GBI” refers to Generation Based Incentive;

“GW” refers to gigawatt;

“GWh” refers to the energy produced in an hour during which one GW of electrical power has been continuously produced;

“kV” refers to kilovolt;

“kW” refers to kilowatt;

“kWh” refers to the energy produced in an hour during which one kW of electrical power has been continuously produced;

“MW” refers to megawatt;

“MW_{AC}” refers to megawatt, alternating current;

“WM_{DC}” refers to megawatt, direct current;

“MWp” refers to megawatt peak;

“MWh” refers to the energy produced in an hour during which one MW of electrical power has been continuously produced;

“O&M” refers to operation and maintenance;

“OEM” refers to original equipment manufacturer;

“PLF” refers to plant load factor;

“PPA” refers to power purchase agreement;

“PSS” refers to pooling sub station;

“PV” refers to photovoltaic;

“P75” refers to a level of annual energy production which is expected to succeed at least 75% of a period of time;

“P90” refers to a level of annual energy production which is expected to succeed at least 90% of a period of time;

“REC” refers to renewable energy certificate;

“RPO” refers to Renewable Purchase Obligation;

“SCADA” refers to supervisory control and data acquisition software;

“TW” refers to terawatt;

“TWh” refers to the energy produced in an hour during which one TW of electrical power is being continuously produced;

“Utilities” refers to electricity distribution utilities in India;

“VER” refers to verified emission reduction;

“WSH” refers to wind-solar hybrid; and

“WTG” refers to wind turbine generator.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used throughout this Offering Memorandum has been obtained through internal company research, management estimates and, industry and general publications. Management estimates are based on publicly available information released by third party sources, data from our internal research and our knowledge of our industries and markets, which we believe to be reasonable.

This Offering Memorandum includes industry and market data that have been obtained from industry publications that are publicly available, including an industry report entitled “India Renewable Energy Market” dated August 2023 (the “**Report**”) that the Company has commissioned from CRISIL Market Intelligence & Analytics, a division of CRISIL Limited (“**CRISIL**”). Industry publications generally state that the information contained in those publications has been obtained from sources that are believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry and market data used in this Offering Memorandum is reliable, such data has not been verified by us, the Initial Purchasers or any independent source, nor do we make any representation regarding the accuracy of such data. The market data include projections that are based on a number of assumptions. In addition, the extent to which the market data presented in this Offering Memorandum is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data-gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information.

AVAILABLE INFORMATION

For so long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934 (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the Trustee (as defined herein) for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Copies of the Indenture and the Collateral Documents may be obtained by the holders of the Notes upon request in writing to the Trustee.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. Forward-looking statements may contain words or phrases such as “will,” “may,” “aim,” “will likely result,” “believe,” “expect,” “will continue,” “anticipate,” “estimate,” “intend,” “plan,” “contemplate,” “seek to,” “future,” “objective,” “goal,” “project,” “should,” “will pursue” and similar expressions or variations of such expressions, that are forward-looking statements. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant statement.

The future events referred to in these forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause the actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are

based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future and are not a guarantee of future performance. Important factors that could cause the actual results, performance or achievements to differ materially from those in the forward-looking statements include the following:

- conditions at our wind and solar energy projects that are unfavorable or below our estimates;
- operational problems that may reduce energy production below our expectations and require us to expend significant amounts of capital and other resources;
- credit and performance risk from third parties under service and supply contracts;
- the ability of our vendors to satisfy their obligations under warranties and/or guarantees;
- reliance on a limited number of key customers who may not fulfill their contractual obligations;
- our inability to procure, renew or maintain necessary governmental approvals;
- delay or failure to develop our projects as expected;
- an increase in the cost of operating our plants;
- changes in environmental, health and safety laws and regulations such as tariff regulations;
- our inability to renew our PPAs at current or lower tariffs;
- changes in government policies that support clean energy and other regulations that impact the electricity sector;
- outbreaks of contagious diseases that may have a material adverse effect on our business operations, cash flows, financial condition and results of operations;
- availability of and access to interconnection facilities and transmission systems;
- lack of experience in developing or operating solar power projects;
- negative public or community response to clean energy projects in general or our projects specifically;
- competition from traditional and clean energy sources;
- fluctuations in supply and demand in the energy market in India;
- the effects of current or future litigation or administrative proceedings;
- natural events that may reduce energy production below our expectations;
- our inability to insure against all potential risks and higher insurance premiums;

- our inability to finance our business;
- loss of one or more members of Continuum’s senior management or key employees; and
- violations under anti-corruption legislation.

This list of important factors is not exhaustive. Additional factors that could cause the actual results, performance or achievements to differ materially include, those discussed under “*Risk Factors*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Our Business*.” When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made. Accordingly, we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

LISTING OF THE NOTES

Application will be made to the SGX-ST for the listing of and quotation for the Notes on the Official List of the SGX-ST.

The Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Neither we nor the Initial Purchasers or their respective affiliates have authorized any person to provide you with any information or represent anything about us, the Notes or this offering that is not contained in this Offering Memorandum. Neither we nor the Initial Purchasers or their respective affiliates take any responsibility for, or provide assurance as to the reliability of, any information that others may give you. We are not, and the Initial Purchasers are not, making an offer to sell these Notes in any jurisdiction where an offer or sale is not permitted.

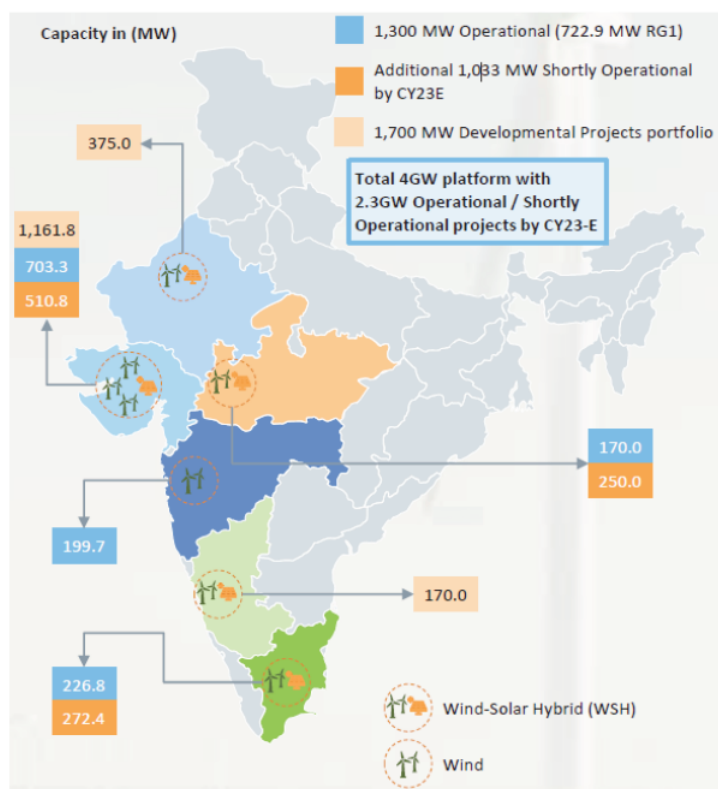
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SUMMARY

Overview

We are an independent power producer in India, led by a strong and focused management team with experience in identifying, developing and operating renewable energy projects in India. We are one of the largest suppliers of renewable energy to Commercial & Industrial (“C&I”) consumers in India with contracts with over 190 diversified, high credit quality industrial consumers for supply of green energy by us at a discount to the tariff that they would otherwise pay for black energy to distribution utilities. We were amongst the first developers to build large scale single location single owner wind and wind-solar hybrid (“WSH”) power projects. We have employed a “self-development” approach which has resulted in better control over the project in terms of project design, project timelines and technology selection. We have developed strong in-house expertise for various aspects of developing and operating a renewable project, which is leveraged to achieve optimization at various stages of project life cycle. We largely self-develop, build, own, operate and maintain a portfolio of wind and WSH power projects that are large in size and can be complemented in the future with storage solutions to provide dispatchable electricity supply. All our new development projects are planned as WSH capacity. As of June 30, 2023, our Group’s portfolio included an operational capacity of 1,299.8 MW, plus an additional capacity of 1,033.2 MW (“shortly operational” capacity which is expected to be commissioned in phases by the end of Q3 FY2024) bringing our total operational capacity to 2.3 GW. In addition, we have multiple projects and expansion plans identified for near term construction after the 2.3 GW becomes operational, several of which are brownfield expansions of existing capacity catering to C&I consumers.



Note:

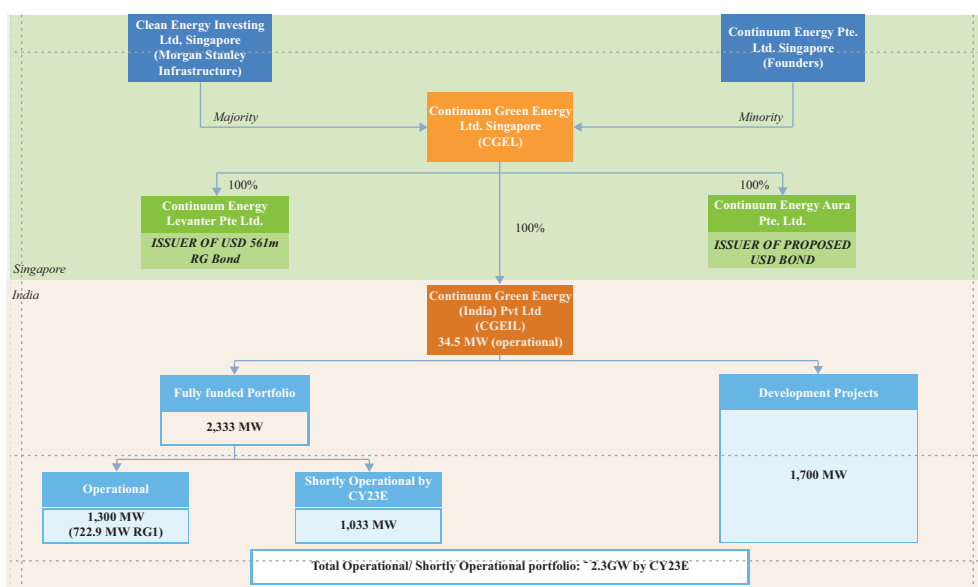
- (1) RG1 is the restricted group including the five operational projects Bothe, Ratlam 1, Periyapatti, Rajkot 1 and 2A projects which are a part of the 2027 Notes issuance.

Recent Developments

CGE Shree Digvijay Cement Green Energy Private Limited

On May 18, 2023, Shree Digvijay Cement Company Limited acquired 27% equity stake in CGE Shree Digvijay Cement Green Energy, a subsidiary of CGE IPL holding 20.1 MW of the Bhavnagar project, the entire production of which is to be supplied to Shree Digvijay Cement Company Limited.

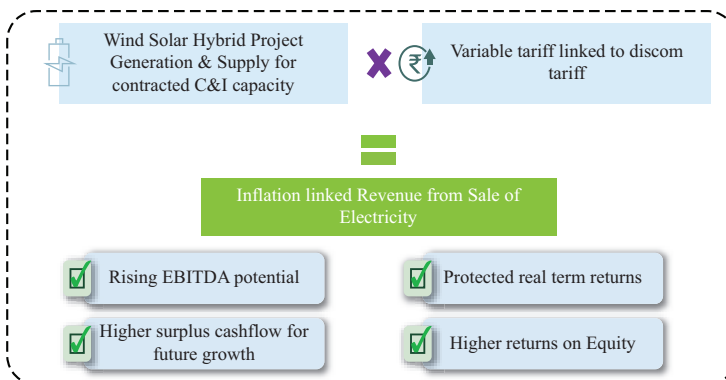
Corporate Structure



As of June 30, 2023, our total installed and commissioned capacity was 1,299.8 MW, comprising 678.7 MW wind capacity and 621.1 MW wind-solar co-located/hybrid generation capacity. Our total operating capacity is expected to reach approximately 2.3 GW by Q3 FY 2024E comprising (i) 534.7 MW wind capacity selling power to Utilities (including GUVNL, MSEDCL, MPPMCL and SECI, (ii) wind capacity of 144 MW selling power to C&I consumers or on electricity exchange); and (iii) 1,654.3 MW WSH capacity selling power to C&I consumers. We have executed PPAs with state-owned distribution utilities for 379.9 MW capacity; with SECI for 148.5 MW capacity; and with C&I consumers for 1,493.8 M. 126 MW capacity is currently being sold on electricity exchanges. PPAs are pending to be signed for 178.5 MW of C&I projects which are currently under construction and 6.3 MW capacity at the Bothe project due to ongoing litigation with MSEDCL. See “— Governmental, Legal and Arbitration Proceedings — Proceedings instituted by Bothe Windfarm Development Private Limited against MSEDCL.” Out of the 2.3 GW proposed capacity, C&I consumers/ electricity exchange sale is expected to account for approximately 77% of the total capacity.

From our Surajbari 1, Bothe and Ratlam 1 projects, we sell electricity under the feed-in-tariff PPAs to distribution utilities i.e. GUVNL, MSEDCL and MPPMCL, respectively and realize a fixed tariff of (i) INR 3.37 per kWh for a period of 20 years, which are expected to expire in FY 2028 (ii) INR 5.81 per kWh for 101.0 MW and INR 5.70 per kWh for 92.4 MW of electricity generated at the Bothe project for a period of 13 years which are expected to expire between FY 2027 and FY 2028; and (iii) INR 5.92 per kWh for the 170 MW of electricity generated at the Ratlam 1 project for a period of 25 years which are expected to expire in FY 2041. In addition, we also receive GBI benefits of INR 0.50 per kWh up to a cumulative value of INR 10 million per MW over a period up to 10 years for Bothe and Ratlam 1 projects.

Capacity of all other projects (excluding Dayapar Project which is selling power on electricity exchange at present), is meant for sale of power to over 190 C&I consumers mostly under inflation linked variable tariff structure. Tariffs charged to most of our individual C&I consumers are dependent on the tariff charged to them by the electricity distribution utilities and are set at a discount to the prevailing tariffs charged by the distribution utilities to these



The Group has a young fleet of projects with an average remaining operating life of 23 years (assuming project life of 25 years). The following table sets forth certain key data of our expected total capacity of 2.3 GW of operational and shortly operational capacity as of June 2023:

Project	Status	Location (State)	Capacity (MW)	Offtaker	Type	COD ⁽¹⁾ (FY)
Surajbari 1	Operational	Gujarat	16.5	GJ DISCOM	Wind	2008
Surajbari 2	Operational	Gujarat	18.0	C&I	Wind	2013
Bothe	Operational	Maharashtra	199.7 ⁽²⁾	MH DISCOM	Wind	2015
Ratlam 1	Operational	Madhya Pradesh	170.0	MP DISCOM	Wind	2016
Periyapatti	Operational	Tamil Nadu	226.8 ⁽³⁾	C&I	WSH	2018-21
Rajkot 1	Operational	Gujarat	101.2	C&I	WSH ⁽⁴⁾	2020
Rajkot 2A	Operational	Gujarat	25.2	C&I	WSH ⁽⁴⁾	2021
Rajkot 2B	Operational	Gujarat	28.0	C&I	WSH ⁽⁴⁾	2022
Dayapar	Operational	Gujarat	126.0	Power Exchange ⁽⁵⁾	Wind	Q1FY24
Morjar 1	Operational	Gujarat	148.5	SECI	Wind	Q1FY24
Rajkot 3	Operational	Gujarat	239.9	C&I	WSH	Q1FY24
Rajkot 4	Shortly Operational	Gujarat	40.0	C&I	WSH ⁽⁴⁾	Q3FY24E
Ratlam 2	Shortly Operational	Madhya Pradesh	250.0	C&I	WSH	Q3FY24E
Dalavaipuram	Shortly Operational	Tamil Nadu	272.4	C&I	WSH	Q3FY24E
Bhavnagar	Shortly Operational	Gujarat	300.8	C&I	WSH	Q3FY24E
Kalvad 1	Shortly Operational	Gujarat	170.0	C&I	WSH	Q3FY24E
Total			2,333.0			

(1) Commissioning Date.

- (2) PPAs are pending for 6.3 MW capacity.
- (3) Periyapatti wind 148 MW was commissioned in FY 2018 – FY 2019 and Periyapatti Solar 78.8 MW was commissioned in FY 2021.
- (4) Rajkot 1, 2A & 2B are expected to be converted into WSH by Q3FY2024 by adding Rajkot 4 which comprises a 40.0 MW solar project at the same location connecting to same existing pooling sub-station and interconnection point.
- (5) Dayapar project was previously selling to SECI. In its letter dated April 14, 2023, SECI terminated entire PPA in line with terms & conditions of the RfS/PPA. SECI may consider offtake of 88 MW subject to MNRE approval, as stated in the letter. The Company has accepted above mentioned letter and started selling power on exchange from April 20, 2023 at prevailing GTAM prices (currently at approximately INR 4-7 per kWh). Further, the Company is evaluating options of selling power to exchange or C&I consumer(s) under medium/ long-term open access route, pending communication from SECI for its decision on 88 MW.

Our Parent Guarantor

Our Parent Guarantor, Continuum Green Energy Limited, Singapore, was founded by Continuum Energy Pte Ltd, Singapore in 2012 and is focused on establishing a large independent renewable energy producer business in India. In 2012, our Sponsor, a wholly owned subsidiary of a fund entity of North Haven Infrastructure Partners I managed by Morgan Stanley Infrastructure Partners (“MSIP”) made a commitment to invest up to U.S.\$200 million of equity in our Parent Guarantor, which was largely invested by early 2018. As of the date of this Offering Memorandum, our Sponsor holds 92.31% of our Parent Guarantor’s share capital. Our Parent Guarantor meets its capital requirements primarily through investments from its shareholders and through the 2026 Notes issued by the Issuer in July and August 2022. Our Parent Guarantor’s subsidiaries meet their capital requirements through investments from our Parent Guarantor, debt financing and operating surpluses. Our Parent Guarantor’s Indian subsidiaries have current and past borrowing relationships with State Bank of India (“SBI”), Power Finance Corporation (“PFC”), International Finance Corporation (“IFC”), Indian Renewable Energy Development Agency Limited (“IREDA”), India Infrastructure Finance Company Limited (“IIFCL”), India Infradebt Limited, L&T Finance Limited, PTC India Financial Services Limited, Central Bank of India, ICICI Bank Limited, IndusInd Bank Limited, HDFC Bank Limited, Olympus Capital Asia, Canada Pension Plan Investment Board (“CPIB”), Ontario Municipal Employees’ Retirement System (“OMERS”), Pierfront Capital (“Pierfront”) among others.

Our Sponsor has actively advised and assisted Continuum and its management team in developing a comprehensive business plan for Continuum, in order to take advantage of various opportunities including identifying potential improvements in the areas of personnel, facilities, technology and contracts, and simultaneously setting a timeline for asset growth, operational and performance milestones. We have a practice of frequent reporting and information dissemination to the Sponsor with Continuum meeting corporate governance standards of Morgan Stanley Infrastructure Partners.

Our Sponsor has invested a total of U.S.\$198.0 million in our Parent Guarantor’s operations as of March 31, 2023.

Since 2012, our Parent Guarantor has added wind and solar capacity to its portfolio by developing wind and WSH projects in strategic locations in India. Our Parent Guarantor’s portfolio of assets consists of 16 operational and shortly operational projects with an aggregate expected capacity of 2.3 GW. Out of these 16 projects, 11 projects are currently operational with a total capacity of 1299.8 MW and remaining five projects are expected to be shortly operational by Q3 FY2024. Our Parent Guarantor owns and operates these projects through its 100% subsidiary in India, Continuum Green Energy (India) Private Limited (CGE IPL), except for Continuum Power Trading (TN) Pvt Ltd, which owns our 126 MW Dayapar project and is directly owned by our Parent Guarantor.

Competitive Strengths

Attractive Industry Dynamics and Economics

India is the third largest electricity producer and consumer globally and is the fourth largest renewable market globally based on installed capacity as of end-2022, according to REN21 Renewables 2022 Global Status Report. The International Monetary Fund (IMF) has projected that India would be the fastest-growing economy in the world, despite confronting considerable challenges across the world. In April 2023, IMF released its latest World Economic Outlook report, projecting that the Indian economy will grow by 5.9% in fiscal year 2024 and 6.3% in fiscal year 2025. According to the agency, India's prospects for 2024 are marked up on expected improvements to credit growth and, subsequently, investment and consumption, building on better-than-anticipated performance of the financial sector. Economic growth fueled by increasing urbanization, industrialization and penetration of technology is also resulting in increasing demand for electricity. Total electricity demand in India grew at a CAGR of 4.3% during the ten years ended fiscal 2023. Central Electricity Authority ("CEA") in its National Electricity Plan dated May 2023 expects energy demand to grow at a CAGR of 6.67% to 1,908 billion kWh by fiscal 2027 and a CAGR of 5.33% to 2,474 billion kWh by fiscal 2032. Further, as per the CEA, the Indian market for renewable energy is anticipated to exhibit a CAGR of 16.5% until fiscal 2027 and CAGR of 12.1% until fiscal 2032 and to have a 35.0% and 44.0% contribution of renewable energy in the total energy demand. The growth is supported by various government policies, rising environmental concerns, incentives, and tax benefits for solar panel installations.

The Indian power sector has traditionally been more dependent on conventional thermal fuel sources, such as coal and gas, than on renewable sources. Power consumption in India, a developing nation, has been increasing at a greater pace. Energy production in India is still dominated by conventional sources such as coal and water-based thermal power plants, however, India's reliance on thermal sources has been adversely affected by persistent shortfalls in coal and gas supplies and water shortages, resulting in increased costs and uncertainty of supply from new thermal power generation capacity. There is an increasing focus on reducing the import of energy in India, relying on alternative sources of energy, and enhancement of domestic supply. Steep declines in solar panel prices over the last several years improving efficiency of wind turbines and rising cost of coal-based power has resulted in more competitive wind and solar power tariffs and has increased the appeal of renewable energy. Wind power in India has already achieved grid parity in some wind rich states, such as Tamil Nadu, Karnataka, Gujarat, Maharashtra and Madhya Pradesh, when compared with newly build coal projects. The GoI has established its commitment to fight climate change by presenting five-point agenda while delivering the "National Statement" at the COP-26 conference in Glasgow, Scotland, which include (i) non-fossil fuel-based energy capacity of the country to reach 500 GW by 2030, (ii) 50% of the country's energy requirements to be met using renewable energy sources by 2030, (iii) country to reduce the total projected carbon emission by one billion tonnes between now and the year 2030, (iv) carbon intensity of the economy to reduce by more than 45% by 2030, and (v) to achieve net zero emissions by 2070.

The GoI is strengthening its efforts to develop renewable energy sources, with the promotion of wind and solar power being one of its key agendas.

Launched in January 2010, the National Solar Mission's objective is to establish India as a global leader in solar energy by creating the policy conditions for solar technology diffusion across the country as quickly as possible. In order to achieve the above target, GoI launched various schemes to encourage generation of solar power, including the Solar Park Scheme, VGF Schemes, CPSU Scheme, Defence Scheme, Canal bank & Canal top Scheme, Bundling Scheme, Grid Connected Solar Rooftop Scheme. In 2015, India laid the foundation for

International Solar Alliance, a treaty-based inter-governmental organization working to create a global market system to tap the benefits of solar power and promote clean energy applications, with over 114 member countries worldwide. Its mission is to unlock U.S.\$1 trillion of investments in solar by 2030 while reducing the cost of the technology and its financing. It promotes the use of solar energy in the agriculture, health, transport and power generation sectors.

The GoI issued National Wind-Solar Hybrid Policy in May 2018 with an objective to provide a framework for promotion of large-scale grid connected wind-solar PV hybrid systems for optimal and efficient utilization of wind and solar resources, transmission infrastructure and land. The wind-solar PV hybrid systems will help reduce the variability in renewable power generation and achieving better grid stability.

In order to overcome the issues of intermittency and low-capacity utilization of transmission infrastructure, the mechanism of ‘bundling’ has been brought out by the GoI. To ensure uninterrupted firm power round-the clock, renewable energy is bundled with power from other sources or combined storage. Such bundled power is supplied to the distribution utilities thereby obviating the need for distribution utilities to balance power.

GoI launched the Green Corridor initiative in order to strengthen grid interconnections, provide flexible generation, forecast renewable energy generation and improve monitoring (the “**Green Energy Corridor**”). The primary aim of the Green Energy Corridor is to facilitate the transfer of renewable power from the renewable rich potential states to other states as well as absorption of renewable power within the renewable energy-rich states (host state), strengthen intra-state and inter-state transmission systems to accommodate increasing amount of intermittent generation from renewable energy resources.

The Electricity Act, 2003 empowers the CERC and SERCs to specify renewable energy purchase obligations for distribution utilities and ensure compliance. Consequently, electricity regulatory commissions have notified several key regulations such as Renewable Energy Certificates (REC) and Renewable Purchase Obligations (RPO) (on distribution utilities and open access customers), and several incentives and concessions for procurement of power by C&I consumers under open access mechanism, which are key drivers for renewable energy capacity addition across various states.

CERC has introduced Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2022 to ease the purchase of renewable energy by the state utilities and obligated entities, including the states which are not well endowed with renewable energy sources and to create a national level market for renewable generators to recover their cost.

In July 2022, the Ministry of Power updated the Renewable Purchase Obligations from FY 2023 onwards (as % age of total consumption) for all discoms and open access consumers to rise from 24.61% in 2023 to 43.33% in 2030. The Ministry of Power has also notified Energy Storage Obligations, which will become operational from FY 2024, that 1% of a discoms’ total consumption should come from renewable (solar or wind) plus storage.

Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 exempts renewable energy from the merit order dispatch mechanism which played a crucial role in partly offsetting operational risk and facilitating growth of the renewable sector in India. Ministry of Power has notified Electricity (Promotion of generation of Electricity from Must-Run Power Plant) Rules, 2021 to ensure that no renewable energy capacity is backed down. This will ensure that the consumers get green and clean power and secure a healthy environment for the future generation.

The National Tariff Policy 2016 encourages the state utilities to endeavour to procure power from renewable energy sources through competitive bidding to keep the tariffs low. In 2017, MNRE announced the guideline for the tariff based competitive bidding process for procurement of power from grid connected standalone solar and wind projects. In 2020, MNRE announced the guideline for WSH projects. The guidelines help enhance transparency and fairness in the procurement process, while protecting consumer interests through affordable power. These guidelines also provided standardisation and uniformity in processes and a risk-sharing framework between various stakeholders involved in the renewable energy procurement. Additionally, MNRE also granted waiver of interstate transmission system (ISTS) charges on transmission of electricity generated from solar and wind power projects to be commissioned up to June 30, 2025.

Furthermore, the Ministry of Power has also proposed a draft Electricity (Amendment) Bill, 2022 which include, among other things, (i) introducing a framework which would allow more than one distribution company to supply power in a given area; (ii) requiring energy regulatory commissions to include at least one member with experience and qualifications in law and also increasing the number of members of the APTEL; (iii) empowering the National Load Despatch Centers to oversee the national grid; (iv) requiring any contract for scheduling or dispatch of power to provide for an adequate payment security mechanism, as per contracts; (v) introduction of penalties for failure to meet RPO; (vi) removing requirement of more than one distribution licensee (discom) to operate in the same area and supply electricity through their own network; (vii) requiring the network-owning discoms to provide open and non-discriminatory access to its network to other discoms; (viii) sharing of the power and associated costs from existing power purchase agreements (PPAs) among all discoms in an area; (ix) determination of the floor and ceiling tariffs for retail supply by the State Commission, if there is more than one discom in an area; (x) setting up a cross-subsidy balancing fund by the state government to deposit surplus of cross-subsidy with one discom, and to provide for any deficit with another discom in the same or any other area; (xi) providing for a payment security mechanism to ensure timely payment to generation companies; and (xii) amending the qualification for chairpersons and other members of the Central and State Commissions. The Electricity (Amendment) Bill, 2022 was introduced in Lok Sabha in August 2022. It has been referred to the Standing Committee on Energy for detailed examination.

In February 2021, the GoI issued the Electricity (Late Payment Surcharge) Rules, 2021 governing the charges payable by distribution companies to generating companies for power procured from them. Ministry of Power, GoI notified Late Payment Surcharge Rules on June 3, 2022 (the “**LPS Rules**”) superseding the earlier rules notified in February 2021. The LPS Rules impose certain timelines to incentivize discoms to make payment for electricity. In case of any delay in these timelines, discoms will be debarred from electricity exchange for any purchase or sale of electricity and shall also loose access for any short term sale (up to 1 year) arrangements until the dues are fully paid. If dues are not paid even after this timeline, discoms shall loose the ability to purchase/sell electricity under medium term (up to three years) and long term agreements also shall be reduced progressively at the rate of 10% for every additional month of delay. As an example, on August 18, 2022, 13 discoms including Maharashtra and Madhya Pradesh discoms were disconnected from the electricity exchange until the dues including late payment surcharge are cleared as per revised agreed timeline of one month from due date or two and half months from the date of invoice, whichever is later. This provides focused implementation of the amended rules and regulations from the Central Government and a positive step for the resolution of profit and loss level issues of discoms instead of one time resolution of balance sheet challenges. The LPS Rules cover our Surajbari 1, Bothe and Ratlam 1 projects. Receivables in Bothe and Ratlam 1 project have substantially reduced following implementation of LPS rules.

Ministry of Power also notified Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 on June 6, 2022. These rules were notified for promoting generation, purchase and consumption of

green energy. It enables a simplified procedure for the open access to green power. As per the rules, the green open access is allowed to any consumer and the limit of open access transaction has been reduced from 1 MW to 100 kW for green energy in order to enable small consumers also to purchase renewable power through open access. There will be transparency in the approval process of the open access applications.

Central Government has also launched Discoms Reform 3.0 program, with the objective to resolve revenue deficit problem being faced by discoms instead of one-time balance sheet management. Guidelines for Revamped Distribution Sector Scheme (RDSS) released in December 2021 clearly identify that discoms need to focus on improving their operational efficiencies and financial sustainability and improve consumer services, to be able to meet the desired consumer service standards. Through Discoms Reform 3.0 program, following objectives are planned: (i) improved quality, reliability and affordability of power supply to consumers; (ii) financially sustainable and operationally efficient distribution sector; (iii) ensuring zero revenue deficit for discoms by FY 2025 by aligning tariffs to meet cost of supply, and (iv) reducing the Aggregate Technical and Commercial (AT&C) losses to pan-India levels of 12-15% by FY 2025. In case discoms are unable to meet the agreed objectives as per timelines proposed, they shall be denied access to banks and financial institutions or federal financial support. Evaluation criteria has been defined, to be monitored by institutions like Power Finance Corporation and Rural Electricity Corporation, which focus on factors like zero deficit between tariffs and costs, timely payment of subsidy by state governments to discoms, timely payment by discoms to generators/transmission companies and reduced AT&C losses as per agreed trajectory. This is expected to necessitate tariff increase for consumers, especially C&I consumers. For FY 2023, we have witnessed increase in tariff from 8%-13% in all key state where we are present and selling power to C&I customers:

Variable Tariff charged by Discoms to Industries	Gujarat	Tamil Nadu	Madhya Pradesh	Maharashtra
Q1 FY 2023, INR/kWh	7.30	6.90	6.28	6.89
Q1 FY 2024, INR/kWh	8.25	7.57	6.80	8.12
% increase	13%	9.7%	8.3%	17.8%

We believe these measures provide a favorable environment to own and operate wind and solar farms in India. Continuum has carefully curated portfolio of projects well poised to create sustainable value.

Carefully curated portfolio of projects

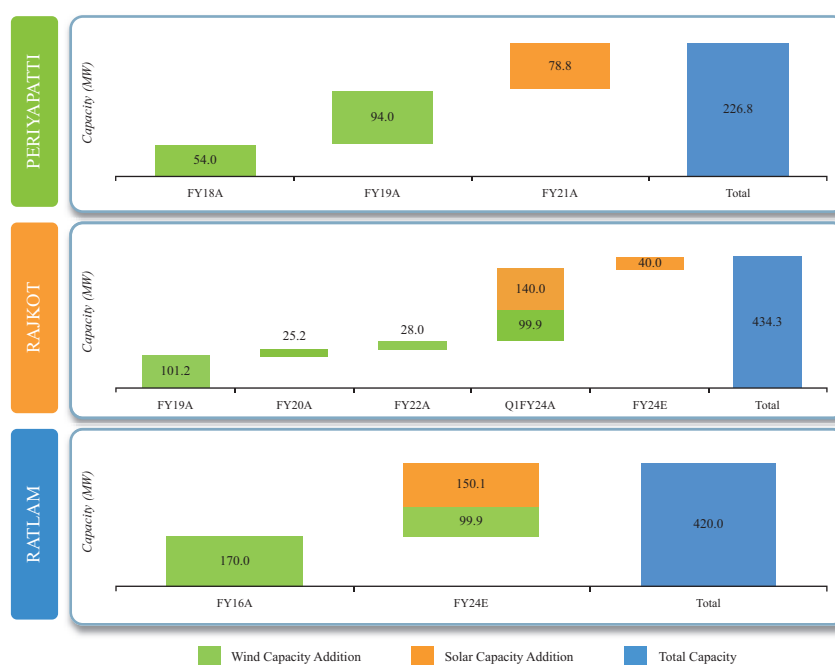
We have focused on conceptualization and building of projects with high efficiency and creating significant moats with sustainable intrinsic value.

- Most of the Group's projects are connected to extra high voltage connectivity, which ensures reliability of power, a key concern of most of the industrial consumers. There has been no history of curtailment in existing projects except in case of Periyapatti project, where high voltage green corridor completion was delayed from utility end, which was completed in March 2022 and we have experience no curtailment since June 2022. Higher voltage connectivity also helps absorb variability in nature of power generation for renewable sector.
- We focus on building and owning dedicated evacuation and interconnection facilities, which reduces dependence and reliance on third parties for operation, maintenance as well as retaining the ability for upgradation, brownfield expansion of projects and conversion into wind-solar or wind-solar-storage hybrids over time. Since the balance of plant is controlled by ourselves, we retain the capability to replace

the contractors for undertaking O&M services for the plant. Due to intrinsic project design advantages built from the start, we are in a position to hybridize existing windfarms into WSH and later WSH storage projects. Since we own 100% of the wind turbines in windfarms (except in Surajbari 1, Surajbari 2 and Dayapar projects) with no shared infrastructure with other wind turbine owners, we retain self-development capability for upgradation and augmentation of the project capacity as per technological evolution.

- In C&I business, WSH projects provide up to approximately 3.7 times more value for consumers than standalone solar projects. Due to higher PLF, wind capacity provides approximately 2.2 times more MWh per MW of consumer load compared to solar. The grid access costs are payable per MW of connected load in most of the states, which results in approximately 30% lower charges per kWh for wind capacity compared to standalone solar capacity and approximately 50% lower charges per kWh for WSH capacity compared to standalone solar capacity. Further, due to the complimentary nature of generation for wind and solar projects, hybrid capacities offer lower fluctuation and better intra-day matching with demand curve of power, requiring lesser storage capacities for dispatchable supply. Approximately 70% of 2.3 GW of operational and shortly operational capacities of the Group are WSH projects. These WSH projects are expected to require lower storage capacity addition for future expansions once storage cost is economically attractive, retaining a significant future potential for cross-selling of products and services. At present, we supply approximately 50% of our consumers' consumption requirement. With addition of storage capacity, we can supply dispatchable power to the consumers as a premium service and can take the supply contract for arrangement of remaining electricity needs of the consumers through its own projects, third party projects or power exchange solutions, thereby increasing our business volume.
- With focus on Utility scale C&I segment in renewable space which is a differentiated approach amidst the competition chasing the large utility scale low tariff auctioned projects, we have focused on states with (i) higher wind and solar resource availability, (ii) higher industrialization, and (iii) regulatory maturity to ensure stability in the business. In addition, we have successfully developed relationships with over 190 C&I consumers, with high repeat order business for new projects. We have also built a mechanism in which in case of any increase or decrease in grid discom tariff or open access charges, upside/downside is shared between the consumer and us. This creates a win-win approach where in case of any increase in grid tariff, additional benefit is passed on to the consumer in the form of higher savings compared to the grid discom tariff as well as to us in the form of higher net tariff.
- We have carefully selected projects to lock-in long term policy benefits to place us at substantial advantage compared to our competitors. For example:
 - Tamil Nadu: Our 148 MW wind power project at Periyapatti is entitled to annual (on fiscal year basis) energy banking arrangement with the discom, an arrangement not available to wind projects commissioned after March 31, 2020. We can bundle the electricity supply from the Periyapatti project with annual banking facility with the production from new projects being constructed in the state. Given that banking required by consumers is less than approximately 20% of total energy supply in a year, with banking available for 148 MW, we are in a position to create approximately 600 MW of additional wind capacity by utilizing the advantage created by this banking arrangement in place. On top of this additional approximately 600 MW wind capacity, an additional approximately 900 MW solar capacity can be added to offer WSH production to consumers. Of this additional capacity, the first 272.4 MW of WSH capacity is already under construction at our Dalavaipuram project, which is expected to be operational by Q3 FY2024E.

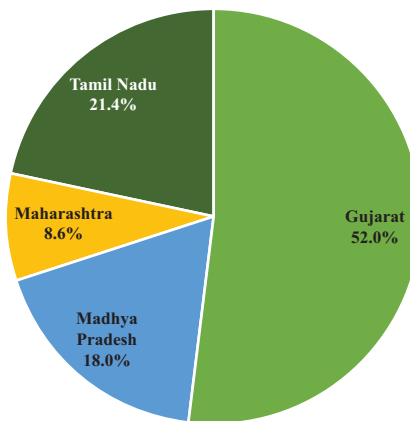
- Gujarat: (i) Any new wind energy project commissioned post March 2023, (ii) any solar project commissioned after December 31, 2020; and (iii) any new WSH project commissioned post June 2023 or any further extension will lose the 25-year waiver of 50% of cross subsidy surcharge and 50% waiver of additional surcharge on third party sale. Our commissioned capacity in Gujarat, prior to expiry of the said policy benefits, shall be able to lock-in these significant benefits of approximately INR 2.00/kWh of electricity generated for 25 years.
- Madhya Pradesh: Ratlam 2 is a WSH project comprising of 99.9 MW of wind power project and 150.1 MWp DC solar power project located in Ratlam and Mandsaur districts of Madhya Pradesh. The proposed project is brownfield expansion of existing Ratlam 1 project of 170 MW. Ratlam 2 project shares evacuation infrastructure with existing Ratlam 1 project and is connected to the existing pooling substation at Bhatkheda which is further connected to existing Grid Substation of MP Power Transmission Company Limited (MPPTCL) at Daloda through 220 kV Extra High Voltage (EHV) line, connectivity approval for which has been received. The capital expenditure saving on evacuation infrastructure has helped lower the levelized cost of electricity from the project.



Diversified Portfolio of Clean Energy Assets

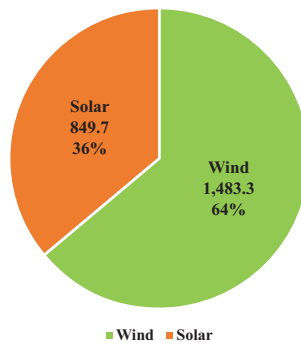
We own and operate large wind projects and large wind-solar co-located/hybrid projects in India, with a total operating and shortly operational capacity of 2.3 GW of generation capacity. We mitigate our resource risks through our presence across wind-rich states in India. As seen in the diagram below, our projects are located in Maharashtra, Madhya Pradesh, Tamil Nadu and Gujarat which account for 8.6%, 18.0%, 21.4% and 52.0% of the generation capacity respectively, of the 2.3 GW.

Presence across wind-rich states mitigates resource risk (by capacity)

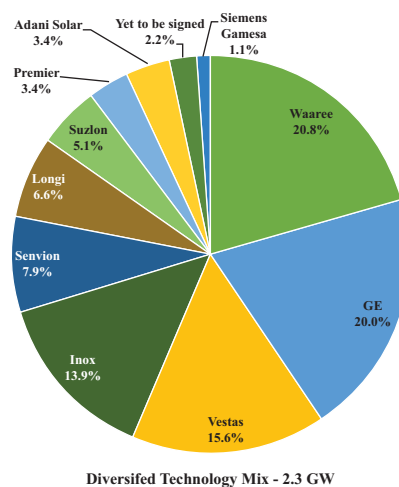


Operational/Shortly Operational 2.3 GW

Capacity (MW)



We purchase equipment from reputable turbine and solar module suppliers such as Vestas, GE, Suzlon, Senvion, Siemens Gamesa, Inox Wind, Waaree Energies, Longi (Vietnam), Premier Energies and Adani Solar. Certain turbine models which we have purchased from these suppliers have already had several years of successful operational history. The below charts show details of the various turbines and modules used across all technologies:



Diversified Technology Mix - 2.3 GW

Contracts for wind turbines and solar modules for the entire 2.3 GW in INR-denominated fixed prices have already been tied up except for certain solar capacity for the Kalvad 1 project.

Project	Location (State)	Capacity (MW)	Type	Equipment	Equipment Details
Surajbari 1	Gujarat	16.5	Wind	Vestas	10 x Vestas V82 1.65 MW at 78m hub heights
Surajbari 2	Gujarat	18.0	Wind	Vestas	10 x Vestas V100 1.8 MW at 95m hub heights
Bothe	Maharashtra	199.7	Wind	Vestas	40 x Vestas V100 2.0 MW at 95m hub height (upgraded with advanced aerodynamics)
				Suzlon	40 x Suzlon S97 2.1 MW at 90m hub height
				Suzlon	17 x Suzlon S97 2.1 MW at 80m hub height
Ratlam 1	Madhya Pradesh	170.0	Wind	Inox Wind	85 x Inox 100 2.0 MW at 92m hub height Upgraded with a booster package
Periyapatti	Tamil Nadu	226.8	WSH	Vestas	60 x Vestas V100 2.0 MW at 95m hub height
				Vestas	14 x Vestas V110 2.0 MW at 95m hub height
				Adani Solar	Adani Solar Poly Crystalline modules for 78.8 MWp
Rajkot 1	Gujarat	101.2	WSH ⁽¹⁾	Vestas	46 x Vestas V120 2.2 MW at 120 m hub height
Rajkot 2A	Gujarat	25.2	WSH ⁽¹⁾	Siemens Gamesa	12 x Siemens Gamesa SG122 2.1 MW at 127 m hub height
Dayapar	Gujarat	126.0	Wind	Inox Wind	63 x Inox 2 MW DF2000_113_ at 92 m hub height
Rajkot 2B	Gujarat	28.0	WSH ⁽¹⁾	Inox Wind	14 x Inox 2 MW DF2000_113_ at 92 m
Morjar 1	Gujarat	148.5	Wind	GE	55 x GE 132 2.7 MW at 130 m hub height
Rajkot 3	Gujarat	239.9	WSH	GE	37 x GE 132 2.7 MW at 130 m hub height
				Waaree Energies	Monocrystalline, Monofacial module for 140 MWp
Ratlam 2	Madhya Pradesh	250.0	WSH	GE	37 x GE 132 2.7 MW at 130 m hub height
				Waaree Energies	Monocrystalline, Monofacial module for 100.1 MWp
				Premier Energies	Monocrystalline, Monofacial module for 50 MWp
Dalavaipuram	Tamil Nadu	272.4	WSH	GE	44 x GE 132 2.7 MW at 130 m hub height
				Longi	Monocrystalline, Monofacial module for 153.6 MWp
Bhavnagar	Gujarat	300.8	WSH	Senvion	44 x Senvion M130, 2.7 MW at 130 m hub height
				Waaree Energies	Monocrystalline, Monofacial module for 152 MWp
				Premier Energies	Monocrystalline, Monofacial module for 30 MWp
Kalvad 1 ⁽²⁾	Gujarat	170.0	WSH	Senvion	24 x Senvion M130, 2.7 MW at 130 m hub height
				Waaree Energies	Monocrystalline, Monofacial module for 52.9 MWp. Balance 52.3 MWp to be signed.
Rajkot 4	Gujarat	40.0	WSH ⁽¹⁾	Waaree Energies	Monocrystalline, Monofacial module for 40 MWp
		2,333.0			

Notes:

- (1) We expect to subsequently convert Rajkot 1, 2A and 2B into WSH by adding Rajkot 4 which comprises a 40.0 MWp solar project at the same location connecting to the same project sub-station.
- (2) Term sheet signed with Senvion for supply of WTGs and advance of INR 419 million paid to Senvion.

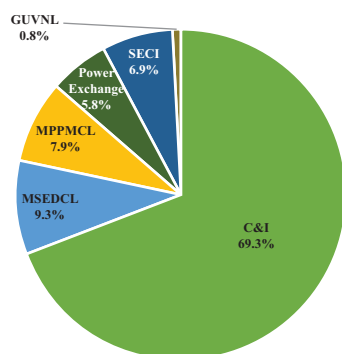
Distinctive Business Model with Diversified Off-taker Mix and Earnings Visibility through Long-term PPAs/ Variable tariff C&I PPAs with superior counterparties

As seen in the diagram below, we have a diversified mix of PPAs that comprises:

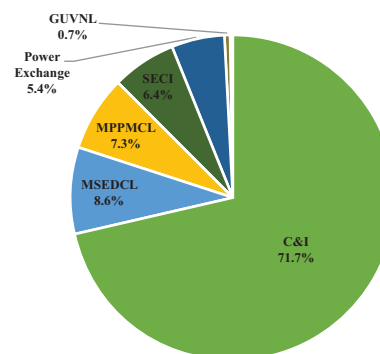
- (i) Fixed tariffs (for 13-25 years term of the PPAs) PPAs with GUVNL & SECI utility for projects in Gujarat, MSEDCL distribution utility in Maharashtra and MPPMCL distribution utility in Madhya Pradesh; and
- (ii) C&I tariff PPA with over 190 C&I consumers together in Gujarat, Tamil Nadu and Madhya Pradesh.

Offtakers mix (by capacity)

Offtake Mix for 2.1 GW - PPA Signed



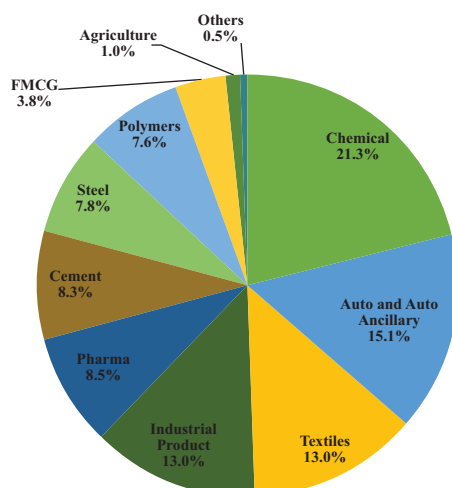
Offtake Mix for proposed 2.3 GW



In FY 2023, we generated 41.6% of our gross revenue from the sale of electricity to Utilities (SECI, GUVNL, MPPMCL and MSEDCL). Additionally, the Bothe and Ratlam projects are eligible for GBI benefits from the GoI (paid by IREDA) which constituted 3.1% of our gross revenue in FY 2023. The PPAs with Utilities are structured on a fixed tariff and long tenor, which provide off-take security and high visibility of our future financial performance. The run rate gross revenue from sale of electricity to Utilities is expected to be about 22.0% of our portfolio of 2.3 GW, which is expected to further change as Utility PPAs expire and we start selling power to C&I consumers. For instance, the PPAs for our Bothe project of 199.7 MW with MSEDCL are due to expire between FY 2027 and FY 2028 and the PPAs for our Surajbari 1 project of 16.5 MW with GUVNL are due to expire in FY 2028.

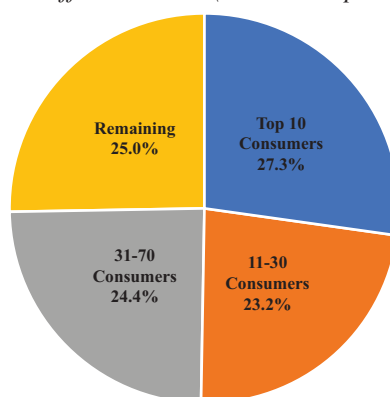
In FY 2023, we generated 55.3% of our gross revenue from the sale of electricity from our PPAs with C&I consumers. PPAs with C&I consumers are generally for 5 to 25 years, at tariffs set at a level lower than their alternative variable cost of power purchase from distribution utilities and cater to 50% to 60% of an individual consumer's demand of electricity, which ensures off-take security and high visibility of our future financial performance. The run rate gross revenue from sale of electricity to C&I is expected to be about 78% on account of sale of power out of operational/shortly operational projects. As seen in the diagram below, our C&I consumers span a wide range of industries mitigating our offtake risk with no single industry accounting for more than 25% of our total sales to C&I consumers.

C&I Off-taker industries (by capacity)



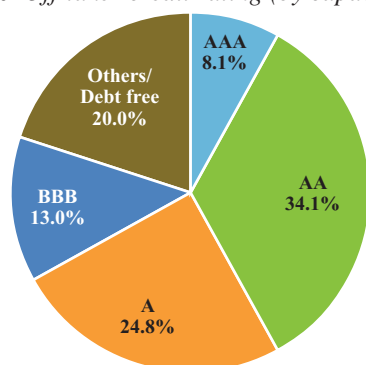
Further, in our C&I business, we face reduced customer concentration risk with no C&I consumer accounting for more than 3.5% of our overall business capacity in any single project.

C&I Off-taker share (business capacity)

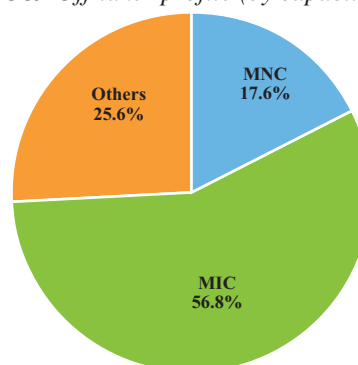


We have entered into PPAs with high quality C&I consumers – as seen in the diagram below, more than 85% of our consumers are either debt free or rated “A+/-” or higher by independent, regulated credit rating agencies in India. More than 70% of our consumers belong to multinational companies (MNC) or marquee Indian consumers/industrial groups (MIC).

C&I Off-taker credit rating (by capacity)



C&I Off-taker profile (by capacity)



The high quality and diversified consumers mix helps achieve 100% of offtake from the project. Even during the lockdowns period from March to July 2020 in the wake of COVID-19, 94.4% of our total saleable generation from C&I projects was accounted for by consumption by our C&I consumers and the balance was sold to distribution utilities at predetermined tariffs.

We continue to scale up our C&I segment by adding additional consumers and through the increase in consumption by our existing consumers.

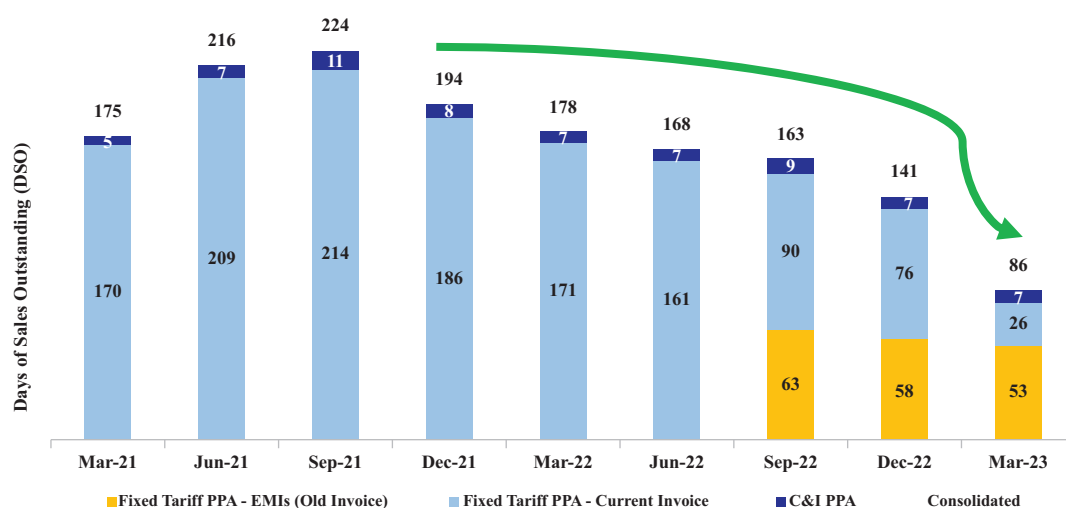
Industry Leading Receivables Position

We sell all our electricity to combination of Utilities and C&I consumers. With our C&I consumers, we carry receivables of less than 21 days. To Utilities, we sell electricity from:

- 16.5 MW Surajbar-1 project to GUVNL which is the best rated electricity discom in India with a rating of “AA” by CARE. GUVNL has consistently paid ahead of due date and claimed early payment discount;
- 199.7 MW Bothe project to Maharashtra discom MSEDCL. In FY 2023, MSEDCL made payments equivalent to approximately 19 months of billing. All invoices raised till generation month of January 2023 have been cleared by MSEDCL till June 30, 2023. The current receivable cycle (up to June 2023) for MSEDCL stands at four months from the invoicing date (i.e. two months from the due date). Enactment of LPS Rules ensures that the payments from MSEDCL are being collected at frequent intervals within 3-4 months of invoicing date along with LPS. LPS has been paid for invoices submitted till November 2022. Further, MSEDCL has also started remitting payments against generation from 6.3 MW (for which PPA has not been signed) as per provisional invoice being raised at a tariff of INR 3.50/kWh from October 10, 2022 pursuant to favourable interim Supreme Court Order. Payment against such invoices have been received till the generation month of March 2023. The ongoing litigation with respect to signing of PPAs for 6.3 MW capacity and related details have been discussed subsequently. See “— *Governmental, Legal and Arbitration Proceedings — Proceedings instituted by Bothe Windfarm Development Private Limited against MSEDCL*”;
- 170.0 MW Ratlam I project to Madhya Pradesh discom MPPMCL. Pursuant to the LPS Rules, MPPMCL has opted to reschedule their dues till generation month of March 2022 along with LPS amount in 40 equal monthly instalments under the revised LPS Rules. We have already collected 11 instalments till June 30, 2023. The current receivable (up to June 2023) stands at one month from the invoice submission date, with invoices till generation month of April 2023 and invoiced in May 2023 collected before June 2023; and
- 148.5 MW Morjar-1 project to SECI (which is rated “AAA” by ICRA). SECI has been paying bills within 10 days, earlier than due date, and claiming an early payment discount of 2%.

We previously sold electricity from our 126 MW Dayapar project to SECI, however SECI terminated the entire PPA in line with terms & conditions of RfS/PPA pursuant to its letter dated April 14, 2023. SECI may consider offtake of 88 MW subject to MNRE approval, but as of the date of the Offering Memorandum communication from SECI on the same is pending. In the interim, we have acknowledged the termination letter from SECI and have received permission (Standing Clearance) from WRLDC to sell power (for the entire commissioned capacity of 126 MW) on power exchange from April 20, 2023 at prevailing GTAM prices (currently at approximately INR 4-7 per kWh). Subject to the decision of MNRE, we may explore engaging with certain C&I consumers to sell power under a long term physical or virtual PPA at attractive tariffs.

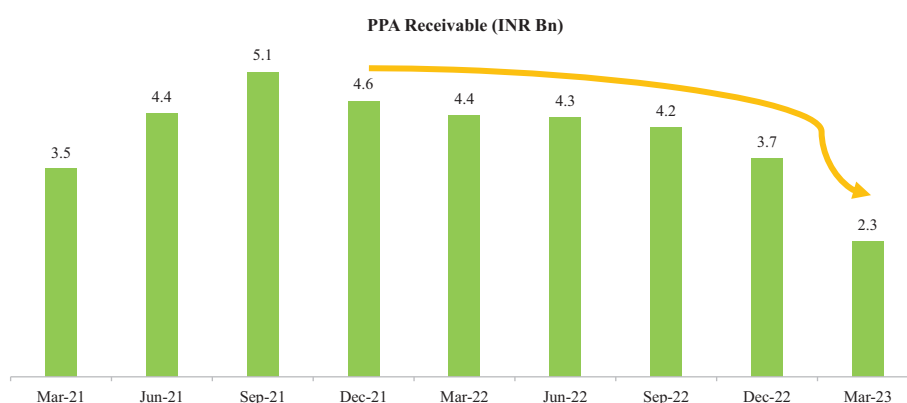
Days of Sales Outstanding (DSOs)¹ at company level



Note:

(1) $DSO = (365 * \text{Receivables}) / (\text{LTM billings})$.

Decrease in receivable cycle is also reflected in reduction in receivable as under:



Due to benefits of the LPS Rules in relation to projects selling power to discoms, with the operation of 126.0 MW and 148.5 MW projects selling power to SECI and electricity exchange and with the increase in C&I capacity, our overall DSOs have reduced significantly. Our overall receivable cycle for the portfolio has reduced to 86 days and is expected to further improve after increase in C&I operating capacity as part of 2.3 GW portfolio and payment of monthly instalments by MPPMCL. Of the 86 days, 53 days of DSOs were represented by the receivables due from MPPMCL rescheduled to be paid in 40 monthly instalments beginning on August 5, 2022. All instalments due until June 2023 have been paid on time.

Low operating risk with superior project quality and asset management approach

We mitigate wind risks with our thorough site selection process. Our projects were selected after analyzing long-term wind data from multiple onsite wind masts to increase generation reliability. We conduct external and

in-house micro-siting studies and layout planning to reduce wake effects and maximize generation at our project sites. We focus on high quality of wind resource data by ensuring data from (a) multiple onsite met masts, (b) multiple years of measurement, and (c) higher met masts.

Regarding solar projects, the databases and software publicly available for assessing solar resources are substantially comprehensive, reflecting a higher degree of accuracy than analogous sources typically provide for wind resource. Accordingly, we find available databases and software to be substantially adequate for all of our solar resource assessment purposes.

Unlike companies that purchase wind turbines on a turnkey basis from wind turbine manufacturers where they control a portion of the turbines in a wind project, our project companies control the entirety of our wind/solar projects (with the only exceptions of Surajbari and Dayapar where we own the turbines and we share the common infrastructure with other developers) and have exclusive grid connections to evacuate power from them, which gives us the flexibility to choose the wind turbine technology, partner with multiple suppliers and O&M contractors, manage our regulatory risks and maintain the flexibility to deploy the latest technology (including solar hybrid and electricity storage solutions) at our projects. Our experienced in-house team helps us deliver improved cost efficiencies and greater quality control over designing, sizing, engineering, developing, constructing and operating our wind and solar projects.

We use superior quality electrical components to reduce transmission loss and improve plant availability for our wind and solar project. For example, we have deployed rolled steel joist poles and galvanized square cross-sectional poles to ensure good mechanical strength of the transmission lines and extend their durability. We also installed the AL59 conductor instead of the ASCR model to ensure better internal grid connections and reduced line losses. To reduce downtime, we have deployed suspension type insulators and installed higher poles with bird guards.

We also maintain complete control over the evacuation infrastructure to minimize downtime. For example, we have mostly deployed double circuit EHV transmission lines to reduce downtime risks in case of mishaps, provided transfer buses in substations to help secure downtime in case of a system failure and optimized internal lines to achieve full utilization of feeder capacity and lower right of way concerns.

We operate our projects in tandem with equipment vendors and O&M contractors under long-term contracts. While the OEM equipment vendors are awarded Full-Service Agreement for operating and maintaining the wind turbines and solar panels, we operate and maintain the balance of plant (“**BoP**”) inhouse. We have strong partnerships with reputable O&M operators and suppliers such as Vestas, Siemens Gamesa, GE, Inox Green, Suzlon, Senvion, Larsen & Toubro, Waaree Energies and Gensol. As part of our O&M operations, we have a dedicated in-house team of 66 employees, as of March 31, 2023. We have well-defined asset management practices and have received ISO certification for Quality, Environment and Safety.

ISO 9001 : 2015 (QUALITY) CERTIFICATE, ISO 14001 : 2015 (ENVIRONMENT) CERTIFICATE AND ISO 45001 : 2018 (SAFETY) CERTIFICATE FOR O&M PRACTICES AND UNDERGO REGULAR AUDITS



Our operational wind and solar projects require low levels of expenditure to operate and maintain them. For our wind projects, we have comprehensive O&M contracts for periods of 10 to 20 years with first 2-3 years of free O&M. The comprehensive O&M contracts include scope of repairs and replacement of minor/major components within the fee agreed for these contracts. These contracts generally provide for a warranty for a minimum period of two years from the earlier of the date of commissioning or the date of supply, a power curve guarantee which assures reliability of performance of the wind turbines and a guaranteed operational performance commitment in the form of a minimum availability guarantee of 95% to 97% of the wind turbines' availability to generate electricity for a specified percentage of time with liquidated damages calculated by way of revenue loss. In addition, serial defect warranties, access to unfiltered turbine data, blade cleaning services and seasonal availability guarantees also help improve the performance.

Our contracts for our solar project includes a warranty for two years, performance ratio guarantees for up to five to eight years, starting at 81.55 - 82% and a comprehensive O&M contract for 5-10 years.

In several of our O&M contracts for our wind projects and in the O&M contract for one of our solar project, instead of paying a fixed fee per year per MW of capacity, we pay the O&M fee on per kWh of electricity generated from the plant (subject to a base minimum fee per MW per year) thereby aligning our and O&M contractor's interest in maximizing generation and reducing downtime.

Real time monitoring through AOMS solution

Since 2017, all of the operational wind and solar projects are monitored using real-time state-of-the-art artificial intelligence based monitoring systems, providing continuous, real-time alerts, predictive maintenance requirements to our operations team. Our analytics solutions help to track the health of our equipment, trigger maintenance alerts, conduct detailed root cause analysis of alarms to enable us to better understand the equipment issues, create fault patterns and run probabilistic models to help us estimate on a real time basis the likelihood of faults. The solution is scalable to any wind turbine and solar module/invertor model.



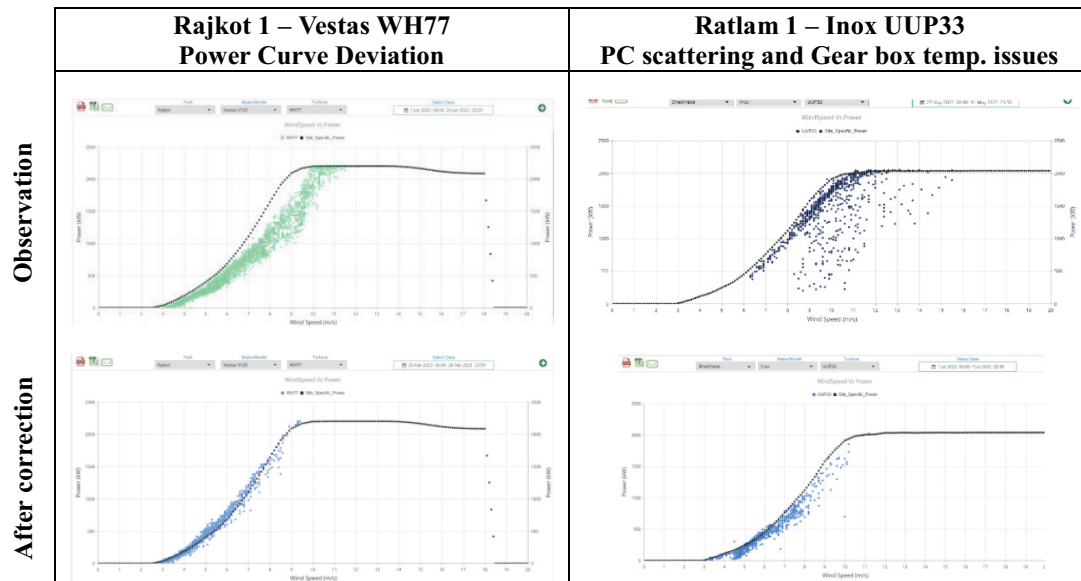
Data Centralization	Clear Reporting	Push O&M beyond SLA	Performance Analytics	Predictive Maintenance
Real time unrestricted data collection on per sec basis from Turbines, Balance of Plant, and Weather / Forecasting model	Generation of periodic reports and continuous monitoring of system KPIs	Continuous parallel monitoring of alarms & downtime, and thereby pushing the O&Ms to perform beyond SLA	Detailed analytics on system Health and Performance by assigning Risk & Performance scores	AI based comparative analysis of performance and alarms within the turbine pool, assist in detecting future issues

Our in-house O&M capabilities and timely maintenance of assets help to minimize downtime. We have also achieved operational efficiencies due to our real-time artificial intelligence-based portfolio monitoring systems, data analysis, wind/solar forecasting practice, efficient vendor agnostic equipment selection and a centrally dedicated asset monitoring team for superior portfolio monitoring practice. Our Asset Operations Monitoring System (AOMS) collects more than 65 gigabytes of data every day and along with more than 50 terra bytes of data already collected, continuously benchmarks the wind/solar equipment against other wind /solar equipment in the same wind/solar projects as well as across our fleet to identify deviation in performance of components and various indicators such as temperature, pressure, power curve performance, etc., raises alerts in case of deviations and suggests probable causes for such deviation for further investigation. This helps our operations teams, in many cases, to identify potential problems before an equipment failure occurs so that proactive actions can be taken to preserve equipment health, procure spare parts and schedule maintenance (predictive maintenance). Several times, these problems were not identified by our O&M contractors. Therefore, this system helps improve the quality of our operations and maintenance than if we relied solely on our O&M contractors. More than 2,991 intelligent predictive alerts have been raised between April 2017 and March 2023 (not identified by OEM operator).

For example:

- On March 23, 2023, at our Bothe project, we observed that for WTG SP22, generator bearing NDE temperature was 20 degrees higher than park average (74 degrees against 50 degrees). Temperature increased since March 20, 2023. The issue was notified to OEM and suggested for corrective action. Manual lubrication completed on March 27, 2023 and temperature of SP22 dropped down to 56 degrees after that.
- On December 15, 2022, for our Ratlam 1 project, generator bearing drive end temperature of DJE18 was reaching above warning limit since December 9, 2022. As per WTG breakdown history, bearing DE & NDE greasing was done on December 9, 2022. However, the temperature was still high even after 6 days of greasing. Issue was notified to OEM again on December 22, 2022 for possible bearing damage. WTG was again attended on December 25, 2022 and observed abnormality in the bearing. We replaced both generator DE & NDE bearing. The temperature was within 2 standard deviation limit of park average after that.
- In September 2022, power curve deviation was observed in WTG WH77 at our Rajkot 1 project and the issue was highlighted to OEM on September 23, 2022. Deviation became significant during January 2023 depending on the intensity of dust accumulation on blades. The issue was notified to OEM and blade cleaning activity was suggested. Blade cleaning was undertaken in WH77 on February 14, 2023. The power curve improved thereafter.

- On July 19, 2022, at our Ratlam 1 project, generator side choke temperature was increasing for one of the WTG. The issue was highlighted to OEM on the same day. WTG was attended on the next day. The generator choke fan was found not working and was replaced by new one. Temperature was normalized thereafter.
- On July 12, 2022, at our Bothe project, generator NDE side temperature was increasing for one of the WTG when compared to nearby WTGs. The issue was highlighted to OEM on the same day. WTG was attended on the same day and manually lubrication was done. Temperature got normalized thereafter.
- In our Ratlam 1 project, we observed scattered power curve in WTG UUP33 since May 27, 2022, due to the high gearbox temperature. Issue was highlighted to OEM. On inspection, dust was found in the gearbox radiator. Radiator cleaning was done and the power curve improved thereafter.

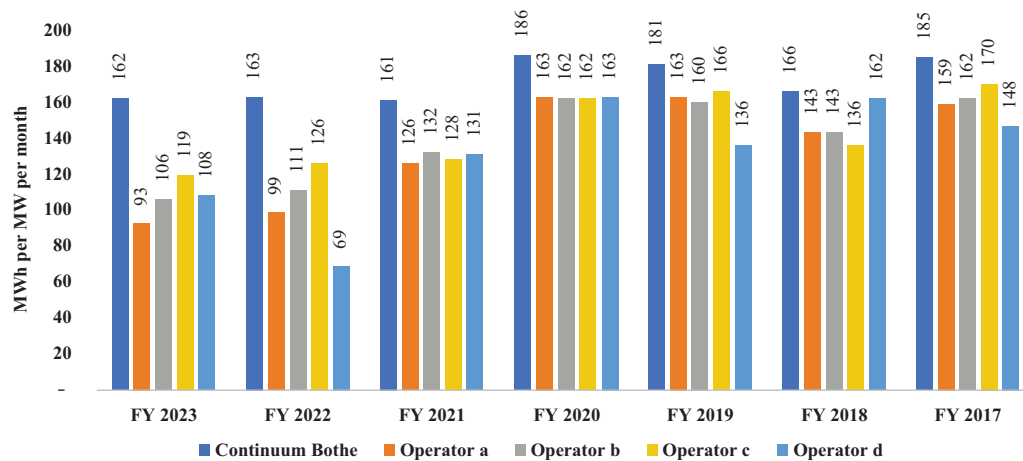


Our O&M team is able to resolve issues in a few days and this helps us avoid generation losses during peak wind season and potential downtime and keep our machine availability high.

Due to our complete ownership of our wind projects, we have the ability to switch wind turbine OEM operator (in case of unsatisfactory service) and mitigate the risk of relying on one specific vendor. Vendors such as Vestas, Siemens Gamesa, Suzlon and Dalian Huarui Heavy Industry Group, among others, have the expertise to take over O&M operations at our wind projects where the wind turbines have been supplied by other turbine manufacturers.

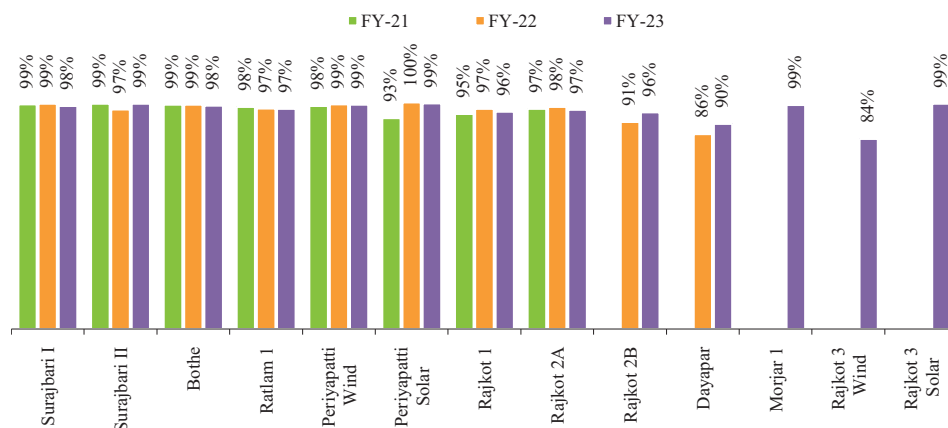
We believe that all the above features as described will help us achieve superior performance as compared to our competitors. As an example, according to data obtained from the Maharashtra State Load Despatch Centre, the Bothe project achieved higher monthly generation per MW of installed capacity than our competitors for the periods indicated in the chart below.

Our generation compared to our peers



Some of the KPIs we track at our projects are machine availability, internal grid availability, external grid availability and Mean Time Between Inspections (“MTBI”). Higher MTBI indicates less requirement for maintenance personnel to attend to wind turbines and indicate better wind turbine health and lower downtimes. Machine availability and internal grid availability are a function of the quality of our own windfarms and of our maintenance. We believe we have achieved industry leading availabilities and MTBI as set out in the chart below, for the periods indicated.

Machine Availability (%)

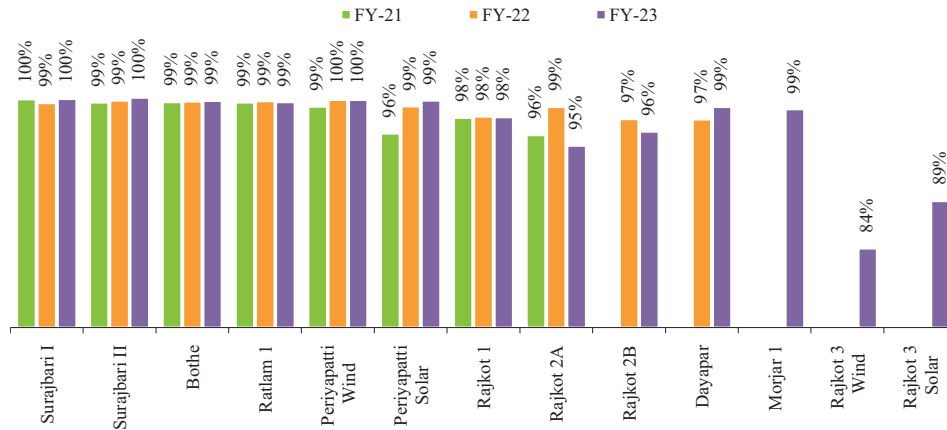


Notes:

- (1) FY 2021: (i) availability at Periyapatti solar project and Rajkot 2A project was lower due to stabilization period as part of first year of operations; (ii) availability at Rajkot 1 project was lower because wind turbines were shutdown/operated in derated mode as a precaution after the fire incident in Vestas make wind turbine in July 2020 at Rajkot 1 project. Rectification works were undertaken on the wind turbines between September 2020 to February 2021.

- (2) FY 2022: (i) availability at Rajkot 2B and Dayapar projects was lower due to stabilization period post commissioning for Rajkot 2B and Dayapar project.
- (3) FY 2023: (i) availability at Rajkot 1 project was lower due to implementation of software upgrade for 19 WTG; (ii) Rajkot 1, 2A & 2B project faced downtime due to reshuffling of internal transmission lines because of construction and addition of the Rajkot 3 project; (iii) Rajkot 1, 2A & 2B project wind turbines were down due to transformer failure and restoration was delayed due to crane availability; (iv) Rajkot 3 project was partly operational and under stabilization.

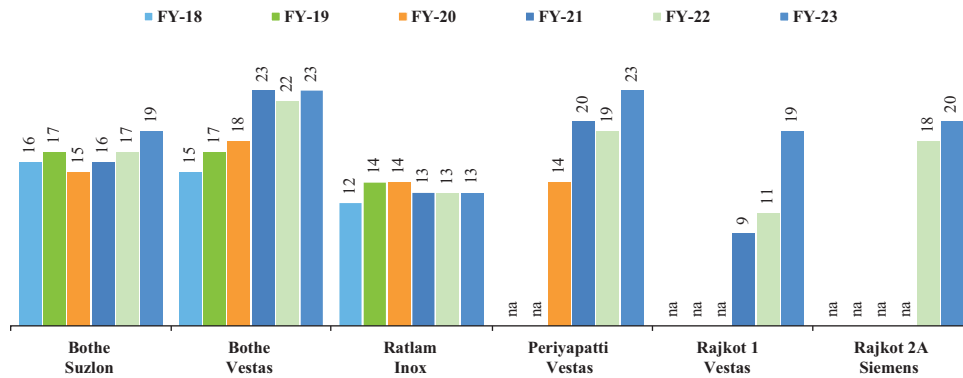
Internal grid Availability (%)



Note:

- (1) FY 2023: (i) low Internal grid availability for Rajkot 1, 2A and 2B project on account of downtime due to reshuffling of internal lines because of construction of the Rajkot 3 project; (ii) Rajkot 3 project was partly operational and under stabilization.

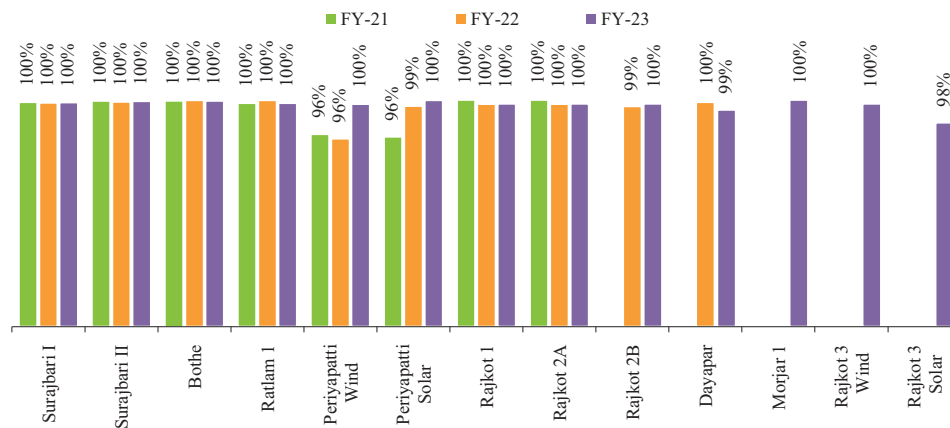
Mean Time Between Inspections



Note:

- (1) It can be observed from the above graph that MBTI which indicates period between two successive breakdowns/inspections for a turbine is continuously increasing post installation of real-time artificial intelligence based portfolio monitoring systems.

External grid Availability (%)



Notes:

- (1) FY 2021 and FY 2022: High voltage corridor completion for Periyapatti project was delayed by the utility. It was completed in March 2022 and has not faced curtailment since June 2022.
- (2) FY 2023: Rajkot 3 project was partly operational and under stabilization.

The external grid availability is largely a function of the quality of electricity grid that our wind and solar projects are connected to. We prefer to build wind or solar projects where we get extra high voltage connection to 220kV grid substations which, in turn evacuate power at 400 kV or higher. Such grid substations are part of high capacity, trunk transmission routes of the electricity grid, have higher availability and can absorb the variability of renewable energy production. As a result of this extra high voltage connection, which costs us more capital expenditure upfront, our projects have not faced any curtailment of energy. We had faced some curtailment of energy in the past at our Periyapatti project because of delay in completion of the 400 kV green corridor grid that we are connected to. The work on 400kV green corridor was completed in March 2022 and we have not faced any curtailment since June 2022.

Our control over entire wind project has resulted in consistent improvement in accuracy of generation forecasting resulting into lower DSM charges and higher profitability. Further, the larger size of each wind project formed by combining multiple projects help us gain higher allowable absolute deviation (which is a function of total installed capacity connected to a pooling substation) thereby resulting in more accurate forecasting and hence reduction of deviation costs. For example, Rajkot 1, 2A, 2B and Rajkot 3 are connected to the same project pooling sub-station and are considered as a single wind project owned by us and the forecasting is done for the entire wind project rather than for each individual wind project. Moreover, the lower actual deviation due to diversification within the sites due to wind/solar connecting to same sub-station (WSH) or large number/different types of equipment at the same site, longer wind resource data, higher equipment/grid availability and integration of AOMS and forecasting data helps in improving the accuracy of forecasting and thereby reduction in deviation costs.

Demonstrated ability to raise capital in domestic and international markets

Our ability to access diversified pools of capital has enabled us to raise funding and refinance our projects regularly and on competitive terms to maximize our capital efficiency. Our capital structure and fundraising track

record are aligned with our project development needs and growth plans and we raise an appropriate and efficient mix of funds according to our anticipated requirements.

We have enjoyed support from multiple domestic banks and financial institution including State Bank of India, Power Finance Corporation, International Finance Corporation, Indian Renewable Energy Development Agency Limited (“IREDA”), India Infrastructure Finance Company Limited (“IIFCL”), India Infradebt Limited, L&T Finance Limited, PTC India Financial Services Limited, ICICI Bank Limited, IndusInd Bank Limited and HDFC Bank Limited.

We have successfully sourced more than INR 65,000 million as non-recourse project financing for our C&I projects from various banks and institutions and have contracted the single largest non-recourse project financing for a C&I project of more than INR 10,000 million. Our lenders have been able to draw comfort on our C&I business with following features:

- Our proven track record of executing & operating C&I projects;
- Our consumer profile with investment grade rating with majority being above A rating or are debt-free MNC or MIC;
- Our consumers sign up for PPA with a tenor of 5-20 years;
- Our consumers provide payment security in the form of letter of credit or bank guarantee or invest equity to the extent of at least 26% of the corresponding capacity that they sign in case of group captive sale model; and
- Our consumers also provide a certificate confirming recognition of power expense as part of O&M expense, which ensures that our dues rank higher as operational debt compared to any unsecured financial liability in case of any liquidation proceedings.

On February 9, 2021, we issued U.S.\$561 million 4.50% Green Senior Secured Notes due 2027 with IFC as an anchor investor, the proceeds of which was used to refinance the certain existing indebtedness and general corporate purposes. The issue was rated BB+/Stable by Fitch and Ba2/Stable by Moody’s. This was one of the few non-recourse project finance offerings from renewable industry (mix of utility and C&I PPA) in India in international markets due to its unique structure. It was a highly successful debut transaction with broad-based participation from real money accounts across all regions. See “*Description of Other Indebtedness — Issue of 2027 Notes by Continuum Energy Levanter Pte. Ltd.*”

In July and August 2022, we issued U.S.\$400 million aggregate principal amount of Floating Rate Senior Secured Notes due 2026 to three marquee institutional investors. The net proceeds from the issuance of the 2026 Notes were used by CGEIPL as capital expenditure for new projects and for prepayment of existing corporate and project debt at CGEIPL and other transactions and incidental expenses. We propose to refinance this facility with the proceeds from this Offering. See “*Use of Proceeds*” and “*Description of Other Indebtedness — Issue of 2026 Notes by Continuum Energy Aura Pte. Ltd.*”

Robust Financial Profile Bolstered by Attractive Credit Metrics

We prudently leverage our robust balance sheet to support our growth. Please also refer to the key financial parameters as summarised in the section “Summary Consolidated Financial Statements and Other Data” for more details.

	FY2021	FY2022	FY2023
	(INR in million, unless otherwise stated)		
Operational Capacity @ year end (MW)	757.4	855.4	1,159.3
Total assets	67,782	85,080	131,833
Total income	8,257	10,209	12,065
Revenue from operations	7,909	9,743	10,554
EBITDA (A)	5,876	7,501	8,522
Interest expenditure ⁽¹⁾ (B)	4,938	5,455	9,139
Income taxes refund/(paid) (net) (C)	68	(175)	(380)
FFO ⁽²⁾ (D = A-B+C)	1,006	1,871	(997)
Adjusted borrowings ⁽³⁾ (E)	51,045	68,593	119,750
FFO to Adjusted borrowings (D/E) %	2%	3%	(1)%

Notes:

- (1) Reconciliation of finance cost to interest expenditure:

	FY2021	FY2022	FY2023
	(INR in million, unless otherwise stated)		
Finance cost	6,764	5,926	9,410
Less: Foreign exchange loss (net)	173	—	—
Less: Prepayment premium charges	909	—	—
Less: Interest on CCDs	—	—	93
Less: Other borrowing costs	744	471	178
Interest expenditure	4,938	5,455	9,139

- (2) FFO (Funds from Operations) is defined as EBITDA less interest expenditure less tax paid.

- (3) Adjusted borrowings includes long-term borrowings from banks, financial institutions, Non Convertible Debentures (NCD) issued to external parties and Senior Notes, short-term borrowings, interest accrued but not due on borrowings, liability towards premium on redemption of NCDs issued to external parties, interest accrued but not due on NCDs issued to external parties and interest accrued but not due on working capital.

FFO and Adjusted borrowings disclosed here may not be comparable to other similarly titled measures of other companies because such measures are not uniformly defined. These measures have limitations as analytical tools.

Wind and solar project’s expected generation estimates are usually stated in p-levels to capture the level of uncertainty of availability of wind or solar radiation, thereby impacting generation of electricity. A P90 estimate of average annual production over 20 years implies that there is a 90% or higher probability that the annual generation levels would exceed the P90 level of generation, and a P75 estimate of average annual production over 20 years implies that there is a 75% or higher probability that the annual generation levels would exceed the P75 level of generation over such 20-year period.

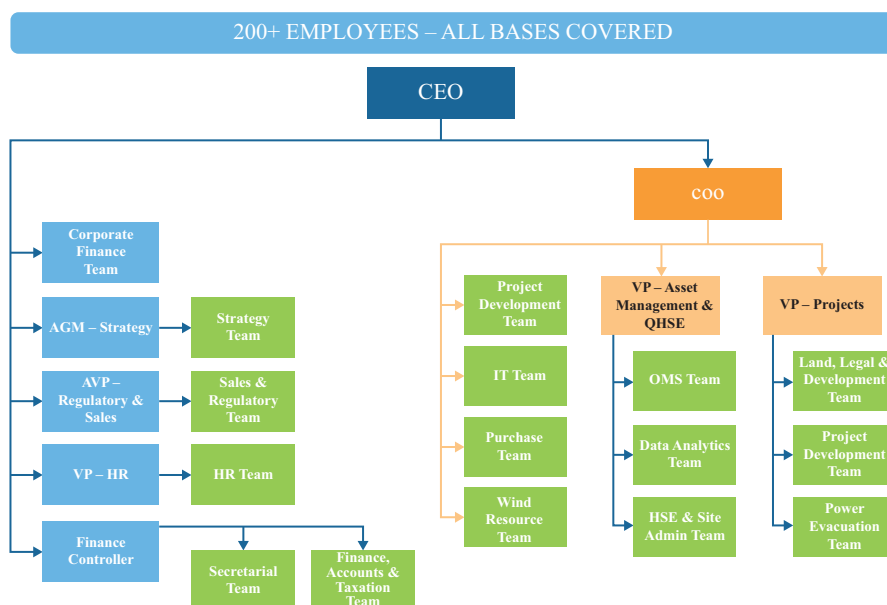
As of March 31, 2023, we have invested INR 36,437 million in our operational and shortly operational projects with a total capacity of 2.3GW. In addition to this investment, we have outstanding long-term borrowings from banks, financial institutions, non-convertible debentures and senior notes including current maturities of long-term borrowings of INR 80,382 million for the projects.

Our ability to access diversified pools of capital has enabled us to raise funding and refinance our projects regularly and on competitive terms to maximize our capital efficiency. We seek to lower our refinancing risks through a mixture of cash lock-ups, mandatory cash sweeps and amortization. Our capital structure and fundraising track record are aligned with our project development needs and growth plans and we raise an appropriate and efficient mix of funds according to our anticipated requirements.

Highly Experienced Management Team

We are led by a management team with extensive experience in the renewable energy sector, in-depth understanding of managing projects and a proven track record of superior performance. The senior management team of Continuum, led by Mr. Arvind Bansal (Chief Executive Officer) and Mr. N.V. Venkataramanan (Chief Operating Officer), possess complementary skills and have extensive experience and knowledge of the electricity sector. We have experienced Projects Team with expertise in developing and executing large scale projects with high quality Corporate Finance Team with demonstrated ability to raise finance for large projects. The experience of Continuum's Operation and Maintenance Team lends significant expertise for the operation and maintenance of our projects. Additionally, our dedicated Regulatory & C&I Sales team have pioneered in building the unique inflation linked C&I business.

We have grown from 30 to 216 employees over the last decade. Approximately 60% members of our team have 10 more years of experience.

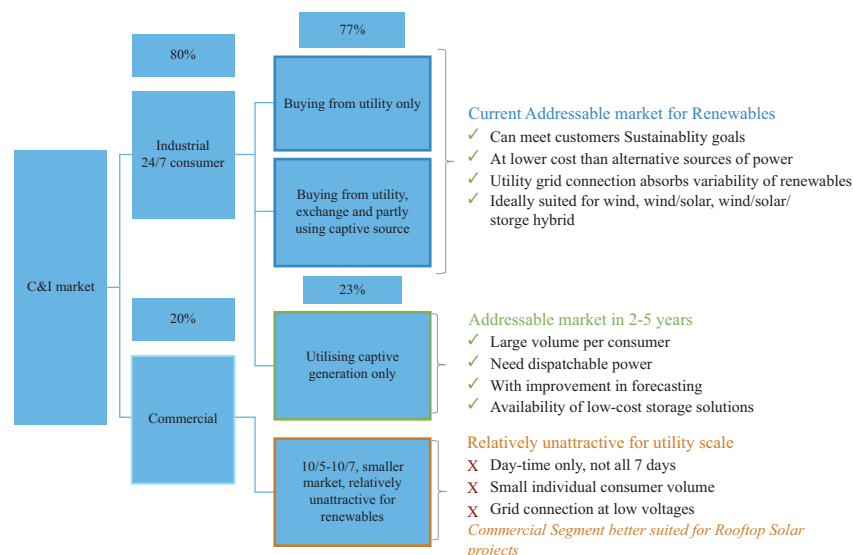


Business Strategy

Focus on Sale of Renewable Energy to C&I Consumers

Our current strategy of selling renewable energy under open access centers around selling to industrial consumers. Industrial consumers constitute approximately 80% of the electrical consumption in the C&I segment, which in turn constitutes approximately 50% of total electricity consumption in India. Industrial consumers usually consume electricity 24x7 unlike commercial consumers who consume electricity only during daytime on some, and not necessarily all, days of the week. Since wind and solar projects are designed to produce all days of the year, our target segment is industrial consumers. Those industrial consumers who buy part or all of their energy from the distribution utility have a grid connection to absorb the variability in the production of electricity by renewable sources and hence are a more suitable target market for us than those who produce all the energy they need captively without any connection to distribution utility grid. The latter category of consumers is usually larger and present an attractive market in the future when the costs of electricity storage solution have reduced, digital renewable energy becomes mainstream and the accuracy in forecasting the production of renewable energy has improved significantly.

We believe that the commercial consumer segment, unless they are 24x7 consumers of electricity, is more suitable for rooftop solar sources of energy.



We plan to focus on high yield C&I projects by expanding our wind projects, hybridizing existing wind projects and implementing WSH projects catering to C&I consumers.

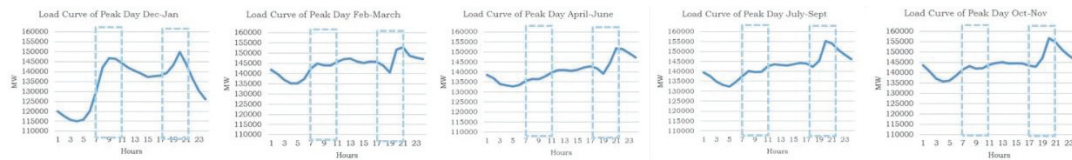
Attractiveness of wind energy in sales to C&I consumers

Discoms or inter-state grids are large capacity grids and can absorb large quantities of energy supply. However, a C&I consumer has a defined capacity of electrical connection to the utility grid (in turn a function of the size of its manufacturing facilities) which limits the amount of electricity that a consumer can purchase and consume at a given point. For example, if a consumer has a 10 MW connection to the utility grid, it can purchase only 10 MW of electricity at any time from among all sources of electricity – grid connection as well as open access sources of electricity.

Since we price our green energy PPAs at an agreed discount per kWh to the variable cost of purchase of black electricity from the grid, an open access consumer benefits the most by purchasing electricity on open access from a source that provides higher amount of energy per MW (i.e, plant load factor or PLF) of grid connection than other sources. Such higher amount of renewable energy per MW of open access also enables a consumer to achieve their ESG goals (replacement of fossil power by renewable power) faster. WSH energy projects produce significantly higher amount of electricity per MW of installed capacity than wind projects followed by solar projects. When the agreed discount per kWh is multiplied by the volume of energy supplied per MW, the consumer makes a higher absolute amount of annual savings in its electricity costs by purchasing the same MW of WSH energy on open access compared to purchasing the same MW amount of standalone wind or solar energy on open access.

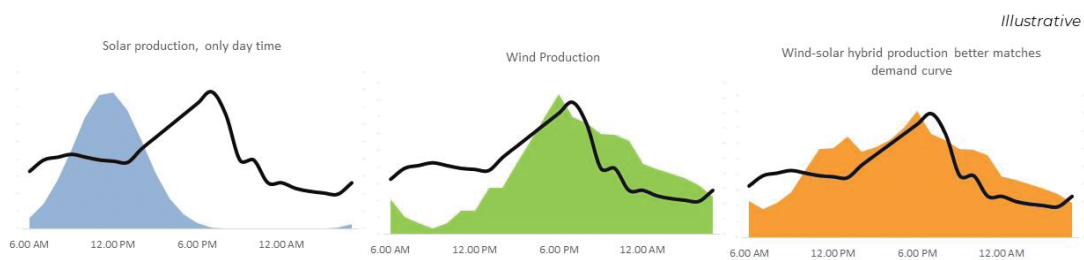
Further, several open access costs (such as transmission charges, for example) are payable on a per MW of open access basis. Since WSH projects provide more energy (kWh) per MW of open access than wind projects followed by solar projects, the per kWh cost of such open access costs is lower for purchase of WSH energy on open access than for wind energy followed by solar energy.

Unlike solar energy generation profile, wind energy generation profile matches more closely with the demand curve for electricity in Indian grid. In India, the peak demand for electricity occurs during morning hours (6 am to 10 am) and evening hours (6 pm to 10 pm) when solar projects produce nil to a small percentage of their overall output.

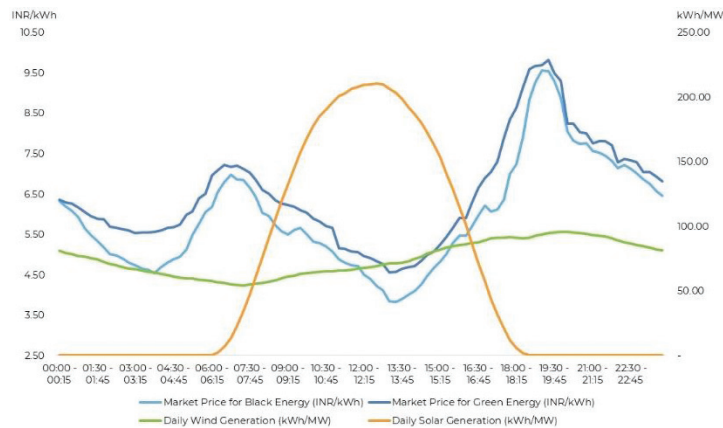


Source: CEA Report

Therefore, increasing solar energy generation in the grid is leading to downward pressure on electricity prices during the solar generation hours. Standalone solar provides lower value electricity to the grid compared to wind. WSH production better matches the demand curve.



Wind energy generation realizes higher value than solar energy generation. The chart below presents the solar and wind generation curve during an average day in FY 2023 versus the electricity price on Indian Electricity Exchange (for black power) and GDAM (for green power).



Source: IEX

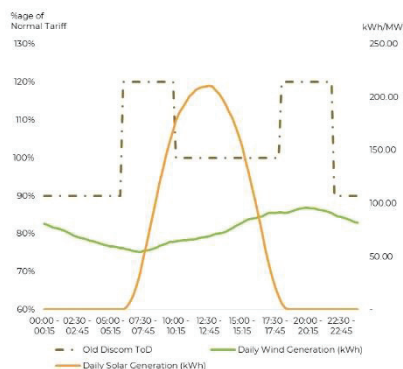
It can be seen from the above graph that the spike in exchange prices is during morning and evening hours when solar is absent. When solar generation is at its peak, the tariff in the exchange is the lowest. Solar alone is not a competition for wind assets in the C&I space, but the combination of wind and solar can help provide stable power supply and at the same time provide higher margin.

On June 14, 2023, Ministry of Power announced Amendment to the Electricity Rules, through which new Time of the Day (ToD) tariff regulations were introduced. As per the regulation:

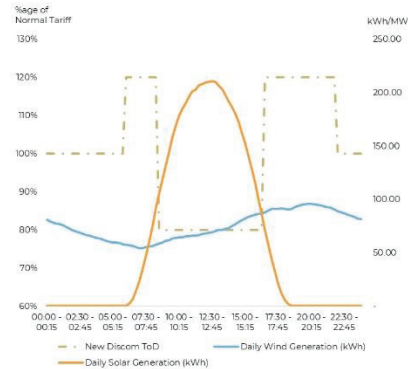
- During the peak demand hours of the day, the tariff charged shall be $\geq 1.20x$ of the normal hours tariff
- During the solar hours of the day, the tariff charged shall be $\leq 0.80x$ less than the normal hours tariff
- Number of solar hours in a day = 8 hours

Since wind projects produce significant portion of their energy during the morning and evening peak demand hours, the consumer is able to offset higher cost energy from discoms during these hours by buying from wind projects compared to solar projects.

*Wind and solar generation vis-à-vis
previous regulation*



*Wind and solar generation vis-à-vis
revised regulation*

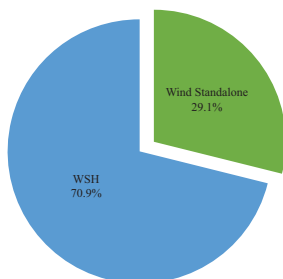


For our Dayapar project selling wind power in exchange (post receipt of permission (Standing Clearance) from WRLDC to sell power), we are realising a tariff of INR 4 – 7 per kWh.

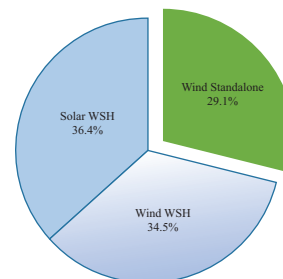
Attractiveness of sale to C&I continues with focus on wind-solar hybrid (WSH)

The benefits to a consumer are further increased if the supplier is a WSH project than a standalone wind or standalone solar project. This is because a WSH project produces higher energy (kWh) per MW of grid open access capacity or has a higher PLF than a standalone wind or standalone solar project. In addition, WSH projects have lower transmission cost which is charged on the higher of the wind or solar AC capacity and lower capital expenditure on account of sharing of common infrastructure.

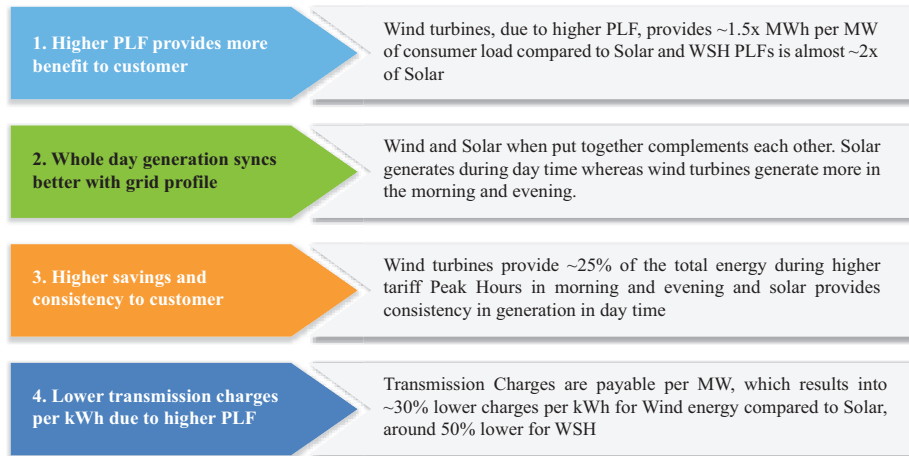
*WSH capacity representing 70.9% of the
proposed 2.3 GW portfolio*



*70.9% WSH capacity is almost equally split
between wind and solar (DC)*

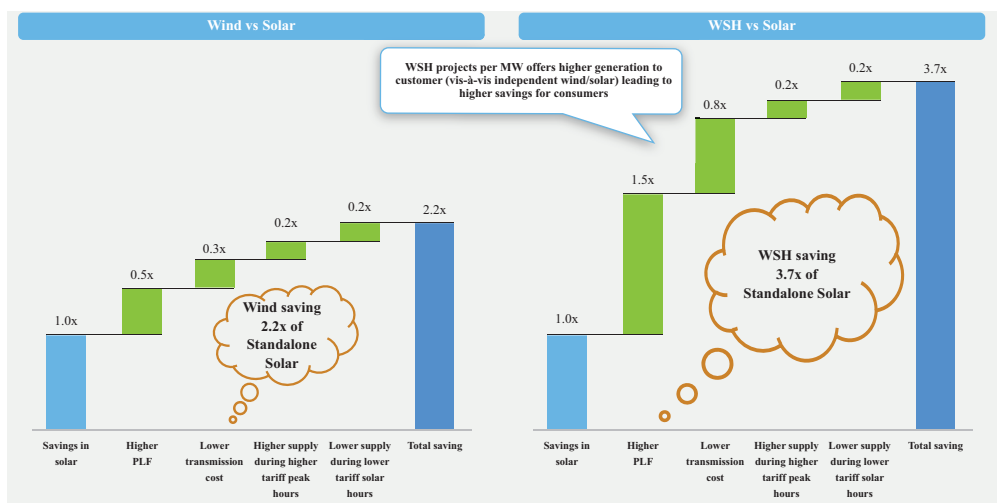


In our operations and shortly operational capacity of 2.3 GW, WSH project constitutes almost 71% of entire project capacity, which provides higher annual savings to industrial consumer compared to standalone solar, due to intrinsic characteristics:



The below chart illustrates a sample annual savings calculation for an industrial consumer.

Annual savings calculation for Industrial consumer (at same delivered energy tariff) with connection to Gujarat Grid



Note:

- (1) Time of Day tariff as per amendment to Electricity (Rights of Consumers) Rules, 2020 dated June 14, 2023.

As can be seen from the chart above, wind project provides 2.2 times more saving to a customer as compared to solar alone. This is largely on account of higher PLF or higher generation per MW of open access, generation available during peak hours and lower transmission cost per kWh. This saving increase to 3.7 times with WSH capacity which has even higher PLF, generation per MW of open access and lower transmission cost per kWh.

Ability to hybridize wind projects

Our wind projects are designed to be able to add solar and solar-storage hybrid capacity because we own all the wind turbines in our project and have exclusive dedicated interconnection facilities (such as pooling substation and EHV transmission lines), except in our 34.5 MW Surajbari assets and 126 MW Dayapar asset. For example, Periyapatti project capacity was increased from 148.0 MW wind to 226.8 MW WSH; similarly Rajkot 1, which is a 101.2 MW project, was expanded by adding 25.2 MW of wind capacity from Rajkot 2A and was further expanded with Rajkot 2B adding 28 MW of wind capacity and Rajkot 3 adding

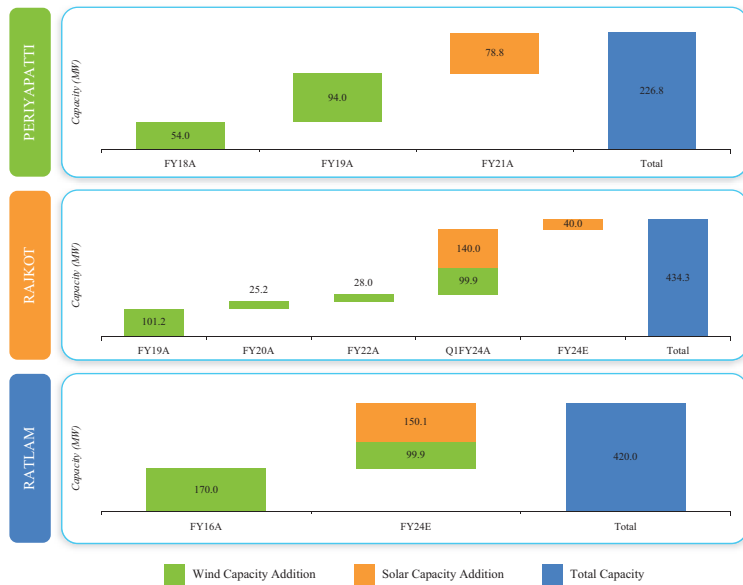
239.9 MW of WSH capacity. A further 40 MW solar capacity is expected to be added to the Rajkot 1, 2A and 2B wind projects and convert them to WSH projects from wind projects by Q3 FY 2024. We are already expanding our existing Ratlam 1 – 170 MW selling power to MPPMCL project by adding 250 MW Ratlam 2 WSH project selling power to C&I consumers via the same pooling sub-station (Brown field expansion), which is expected to be commissioned in Q3 FY 2024E.

Similarly, in our Bothe project, since we own all of the wind turbines along with dedicated interconnection infrastructure, we have the ability to add solar and solar-storage hybrid capacity, as discussed above, to enhance their attractiveness to the C&I consumers post expiry of MSEDCL PPA period which is expected to be between FY 2027 and FY 2028.

Further, our projects are connected to higher voltage grids (220kV or higher) except for a part of Surajbari (132 kV) and Bhavnagar (66 kV), which are generally higher capacity grids. The hybrid project helps increase the generation over the same connected load with significantly lower variability across a day or year, due to complementary pattern of generation of wind and solar. Additionally, sharing the common infrastructure in a hybrid project helps realize savings in capital expenditure as well as operational expenditure per kWh on evacuation infrastructure, internal roads, internal 33KV transmission feeders, operating costs and security costs. WSH projects do not require grid expansion as they produce power at different intervals and during complementary seasons.

Therefore, we plan to continue to add solar and solar-storage capacity to our existing wind projects over time and increase the value to our consumers as well as to ourselves.

We believe that our advantages of being able to convert our wind projects into WSH projects, in addition to other project specific competitive advantages, provide us competitive advantages in the C&I market. Over a period of time, we can increase the attractiveness of our wind-solar hybrid projects by adding electricity storage, once the same is economically viable.



Key MOATs for our projects

Our projects in Periyapatti and Rajkot operate at among the highest PLFs compared to other projects in the respective states engaged in open access sales. Our Bothe project has had history of higher generation compared to other projects in same area as our project.

All our projects are connected to the transmission grids at 220kV — 230kV network (Extra High Voltage or “EHV”) except for part of Surajbari (132 kV) and Bhavnagar (66 kV), ensuring lower transmission loss compared to most other projects which are connected to lower voltage levels.

Our projects enjoy some long-standing regulatory benefits under the state and central policies, for example:

- (1) In our Gujarat C&I projects, we enjoy a 50% waiver on cross subsidy surcharge and additional surcharge for 25 years (which amounts to a waiver of greater than INR 1/kWh at current levels of these charges), which is not available for wind or WSH projects commissioned after June 2023 (as may be extended) and solar projects commissioned after December 2020 for sale to third party. Further, though banking charge for new wind and wind solar hybrid projects is yet to be announced, banking charge for new solar projects commissioned after December 2020 has been set at INR 1.50/kWh (for daily banking between 6 am to 7 pm), against banking charge of 2% (for monthly banking facility) in kind on total generated units applicable for wind projects commissioned before March 2023 and nil charge for WSH projects commissioned before June 2023 or till any extension period for existing policy. Our capacity of 409 MW (operational till June 2023) in Gujarat, prior to expiry of the said policy benefits, shall be able to lock-in these significant benefits of more than INR 2.00/kWh on electricity generated for 25 years, which will increase if the policy is extended;
- (2) Our 148 MW wind power project at Periyapatti is entitled to annual (on fiscal year basis) energy banking arrangement with the discom, an arrangement not available to any wind projects commissioned after March 31, 2020. We can bundle the electricity supply from Periyapatti project with annual banking facility with the production from new projects being constructed in the state. Given that banking required by consumers is less than about 20% of total energy supply in a year, with banking available for 148 MW, we are in a position to create approximately 600 MW of additional wind by utilizing the advantage created by this banking arrangement in place (making 148 MW as 20% of approximately 750 MW of wind capacity). On top of this additional approximately 600 MW wind capacity, additional approximately 900 MW solar capacity can be added to offer WSH production to consumers. Of this additional capacity, the first 272.4 MW of WSH capacity is already under construction at our Dalavaipuram project, which is expected to be operational by Q3 FY2024E;
- (3) In Periyapatti, Dalavaipuram, Ratlam 2 and Kalvad 1 projects, as per the Electricity Rules 2005, cross subsidy surcharge and additional surcharge is not applicable to captive/group captive sales; and
- (4) Further, in Periyapatti project, we enjoy 40% concession on wheeling and transmission charges for our wind capacity and 30% concession in case of solar capacity (which amounts to a waiver of INR 0.25/kWh). These concessions on wheeling and transmission charges are planned to be reduced at the rate of 10% per year.

Some of these above policy benefits act as barrier to entry to new competition and gives us permanent advantage over our peers. Additionally, the lack of high wind speed sites, expensive land, higher equipment costs due to

commodity inflation, higher construction and right of way costs are likely to make newer projects less competitive.

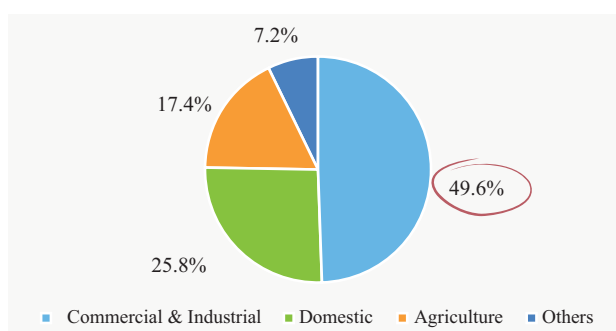
	TAMIL NADU: Periyapatti & Dalavaipuram	GUJARAT: Rajkot 1, 2A, 2B, 3, and Surajbari 2	MADHYA PRADESH: Ratlam 1 & 2 & MAHARASHTRA: Bothe (post FY 2027)
Competitive position & high exit barriers	• Periyapatti only wind-solar hybrid in the state • Strongest PLF amongst all renewable projects in the state • One of the few projects connected to 220 kV grid – lowest grid charges • GC consumers must hold minimum 26% equity in the entity and OA approval has been taken for the period of 20 years by the entity • No annual electricity banking facility available to wind projects commissioned after March 2020 (Available for Periyapatti wind project commissioned before March 2020)	• Sustained advantage of approximately 2.0/kWh due to policy certainty for projects commissioned by June 2023 ✓ 50% waiver of cross subsidy surcharge and additional surcharge – not available for new wind/solar projects commissioned after June 2023 ✓ Banking charge of only 2% – banking charge of INR 1.50/kWh for new solar projects, yet to be determined for new wind and hybrid projects • Strong PLF amongst all open access renewable projects • Only OA project connected to 220 kV grid – lowest grid charges • Ability to add solar hybrid and storage • OA approval for the consumer for 3 years – consumers are bound by the approval for the period to the generator	• Strong PLF amongst all renewable projects in the state • One of the few projects connected to dedicated 220 kV grid – ability to add solar/storage hybrid • High project design optimization ability due to existing high-capacity grid connection for Continuum's operating wind project connected to 220 kV grid
High entry barriers	• Other existing wind/solar projects unable to hybridise • Very expensive land and right of way to build new capacity • 148.0 MW wind has annual banking which can sustain ~750MW as consumers need ~20% annual banking • Projects post 2020 don't have banking available • Prior projects not connected to high voltage grids so have to pay an additional wheeling charge of INR 0.96 (FY2023) plus additional losses of up to 1.95%. So, consumers connected to high voltage grids gravitating to Continuum	• Policy benefits only accrue to solar projects commissioned by December 2020, wind projects and WSH projects which commission by June 2023 (or as may be extended) • Other existing projects unable to hybridise due to shared evacuation infra • Solar project commissioned after Dec 2020 do not enjoy 50% rebate on CSS/AS (~INR 1/kWh) and will also have to pay banking charge of INR 1.50 per kWh • Wind projects commissioned after June 2023 (or as may be extended) do not enjoy the 50% waiver and will have to pay banking charge (yet to be determined) • Hybrid projects commissioned after June 2023 (or as may be extended) do not enjoy the 50% waiver and will have to pay banking charge (yet to be determined)	• Remaining windy sites require larger turbines to achieve target PLF • Expensive land & right of way to build new capacity • Other existing wind/solar projects unable to hybridise as only Continuum farm owns dedicated evacuation infra

	TAMIL NADU: Periyapatti & Dalavaipuram	GUJARAT: Rajkot 1, 2A, 2B, 3, and Surajbari 2	MADHYA PRADESH: Ratlam 1 & 2 & MAHARASHTRA: Bothe (post FY 2027)
Policy outlook	100% CSS and AS waiver for GC projects as per Electricity Act – settled by recent Supreme Court Judgment - Intense Policy Advocacy as ~4,000 MW is Captive/GC model - CSS at 20% of Average cost of Supply (ACoS). Can increase only with increase in industrial tariff charged by discom	50% rebate in CSS & AS and low banking charge of 2% for 25 years for capacity commissioned by dates stated above (100% waiver on CSS and AS for Surajbari-II) - No other concession in wheeling / transmission charge - CSS at 20% of Average cost of Supply (ACoS). Can increase only with increase in industrial tariff charged by discom	100% CSS and AS waiver for GC projects as per Electricity Act - No other concessions/ incentives in state policies - CSS at 20% of Average cost of Supply (ACoS). Can increase only with increase in industrial tariff charged by discom

Sustainable and Increasing Commercial and Industrial (C&I) Tariff

C&I consumers accounts for the largest share of the total electricity consumption in India, with only less than 10% penetration by open access. As per 20th Electric Power Survey of India, the commercial and industrial energy consumption is expected to experience highest growth at a CAGR of 6.28% and 7.57% from FY 2022 to FY 2032 respectively.

India Electricity Consumption Pattern FY 2022 (% of total)



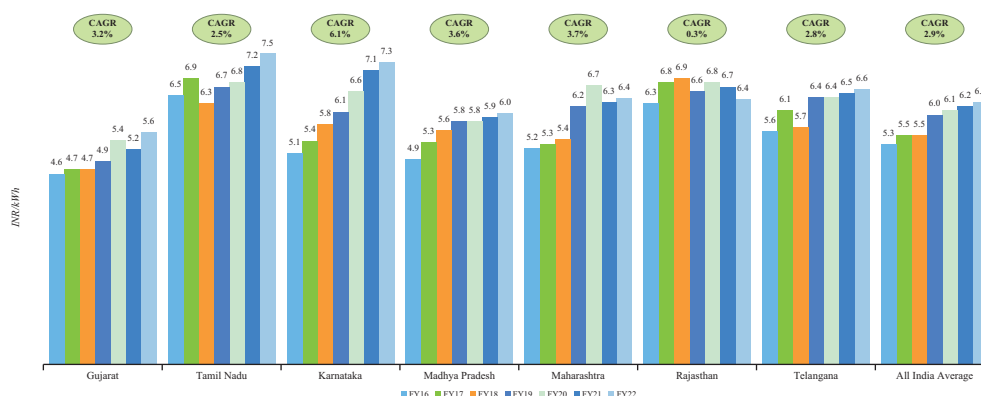
Source: All India Energy Statistics Report, Ministry of Power, June 2023

Discom tariffs are expected to increase going forward providing sustained opportunity to service C&I consumers with renewable energy at lower than grid prices, on account of following reasons:

- rising average power purchasing cost of utilities due to increasing cost of environmental compliance for thermal projects and cost of coal;
- higher transmission and distribution costs to provide 24x7 “Power to All”;
- higher per unit transmission and distribution cost on account of thrust for renewables which have lower plant load factors than base load thermal projects;
- higher fixed cost of backed-down thermal power due to increasing renewable penetration;

- grid balancing and storage costs due to increasing share of renewable energy;
- utilities continuing to make losses at current tariffs; and
- agriculture and residences continue to be cross-subsidized by higher commercial and industrial tariffs.

Over FY 2016 to FY 2022, we have seen average increase in cost of supply of electricity at a CAGR of approximately 3.0% at an All-India level with majority of industrial states accounting for rate higher than the All-India average.



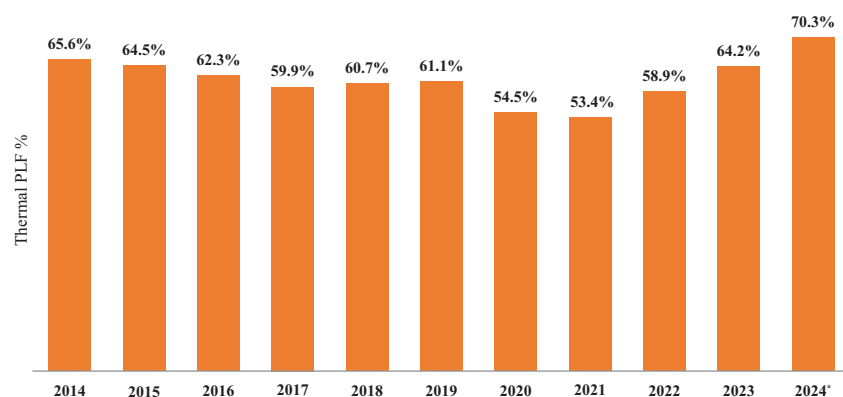
Note: Input energy based ACOS

Source: Power Finance Corporation's Reports on Performance of Power utilities

Coal is the largest source of electricity in India. Coal-fired plants generate 72.7% of India's electricity. The increased demand of coal due to emphasis on energy security following recent geopolitical tensions between Russia and Ukraine has caused an increase in coal demand and international coal prices in the medium term. Additionally, new environmental compliance obligations on coal-based power plants are estimated to lead to an increase in fixed and variable cost of thermal power at INR 0.25-0.35/kWh. Coal costs are expected to rise due to increased environmental compliance costs in mining.

The Ministry of Power had taken up a joint initiative during 2014 to 2017 with all states for providing 24x7 power supply to all households, C&I consumers and adequate supply of power to agricultural consumers as per state policy. This initiative was aimed at ensuring uninterrupted supply of quality power to existing consumers and providing access to electricity to all unconnected consumers by 2019 in a phased manner. With this increased access we have brought a large number of low volume, lower voltage, lower paying residential users into the grid, thereby increasing the requirement of cross subsidization of tariffs.

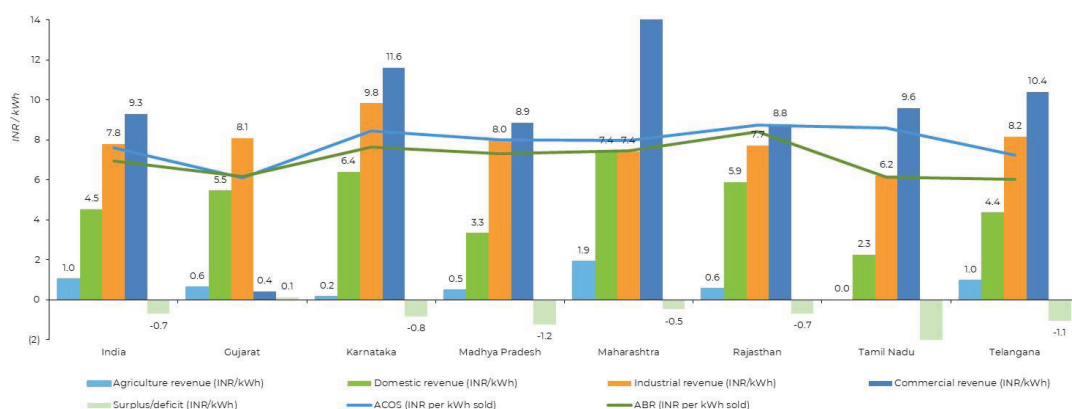
Additionally, grid would also require incurrence of grid balancing or storage cost due to intermittency of wind and solar. In addition, with higher penetration of must-run renewable we are seeing reducing utilization factor of the existing thermal power plants. This will lead to higher effective cost/kWh of thermal plants amortizing the fixed capacity charges payable by the discom to the generators over lower PLFs.



* Upto May 2023 (Provisional), Source: CEA

The disparity of low or nil tariffs charged to agricultural and residences also results in the inflation in cost of supply of electricity being disproportionately passed on to the C&I consumers. Despite the current levels of cross-subsidisation, most discoms in India currently do not cover their costs of supply.

Following charts presents the tariffs and revenue surplus/deficit of discom in FY 2021.



Notes:

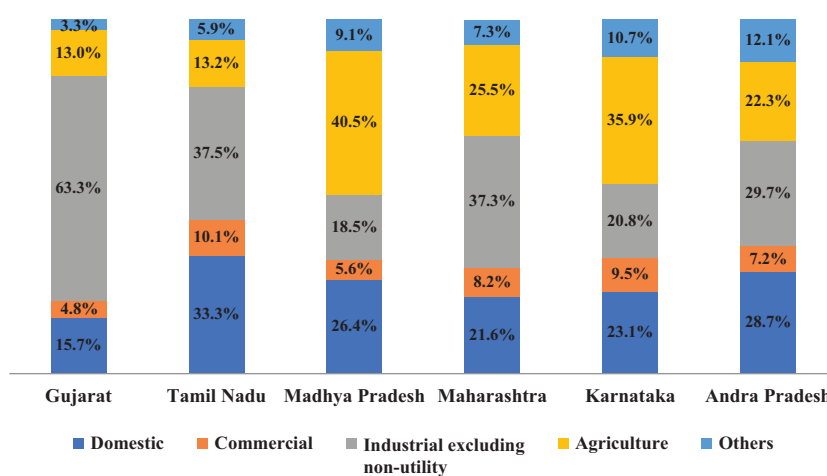
- (1) AOCS (INR/kWh): Average Cost of Supply per kWh sold.
- (2) ABR (INR/kWh): Average Billing Rate.
- (3) Source: Power Finance Corporation's Reports on Performance of Power utilities FY2020-21.

The GoI has launched Discoms Reform 3.0 program, with the objective to resolve revenue deficit problem being faced by discoms instead of one-time balance sheet management. Guidelines for Revamped Distribution Sector Scheme ("RDSS") released in December 2021 clearly identify that discoms need to focus on improving their operational efficiencies and financial sustainability and improve consumer services, to be able to meet the desired consumer service standards.

The discoms now need to be financially viable since the GoI has removed the ability of banks and financial institutions (including private and public institutions) to provide credit support to discoms which do not undertake reforms and return to financial viability.

The factors cited above and the imperative to be financially viable will necessitate that the discoms rationalize their tariffs to meet costs. It is politically unpalatable to increase agricultural tariff (very low or nil) and residential tariffs and political parties regularly promise lower tariffs/free electricity. For example, in 2022 and 2023, residential consumers consuming less than 300 kWh/month were assured free electricity in states of Punjab, Delhi and Karnataka. As a result, tariffs charged C&I consumers are increased to offset the increase in costs of supply. Agricultural and residential consumers account for approximately 28% to 67% of consumption of electricity supplied by utilities:

**Electrical Energy Sales to Ultimate Consumers
Categorywise/Statewise Utilities
2021-2022**



Tariffs charged by utilities to industries have risen at a CAGR of approximately 3% on all India average basis from FY 2016 to FY 2021. The chart below sets out historical trend of increase in industrial tariff in various states.



Source: Power Finance Corporation's Reports on Performance of Power utilities FY2020-21.

We believe that the tariffs for industrial consumers will increase at a faster pace than historical trends. In 2022, 23 out of 28 states signed up under the Discom Reforms 3.0 program and tariff increases undertaken by certain states in recent periods are as outlined below:

- March 2022: Telangana discom has announced 9-33% increase in tariff for industrial consumers.
- April 2022: Andhra Pradesh discom has announced 11-30% increase in tariff for industrial consumers.
- July 2022: Kerala discom has announced 6-10% increase in tariff for industrial consumers.
- September 2022: Tamil Nadu regulatory commission has made a one-time increase of 6% and further set increase in tariffs for industrial consumers at lower of 6% p.a. or consumer price inflation (CPI) index for the next 5 years.
- January 2023: Gujarat FAC charges increased from INR 2.60 per kWh to INR 2.85 per kWh.
- April 2023: Maharashtra regulator approved 18% hike in C&I tariff for FY 2024.
- June 2023: MP power management company decided to effect a 6.16% hike in tariff from June 24.
- July 2023: Tamil Nadu approved 2.18% tariff escalation for 2023-24 for both energy charges and fixed charges.

We continue to scale up our C&I portfolio by adding additional consumers and through the increase in consumption by our existing customers. By taking a higher share of consumption of existing customers and with multiple PPA and tariff options for example, our repeat customers account for greater than 50%.

THE OFFERING

The summary below describes the principal terms of the Notes. Some of the terms and conditions described below are subject to important limitations and exceptions. See “Description of the Notes” for a more detailed description of the terms and conditions of the Notes. Terms used and otherwise not defined in the summary below shall have the meanings given to them in “Description of the Notes.”

Issuer	Continuum Energy Aura Pte. Ltd.
Notes Offered	U.S.\$435,000,000 9.50% Senior Secured Notes due 2027.
Maturity Date	February 24, 2027
Interest	9.50% per annum, payable semi-annually in arrears on each February 24 and August 24, commencing on February 24, 2024.
Restricted Subsidiaries	As of the Original Issue Date, all of the Subsidiaries of the Company, including the Issuer, are Restricted Subsidiaries.
Restricted Group	The Restricted Group means the Parent Guarantor and the Restricted Subsidiaries.
Ranking	The Notes will be: • unsubordinated obligations of the Issuer; • senior in right of payment to any obligations of the Issuer expressly subordinated in right of payment to the Notes; • at least <i>pari passu</i> in right of payment with all unsubordinated Indebtedness of the Issuer (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law); • effectively junior to any secured Indebtedness of the Issuer, to the extent of the value of assets securing such Indebtedness (other than the Collateral, to the extent applicable); and • secured by first-priority liens on the Collateral (subject to Permitted Liens).
Collateral	Within 10 days of the Original Issue Date, the Notes will be secured by the following Collateral: (1) a first-priority fixed share charge (the “Share Charge”) granted by the Parent Guarantor in favour of the Common Collateral Agent over the Capital Stock of the Issuer;

- (2) a first priority fixed security (the “**Fixed Security**”) over the Issuer’s assets including but not limited to its contractual rights, proceeds, accounts, property, equipment, investments, intellectual property, goodwill and uncalled capital; and
- (3) a first-priority floating charge (the “**Floating Charge**”) over all assets and undertaking of the Issuer (other than, in the case of each of the Fixed Security and the Floating Charge, (a) any Onshore Debt, (b) any proceeds of, income from, and sums arising from any Onshore Debt which is held or caused to be held on behalf of the Issuer in India and (c) to the extent restricted by applicable Indian regulations, the Issuer’s rights, title and interest under the documents executed by the Issuer in relation to any Onshore Debt).

See “*Description of the Notes — Security.*”

Intercreditor Agreement

On or prior to the first Incurrence of any Permitted Pari Passu Secured Indebtedness, the Trustee and the Common Collateral Agent will enter into an Intercreditor Agreement, without requiring any instruction or consent from or notice to the Holders, with the Parent Guarantor, the Issuer, the Common Collateral Agent and the holders of such Permitted Pari Passu Secured Indebtedness (or their representative). The Intercreditor Agreement will provide for, among other things, that (1) that the parties thereto shall share equal priority and *pro rata* entitlement in and to the Collateral, but in the event of an early termination of the relevant hedging agreement arising from any event (other than an event of default in respect of the applicable counterparty(ies)) in relation to Hedging Obligations permitted to be Incurred by the Issuer under clause (2)(e) of the definition of Permitted Indebtedness, amounts recovered in respect of the Collateral are required to be turned over to the Common Collateral Agent and, subject to the payment of certain fees and expenses, paid by the Common Collateral Agent to the counterparties to such Hedging Obligations in priority to the Holders and to holders or lenders of other Permitted Pari Passu Secured Indebtedness; (2) the conditions that are applicable to the release of or granting of any Lien on such Collateral; and (3) the conditions under which the parties thereto will enforce their rights with respect to such Collateral and the Indebtedness secured thereby.

Use of Proceeds

The Issuer intends to use the net proceeds from the sale of the Notes in the manner specified under “*Use of Proceeds*” in this Offering Memorandum.

Optional Redemption for Taxation Reasons

In the event of certain developments affecting taxation, the Issuer may redeem the Notes in whole, but not in part, at any time upon giving prior notice, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional

amounts, if any, to (but excluding) the date of redemption. See “*Description of the Notes — Redemption for Taxation Reasons.*”

Additional Amounts

All payments of principal of, and premium (if any) and interest on the Notes or under any Guarantee will be made by or on behalf of the Issuer or any Guarantor without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within a Relevant Taxing Jurisdiction (as defined in “*Description of the Notes—Additional Amounts*”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Issuer, the Guarantors or a Surviving Person, as the case may be, will pay such Additional Amounts as will result in receipt by the Holder of each Note of such amounts as would have been received by such Holder had no such withholding or deduction been required, except in certain circumstances. See “*Description of the Notes — Additional Amounts*”.

Original Issue Discount

The Notes may be issued with original issue discount for U.S. federal income tax purposes (“**OID**”). The Notes will be considered to be issued with OID if the stated principal amount of the Notes exceeds the issue price of the Notes (as determined for U.S. federal income tax purposes) by an amount equal to or more than a statutorily defined *de minimis* amount. In such event, investors in the Notes subject to U.S. federal income taxation generally will be required to include OID in their gross income for U.S. federal income tax purposes as it accrues, in advance of the receipt of cash payments attributable to such income, using the constant yield method. See “*Taxation — Certain U.S. Federal Income Tax Consequences.*”

Repurchase of Notes Upon a Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event (as defined herein), the Issuer will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to, but not including, the repurchase date. See “*Description of the Notes — Repurchase at the Option of Holders — Change of Control Triggering Event.*”

Optional Redemption

Prior to February 24, 2025, upon not less than 10 nor more than 60 days’ prior notice to the Holders, the Trustee and the Paying Agent, the Issuer may, on any one or more occasions, redeem (on a *pro rata* basis) up to 40% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 109.50%, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date, with the net cash proceeds of one or more sales of the Capital Stock of the Parent Guarantor in an Equity Offering; provided that (1) at least 60% of the aggregate principal amount of Notes issued on the Original Issue Date (excluding Notes held by

the Parent Guarantor or its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and (2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

Prior to February 24, 2025, upon not less than 10 nor more than 60 days' prior notice to the Holders, the Issuer may, on any one or more occasions, redeem all or redeem (on a *pro rata* basis) any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date.

On or after February 24, 2025, upon not less than 10 nor more than 60 days' prior notice to the Holders, the Issuer may redeem all or redeem (on a *pro rata* basis) any portion of the Notes at the redemption prices set forth under "*Description of the Notes — Optional Redemptions*".

See "*Description of the Notes — Optional Redemptions*."

Certain Covenants

The Indenture will contain certain covenants that, among other things limit the ability of the Parent Guarantor and its Restricted Subsidiaries to:

- declare dividends, make investments and other specified restricted payments;
- incur or guarantee additional indebtedness;
- issue guarantees;
- enter into transactions with shareholders and affiliates;
- effect sales and issuances of capital stock in Restricted Subsidiaries, and effect mergers, consolidations and sales of assets;
- create liens; and
- change the Group's business activities.

These covenants are subject to a number of important limitations and exceptions. See "*Description of the Notes — Certain Covenants*".

In addition, the Parent Guarantor is required to maintain a cash flow coverage ratio of not less than 1.1:1.0.

Transfer Restrictions

We have not registered the Notes under the Securities Act or any state or other securities laws. The Notes are subject to restrictions on

	transfer and may only be offered or sold in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See “ <i>Transfer Restrictions</i> .”
Form, Denomination and Registration	The Notes will be issued only in fully registered form, without coupons, in minimum denominations of U.S.\$200,000 of principal amount and integral multiples of U.S.\$1,000 in excess thereof and will be initially represented by one or more global notes registered in the name of a nominee of The Depository Trust Company.
Book-Entry Only	The Notes will be issued in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear and Clearstream, Luxembourg. For a description of certain factors relating to clearance and settlement, see “ <i>Description of the Notes — Book-Entry, Delivery and Form</i> .”
Delivery of the Notes	The Issuer expects to make delivery of the Notes on or about August 24, 2023. See “ <i>Plan of Distribution</i> .”
Trustee and Common Collateral Agent	DB Trustees (Hong Kong) Limited
Paying Agent, Transfer Agent and Registrar	Deutsche Bank Trust Company Americas
Listing	Application will be made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing of and quotation for the Notes on the Official List of the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.
Rating	The Notes are expected, on the Closing Date, to be rated “B+” by S&P and “B+” by Fitch. These ratings could be lowered or withdrawn either before or after delivery of the Notes.
No Registration Rights	We are not required to and do not intend to register the Notes for resale under the Securities Act or the securities laws of any other jurisdiction or to offer to exchange the Notes for Notes registered under the Securities Act or the securities laws of any other jurisdiction.
Governing Law	The Notes and the Indenture will be governed by and construed in accordance with the laws of the State of New York. The agreements pledging the Collateral will be governed by Singapore law.
Risk Factors	You should carefully consider the information under the caption “ <i>Risk Factors</i> ” and the other information included in this Offering Memorandum before deciding whether to invest in the Notes.

CUSIP

Rule 144A Global Note: 21218J AB8

Regulation S Global Note: Y1758J AD5

ISIN

Rule 144A Global Note: US21218JAB89

Regulation S Global Note: USY1758JAD55

Common Code

Rule 144 A Global Note: 267047081

Regulation S Global Note: 267047090

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS AND OTHER DATA

The tables below set forth the summary consolidated financial data of the Group as of March 31, 2021, 2022 and 2023 derived or calculated from the Consolidated Financial Statements for the years ended March 31, 2021, 2022 and 2023 included elsewhere in this Offering Memorandum. For more details, see “Presentation of Financial and Other Data — Financial Statements.” The following tables should be read in conjunction with, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and the Consolidated Financial Statements included elsewhere in this Offering Memorandum.

The Consolidated Financial Statements have been prepared in accordance with accounting standards issued by The Institute of Chartered Accountants of India and Indian GAAP.

Unless the context requires otherwise, financial information as of and for the years ended March 31, 2021, 2022 and 2023 is derived from the Consolidated Financial statements.

Consolidated Summary Statement of Profit and Loss

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions)			(U.S.\$ in millions) ⁽¹⁾
Revenue from operations	7,909	9,743	10,554	128.4
Other income	348	466	1,511	18.4
Total income	8,257	10,209	12,065	146.7
Operating and maintenance expenses	1,442	1,755	2,274	27.7
Employee benefits expense	355	371	472	5.7
Other expenses	584	582	797	9.7
Depreciation expense	1,897	2,067	2,542	30.9
Finance costs	6,764	5,926	9,410	114.5
Total expenses	11,042	10,701	15,495	188.5
Loss before tax and exceptional items	(2,785)	(492)	(3,430)	(41.7)
Exceptional items	—	—	(427)	(5.2)
Loss before tax	(2,785)	(492)	(3,857)	(46.9)
Current tax	—	200	292	3.6
Deferred tax expenses/(credit)	(208)	469	1,318	16.0
Total tax expenses/(credit)	(208)	669	1,610	19.6
Loss after tax	(2,577)	(1,161)	(5,467)	(66.5)
Share of loss attributable to minority interest	(30)	(40)	(64)	(0.8)
Loss for the year	(2,547)	(1,121)	(5,403)	(65.7)

Note:

- (1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of Rs. 82.2169 per U.S.\$1.00, being the closing exchange rate published by the FBIL as of March 31, 2023.

Reconciliation of loss for the year to EBITDA

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions)			(U.S.\$ in millions) ⁽¹⁾
Loss for the year	(2,547)	(1,121)	(5,403)	(65.7)
Add: Share of loss attributable to minority interest	(30)	(40)	(64)	(0.8)
Add: Total tax expenses / (credit)	(208)	669	1,610	19.6
Add: Finance costs	6,764	5,926	9,410	114.5
Add: Exceptional items	—	—	427	5.2
Add: Depreciation expense	1,897	2,067	2,542	30.9
EBITDA	5,876	7,501	8,522	103.7

Note:

- (1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of Rs. 82.2169 per U.S.\$1.00, being the closing exchange rate published by the FBIL as of March 31, 2023.

Consolidated Summary Balance Sheet

	As of March 31,		
	2022	2023	2023
	(INR in millions)		(U.S.\$ in millions) ⁽¹⁾
Equity and Liabilities			
Shareholders' funds			
Share capital	11,128	11,128	135.3
Reserves and surplus	(7,471)	(14,354)	(174.6)
	3,657	(3,226)	(39.2)
Minority interest	21	118	1.4
Compulsory convertible debentures (CCDs)	—	1,263	15.4
Non-current liabilities			
Long term borrowings	64,039	115,963	1,410.5
Deferred tax liabilities (net)	773	2,123	25.8
Other long term liabilities	5,811	4,335	52.7
Long-term provisions	29	29	0.4
	70,652	122,450	1,489.4
Current liabilities			
Short-term borrowings	5,563	4,161	50.6
Trade payables	412	351	4.3
Other current liabilities	4,200	6,253	76.1
Short-term provisions	575	463	5.6
	10,750	11,228	136.6
TOTAL	85,080	131,833	1,603.5

	As of March 31,		
	2022	2023	2023
	(INR in millions)		(U.S.\$ in millions) ⁽¹⁾
Assets			
Non-current assets			
Property, plant and equipment	45,162	63,082	767.3
Goodwill	391	391	4.8
Capital work-in-progress	16,346	20,179	245.4
Long-term loans and advances	1,325	2,627	32.0
Other non-current assets	7,236	13,273	161.4
	70,460	99,552	1,210.8
Current assets			
Trade receivables	4,513	1,438	17.5
Cash and cash equivalents (CCE)	— ⁽²⁾	15,243	185.4
Bank balances other than CCE above	— ⁽²⁾	12,646	153.8
Cash and bank balances	8,518 ⁽²⁾	— ⁽²⁾	— ⁽²⁾
Short-term loans and advances	466	710	8.6
Other current assets	1,123	2,244	27.3
	14,620	32,281	392.6
TOTAL	85,080	131,833	1,603.5

Notes:

(1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of Rs. 82.2169 per U.S.\$1.00, being the closing exchange rate published by the FBIL as of March 31, 2023.

(2) Under Indian GAAP, the Group made certain regrouping of balance sheet items of FY 2022 in financial statements of FY 2023.

Consolidated Summary Cash Flow Statement

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions)			(U.S.\$ in millions) ⁽¹⁾
Net cash flows from operating activities	3,918	5,423	8,966	109.1
Net cash (used in) investing activities	(3,392)	(17,496)	(35,632)	(433.4)
Net cash flow from financing activities	2,410	10,573	36,625	445.5
Foreign exchange translation reserve	438	42	—	—
Adjustment on account of purchase of intercompany investment	(61)	—	—	—
Effects of exchange difference on restatement of foreign currency cash and cash equivalents	—	—	3	0
Cash and cash equivalents at the beginning of the year	3,426	6,739	5,281	64.2
Cash and cash equivalents at the end of the year	6,739	5,281	15,243	185.4

Note:

- (1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of Rs. 82.2169 per U.S.\$1.00, being the closing exchange rate published by the FBIL as of March 31, 2023.

Other Financial Data

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions)			(U.S.\$ in millions ⁽¹⁾)
Total income (A)	8,257	10,209	12,065	146.7
Less: Transmission, open access and other operating charges (B)	711	920	1,195	14.5
Net revenue ⁽²⁾ (C=A-B)	7,546	9,289	10,870	132.2
EBITDA (D)	5,876	7,501	8,522	103.7
EBITDA margin (D/A) (%)	71%	73%	71%	—
EBITDA as a percentage of net revenue(D/C) (%)	78%	81%	78%	—
Capital expenditure ⁽³⁾	5,850	17,919	24,313	295.7

Notes:

- (1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of Rs. 82.2169 per U.S.\$1.00, being the closing exchange rate published by the FBIL as of March 31, 2023.
- (2) Net revenue equals total income minus transmission, open access and other operating charges.
- (3) Capital expenditure represents additions in property, plant and equipment plus closing capital work-in-progress less opening capital work-in-progress as follows:

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions)			(U.S.\$ in millions ⁽¹⁾)
Addition to Property, plant and equipment (A)	6,396	3,912	20,407	248.2
Add: Closing Capital work-in-progress (B)	2,339	16,346	20,179	245.4
Less: Opening Capital work-in-progress (C)	2,885	2,339	16,273	197.9
Capital expenditure (A+B-C)	5,850	17,919	24,313	295.7

Reconciliation of Borrowings to Adjusted Borrowings

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions)			(U.S.\$ in millions ⁽¹⁾)
Long term borrowings (including current maturities of long-term borrowings) less long-term loan from related parties ⁽²⁾ (A)	49,540	65,648	118,397	1,440.1
Short term borrowings less current maturities of long-term borrowings ⁽³⁾ (B)	—	2,286	247	3.0
Interest accrued but not due ⁽⁴⁾ (C)	1,505	659	1,106	13.4
Adjusted borrowings (A+B+C)	51,045	68,593	119,750	1,456.5

Notes:

- (1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of Rs. 82.2169 per U.S.\$1.00, being the closing exchange rate published by the FBIL as of March 31, 2023.
- (2) Long-term borrowings comprises of long-term borrowings from banks, financial institutions, Non-Convertible Debentures (NCD) and Senior Notes including current maturities of long term borrowings and excludes long term borrowings from related parties as follows:

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions)			(U.S.\$ in millions ⁽¹⁾)
Long-term borrowings (A)	46,270	64,039	115,963	1,410.4
Add: Current maturities of long-term borrowings (B)	4,896	3,277	3,914	47.6
Less: long-term borrowings from related parties (C)	1,626	1,668	1,480	18.1
Long term borrowings (including current maturities of long-term borrowings) less long-term loan from related parties (A+B-C) . .	<u>49,540</u>	<u>65,648</u>	<u>118,397</u>	<u>1,440.1</u>

- (3) Short term borrowings less current maturities of long-term borrowings are as follows:

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions)			(U.S.\$ in millions ⁽¹⁾)
Short-term borrowings (A)	4,896	5,563	4,161	50.6
Less: Current maturities of long-term borrowings (B)	4,896	3,277	3,914	47.6
Short term borrowings excluding current maturities of long-term borrowings (A-B)	<u>—</u>	<u>2,286</u>	<u>247</u>	<u>3.0</u>

- (4) Interest accrued but not due includes interest accrued but not due on borrowings and liability towards premium on redemption of NCDs issued to external parties, interest accrued but not due on NCDs issued to external parties and interest accrued but not due on working capital.

	Fiscal year ended March 31,			
	2021	2022	2023	2023
				(U.S.\$ in millions ⁽¹⁾)
	(INR in millions)			
Interest accrued and not due on borrowings (A)	280	297	1,104	13.4
Interest accrued but not due on NCDs issued to external parties (B)	29	2	—	—
Liability towards premium on redemption of NCDs issued to external parties (C)	1,196	343	—	—
Interest accrued but not due on working capital (D)	—	17	2	0.0
Interest accrued but not due (A+B+C+D)	<u>1,505</u>	<u>659</u>	<u>1,106</u>	<u>13.4</u>

Certain Operating Data

The total capacity of the operational projects of the Group is 1,299.8 MW as of June 30, 2023. The tables below set forth the total gross generation and total PLF of the Group for the years indicated.

	Fiscal year ended March 31,		
	2021	2022	2023
Operational Capacity (MW)	757.4	855.4	1,159.3 ⁽¹⁾
Gross Generation (GWh) at PSS	1,407	1,746	1,911
PLF (%) ⁽²⁾	23.5%	24.2%	22.2%

Notes:

- (1) Out of the 1,159.3 MW operational capacity in FY 2023, 785.4 MW was operational for the entire year; 125.8 MW was operational for only part of the wind season (April to September) and rest of the year; and 248.1 MW was operational only after the wind season ended in September 2022.
- (2) PLF for FY 2023 has been adjusted for force majeure in Dayapar Project. 220 kV Line Tower of Common Infrastructure built by Inox collapsed due to flooding on account of heavy rains in the region on July 12, 2022. The EHV line was restored only in December 2022 and we commenced selling power to SECI after restoration.

Turbine availability

The annual turbine availability for FY 2023 at the wind farms is 96.3%.

RISK FACTORS

An investment in the Notes involves a high degree of risk. You should carefully consider all the information in this Offering Memorandum, including the risks and uncertainties described below, in deciding whether to invest in the Notes. If any or some combination of the following risks actually occur, then our business, prospects, financial condition, results of operations and cashflows could suffer, the trading price of the Notes could decline, we may not be able to meet our obligations under the Notes and you may lose all or part of your investment.

The risks and uncertainties described in this section are those that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those that we are not aware of or currently consider immaterial which may become material in the future, may also result in decreased income, increased expenses or other events that could result in a decline in the value of the Notes.

Prospective investors should pay particular attention to the fact that some (or majority) companies in our Group are incorporated under the laws of India and are subject to a legal and regulatory environment which differs in certain respects from that of other countries. This Offering Memorandum also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Offering Memorandum. For further details, see “Forward-Looking Statements”.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of this offering, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of investing in the Notes.

Risks Relating to our Business

If conditions of our wind and solar energy projects are unfavorable or below estimates, our electricity production, and therefore our revenues, may be substantially below our expectations and we may, in some cases, face penalties payable to our customers for short supply of electricity. Additionally, seasonality causes fluctuations in our business, cash flows, financial condition and results of operations.

The revenues generated by our wind and solar energy projects are proportional to the amount of electricity generated, which in turn is dependent upon available environmental conditions, operating efficiencies, machine availabilities and the quality of grid connectivity.

Wind energy is highly dependent on environmental conditions and, in particular, on wind conditions. The profitability of a wind energy project depends not only on observed wind conditions at the project site, which are inherently variable, but also on the consistency of the wind conditions with assumptions made during the project development phase. Wind conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. In India, wind conditions are generally tied to the monsoon season, which results from shifts in winds and ocean temperatures, and are impacted by the strength of each monsoon season. During the period from March to September, which is the monsoon season in most parts of India, we generate approximately 60% of our annual production. If the wind conditions are sub-optimal during this monsoon period, the total production during the year could be lower than our average estimates. In addition, meteorological studies may not accurately predict actual wind conditions due to various factors, including variations in weather patterns that may result from climate change or otherwise. Consequently,

the actual electricity generated by our wind projects may not meet our anticipated production levels or the rated capacity of the turbines located at the wind farms, which could adversely affect our business, cash flows, financial condition and results of operations. Wind resources at our operating wind energy projects, while within the range of our long-term estimates, could also vary from expected averages. If the wind resources at a project are below the average level, we expect our operating revenues for that project to decline, which could adversely impact the rate of return for the project.

For example, in fiscal year 2021, for the period between April to September, the Bothe project recorded lowest wind speed of 6.06 m/s in the last five years. Though wind speed increased to 6.30 m/s for the period between April to September for fiscal year 2022, it was again lowered to 6.21 m/s for the period between April to September for fiscal year 2023. Similarly, Ratlam 1 project recorded lowest wind speed of 6.26 m/s between April to September in fiscal year 2021 in the last five years, and subsequently increased to 6.49 m/s and 6.47 m/s for the period between April to September for fiscal year 2022 and 2023, respectively.

In addition, unfavorable weather and atmospheric conditions could impair the effectiveness of our solar energy projects or reduce their output to levels below their rated capacity. Furthermore, components of our systems, such as solar panels and inverters, could be damaged by severe weather conditions, such as hailstorms, tornadoes, lightning strikes or high levels of pollution, dust and humidity. The operational performance of a particular solar energy project also depends on the contour of the land on which the project is situated. In case of a highly variable contour, the output of the solar farm situated on such surface may be sub-optimal. Our solar power projects are also affected by cloud cover during the monsoon season, which generally lasts from May through September.

Additionally, energy output performance of our solar plants is dependent in part on the amount of sunlight. As a result, our revenue is impacted by cast of shadow or shorter daylight hours in winters. PLF is expected to be the lowest in the third quarter and highest in the first quarter of any given fiscal year, which for us ends on March 31.

In addition, our ability to generate electricity depends on operational efficiencies, including in relation to the quality of preventive, unscheduled and predictive maintenance of the windfarms; the quality of personnel deployed for operations and maintenance activities; quantities of spare parts maintained at project sites; lead time in procuring spare parts/equipment need for replacement; the quality of performance of our O&M contractor(s); wind speeds (lower wind speeds result in lower efficiency of wind turbines); solar irradiance (lower solar irradiance results in lower efficiency of solar modules); disturbances caused in the local community leading to restriction to access the project site; and weather effects on maintenance/availability of movement of heavy material and equipment. For instance, we may not be able to transport a crane to a wind turbine location for any repairs if the turbine were to fail during heavy rains and roads leading to the windfarm are damaged by heavy rains, until such roads are repaired by our O&M contractor(s).

The ability of our projects to generate electricity also depends on our ability to evacuate the electricity from each project and in particular on grid connectivity. We have received grid connectivity for all our operational projects for their full installed capacity and our projects enjoy “must-run” status in India; however, the grid utilities could partially or fully curtail the production from our wind and solar farms during times when there are concerns relating to grid safety issues or emergencies or issues of similar nature. Further, the electricity grid beyond the interconnection point of our projects which is under the management and control of the grid utilities may suffer its own constraint, downtime for maintenance and natural disasters, etc. For example, high voltage corridor completion for the Periyapatti project was delayed by the utility and was completed in March 2022, however we continued to face curtailment until then. In such times, even if our windfarm and solar farm internal grids are operating well, we may not be able to evacuate part or all power to the grid. We are not entitled to deemed

generation during such times of unavailability of external grid or curtailments. If we are unable to evacuate electricity due to low or no grid connectivity as a result of these or other factors, the rate of return for the projects would be below our expectations.

We make our investment decisions with respect to each wind and solar energy project on the findings of related wind or solar studies conducted on-site prior to construction. However, actual climatic conditions at a project site may not conform to the findings of these studies. A sustained decline in environmental conditions, inefficiencies or shutdowns in operations, the non-availability of grid connections could result in a material adverse change in the volume of electricity we generate and consequently our business, revenues, cash flows, financial condition and results of operations.

Operational problems may reduce energy production below our expectations and repairing any failure could require us to expend significant amounts of capital and other resources.

Our assets may not continue to perform as they have in the past or as expected, and there is a risk of equipment failure due to wear and tear, latent defect, design error or operator error, or force majeure events, among other things, which could have a material adverse effect on our assets, liabilities, business, financial condition, results of operations and cash flow.

Even though we have entered into comprehensive O&M contracts with our suppliers and entered into third party contracts, spare parts for wind turbines and key pieces of electrical equipment such as gear boxes or control panels may be hard to acquire, or may be damaged, or may have significant sourcing lead times. Sources for some critical spare parts and other equipment are located outside of India. If we were to experience a shortage of or inability to acquire critical spare parts, we could incur significant delays in returning facilities to full operation. Repairing wind turbines may also require mobilizing cranes at our project sites, which could take significant lead time, especially if cranes are required during busy periods, such as end of the financial year, or during monsoon seasons. Such delays could have a significant impact on our operations, as our wind turbines may be inoperable or performing below maximum capacity while the crane is being mobilized. For example, in September 2019, we had to mobilize a crane to repair two inoperable wind turbines at the Rajkot windfarm, which took approximately 60 days to mobilize.

We also face risks arising from our engagements with O&M contractors. In the event that an O&M contractor enters bankruptcy or winds up its operations, we may experience difficulties in finding alternative contractors. O&M contractors may also fail to plan their operational strategy for the complete lifecycle of a given project, which could potentially create problems such as an inability to service turbines and solar farms over the project lifecycle, or failure to maintain the required site infrastructure or failure to maintain adequate resources at project sites. These could lead to a degradation of power plants and, as a result, a decrease in profitability of such power plants. If our O&M contractors fail to perform as expected and as required under the O&M agreements or fail to develop adequate schedules or strategies for maintenance and procurement of spare parts/consumables, there could be a material adverse effect on our assets, liabilities, business, financial conditions, results of operations and cash flow.

Physical conditions surrounding the wind turbine generators and solar farms may interfere with the operational performance of these assets.

The operational performance of our wind farms depends on wind speeds which can be impacted by the physical conditions at the relevant site. Objects such as large buildings or other wind turbine generators that may come up near our wind farms, may reduce our wind resources due to the disruption of wind flows, known as “wake

effects.” Typically, the land underlying a wind turbine generator tower is acquired or leased in connection with the development of a wind farm by a power producer. Currently, there are technical constraints specifying the minimum inter-turbine distances to minimize such wake-effects. However, in case such technical constraints are lifted or relaxed, new wind turbines from our competitors or certain other structures may be installed by third parties near our wind farms, which could have a negative effect on our wind farms. While we estimate such external wake effects in our energy prognosis for our wind farms, our estimates may be lower than the actual wake effect.

Similarly, any conditions near our solar farms such as shadows from nearby buildings or trees, or as a result of construction work or forestry or plantations works, could cause additional dust in our solar farms thereby reducing the efficiency of our solar farms.

Such developments may reduce the operational performance of our wind farms or solar farms, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

If the contracts with our customers are terminated, we may not be able to replace them with agreements on similar terms. We may also not be able to renew our expiring PPAs at current or higher tariffs.

Some of our PPAs with our C&I customers provide for termination without cause by either party in addition to for cause upon default after certain lock-in period, if applicable. While termination without cause has not happened in the past, there is no assurance this will not happen in future. Therefore, after expiry or termination of our PPAs in such other projects, we may not be able to renew or obtain new PPAs at similar or higher tariffs as in our current PPAs or may not be able to procure new PPAs at all for some or all of our capacity.

While we have entered into long-term contracts with Utilities for a total of 534.7 MW (including with GUVNL for our Surajbari 1 project, with MSEDCL for our Bothe project, with MPPMCL for our Ratlam 1 project, with SECI for our Morjar 1 project) and with over 190 C&I customers for the balance 1,798.3 MW for the supply of electricity, such agreements may be terminated before the end of their respective terms on the occurrence of certain events of default or otherwise (including without cause, as highlighted above). Such defaults include, failure to supply the contracted amount of energy, failure to meet our contractual commitments or insolvency, bankruptcy or liquidation of our companies, or failure to comply with permits obtained to own and operate these projects. In addition, we may face increased competition from other suppliers of electricity (conventional or clean energy suppliers) who may be willing to offer electricity at lower prices for their own reasons, including lower cost of construction or operations or higher operating efficiency of their projects.

Details of our long term PPAs are as follows:

Capacity (MW)	Average start date	Tenure	Fiscal 2023 tariff (per unit)
Surajbari 1 project — PPAs with GUVNL			
16.5	FY 2008	20 years — until FY 2028	INR 3.37
Bothe project — PPAs with MSEDCL ⁽¹⁾			
101.0	FY 2014	13 years — until FY 2027	INR 5.81
92.4	FY 2015	13 years — until FY 2028	INR 5.70
Ratlam 1 project — PPAs with MPPMCL			
94.0	FY 2016	25 years — until FY 2041	INR 5.92
76.0	FY 2016	25 years — until FY 2041	INR 5.92
Morjar 1 project — PPAs with SECI			
148.50	FY 2023	25 years — until FY 2048	INR 2.82

Note:

- (1) PPA for balance 6.3 MW capacity is yet to be signed. Favorable order received from APTEL in August 2022; pending adjudication of appeal in Supreme Court.

In case we are unable to procure new PPAs, we may have to sell the electricity at spot prices thereby exposing us to price realization risk on the sale of electricity from our projects.

If PPAs or energy purchase agreements are terminated before the contracted term, our business, financial condition, results of operations and prospects could be adversely affected.

Our PPAs do not cover the entire anticipated economic life of our projects. For example, MSEDCL PPAs corresponding to 101.0 MW capacity in the Bothe Project are expected to expire during the period from March 2027 to August 2027. Therefore, after the expiry of our PPAs in such projects, we may not be able to renew or obtain new PPAs at similar or higher tariffs as in our current PPAs or may not be able to procure new PPAs at all for some or all of our capacity. We may face increased competition from other suppliers or electricity (conventional or clean energy suppliers) who may be willing to offer electricity at lower prices for their own reasons, including lower cost of construction or operations or higher operating efficiency of their projects. In case we are unable to procure new PPAs, we may have to sell the electricity at spot prices, thereby exposing us to price realization risk on the sale of electricity from our projects.

As another example, SECI terminated the PPA with respect to the 250 MW of contracted wind capacity (which was subsequently reduced to 126 MW) at the Dayapar Project, due to a delay in the commissioning of 50% of contracted capacity within scheduled commercial date as per the requirement of the PPA. SECI may consider entering into an offtake agreement in respect of 88 MW, subject to the approval of MNRE. Any adverse decision by MNRE may require CGEIPL to pay INR 163.6 million to SECI under its performance bank guarantee in connection with the PPA. Currently, the entire commissioned capacity of 126 MW is being sold on the Indian Energy Exchange (“**IEX**”) at mercantile basis. Actual cash flows may deviate significantly from original expectations due to merchant market price volatility. As such, expectations for power prices are a key part of expectations of a project’s operating margins and financial coverage.

Further, Western Region Load Despatch Center (“**WRLDC**”) provides Short Term Open Access (Standing Clearance) for the 126 MW Dayapar project on a quarterly basis for scheduling of power to be evacuated through its transmission system based on availability of their transmission system. As per CERC notification (i) the long-term customer and the medium-term customer shall have priority over the short-term customer for use of the inter-state transmission system and (ii) the short-term customer shall be eligible for short-term open access over the surplus capacity available on the inter-state transmission system after use by the long-term customer and the medium-term customer. Accordingly, there is risk of discontinuation of standing clearance by WRLDC which may lead to cash constraints and adverse impact on our operations and our ability to meet our payment obligations under our loan agreements.

We have substantial indebtedness and we are subject to restrictive and other covenants under our debt financing arrangements.

As of March 31, 2023, we had adjusted borrowings of INR 119,750 million. We expect to continue to finance a portion of our project development costs with debt financing. Our ability to meet our payment obligations under our outstanding debt depends on our ability to generate significant cash flow. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are

beyond our control, such as, the general condition of global equity and debt capital markets, economic and political conditions and development of the renewable energy sector. If we are unable to generate sufficient cash flow to satisfy our debt obligations or other liquidity needs, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. There is no assurance that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms, would materially and adversely affect our financial condition and results of operations.

Our existing credit agreements contain a number of covenants that in certain cases could limit our ability and our subsidiaries' ability to, among other things, effect changes in the control, management or capital structure of our company, change or amend the constitution or articles and memorandum of association, transfer or dispose of assets, pay dividends or make distributions, incur additional indebtedness, create liens, make investments, loans and acquisitions, engage in transactions with affiliates, merge or consolidate with other companies or sell substantially all of its assets. If we are unable to comply with the terms of our credit agreements, our lenders may choose to accelerate our obligations under our credit agreements and foreclose upon the collateral, or we may be forced to sell assets, restructure our indebtedness, or seek additional equity capital, which would dilute our shareholders' interests. Failure to comply with any covenant could result in an event of default under the agreement and the lenders (or any subsequent lender) could make the entire debt immediately due and payable. In the past, however, in the rare instance when such covenants have been breached, no lender has called an event of default and neither have they exercised their rights to accelerate the repayment of debt.

In the past, some of our subsidiaries have not been in compliance with certain financial ratios under their respective financing agreements. Moreover, some of our subsidiaries have not created security within specified timelines agreed with lenders in the relevant financing arrangements, typically due to reasons including delay in obtaining change in land use permissions from relevant authorities, which can be a time-consuming process in India. We have historically been able to cure these breaches, refinance the relevant facility or procure waivers or extensions in timelines from the relevant lenders. Further, certain breaches of terms, which have not resulted into event of default, exist as on the date of this Offering Memorandum for which we have made applications for seeking relevant waivers or extensions and in certain instances, such subsidiary is required to pay penal interest under the relevant facility. To date, none of our lenders have issued a notice of default or accelerated payment under such facilities on the basis of such breaches, however there can be no assurance that lenders will not choose to enforce their rights or that we will be able to remedy such breaches in the same manner as was done in the past. For details of our material indebtedness, please see "*Description of Other Indebtedness.*"

We may experience delays in construction of our assets, which may increase our construction costs beyond our initial estimates and could adversely affect our business, results of operations and cash flows.

We may experience delays in the completion of wind and solar energy projects that are under construction and those which we may set up in the future, and the total construction costs of these projects may exceed our initial estimates. Factors such as, delays in land acquisition, acquisition of rights of way, failure to receive design compliant critical components and delay in delivery of wind turbines and solar modules, could affect our construction schedule and may result in unforeseeable delays. For example, for our Kalvad 1 project while the term sheet for supply, installation and commissioning of certain wind turbines has been executed and the advance has been paid to the supplier and part of the solar module requirement has been contracted, none of the wind turbines or solar modules have been delivered as of the date of the Offering Memorandum. In relation to our Kalvad 1 project, failure or delay in completion of construction of pooling substation or in the construction of a

transmission line from the pooling substation to the grid substation may affect the installation and commissioning schedule. Other factors, such as failure to receive adequate third-party services; lack of transportation infrastructure; failure to secure and maintain regulatory permits and approvals; litigation risks; delay or failure in obtaining required financial assistance; inclement weather conditions, events beyond our control, and, changes in applicable laws and policies, may affect the installation and commissioning schedule of our wind and solar energy projects. For example, while PFC has sanctioned the grant of the entire proposed debt financing for our Kalvad 1 project, no definitive agreements have been executed yet and no project debt has yet been drawn. There may be unexpected delays in execution of definitive documents or meeting the pre-disbursement conditions and which may result in delay or failure in drawing down the debt. High wind and rainy conditions at the sites during the wind season from April to September may delay the installation of our remaining wind turbines and solar modules at our Ratlam 2, Dalavaipuram, Bhavnagar and Kalvad 1 projects. Political changes and delays caused by state and local elections, demonstrations or protests by local communities and special interest groups could result in, or contribute to, project time and cost overruns. We may face delays in operationalizing some part of the capacity of our projects as we may not be able to acquire the required all land rights for our under construction projects and currently we are yet to acquire some land rights. For example, for our Ratlam 2 project, acquisition of land rights for approximately 200 acres of land rights out of total requirement of approximately 540 acres is yet to be completed, acquisition of approximately 40 acres of land rights out of required 80 acres for Rajkot 4 solar project is yet to be completed and acquisition of land rights for approximately 60 acres out of total requirement of approximately 650 acres of land for Bhavnagar project is yet to be completed. Any of these factors could give rise to construction delays and increase our construction costs in excess of our estimates, which could prevent us from completing the construction of our projects on time and delay commissioning.

In the past, we have experienced delays in completing certain of our operational projects because of delays in obtaining necessary regulatory permits. Regulatory authorities also notify technical requirements for constructing projects from time to time and there is no certainty that adverse impacts of such notifications – on time or cost of construction or operating costs – will be granted relief under any applicable change in law provisions. As an example, a working group with members from the CEA, the Central Transmission Utility (“CTU”), the Power System Operation Corporation and SECI was convened in a meeting held on September 23, 2021 under the Chairmanship of Member (Grid Operation & Distribution) of CEA to discuss issues related to compliance of CEA (Technical Standards for Connectivity to the Grid), Regulations, 2007 and the amendments thereof (“**CEA Technical Standards**”) by RE Generators. The working group issued a report in respect of data submission procedure and verification of compliance to CEA Technical Standards by RE Generators in July 2022, which specified several new requirements before approvals for commissioning could be issued to renewable energy projects connected to CTU networks. Even though the amendments to the CEA Technical Standards as well as the said report of the working group were issued after the holding of e-reverse auctions and grant of letters of awards by SECI for our Dayapar and Morjar 1 projects and constitute “change in law” as per the provisions of the PPAs for these projects, SECI and regulatory authorities did not grant approvals to commission 38 MW capacity of our Dayapar Project and 56.7 MW capacity of our Morjar 1 project until after May 18, 2023 when the CEA decided to grant additional time for compliance to CEA Technical Standards until September 30, 2023 to renewable generators to meet the new requirements. Accordingly, 38 MW at the Dayapar project and 56.7 MW at the Morjar 1 project was commissioned in quarter ending June 2023. Further, even though we have claimed “change in law” relief from SECI for extension of scheduled dates of commissioning, SECI has refused to grant such relief so far and there is no certainty that such relief will be granted by SECI. While none of our projects which are under construction are connected to CTU networks, there is no certainty that such change in regulations may not occur for projects connected with state transmission utilities.

We may not be able to develop our projects, have cost overruns, have project commissioning delays and may also have significant write-offs.

For our operational and shortly operational capacity of 2.3 GW is expected to be operational by the end of 2023, and we aim to further expand our operational portfolio by adding more wind/solar power projects in the future; or by hybridizing (adding solar) to our existing wind power plants by setting up such projects in a separate SPVs. We may be unable to meet our operational, financial and development targets or may not be able to find suitable projects to add to our development portfolio. Implementation of new projects is also subject to our converting Letters of Intent (LOIs) for concluding and executing PPAs with distribution companies and/or C&I customers, which can result in delays in project commissioning. Development of existing sites and finalizing new sites for the development of our new projects have a direct impact on the growth of our business.

Developing and constructing projects involve numerous risks and uncertainties, such as delays, labor strikes and land procurement, amongst others. Our results of operations, financial condition, cash flows and future success depend, to a significant extent, on our ability to continue to identify suitable sites, acquire land for projects, obtain required regulatory approvals, arrange financing from various sources, construct our projects in a cost-effective and timely manner, expand our project pipeline and manage and operate projects that we develop. If we cannot do so, we may not be able to expand our business at a profit or at all, maintain our competitive position, satisfy our contractual obligations, or sustain growth and profitability.

Our operations may experience disruptions in their operations due to disputes or other problems with labor, and efforts by workers to modify compensation and other terms of employment may divert management's attention and increase operating expenses. We may also be subject to protests from neighboring villagers and communities. The occurrence of such events could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. For example, in fiscal 2015, neighboring villagers had protested against the operation of the Bothe project due to a fatal accident that occurred near the Bothe project in January 2015. As a result, the operation of the project was suspended for four months. Substantial expenses are also incurred in the construction and development of projects and if such projects cannot be developed into operational projects, we may have to write-off such expenses, which could have a material adverse effect on our results of operations and cash flows.

In addition, projects that begin commercial operations may not meet our return expectations due to schedule delays, cost overruns or revenue shortfalls, or they may not generate the capacity that we anticipate or generate revenue in the originally anticipated time period or at all. We may suffer significant construction delays, finance cost or construction cost increases in excess of our expectations as a result of a variety of factors, including:

- delay or failure to receive critical components and equipment that meet our design specifications and can be delivered on schedule;
- delay caused due to poor financial and operating health of OEM;
- delay or failure to obtain all necessary rights to land access and use;
- delay or failure to receive quality and timely performance of third-party services;
- delay or failure to secure and maintain environmental and other permits or approvals;
- appeals of environmental and other permits or approvals that we obtain;

- delay or failure to obtain capital to develop our projects;
- inadequate grid infrastructure and delay or failure in obtaining rights to interconnect the project to the grid or to transmit energy;
- shortage of skilled labor;
- inclement weather conditions;
- adverse environmental and geological conditions;
- general supply chain interruptions;
- force majeure or other events out of our control; and
- fluctuations on foreign exchange rates impacting equipment and supplier costs.

Any of these factors could also prevent us from completing the construction of a project, cause defaults under our financing agreements or cause the affected project to be unprofitable for us, in particular in cases where penalties are levied or tariff rates change unfavorably due to delays, which could also adversely affect our business, cash flows, financial condition and results of operations. For example, due to delays in the execution of PPAs for the Bothe project, we were unable to book revenues and were therefore unable to comply with our financing agreements, which had to be restructured. While we undertook a refinancing in 2017 and are not currently facing such issues, there is no certainty that such issues may not arise again in the future. Additionally, manpower and supply chain constraints caused by outbreak of diseases or geopolitical instability may also result in delays or cost overruns. Furthermore, certain PPAs may require us to complete project construction or connect to the transmission grid by a certain date. If a certain wind or solar project is significantly delayed, the underlying PPA may be terminated without refunding costs incurred by us or, if applicable, the performance guarantee payable under the PPAs may be encashed, or the tariff payable to us under the PPAs may be reduced. If any of these factors prevent us from maintaining and adding to our development portfolio would have a material adverse effect on our business, financial condition, results of operations and cash flows. For example, our Dayapar project had signed a PPA with SECI for 250 MW at a tariff of INR 2.51 per kWh, however at this stage, we do not plan to build 124 MW out of the 250 MW capacity under the PPA. The PPA requires construction of a minimum 50% of the capacity and the liquidated damages under the performance bank guarantee for not installing the 124 MW became applicable and have been paid by us. SECI approved the reduction in project capacity and the scheduled commissioning date approved by SECI for the balance 126 MW project was June 30, 2022. As learnt from CTU, ISTS interconnection system has been completed on July 4, 2022. However, 220 kV Line Tower of Common Infrastructure built by Inox collapsed due to flooding on account of heavy rains in the region on July 12, 2022. We requested a further extension in the agreed timeline beyond approved extension of June 30, 2022 on account of force majeure event, which was denied by SECI. The EHV line was restored only in December 2022 and we commenced selling power to SECI after restoration. Subsequently, SECI terminated the entire PPA via its letter dated April 14, 2023. SECI may consider entering into an offtake agreement in respect of 88 MW subject to MNRE approval. The Company has accepted the above mentioned letter from SECI dated April 14, 2023 and started selling power on exchange from April 20, 2023.

Because of delay beyond six months from the approved scheduled commissioning date, there is risk of encashment of performance bank guarantee for the un-commissioned capacity beyond six months from the approved commissioning date.

We may not be able to commission our under construction projects.

Our projects like Bhavnagar, Ratlam 2, and Dalavaipuram, where installation is completed or is near completion, the commissioning may be delayed or may not be completed due to failure to meet the installation inspection protocol and other factors including obtaining required statutory approvals, inspection, field commissioning, acceptance testing and controller power-up test and start-up work for each unit. Non-commissioning of projects may lead to legal liabilities, contractual disputes, financial loss, and reputation damage.

The interests of the Parent Guarantor's shareholders may conflict with your interests and our shareholders could change.

The interests of the Parent Guarantor's shareholders may conflict with your interests as holders of the Notes, which may increase the financial risk of holding the Notes. For example, the Parent Guarantor's shareholders could cause us to take corporate actions as permitted under the Indenture, even though such transactions might involve risks or decrease the market value of the Notes. The Parent Guarantor's current principal shareholders are set forth under "Principal Shareholders". The Parent Guarantor's principal shareholders can change over time as there are no restrictions on our shareholders ability to sell or transfer their shares.

The Parent Guarantor's major shareholders may sell a substantial portion or all the shares they own in the Parent Guarantor.

As of March 31, 2023, our Sponsor, Clean Energy Investing Limited (a fund entity of North Haven Infrastructure Partners managed by Morgan Stanley Infrastructure Partners), held 92.31% of our Parent Guarantor's share capital, and Continuum Energy Pte Ltd (an entity owned by the founders), held 7.69% of our Parent Guarantor's share capital, respectively. In May 2022, the founders have reached an agreement, which will be valid up till May 2024, with our Sponsors to facilitate their exit. Under this agreement, the founders will receive as earnout, a substantial majority of the equity value of the Parent Guarantor, above an agreed base value. Up to such agreed base value, the share of the founders' and Sponsor's earnout will be 16.96% and 83.04%, respectively, as per existing arrangement. Our Founders and Sponsors have offered that any prospective investor(s) may purchase a 100% interest in us. In addition, our Founders have offered that, at the option of any such investor(s), Founders are willing to stay partly or fully invested subject to a mutually agreeable shareholder agreement with such buyer/investor. As of the date of this Offering Memorandum, the process for facilitating such exit is underway.

There can be no assurances that our Sponsor (or any other of some or all of our current shareholders) will remain shareholders during the tenor of the Notes. The Parent Guarantor has no obligation to purchase or buyback any or all of the shares from any of the shareholders or to pay any minimum return or fixed return for any of the shareholders' investment. If any such sale were to be consummated, the composition of the board of directors of the Parent Guarantor or the control structure of the Parent Guarantor and the Group may significantly change and could constitute a change of control under certain financing agreements, including the Notes subject to change of control definition in the financing documents. In addition, the composition of the management team of the Parent Guarantor and the Group may also significantly change. Please refer to the provisions related to a change of control in the Indenture.

We depend on Continuum's management team to manage our Parent Guarantor's business and any failure by our subsidiaries to service its existing indebtedness may adversely affect our prospects.

The success of our business and the operational success of our projects depends significantly on the expertise of Continuum's management team and the loss of one or more key executives could have a negative impact on our

business. We also depend on Continuum's ability to retain and motivate key employees and attract qualified new employees. Because the renewable energy industry in India is relatively new, there is a scarcity of top-quality employees with experience in the industry. If Continuum loses a member of the management team or a key employee, Continuum may not be able to replace him or her. Integrating new executives into Continuum's management team and training new employees with no prior experience in the renewable energy industry could prove disruptive to our operations. An inability to attract and retain sufficient technical and managerial personnel could limit Continuum's ability to effectively manage our projects, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Our Parent Guarantor's subsidiaries have incurred a substantial amount of debt, which is likely to increase as it continues developing its projects. Our Parent Guarantor's subsidiaries may not be able to service its debt, which could result in a change of control or our Parent Guarantor's subsidiaries may become subject to insolvency or liquidation proceedings, which would trigger a change of control under the agreements we have entered into, including the Indenture and would adversely affect our business, financial conditions and prospects. Our financing agreements may contain restrictive covenants that may limit our ability to undertake certain type of transactions which could adversely affect our prospects.

We do not have energy purchase agreements signed in respect of 6.3 MW out of 199.7 MW capacity at our Bothe windfarm. Until such energy purchase agreements are signed, we are unable to invoice for the power supplied.

We do not have energy purchase agreements signed in respect of 6.3 MW out of 199.7 MW capacity at our Bothe windfarm. While we supply electricity to MSEDCL for that 6.3 MW of wind capacity (comprising three wind turbines of 2.1 MW capacity each) at the Bothe plant, we cannot invoice for the electricity sold, as we have not executed the energy purchase agreements with MSEDCL. MSEDCL had contested its obligation to enter into the PPAs for this capacity and in January 2020 we filed a petition before the MERC seeking to compel MSEDCL to, inter alia, enter into PPAs for such capacity and make payments for this capacity since the date of commissioning of such capacity. While the MERC upheld the view of MSEDCL, it ordered MSEDCL to pay for the electricity generated from this capacity and utilized by MSEDCL until March 31, 2017 at a price equal to the average power purchase cost ("APPC") of MSEDCL and allowed MSEDCL determine whether it would execute PPAs on prospective basis at the tariff discovered in the most recent competitive bid. The APPC as well as the tariff discovered in the most recent competitive bid are significantly lower than the INR 5.70/kWh that we expected for the EPA.

We had appealed against the order with APTEL and APTEL issued an order favorable to us on August 18, 2022, directing MSEDCL to immediately execute the PPA for 6.3 MW at the tariff of INR 5.70/kWh, effective from the date of application filed by us for the registration of the capacity, i.e. from December 2014 for a period of 13 years. Further, MSEDCL was directed to pay at APPC for the power supplied from the date of commissioning (i.e. December 2014) till the date of application filed by us, which has already been received in May 2021. We have sent a letter dated August 26, 2022 to MSEDCL for signing the PPAs and asking them to comply with the APTEL's judgements along with invoices and draft PPAs.

MSEDCL subsequently filed a civil appeal with the Supreme Court against the aforesaid APTEL judgements. The hearing was held on October 10, 2022. After hearing the arguments from the parties, the Supreme Court noted that Maharashtra Energy Development Agency's ("MEDA") conduct is prima facie erroneous. The Supreme Court has granted an interim stay on the order from APTEL.

After several rounds of hearings, the Supreme Court directed that MSEDCL shall make payment of current charges for the electricity uploaded/injected into the system by Bothe Development Private Limited at the rate of

INR 3.5/kWh, lower than INR 5.70/kWh in the APTEL judgment. The difference in amounts is to be paid in terms of the order passed by the MERC dated July 1, 2020, which requires it to be deposited with the Supreme Court and converted into interest-bearing fixed deposit receipt for a period of 12 months, which would be renewed periodically. Total amount of revenue for the 6.3 MW capacity since commissioning until March 31, 2023 would be INR 476 million if calculated at a tariff of INR 5.70/kWh and INR 292 million if calculated at a tariff of INR 3.5/kWh. We have received INR 101.4 million from MSEDCL for the 6.3 MW capacity as of March 31, 2023.

we would have realized INR 526.9 million since the inception. As of March 31, 2023, we had only received INR 101.4 million. The deposit with the Supreme Court would be made bi-monthly. The matter is listed for further hearing in the August 2023.

Our PPAs with C&I consumers are linked to the tariff charged to the consumer by the electricity distribution utilities and Open Access charges and losses applicable. These are approved by the regulators and are subject to regulatory risks.

Approximately 77% of the targeted operating capacity of 2.3 GW by the end of 2023 will be selling electricity to over 190 C&I consumers under open access with varying tariffs from the Surajbari 2, Periyapatti, Rajkot 1, Rajkot 2A, 2B, 3 and 4, Dayapar, Ratlam 2, Bhavnagar, Dalavaipuram and Kalvad 1 projects. Tariffs charged under our PPAs for green energy to individual C&I customers are dependent on the tariff charged to them by the electricity distribution utilities and are set lower than the then prevailing tariffs charged by the distribution utilities for black energy to these consumers (excluding few exceptions wherein there is fixed tariff or bus bar tariff). The net tariff realized under these PPAs varies with increase/decrease in tariffs charged by distribution utilities to such consumers and open access charges/losses payable to distribution utilities/transmission utilities. The net variation in tariffs charged by distribution utilities and open access charges/losses is usually shared equally between the C&I consumer and the Company.

Our revenue realization under these PPAs vary based on the variation in the tariff charged to the consumer by the electricity distribution utilities and the variation in the open access charges and losses. Such variations could lead to a reduction in our revenue.

The tariff charged to the consumer by the electricity distribution utilities, open access charges and losses are approved by the State Electricity Regulatory Commission upon independent review of the request by electricity distribution utilities. Although there are agreed standards for the determination of these charges and losses and there are, typically, only minor variations in them, in the past there have been instances when the charges or losses have been drastically increased. For example, in Gujarat over the last four years the Additional Surcharges have varied between nil to INR 0.76 per kWh at different times. Further, under the Reforms-based and Results-linked, Revamped Distribution Sector Scheme the electricity distribution utilities have agreed to revise the electricity prices charged to the consumers on an annual basis, however at times, for instance due to political pressure, electricity prices are not increased. For example, in Tamil Nadu the electricity distribution utilities have not revised the electricity prices for the industry for over 4 years. However, Tamil Nadu has announced a 6% increase in September 2022 and subsequent increase in tariff by the lower of CPI or 6% p.a. for next five years. As a result, the tariff was increased again by 2.18% in June 2023. Lower tariffs and increasing the open access charges could lead to reduction in our revenue realization.

If we default in fulfilling our obligations under the PPAs, we may be liable for penalties.

If we default in fulfilling our obligations under the PPAs with our customers, such as failing to supply power or failing to obtain regulatory approvals, licenses and clearances with respect to our projects, we may be liable for

penalties, potential payment of damages or compensation and in certain specified events, customers may also terminate such PPAs, which could in turn result in a loss of a substantial portion of our revenues.

Our customers may not reimburse us for increased costs or lost revenues arising as a result of the projects' failure to operate within the agreed norms, whether as a result of factors beyond our control or due to our non-compliance. For example, we may be required by the state load despatch center in charge of grid operations in respective states, to disconnect our wind farms and solar farms, partially or fully, from time to time, in the event of a defect, grid emergency or grid safety issues or for other issues in the electricity grid system beyond our control and we would lose revenue to the extent of electricity that we could have otherwise produced and sold during such periods. We have no right to claim revenue on the basis of deemed generation during such periods, nor can we claim any insurance for such lost revenue. In case of our open access projects, both we and our customers are expected to obtain and maintain several regulatory approvals, licenses and clearances. If we or our customers do not obtain and maintain such approvals and clearances, we may not be able to evacuate power to such customers for such periods of time.

This could have an adverse effect on our business, cash flows, financial condition and results of operations. Additionally, the failure to enter into or renew offtake arrangements in a timely manner and on terms that are acceptable to us if at all, could adversely affect our business, results of operations and cash flows.

In the case of utility PPA projects, we depend on a single customer each for all of our cashflow and sell 100% of the wind power generated at the project to such customers, which may expose us to certain risks that may affect our results of operations.

We supply 100% of the wind power generated at the Surajbari 1, Bothe, Ratlam 1, and Morjar 1 projects to GUVNL, MSEDCL, MPPMCL, SECI respectively. While the Utilities are committed to purchase power from us under the executed PPAs, should they experience any unexpected financial or other difficulties, we may not be able to recover amounts due to us, which could adversely affect our business, cash flows, financial condition and prospects.

If we default in fulfilling our obligations under the PPAs, such as failing to supply power or failing to obtain regulatory approvals, licenses and clearances with respect to our projects, we may be liable for penalties, potential payment of damages or compensation and in certain specified events, customers may also terminate such PPAs. Our customers may not reimburse us for any increased costs arising as a result of the projects' failure to operate within the agreed norms. For example, under the terms of the energy purchase agreements with MSEDCL, we may be required to disconnect the power supply to MSEDCL's grid in case of a defect in MSEDCL's system and we have no right to claim compensation for MSEDCL's failure to accept energy during this period.

Further, under the terms of the PPAs with MPPMCL, we may be required to disconnect the power supply to MPPMCL if we are unable to comply with applicable regulations or directions in respect to grid discipline. This could have an adverse effect on our business, cash flows, financial condition and results of operations. Additionally, the failure to enter into or renew offtake arrangements in a timely manner and on terms that are acceptable to us if at all, could adversely affect our business, results of operations and cash flows.

Our customers may not be able to fulfill their payment-obligations under the PPAs as a result of poor financial health, restructuring or other external events, which could have an adverse impact on our operations, cash flows and our ability to service our debt under our loan agreements.

A significant portion of the power generated by our utility PPA projects is sold under long-term PPAs with the Utilities, i.e. GUVNL, MSEDCL, MPPMCL and SECI and the power generated by our C&I projects is sold to

over 190 C&I customers. The ability of respective Utilities or our C&I customers to fulfill their contractual obligations and pay for electricity received from us during the term of the relevant PPA could become impaired for various reasons, including their poor financial health, which could result in insolvency, liquidation proceedings or restructuring, as well as other external events, some of which may be beyond their control, such as a severe economic downturn or a global pandemic. If, for these or any other reasons, Utilities or our C&I customers are unable or unwilling to fulfil their contractual obligations under the relevant PPA or if they refuse to accept delivery of power under the terms of the PPAs, our business, financial condition, results of operations and cash flow could be materially and adversely affected as we may not be able to replace the agreement with an agreement on equivalent terms and conditions.

Further, while we are entitled to charge penal interest for any such delay in payments, a delay in recovering any amounts due under these offtake arrangements could still adversely affect our operational cash flows. In the past we have experienced significant delays in receivable settlements with our state utility customers and have not been able to recover payment charges for the delay, which may lead to cash constraints and have an adverse impact on our operations and our ability to meet our payment obligations under our loan agreements.

For example, with respect to the 193.4 MW of contracted wind capacity at the Bothe project and 170.0 MW of wind capacity at the Ratlam 1 project, the receivable cycle for the contracted tariffs under the PPAs from MSEDCL and MPMCL were delayed significantly due to losses suffered by MSEDCL and MPPMCL in the wake of COVID-19. Though the receivable cycle had improved post COVID and has further improved following implementation of LPS Rules 2022, as of March 31, 2023 we had trade receivables due from MSEDCL, MPPMCL, IREDA of INR 591 million, INR 1,443 million and INR 30 million, respectively.

Furthermore, the Ministry of New and Renewable Energy as well as various state departments have issued orders notifying the restrictions placed by the GoI to contain the spread of the COVID-19 as an event of force majeure. Accordingly, some entities of the Group have received notices from their customers invoking force majeure provisions under the respective PPAs and claiming, inter alia, additional time for making payments, as well as the right to curtail demand of power, on the grounds that the restrictions have impacted the liquidity of such customers and their contractual counterparties (which have also faced difficulties in collection of payments from customers), thereby reducing their ability to make timely payments under the PPAs. While such notices which were received by some C&I customers during the lockdown periods of April to July 2020 are no longer subsisting, there can be no assurance that the C&I customers will not be impacted in future and not invoke application of force majeure provisions under the PPAs entered into with the C&I project.

Our business is dependent on the regulatory and policy environment affecting the renewable energy sector in India.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may materially and adversely affect our business, prospects, financial condition, timelines for construction and commissioning of our projects, capital expenditure required to complete projects, results of operations and cash flows, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Our business and operations are governed by various laws and regulations, including the Electricity Act, 2003, National Electricity Policy, 2005 and National Tariff Policy, 2016, regulations and orders issued by the central and state electricity regulatory commissions, policies of respective state governments, environmental and labor laws and other legislations enacted by the GoI and the relevant state governments in India. See “*Regulation*” for further details. Our business, cash flows and financial performance could be adversely affected by any unfavorable changes in or interpretations of existing laws, or the promulgation of new laws. There can be no assurance that the GoI or any state government in India will not

implement new regulations and policies which will require us to obtain additional approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on their operations, which could result in increased compliance costs as well as divert significant management time and other resources. For example, on June 30, 2023, the Ministry of Power, Government of India (“**MoP**”) has notified the Electricity (Amendment) Rules, 2023 (“**Amendment Rules**”). These Amendment Rules will have industry-wide implications on the existing captive power projects and the C&I business in India including our C&I projects. The legislative intent and consequences (both intentional and inadvertent) of certain amendments introduced by the MoP are not clear and any unfavorable interpretation by regulatory authorities of the Amendment Rules may have an adverse effect on our C&I business, cash flows and financial performance. The Amendment Rules have become effective from the date of publication, i.e., June 30, 2023, and the upcoming projects will need to be structured in accordance with the additional conditions introduced by the Amendment Rules. The Amendment Rules do not provide any exemption for existing projects regarding compliance with the amendments. The captive status of a generating plant is tested on an annual basis (i.e., determined on a financial year basis). Accordingly, our existing captive generation projects will need to be compliant with the Amendment Rules applicable at the end of a financial year.

In addition, any unfavorable interpretation by regulatory authorities may also have an adverse effect on the groups business, cash flows and financial performance. For example, while the Electricity Act, 2003 mandates that the supply of electricity to captive consumers will not be subject to surcharges, the MERC ruled that while cross subsidy surcharge is not applicable, the additional surcharge is applicable on sale of electricity to captive consumers. The Forum of Regulators, comprising of all electricity regulators in India, of which MERC is a part, had also stated that additional surcharge is not leviable so far as captive users/consumers are concerned. On appeal, in March 2019, APTEL set this interpretation aside and ruled that additional surcharge is not applicable on captive or group captive sales of electricity. MSEDCL and MERC appealed to the Supreme Court of India. In December 2021, the Supreme Court, while dismissing the civil appeal, observed that captive consumers/captive users are not liable to pay the additional surcharge leviable under Section 42(4) of the Electricity Act, 2003, and the Supreme Court dismissed the review petition filed by the MSEDCL in the civil appeal. Similar issues may come up in the future for other charges. For instance, GUVNL has filed a petition against the Federation of Kutch Industries Association before the Gujarat Electricity Regulatory Commission on the methodology for the computation of additional surcharge payable by open access consumers and the related interpretation of stranded capacity. In the past, a C&I customer of our Surajbari 2 project received a notice from one of the local distribution utilities of GUVNL, Uttar Gujarat Vij Company Limited, requiring our customer to establish that the additional surcharge would not be chargeable, failing which it would commence recovery proceedings against our customer. Our customer was not successful in establishing an exception to the requirement to make such payments and was required to pay additional surcharge, which was then recovered from us. Similar issues may arise in future.

Further, we depend in part on government policies that support renewable energy and enhance the economic feasibility of developing renewable energy projects. The GoI and several of the states in which we operate or plan to operate or into which we sell power provide incentives and support the generation and sale of renewable energy, and additional legislation is regularly being considered that could enhance the demand for renewable energy and obligations to use renewable energy sources.

For example, in Gujarat, C&I customers buying wind energy on an open access basis from our Rajkot 1, 2A and 2B project benefited from the Wind Power Policy 2016 of the Government of Gujarat and C&I customers buying wind and solar combined energy on open access basis from our Rajkot 3, Bhavnagar (9.6 MW out of 300.8 MW capacity) project benefited from the Wind-Solar Hybrid Power Policy 2018 of the Government of Gujarat. These policies provided for a 50% waiver of cross subsidy surcharge and a 50% waiver of additional surcharge for a period of 25 years from the date of the commissioning of the wind farm (provided the windfarms are

commissioned by September 2023 and the hybrid projects are commissioned by June 19, 2023, respectively), together amounting to a benefit of about INR 1.00/kWh. The Wind-Solar Hybrid Power Policy 2018 of the Government of Gujarat expired on June 19, 2023. As of the date of this Offering Memorandum, neither has this policy been extended nor has any replacement policy been notified. Similarly, the Wind-Solar Hybrid Tariff Order issued by the Gujarat Electricity Regulatory Commission in April 2021 expired on June 19, 2023. As of the date of this Offering Memorandum, neither has this tariff order been extended further nor has any replacement tariff order been notified. As a result of this, certain of our projects, i.e. Bhavnagar project (291.2 MW out of 300.8 MW capacity), the 170 MW Kalvad 1 project and the 40 MW Rajkot 4 project, face uncertainty in their dates of commissioning and uncertainty in the open access charges that may be levied on electricity generated by these projects. While historically the Gujarat Electricity Regulatory Commission and the Government of Gujarat have ensured continuity in policies by either extending existing policies or orders or notifying new policies or orders, there is no certainty that such extension or notification of new orders or policies may occur now that they have expired.

As a further example, the National Tariff Policy mandates that, in respect of captive power, wheeling charges and other terms and conditions for implementation are determined in advance by the respective state commission, duly ensuring that the charges are reasonable and fair. In addition, regulatory policies in each state in India currently provide a favorable framework for securing attractive returns on capital invested.

Regulatory authorities also notify technical requirements for constructing projects from time to time and there is no certainty that adverse impacts of such notifications on time, cost of construction or operating costs will be granted relief under any applicable change in law provisions. For example, a working group with members from the CEA, the CTU, the Power System Operation Corporation and SECI was convened in a meeting held on September 23, 2021 under the Chairmanship of Member (Grid Operation & Distribution) of CEA to discuss issues related to compliance of the CEA Technical Standards by RE Generators. The working group issued a report in respect of data submission procedure and verification of compliance to CEA Technical Standards by RE Generators in July 2022, which specified several new requirements before approvals for commissioning could be issued to renewable energy projects connected to CTU networks. Even though the amendments to the CEA Technical Standards as well as the said report of the working group were issued after the holding of e-reverse auctions and grant of letters of awards by SECI for our Dayapar and Morjar 1 projects and constitute “change in law” as per the provisions of the PPAs for these projects, SECI and regulatory authorities did not grant approvals to commission 38 MW capacity of our Dayapar Project and 56.7 MW capacity of our Morjar 1 project until after May 18, 2023 when the CEA decided to grant additional time for compliance to CEA Technical Standards until September 30, 2023 to renewable generators to meet the new requirements. Accordingly, 38 MW at the Dayapar project and 56.7 MW at the Morjar 1 project was commissioned in quarter ending June 2023. Further, even though we have claimed “change in law” relief from SECI for extension of scheduled dates of commissioning, SECI has refused to grant such relief so far and there is no certainty that such relief will be granted by SECI. The Dayapar PPA was terminated by the SECI as a result. While none of our projects which are under construction are connected to CTU networks, there is no certainty that such change in regulations may not occur for projects connected with state transmission utilities.

If any of these incentives or policies are adversely amended, eliminated or not extended beyond their current expiration dates, or if funding for these incentives is reduced, or if governmental support of renewable energy development, particularly wind and solar energy, is discontinued or reduced, it could adversely affect our ability to obtain financing, the viability of new renewable energy projects constructed based on current tariff and cost assumptions or the profitability of our existing projects, and may also have a material adverse effect on our business, cash flows, financial condition and results of operations.

While our Bhavnagar WSH project was under construction, the Gujarat Wind Solar Hybrid policy expired and the government has not issued any new policy. Draft guidelines have been issued, but there is no certainty that final policy will be same as the draft policy or will be as per previous policy. In absence of any clear policy guidance, issuance of commissioning certificate may get delayed and uncertainty regarding revenue and PPA will continue after commissioning. For example, the Bhavnagar 300.8 MW WSH project was originally contemplated to be a WSH project under the Wind-Solar Hybrid Power Policy 2018 of the Government of Gujarat. Accordingly, we have signed PPA for entire capacity under third party open access mechanism (except 20.1 MW which is under captive). With the expiry of Wind-Solar Hybrid Power Policy 2018 in June 2023, the benefit under the policy may not be applicable and we may have to shift to PPA under group captive which will involve PPA customers subscribing 26% equity. Some customers may not agree to this change and we may have to terminate the PPA, which may lead to loss of revenue until such time we are able to find new customers.

The GoI has accorded renewable energy “must-run” status, which means that any wind, solar or small hydro power that is generated must always be accepted by the grid. However, certain state utilities may order the curtailment of renewable energy generation despite this status and there have been instances of such orders citing grid safety and stability issues being introduced in the past. This may occur as a result of the state electricity boards purchasing cheaper power from other sources or transmission congestion owing to a mismatch between generation and transmission capacities. There can be no assurance that the GoI will continue to maintain the “must-run” status for renewable energy or that the state electricity boards will not make any orders to curtail the generation of renewable energy. In October 2021, GoI announced certain amendments in rules relating, inter alia, to “must run” status primarily aimed at compliance with “must run” status, other than due to technical constraint in the electricity grid and for payment of compensation in the event of violation of “must run” rules. However, there is no certainty that such compensation will be paid.

Further, while certain national and state laws, incentives, programs and policies promote clean energy and additional legislation is regularly being considered that would enhance the demand for clean energy, they may be adversely modified. Legislation may be amended or may not be enacted and governmental support of clean energy development and renewable energy may not continue or may be reduced. If governmental authorities do not continue supporting, or reduce or eliminate their support for, the development of clean energy projects, our revenues may be adversely affected; our economic return on certain projects may be reduced; our financing costs may increase; it may become more difficult to obtain financing; and our business and prospects may otherwise be adversely affected.

Therefore, any change in policy that results in the curtailment of renewable energy generation may adversely affect our business. A delay or failure by governmental authorities to administer incentive programs in a timely and efficient manner could also adversely affect our ability to obtain financing for our projects. These may, in turn, materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our revenues are exposed to changes in tariff regulations, and a decline in electricity tariffs could have an adverse effect on our business, cash flows and financial performance.

Our revenue is derived from the sale of electricity pursuant to the tariffs specified in our PPAs. Electricity tariffs are affected by various factors, including policies of the GoI, CERC, SERC and user demand.

The provisions of the Electricity Act, 2003 and the rules and regulations thereunder govern power pricing tariffs in India. Under these regulations, tariffs payable to us by distribution utilities are either established through competitive bidding or determined by central or state regulations. In case of our open access projects wherein we

are supplying electricity to C&I customers, our tariffs and costs of supply are impacted by the tariffs charged by distribution utilities to such C&I consumers, various grid open access charges (levied in monetary terms) and losses (levied in kind as % of electricity supplied) and administrative costs payable to electricity utilities. Various central and state laws and regulations provide certain incentives for promotion of renewable energy and promotion of open access.

In the case of our PPAs with utilities, our tariffs are fixed for the term of the PPAs and have been set by the respective state electricity regulatory commissions. However, in the case of our open access projects, we carry the risk of increase/decrease in tariffs charged by distribution utilities to such C&I customers, risk of variation in existing levels of open access charges and losses, imposition of any new open access charges and losses, removal of any existing open access charges and losses, risk of variation of existing incentives/waivers available for open access and for renewable energy and imposition of new or removal of existing incentives/waivers which may have a material adverse effect on our business, cash flows, financial condition and results of operations. Generally, our PPAs for open access projects provide that, subject to certain conditions, 50% of such variations shall be for the account of our C&I customers and 50% shall be for our account. However, some PPAs have different sharing percentages or sharing on either side, i.e. either 100% or no sharing at all. Weighted average sharing for entire portfolio of C&I projects out of 2.3 GW capacity is expected to be approximately 55% in our favor. We carry the risk that some or all of our C&I customers may object to absorbing such variation, especially in case of adverse variation.

As our tariff is fixed under the PPAs with utilities and the tariff formula are set in open access projects, we do not have the flexibility to charge higher tariffs from our customers in case of increased costs of production, which can have an adverse impact on our revenue and results of operations. Additionally, even if the market price for electricity rises above the levels stipulated in the PPAs, we may not be able to realize such higher price, which will disadvantage our business as we will suffer notional loss in relation to our competitors who do not have long-term PPAs with fixed tariffs.

Any outbreaks of contagious diseases such as the COVID-19 may have a material adverse effect on the Group's business operations, cash flows, financial condition and results of operations.

The outbreak of a novel strain of coronavirus (“COVID-19”) had earlier spread rapidly and globally across multiple countries around the world. The outbreak of contagious diseases such as COVID-19, the H1N1 virus (Swine Flu), H7N9 strain of flu (Avian Flu) could be severe and widespread and may result in protracted volatility in international markets and/or result in a global or local recession or depression as a consequence of disruptions to travel and retail segments, tourism and manufacturing supply chains. From February 2020, the COVID-19 outbreak impacted economic activity worldwide and posed a serious public health threat as the number of infected cases and fatalities rose. On March 11, 2020, the World Health Organization (the “WHO”) declared the outbreak of COVID-19 to be a pandemic. A number of governments revised GDP growth forecasts for 2021 and subsequent years downward in response to the economic slowdown caused by the spread of COVID-19. On May 5, 2023, the WHO declared the end to COVID-1 as a public health emergency; however, it is possible that a further outbreak of COVID-19, particularly new strains of the COVID-19 virus of future lockdowns could cause a prolonged global economic crisis, recession or depression despite monetary and fiscal interventions by governments and central banks globally.

As a result of the COVID-19 outbreak, some entities of the Group received notices during March 2020 to July 2020 from a few offtakers who claimed invocation of force majeure clause under the PPAs on account of lack of demand for power due to the lockdown restrictions affected in various parts of the country in light of the COVID-19 pandemic, thereby excusing their liability for payment of penalties if they offtake lower than the

committed offtake amount during the 12 month period under the respective PPAs. As a result, in these cases, we had to sell electricity produced for these customers during such period to the electricity distribution company at a lower tariff. Even though such situations abated by August 2020 when most lockdown restrictions were eased, there can be no certainty that this will not recur if lockdowns are imposed again to contain the spread of the pandemic.

The introduction of movement restrictions in India to curb the spread of the COVID-19 outbreak caused delays in completion of three of the Group's projects, including the 126 MW Dayapar project, the 28.0 MW Rajkot 2B project and the 148.5 MW Morjar 1 project. The Rajkot 2B project was fully commissioned in March 2022, whereas Dayapar and Morjar 1 projects were commissioned in Q1 FY 2024. The commercial operation dates for these projects were delayed and/or extended by the issuing authorities for a blanket period of five months on account of first wave of COVID-19 in 2021 and another two and half month on account of second wave of COVID-19 in 2021. Capital expenditure plans for the 148.5 MW Morjar 1 project were also deferred accordingly.

Some of our customers, particularly the distribution utilities, suffered losses due to reduction of offtake by C&I customers resulting from weak economic situations and this caused significant delays in payments by the distribution utilities towards our invoices. Even though the Government of India extended a INR 1,250.0 billion liquidity support scheme for the distribution utilities, this scheme requires the distribution utilities and state governments to undertake substantive reforms in the electricity sector. PFC and REC Limited were identified as key lending partners for this liquidity support scheme. The loans have a maximum tenor of 10 years. A principal moratorium may be considered on a case-to-case basis, which shall not exceed three years. The loan amounts to be approved shall be restricted to the outstanding dues of central public sector undertakings, electricity generation companies, transmission companies, independent power producers and renewable energy power generators and after considering receivables against electricity bill dues and undisbursed subsidies of distribution utilities from State Government departments, companies, etc. The loans are to be secured by unconditional and irrevocable guarantees from state governments covering the loan amounts along with interest and any other charges towards the loan. Under this scheme, the loans granted to distribution utilities are paid directly to the accounts of generators and transmission companies to whom payments are due by the distribution utilities. Further, Ministry of Power notified LPS Rules on June 3, 2022, which provide a mechanism for settlement of outstanding dues of generating companies, inter-state transmission licensees and electricity trading licensees. PFC and Rural Electrification Corporation ("REC") have been designated as agencies for implementation of the said rules. However, in the event there are any change/relaxation in these regulations, our receivables collections from the distribution utilities may again suffer delays or may again be reduced.

The Reserve Bank of India permitted Indian banks and financial institutions to provide a moratorium on all dues under the loans, subject to certain conditions, between March 2020 to August 2020. Some of our subsidiaries — CGE IPL, Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited and Trinethra Wind and Hydro Power Private Limited — obtained the benefit of this moratorium on interest and/or principal payments due for part or entire of this period. In such cases, the principal repayment dues covered by moratorium were added back as repayments due at the end of the loan tenure for the respective companies. The interest payment dues have been converted into loans to be amortized at the same rate as the underlying loans and the Group has the ability to prepay these loans at any time without any prepayment premium. The group has refinanced all such loans other than the loans provided by CGE IPL to certain group companies using the proceeds of the 2027 Notes. However, in the event that adverse conditions are repeated and further moratoriums are provided, we may not be able to obtain the benefit of such moratoriums on interest and/or principal payments, which may have an adverse effect on our financial condition.

In addition, the GoI and Indian state governments took unprecedented action to prevent the spread of the COVID-19 virus and such current or future government action could have a material adverse effect on our business operations, cash flows, financial condition and results of operations. Government measures or actions could also negatively impact third parties' ability to perform their contracts with us, which could have a material adverse effect on our business operations, cash flows, financial condition and results. The extent of the pandemic's impact on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the outbreak and government response to control the spread of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving situation. There may be potential adverse effects of this pandemic on the Group's short-and medium-term business operations and the Group expects to see the impact of COVID-19 on its financial statements for subsequent periods. The pandemic may also adversely impact the Group's ability to raise additional capital or require additional reductions in capital expenditures that are otherwise needed to implement its strategies. Additionally, if any of the Group's employees are identified as a possible source of spreading COVID-19, Swine Flu, Avian Flu or any other similar epidemic, the Group may be required to close their respective offices, to quarantine employees that are suspected of being infected, as well as others that have come into contact with those employees, which could have an adverse effect on its business operations.

There can also be no assurance that the policies and controls for outbreak prevention and disease recurrence or any stimulus packages introduced by the GoI will be successful in preventing disease outbreaks or recurrences or that any actual or suspected outbreak of COVID-19 or other contagious disease affecting India or elsewhere will not occur. There can also be no assurance that any future outbreak of contagious diseases will not have a material adverse effect on the Group's business, cash flows, financial condition and results of operations. See *"Management's Discussion and Analysis of Financial Condition and Results of Operations — Impact of COVID-19"* for more information on the impact of COVID-19.

We are subject to credit and performance risk from third parties under service and supply contracts.

We are highly dependent on certain third parties to, among other things, provide quality goods and services on a timely basis. This includes contracts we enter into with vendors to supply equipment, materials and other goods and services for the operation of our projects as well as for other business operations. While we maintain a diversified set of vendors, we remain subject to the risk that vendors may not perform their obligations in full or at all. If vendors do not perform their obligations, or if they deliver any defective components or do not comply with the applicable quality standards and technical specifications, we may suffer schedule disruptions or may have to enter into new contracts with other vendors at a higher cost. There is also a risk that the alternative vendors may not be available.

Further, any mechanical failure or shutdown of equipment sourced from third parties could result in undamaged equipment that is dependent on or interacts with damaged sections of our facilities also having to be shut down. Such events could have a material and adverse impact on our generating capacity. If any shutdowns continue for extended periods, this could give rise to contractual penalties or liabilities, loss of customers and damage to our reputation. Although we are entitled to be compensated by manufacturers for certain equipment failures and defects in certain cases, these arrangements may not fully compensate us for the damage and loss suffered as a result thereof.

Our relationship with our third-party suppliers and vendors may worsen or lead to disagreements or litigation which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

When we purchase wind turbines or engage EPC contractors for our solar farms, our contracts with the vendors typically include the provision of comprehensive O&M service for a period of five to 20 years (with free service,

in some cases, for the first one to three years), a warranty in respect of the equipment supplied and works performed for a minimum period of two years from the earlier of the date of commissioning or the date of supply, a power curve guarantee in the case of turbines and a performance ratio guarantee in the case of solar farms, repair and replacement of consumables and parts guarantee, a minimum wind turbine availability guarantee and a maximum reactive power consumption guarantee. However, there can be no assurance that such vendors and contractors will be able to fulfil their respective contractual obligations in full or at all over the periods of our contracts with them. Additionally, as some of these warranties generally expire within a fixed period after the delivery date or the date the equipment is commissioned, we may lose all or a portion of the benefit of a warranty if we take delivery of equipment before we are able to deploy it. If we seek warranty or guarantee protection and the vendor is unable or unwilling to perform its obligations under the warranty or guarantee, whether as a result of the vendor's financial condition or otherwise, or if the term of the warranty or guarantee has expired, we may be required to make significant maintenance expenditures, which could have a material adverse effect on our business, cash flows, financial condition and results of operations. In addition, the vendor's payment liabilities for breach of warranties under O&M arrangements are typically subject to an aggregate maximum cap that is a portion of the total purchase price of the turbines/contract or the total fees payable for the O&M services. Losses in excess of these caps would be our responsibility.

We have estimated capex for wind and solar projects based on current market conditions, however, with rising input/commodity cost and contracts not tied up for nearly operational projects, actual capex may increase than what is expected and may impact the financial closure and commissioning timelines.

Rising commodity prices have increased the cost of producing solar PV modules and wind turbines worldwide. Prices for many industrial materials, and freight costs, have been on an increasing trajectory since Q1 2021, pushing up wind turbine and solar PV costs. Since the beginning of 2020, the price of PV-grade polysilicon has more than quadrupled. Steel price has increased by 50%, copper by 60% and aluminum by 80%. The current conflict between Russia and Ukraine has also significantly affected the prices of certain commodities, including steel prices and cement prices and may continue to affect commodity prices for some time. In addition, freight fees have increased almost sixfold, resulting in additional costs for the geographically dispersed supply chain of renewables. The reversal of the long-term trend of decreasing costs is already visible in the prices of wind turbines and PV modules, which have increased by 10-25% depending on country and region, erasing two to three years of cost reductions since 2018 from technology improvements.

While uncertainty remains as to how long commodity prices will continue their upswing and we have not entered into any binding contract with OEM, the impact of rising material costs may increase our capex for nearly operational project and may also impact our profitability. Further, higher prices for solar PV and wind equipment have reversed the cost reduction trend that the industry has seen for more than a decade and may delay the financing of some projects already in the pipeline.

In order to build our projects, we rely on rights of way granted by landowners for laying roads, EHV transmission lines and 33kV transmission lines. We estimate the rights of way costs based on our past experience and assessment of prevailing market conditions and make provision for contingencies. However, we may have to pay higher costs for obtaining rights of way or build longer roads and/or transmission lines in case right of way from our planned routes are not available. We may also face extended periods of time in obtaining rights of way due to holdouts in some parcels of lands out of hundreds of parcels where we need to obtain rights of way. Such instances may cost us more time to commission our projects as well as higher cost of capital expenditure beyond provided contingency margins. For example, we faced resistance in obtaining right of way in our Rajkot 3 project for the last two turbines (out of 37 turbines) and in laying transmission lines for these two turbines. As a result, these two turbines were commissioned more than 6 months after they were installed.

The cost of operating our projects could increase, and we may not manage costs effectively.

While we believe we currently maintain a competitive cost of operations, there is a risk that an increase in our cost structure could have a material adverse impact on our financial performance. Examples of such costs include property taxes, the cost of procuring materials and services required for our general operations and maintenance activities and inflation in the cost of these goods/services.

Our profitability is largely a function of our ability to manage costs during the terms of the PPAs and to operate the projects at optimal levels. If we are unable to manage our costs effectively or to operate our projects at optimal levels, our profit margins, and therefore our business and results of operations may be adversely affected.

Any delay or failure to renew or maintain necessary permits would adversely affect the operation of our projects.

There is no assurance that we may be able to renew our existing approvals in a timely manner or at all. While applications shall be made to renew our existing permits and approvals, the relevant state agency may not renew the clearances in a timely manner or without imposition of stringent conditions. For example, in case of Rajkot project, we faced delays of up to two months in obtaining the Medium-Term Open Access approvals required for the project during COVID period. In case of our solar project in Periyapatti, we have faced a delay of approximately nine months in obtaining group captive open access and wheeling permission from Tamil Nadu Generation and Distribution Corporation Limited (“**Tangedco**”) and, as a result, we were unable to sell and bill electricity from this project to our group captive customers for the initial months. While we have been operating the project since July 2020, the electricity was being supplied free of cost to Tangedco until we receive the said group captive open access and wheeling permission from Tangedco in February 2021. In the case of Dayapar and Morjar 1 projects, we were not getting First Time Charging (“**FTC**”) approval. CEA and WRLDC notified new regulations and procedure for granting FTC stipulating several additional testing and compliance requirements. The approval was finally received in May to June 2023, after which we commissioned our remaining WTGs. Any failure to procure, renew or maintain necessary permits would adversely affect the continuing operation of our projects.

In the case of group captive projects, verification of compliance to the conditions for group captive sales is required to be done at the end of every financial year. Failure to comply with the conditions will lead to the imposition of CSS on our C&I customers and this may lead to disputes or obligations on us to bear some or all of such costs. The verification of group captive status in Tamil Nadu has not been done since 2014 (our Periyapatti project commenced operations only in FY 2018) because the matter has been in dispute between Tangedco and several industry associations. A detailed procedure for verification of group captive status has been issued by the Tamil Nadu Electricity Regulatory Commission only in January 2020 pursuant to which we have filed the required documents for verification for the past financial years starting in 2018. However, there has been no response from Tangedco as of the date of this Offering Memorandum. Some industry associations have also appealed to APTEL on several aspects of the detailed procedure announced in January 2020. APTEL held that although the DISCOMs may collect data for verification, any actions such as the imposition of cross subsidy surcharge can only be taken by the TNERC after initiating proper proceedings. Further, APTEL held that any verification of the status of captive generating plants and captive users can be done only at the end of a financial year. While the APTEL clarified several components of the detailed procedure in its order, and Tangedco has revised its processes accordingly, the outcome of the verification done by Tangedco may have an adverse impact on our business, cash flows and financial performance of our Periyapatti project.

Load despatch centers may order the curtailment of renewable energy operations in extraordinary circumstances.

Load despatch centers in India may order the curtailment of renewable power generation despite them being accorded “must-run” status. For example, Tamil Nadu State Load Despatch Center has historically imposed curtailment without providing valid reasons such as grid safety or emergency. Even though the CEA has in recent past created mechanism for recording such instances, along with justification thereof, through an online portal and has decided to investigate such instances of violation of “must run” status, there can be no assurance that state authorities will diligently provide this information on the online portal or such investigation will be completed at all or will result in a favorable outcome. Any future curtailment of renewable energy production may interrupt our operations, subject us to penalty payments for short supplies to our customers and may have a material adverse effect on our business, cash flows, financial condition and results of operations. In October 2021, the GoI announced amendments in rules relating, inter alia, to “must run” status primarily aimed at compliance with “must run” status, other than due to technical constraint in the electricity grid, and for payment of compensation in the event of violation of “must run” rules. However, there is no certainty that such compensation shall be paid.

If sufficient demand for wind and solar projects does not develop or takes longer to develop than we anticipate, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

The wind and solar power markets are at a relatively early stage of development in India. The wind and solar energy industries continue to experience improved efficiency and higher electricity output. However, trends in the renewable energy industries are based only on limited data and may not be reliable. Many factors may adversely affect the demand for wind and solar projects in India, including:

- fluctuations in economic and market conditions that affect the viability of conventional and renewable energy sources;
- the cost and reliability of wind and solar projects compared to conventional and other renewable energy sources;
- the cost competitiveness as compared against tariffs for conventional energy sources and the preference of some state utilities for conventional energy sources;
- public perceptions of the direct and indirect benefits of adopting renewable energy technology; and
- regulations and policies governing the electric utility industry that may present technical, regulatory and economic barriers to the purchase and use of wind energy.

If market demand for wind and solar projects fails to develop sufficiently, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

Our operations are subject to numerous environmental, health and safety laws and regulations.

We are subject to numerous environmental, health and safety laws and regulations in India at the national and regional level. These laws and regulations require us to obtain and maintain permits and approvals, undergo environmental impact assessments and review processes, and implement environmental, health and safety programs and procedures to control risks associated with the ownership, construction, operation and decommissioning of projects. See “*Regulation*” for further details.

If we do not comply with applicable laws, regulations or permit requirements, we may be required to pay penalties or fines or curtail or cease operations of such projects. Violations of environmental and other laws, regulations and permit requirements may also result in criminal sanctions or injunctions.

Environmental, health and safety laws, regulations and permit requirements may change or become more stringent. Any such changes of these laws may result in increased liabilities, compliance costs and capital expenditures or difficulty in our ability to comply with applicable laws, regulations and requirements. Our business could be adversely affected by significant changes in existing laws, regulations or requirements imposing additional permits and regulatory requirements on the projects or by the interpretation of those laws, regulations or requirements or more stringent enforcement by governmental authorities. If we do not comply with applicable laws, regulations or requirements, including permit requirements, we may be obliged to pay penalties or fines or curtail or cease operations of the projects, among other sanctions. Moreover, environmental laws and regulations may allow governmental authorities to bring enforcement actions requiring us to remediate any damages caused to the environment and private parties may bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety impacts of our past and current operations and natural resources. Any such changes could require us to incur materially higher costs than we currently have. Our costs of complying with current and future environmental, health and safety laws, regulations and permit requirements, and any liabilities, fines or other sanctions resulting from violations of them, could adversely affect our business, cash flows, financial condition and results of operations.

The recent order of the Supreme Court of India in 2021 directing the undergrounding of existing overhead transmission lines in certain environmentally protected areas might adversely impact the business and operation of certain Group entities.

A writ petition had been filed in 2019 before the Supreme Court of India seeking the conservation of two critically endangered species of birds, the Great Indian Bustard and the Lesser Florican, majorly existing in the states of Rajasthan and Gujarat. The petitioner through an interim application had further sought directions to ensure predator proof fencing, barring installation of overhead powerlines, installation of solar infrastructure in priority and potential area as identified by the Wildlife Institute of India (“**WII**”) in the states of Rajasthan and Gujarat (“**Designated Area**”), and installation of bird divertors for certain powerlines (as listed in the application) for the conservation of these two species. By an interim order, the Supreme Court on April 19, 2021, directed that all low voltage overhead powerlines in the Designated Area shall be converted into underground powerlines. In relation to the conversion of the high voltage overhead powerlines in the Designated Area into underground powerlines, the Supreme Court specified a list of powerlines where the bird divertors shall be installed and a list of powerlines where an assessment shall be made by a committee with regard to the feasibility of their undergrounding (the “**SC Committee**”). Consequently, all existing overhead lines are to be undergrounded within a period of one year from date of order of April 19, 2021 unless found technically feasible by SC Committee and pending consideration, bird diverters must be installed as an immediate measure. Our near-term wind-solar hybrid projects in Gujarat may be affected by the interim order. Consequently, the cost of implementation may increase for our upcoming projects.

On April 22, 2022, the Supreme Court also directed the SC Committee to formulate standards of quality required for bird diverters in consultation with the CEA (that has been advising the SC Committee in its examination of applications seeking exemptions from undergrounding on the ground of technical feasibility). Following this order, a technical expert committee (“**TEC**”) was constituted by the Ministry of Power to lay down techno-economic norms on undergrounding of transmission lines. The TEC submitted a report to the Ministry of Power, recommending undergrounding of only low voltage transmission lines (33kV and below) and installation of bird diverters on high voltage transmission lines (66kV and above). These recommendations have not been placed before the Supreme Court for approval. The Supreme Court has directed the Chief Secretaries of Rajasthan and

Gujarat to carry out a comprehensive assessment within six weeks in the priority areas in its order dated November 30, 2022. This assessment will include determining the total length of transmission lines and the required number of bird diverters. Additionally, the court has asked the expert committee to provide an updated report on the status of the submitted and approved applications before the next hearing.

Separately, the CEA on February 1, 2023 issued Draft Central Electricity Authority (Construction of Electric Lines in Great Indian Bustard Area) Regulations, 2023 (“**Draft GIB Regulations**”). While the Supreme Court’s order dated April 19, 2021 had considered low voltage power lines as lines with voltage of 66kV or below (in accordance with WII’s report), the Draft GIB Regulations classify low voltage transmission lines as 33kV or below (and therefore implies that lines of only 33 kV or below need to be compulsorily undergrounded). In addition, the Draft GIB Regulations provide that lines with higher voltage may be constructed with bird diverters. The Draft GIB Regulations are yet to be notified.

Currently, all new high voltage transmission lines (above 66 kV) are presently required to seek specific exemption from undergrounding from the SC Committee if they pass through the “priority” or “potential” GIB areas. In cases where the power producers are required to bear the additional amount adding to the cost of production, the Supreme Court has noted that power producers would be open to regulate the manner in which the cost would be mitigated in accordance with contractual terms (for example, claims may be made under PPAs for change in law).

The implications of the order and manner of its implementation are not fully clear yet, and if the order is not suitably modified or if our affected projects are unable to take relevant remedial measures or exemptions from the SC Committee or receive suitable compensation for costs associated with moving the transmission line underground, such costs will need to be borne by the Group entities. While, at present none of our operational/ near operational projects are located in the Designated Area, in case any future projects where the Group entities and the other power producers in the Designated Area are directed by the Supreme Court to take the relevant actions in order to protect these endangered species, there is a possibility that these species may continue to face danger of extinction on account of the transmission lines, which can attract certain negative attention, negatively affect biodiversity, and also cause harm to the reputation of power producers including us.

The ability to deliver electricity to our various counterparties requires the availability of and access to interconnection facilities and transmission systems.

Our ability to sell electricity is impacted by the availability of, and access to, the various transmission systems to deliver power to its contractual delivery point and the arrangements and facilities for interconnecting our generation projects to the transmission systems which are owned and operated by third parties or state electricity boards. Under our PPAs and the electricity grid codes in India, if the state transmission or distribution utilities determines that our project endangers personal safety or the integrity of the grid system or electrical service where real time visibility of electricity is not provided to load despatch centers, our project may be disconnected from the grid system (without compensation in the case of an emergency) partly or fully from time to time. While we own the entirety of our evacuation infrastructure in most of our projects, we have also entered into arrangements with third parties to share this infrastructure in few of our projects and may be exposed to associated risks.

For example, because of technical constraints at PGCIL, LTA for 38 MW capacity at our Dayapar project could not be operationalized timely. We were instead advised to sell proposed power from this 38 MW capacity under Short-Term Open Access. We approached SECI for the sale of power on a Short-Term Open Access basis and SECI considered the aforesaid technical constraint and accorded their consent to sell power under Short-Term Open Access up to June 30, 2022.

The absence of availability and access to as well as the operational failure of existing interconnection facilities or transmission facilities may have a material adverse effect on our ability to deliver electricity to our various counterparties or the requirement of counterparties to accept and pay for energy delivery, which could materially and adversely affect our assets, liabilities, business, financial condition, results of operations and cash flow.

We do not own all the land on which we operate and we may be forced to remove our equipment at the end of the lease.

Some of the land area we utilize or intend to utilize for our projects are leased. The conditions under lease agreements in respect of our projects typically include restrictions on leasehold interest or rights to use the land, continual operating requirements, and other obligations which include obtaining requisite approvals, payment of necessary statutory charges and giving preference to local workers for construction and maintenance. We are also exposed to the risk that these leases will not be extended or will be terminated by the relevant lessors if any conditions under lease agreements are not complied with. Some of our projects are located, or will be located, on revenue land that is owned by the state governments or on land acquired or to be acquired from private parties. The timeline for transfer of title in the land is dependent on the type of land on which the power projects are, or will be, located, and the policies of the relevant state government in which such land is located. In the case of land acquired from private parties, which is agricultural land, the transfer of such land from agriculturalists to non-agriculturalists such as our company and the use of such land for non-agricultural purposes may require an order from the relevant state land or revenue authority allowing such transfer or use. For revenue land, we obtain a lease from the relevant government authority. In certain cases, the land leased for the development of renewable energy projects is obtained on a sub-lease from the relevant state governments, which in turn has leased such land from private parties. Such land may be subject to disputes on account of right of way, encroachment and other related issues.

There is no assurance that the outstanding approvals would be received in time, or that lease or sub-lease deeds would be executed in a timely manner, such that the operation of the projects will continue unaffected. In certain cases, any delay in the construction or commissioning of a project due to reasons beyond our control may result in termination of the lease. Further, the terms of lease and sub-lease agreements may also not be co-terminus with the lifetime of the power projects, taken together with the period of time required for construction and commissioning of the project. Accordingly, we will have to obtain extensions of the terms of such leases and sub-leases. In the event that the relevant state authorities do not wish to renew the lease or sub-lease agreements, we may be forced to remove our equipment at the end of the lease and we may not be able to find an alternative location in the short term or at all and our business, results of operations, cash flows and financial condition could be adversely affected.

We are a capital-intensive business and any inability to obtain financing would adversely affect our business, financial condition, results of operations and prospects.

We are in a capital-intensive business and rely on debt and equity to finance the development costs of our projects. Recovery of the capital investment in a clean energy project generally occurs over a long period of time. As a result, we must use our existing cash generated from operations, or obtain funds from equity or debt financings or from government grants, to operate our projects. Our projects are financed by multiple groups of lenders including PFC, IREDA, ICICI Bank Limited, HDFC Bank Limited, IndusInd Bank Limited, IIFCL. We maintain relationship with other banks and financial institutions including State Bank of India, India Infradebt Limited, L&T Finance Limited, PTC India Financial Services Limited. For more details on our project financing, see “Description of Other Indebtedness.”

Our ability to obtain financing to finance the development of our projects is dependent on, among other factors, the overall state of the capital markets, continued operating performance of our assets, future electricity market

prices, the level of future interest rates and investors' assessment of our credit risk at such time, and investor appetite for investments in clean energy and infrastructure assets in general and in our securities in particular. To the extent that external sources of capital become limited or unavailable or available on onerous terms, we could reduce the scope of our projects or abandon or sell some or all of our projects, or default on contractual commitments, if any, to buy equipment in the future, any of which would adversely affect our business, financial condition, results of operations and prospects.

The delay between making significant upfront investments in our wind, solar and hydro power projects and receiving revenue could materially and adversely affect our liquidity, business, results of operations and cash flows.

There are generally many months or even years between the date we start project development and the date on which we begin to recognize revenue from the sale of electricity generated by such projects. Our initial investments include legal, accounting and other third-party fees, costs associated with project analysis and feasibility studies, payments for land rights, payments for interconnection and grid connectivity arrangements, government permits, engineering and procurement of equipment, balance of system costs or other payments, which may be non-refundable. As such, projects may not be fully monetized for the estimated life of the project and length of the PPAs, but we bear the costs of our initial investment upfront.

Furthermore, we have historically relied on our own equity contribution and debt to pay for costs and expenses incurred during project development. We typically recognize revenue from energy projects only when they are operational and we commence supply of power to offtakers. There may be long delays from the initial bid to projects becoming shovel-ready due to the timing of auctions, permits and the grid connectivity process. Between our initial investment in the development of permits for energy projects and their connection to the transmission grid, there may be adverse developments, such as unfavorable environmental or geological conditions, labor strikes, panel shortages or monsoon weather.

Furthermore, we may not be able to obtain all of the permits as anticipated or permits that were obtained may expire or become ineffective and we may not be able to obtain project level debt financing as anticipated. In addition, the timing gap between our upfront investments and actual generation of revenue, or any added delay in between due to unforeseen events, could put strains on our liquidity and resources, and materially and adversely affect our profitability, results of operations and cash flows.

We may be liable to pay a penalty if our forecasting of generation from wind and solar projects is incorrect.

Wind and solar projects in India are subjected to regulations that require us to forecast the generation, subject to certain conditions, in each 15-minute block. In case the actual generation deviates from the forecast generation, then, subject to certain tolerance limits, penalty is payable for such deviation. Given the variable nature of wind speeds and solar radiation, accurate forecasts are not possible. Therefore, in the event our forecasting accuracy declines or the tolerance limits for deviation are tightened or the level of penalties are increased by the electricity regulators, our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected.

Further, these regulations on forecasting and deviation penalty are relatively new and utilities have been taking different interpretations of these regulations. For example, we have petitioned against the adverse interpretations and infirmities in the regulations regarding deviation settlement mechanism (DSM) of forecasting penalties in Maharashtra and Madhya Pradesh and the matters are currently being considered by the High Court of Bombay and the Honorable Appellate Tribunal of Electricity, respectively. MERC has in December 2020 suspended the

operation of certain portions of these regulations objected to by us and certain other operators in the industry until March 2021. In case the distribution utilities take interpretations or regulatory commissions issue orders which result in higher than anticipated penalties, our results of operations, financial conditions, cashflows and operations may be materially and adversely affected.

We have limited history in developing or operating solar power projects.

We have limited history in developing or operating projects in the solar sector. The Periyapatti project is the first wind-solar co-located operational hybrid farm in our portfolio. Further, we have recently commissioned Rajkot 3, another wind-solar hybrid project in Gujarat. Our ability to successfully commission hybrid wind energy and solar projects may be hampered due to our lack of experience in managing challenges complications that are encountered in commissioning solar projects and market competition.

In addition, the clean energy industry in India is relatively young and has only experienced significant growth over the past decade. Accordingly, investors should consider our prospects in light of our limited history in developing and operating solar power projects, and in light of the risks and uncertainties that growing companies encounter in a rapidly evolving industry such as ours. Also, our rapid growth may make it difficult for us to manage our business efficiently, manage our capital expenditures effectively and control our costs, including general and administrative costs. These challenges could have a material adverse effect on our business, cash flows, financial condition and results of operation.

Restrictions on solar equipment imports, and other factors affecting the price or availability of solar equipment, may increase our implementation costs for proposed WSH project.

Approximately 71% of operating capacity of the Group is expected to be derived from WSH projects. A substantial portion of our equipment, mainly solar module panels, may get imported from China and certain other countries. Any restrictions or additional duties imposed by the governments of India or China, or of any other exporting countries could adversely affect our business, results of operations and prospects. For example, the Ministry of New & Renewable Energy (“MNRE”) has announced basic custom duty (“BCD”) on imported solar cells and modules starting April 1, 2022 of 25% for solar cells and 40% for solar modules. There is no assurance that other such duties will not be levied in the future. Such duties could result in an increase in our input costs for our solar business, especially if the costs cannot be passed on to our offtakers, which could have a material adverse impact on our business, financial condition and results of operations.

Furthermore, there have been recent press reports on studies claiming that the production of polysilicon, a key component of solar modules, relies on the use of forced labor in China’s Xinjiang province, which accounts for nearly 45% of global polysilicon production. If such claims are true and countries, including India, impose restrictions on the sourcing of solar equipment from China, the availability of such equipment may be adversely affected and their prices may rise.

Since 2019, the GoI has introduced a list of approved module suppliers who will be eligible to supply modules to project developers selected to develop solar projects in government projects, government assisted projects, projects under government schemes and programs, installed in the country, including specified projects set up for sale of electricity to the government, through the competitive bidding process. The GoI decided to include open access and net-metering projects also to source modules only from the approved vendors, effective from October 1, 2022. However, the impact on price or availability of solar equipment or the materials and components used therein is not yet clear. As a result of these initiatives, our input costs may be affected.

These and other factors affecting the price or availability of solar equipment or the materials and components used therein could increase our business costs and adversely affect our results of operations.

Our assets and operations are subject to certain risks and hazards which may not be fully insured against, and the Group may become subject to higher insurance premiums or less favorable terms under its insurance policies.

Our main assets are wind turbine generators and solar farms. Operating and developing these assets involves risks and hazards that may adversely affect our operations, including equipment failures, natural disasters, environmental hazards and industrial accidents. These and other hazards can cause or result in significant personal injury or death, severe damage to and destruction of property, plant and equipment and suspension of operations. For example, due to a fatal explosion on January 9, 2015 near the Bothe wind turbines, our property was damaged, three lives were lost and operation had stopped for four months which resulted in loss of profits. Two of our employees were named in the first information report that was filed with the police and the investigating authorities have filed a charge sheet against these two employees, one of whom is no longer our employee. The Judicial Magistrate First Class had referred the matter to the Sessions Court where the accused employees had filed discharge applications. The matter is still pending before the Sessions Court and the pleadings are yet to be completed. See “*Our Business — Governmental, Legal and Arbitration Proceedings*” for further details.

In April 2016, July 2019 and July 2020, one turbine each caught fire in our Ratlam (Inox turbine), Rajkot 1 (Vestas turbine) and Rajkot 1 (Vestas turbine) windfarms respectively wherein we suffered loss of property and suspension/derating of performance until the root cause of the fire was analyzed and asset restored to operations. While the respective OEMs replaced these turbines at their cost in each of these three cases, and the OEMs compensated us for a portion of our financial loss, we may or may not be able to recover the remaining losses from insurance.

In July 2022, 220 kV Line Tower of Common Infrastructure built by Inox collapsed due to flooding on account of heavy rains in the region, causing the project to shut down until restoration was completed in December 2022. While we have claimed loss of profit insurance from the insurance company, there is no certainty that we will be able to recover such claim in full or at all.

We have made insurance claims for the damages caused to the property and loss of profits due to business interruptions following the incident near the Bothe project in 2015. The insurance company has disputed our claim of approximately INR 283 million for loss of profits due to business interruptions and the matter is at a pre-admission stage before the High Court of Bombay and there can be no assurance that we will be able to recover the claimed amount, or at all. We have not recognized any income or asset on this account in our financial statements.

We may also face contractual or civil liabilities or fines in the ordinary course of business as a result of damages suffered by PPA counterparties or third parties, which may require us to make indemnification or other damage payments under contract or otherwise in accordance with applicable law, and our contracts may not have adequate limitations of liability for direct or indirect damage. We have insurance policies in place to cover certain risks associated with our business. While we believe that the insurance coverage is reasonable for our business operations and risk profile, any claims made under such insurance policies might not be successful or compensate us fully against all risks and losses that may arise, and the scope of our insurance coverage itself might not be adequate to cover incurred losses.

In addition, these insurance policies are subject to annual review by insurers, and they might not be renewed on similar or otherwise acceptable terms or at all. We might not be able to maintain adequate insurance at rates we consider reasonable. If we were to incur a serious uninsured loss or a loss that significantly exceeded the limits of these insurance policies, the resulting costs could have a material adverse effect on our business, prospects, cash flows, financial condition and results of operations.

One of our shareholders is named in a 2G spectrum case and as a result we face certain risks under the shareholders agreement between our Parent Guarantor and our Sponsor.

One of our indirect, minority shareholders was named as an accused in the matter related to irregularities in the matter of the terms of unified service license and of allotment of 2G spectrum to private sector telecom companies by the GoI in 2008 (“**2G Spectrum case**”). While he has been acquitted in 2018 by a special trial court set up for the purpose, the GoI has preferred an appeal in the higher court which is still in its early stages of hearing. Under the terms of the shareholders agreement between our Parent Guarantor and our Sponsor, we may be required to transfer the shares of one of our indirect shareholders to another party acceptable to our Sponsor, if an adverse judgment or order is passed against such shareholder by Indian courts in relation to the 2G spectrum case in India. If the shareholder’s shares are not transferred within three months of such adverse order, our Sponsor may acquire the shares of the said shareholder. Failure to complete these steps would result in an event of default under the shareholders agreement, which could result in our Sponsor terminating the agreement, which in turn could have an adverse impact on our business and results of operations.

We face high competition from conventional and other clean energy producers.

Our primary competitors include domestic and foreign companies, many of which have substantially greater financial, marketing, personnel and other resources than we do and which may be in a position to acquire clean energy assets by paying a significant premium. A reduction in demand for energy from clean energy sources or our failure to identify and adapt to new technologies could have a material adverse effect on our business, cash flows, financial condition and results of operations. Furthermore, technological progress in conventional forms of electricity generation or the discovery of large new deposits of conventional fuels could reduce the cost of electricity generated from those sources or make them more environmentally friendly, and as a consequence reduce the demand for electricity from clean energy sources or render our projects uncompetitive.

In the case of our open access projects (approximately 1.8 GW out of 2.3 GW), we compete on price and terms, with other conventional and clean energy producers, in selling electricity and negotiating PPAs with C&I customers. Once these PPAs expire or are terminated, we may face competition against conventional and clean energy generators in negotiating new PPAs with our current or new customers. We may also compete on price if we sell electricity into power markets at wholesale market prices. We may also compete with other conventional energy and clean energy generators, when we bid on, negotiate or renegotiate a long-term PPA, which could have an adverse effect on our business prospects, cash flows, financial condition and results of operation.

The provisions of the Electricity Act, 2003 have significantly increased competition for us in the power sector. This may have a material adverse effect on our revenues and results of operation.

The Electricity Act, 2003 has resulted in substantial changes within the power sector in India, including delicensing of generation, competition in supply, open access to distribution and transmission systems and the reorganization and privatization of certain of the state electricity boards (“**SEBs**”). Furthermore, the Ministry of Power has also proposed a draft Electricity (Amendment) Bill, 2022. The major amendments proposed to the Electricity Act, 2003 include, among other things, (i) introducing a framework which would allow more than one

distribution company to supply power in a given area; (ii) requiring energy regulatory commissions to include at least one member with experience and qualifications in law and also increasing the number of members of the APTEL; (iii) empowering the National Load Despatch Centers to oversee the national grid; (iv) requiring any contract for scheduling or dispatch of power to provide for an adequate payment security mechanism, as per contracts; (v) introduction of penalties for failure to meet renewable purchase obligations; (vi) removing requirement of more than one distribution licensee (discom) to operate in the same area and supply electricity through their own network; (vii) requiring the network-owning discoms to provide open and non-discriminatory access to its network to other discoms; (viii) sharing of the power and associated costs from existing power purchase agreements (PPAs) among all discoms in an area; (ix) determination of the floor and ceiling tariffs for retail supply by the State Commission, if there is more than one discom in an area; (x) setting up a cross-subsidy balancing fund by the state government to deposit surplus of cross-subsidy with one discom, and to provide for any deficit with another discom in the same or any other area; (xi) providing for a payment security mechanism to ensure timely payment to generation companies; and (xii) amending the qualification for chairpersons and other members of the Central and State Commissions. The Electricity (Amendment) Bill, 2022 was introduced in Lok Sabha in August 2022. It has been referred to the Standing Committee on Energy for detailed examination. Additionally, as mentioned above, the Ministry of Power notified the Electricity (Amendment) Rules, 2023 on June 30, 2023. These rules will have significant implications for captive power projects and the C&I business in India, including the business of the requester. The lack of publicly available context and background for the rules creates uncertainty about their purpose and consequences. Any negative interpretation by regulatory authorities could adversely affect the C&I business's financial performance. Existing captive generation projects are required to comply with the Amendment Rules at the end of each financial year. See "*Regulation*" for further details.

We have not determined the impact on our business of these recent and proposed changes to Indian law. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our business currently or in the future.

In addition, although the Electricity Act, 2003 has allowed us greater flexibility in selling power, it has increased the scope for competition in our business and may have had other impacts on our business, and may continue to do so, which could have a material adverse effect on our business, results of operations and financial condition.

Proposed changes in the Electricity Rules, 2005 regarding group captive sales of electricity may have a material adverse effect on our business, financial condition, results of operations and cash flow.

The Electricity Rules, 2005 require, among other things, that captive/group captive consumers collectively own at least 26% of the voting equity shares of the generating company, pro-rata to the generation capacity of the company being sold on captive/group captive basis. Draft amendments proposed by the GoI in 2018 require that the amount of investment by the captive/group captive consumers may be calculated on a normative basis as 26% of the 30% of capital employed. While the amendments have not been effected since, if such amendments or some variant of these amendments are effected, one of the requirements may be that we alter the capital structure of our group captive companies, i.e. SPVs which own our Periyapatti, Ratlam 2, Dalavaipuram and Kalvad 1 (potential group captive project) projects. This alteration of capital structure may cause our group captive users to increase their investment in the company and such consumers may require us to reset our tariffs under the PPAs with them. Additionally, the 2023 amendments to the Electricity Rules, 2005 provide that each captive user even in group captive is required to hold at least 26% ownership in the generating company even though the same rules also provide that 26% ownership may be held collectively by a group of captive users. There has not been any clarification issued in this regard whether the number of captive users in a group captive project is now

restricted by way of this amendment. The lack of clarity and background for the amendments to the rules made in 2023 creates uncertainty about their purpose and consequences. Any negative interpretation by regulatory authorities could adversely affect the C&I business's financial performance.

Failure to maintain at least 26% of the voting equity of the customers in our co-located wind and solar/WSH projects selling power to the customers under captive/group captive norms as per the Electricity Rules, 2005, could lead to imposition of cross subsidy surcharge and additional surcharge on our customers.

For our co-located wind and solar project in Periyapatti and WSH projects (i.e. Ratlam 2, Dalavaipuram and Kalvad 1 (potential group captive project) projects) selling power to the customers under captive/group captive norms as per the Electricity Rules, 2005, we are required to maintain at least 26% of the voting equity (pro-rata to the capacity being sold under the group captive arrangement) to be owned by the customers. Under the Electricity Act, 2003 and the rules and policies made thereunder, electricity can be supplied to a group of consumers in a "group captive structure" without levy of cross subsidy surcharge and additional surcharge. In order to take advantage of the structure, a group captive project must have the following characteristics:

- At least 26% of the voting equity of the project company (pro-rata to the generating capacity sold under group captive mechanism) must be owned by consumers of electricity; and
- At least 51% of net electricity generation must be consumed by such consumers in a financial year.

Consumption of energy from group captive projects (provided that the above two criteria are met) in any financial year exempts such consumers from levy of cross subsidy surcharge and additional surcharge. Failure to comply with the conditions will lead to the imposition of CSS and AS on our C&I customers and this may lead to disputes or obligations on us to bear some or all of such costs. Additionally, the Electricity (Amendment) Rules, 2023 requires that in case the captive power plant is set up by an affiliate company of the captive users, then the captive user is required to hold at least 51% shareholding in that affiliate company. As of the date of this Offering Memorandum, no definition of affiliate has been provided and no relaxation is provided for the existing captive projects under the amendment rules.

Although the Electricity Act, 2003 mandates that the supply of electricity to captive consumers will not be subject to surcharges, the MERC ruled that while cross subsidy surcharge is not applicable, the additional surcharge is applicable on sale of electricity to captive consumers. The Forum of Regulators, comprising of all electricity regulators in India, of which MERC is a part, had also stated that additional surcharge is not leviable so far as captive users/consumers are concerned. On appeal, in March 2019, APTEL set this interpretation aside and ruled that additional surcharge is not applicable on captive or group captive sales of electricity. MSEDCL and MERC then appealed to the Supreme Court of India. The Supreme Court in December 2021 while dismissing the civil appeal observed that captive consumers/captive users are not liable to pay the additional surcharge leviable under Section 42(4) of the Electricity Act, 2003. However, similar issues may come up in the future for other charges.

Supply and demand in the energy market in India, including the conventional energy market, is volatile and such volatility could have an adverse impact on electricity prices and have a material adverse effect on our business, financial condition, results of operations and cash flow.

Growth of electricity demand in India is greatly influenced by macroeconomic conditions, by absolute and relative energy prices, and by developments in energy conservation and demand-side management.

Correspondingly, from a supply perspective, there are uncertainties associated with the timing of decommissioning of older thermal power projects in part driven by environmental regulations and with the scale, pace and structure of replacement capacity, again reflecting a complex interaction of economic and political pressures and environmental preferences. The decommissioning of such power projects will cause a reduction in power supply. This volatility and uncertainty in the energy market in India, including the conventional energy market, could have a material adverse effect on our business, financial condition, results of operations and cash flow.

We have in the past entered into a number of related party transactions and may continue to enter into related party transactions in the future, and there can be no assurance that we could not have achieved more favorable terms if such transactions had not been entered into with related parties.

We have entered into related party transactions with Continuum Green Energy (India) Private Limited (“CGE IPL”), a wholly-owned subsidiary of our Parent Guarantor, and their terms, may not be as favorable to us, as applicable, if they had been negotiated with unaffiliated third parties. While we believe that all such transactions have been conducted on an arm’s length basis, we might have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into additional related party transactions in the ordinary course of our business. Such transactions to be entered in the future, individually or in the aggregate, could have a material adverse effect on our business prospects, cash flows, financial condition and results of operations. See “*Certain Relationships and Related Party Transactions*” for further details.

Current or future litigation or administrative proceedings could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We have been and continue to be involved in legal proceedings, administrative proceedings, claims and other litigation that arise in the ordinary course of business. Individuals and interest groups may sue to challenge the issuance of a permit for our clean energy project or seek to enjoin construction of our clean energy project. In addition, we may be subject to legal proceedings or claims contesting operation of our clean energy projects. In addition, from time to time, we may be involved in disagreements or disputes with our counter-parties in relation to the terms of our performance under our existing and potential PPAs. Unfavorable outcomes or developments relating to these proceedings, such as judgments for monetary damages, injunctions or denial or revocation of permits, could have a material adverse effect on our business, cash flows, financial condition and results of operations and the Issuer’s ability to pay the principal of and interest on the Notes. In addition, settlement of claims could adversely affect our business prospects, cash flows, financial condition and results of operations.

We may also be impleaded as parties in matters where we are not the intended respondents. For instance, a suit was instituted against several parties including the Union of India and energy generators and developers with projects in and around the Kutch district of Gujarat, one of which is our wholly-owned subsidiary Srijan Energy Systems Private Limited (“SESPL”). The 2020 suit was filed before the National Green Tribunal in 2020 seeking judicial intervention in the destruction to flora in the Kutch region. SESPL had made submissions to the effect that their project does not have any leased land in the region to which the suit pertains and have requested to be deleted from the array of parties. In the last hearing held by the tribunal on our interim application seeking deletion of SESPL name as a respondent, the tribunal has deleted SESPL’s name from array of the respondents.

For instance, SECI, the offtaker for our Morjar project, is party to a petition where the BSES Rajdhani Power Limited (“BRPL”) has sought the approval of the state ERC for the back-to-back power supply agreement which SECI entered into with BRPL. While the matter is inter-se the SECI and BRPL, since the back-to-back power

supply agreement is against a portion of the power supplied by us pursuant to our PPA with SECI, we were named by BRPL as a respondent when it approached the state ERC. However, we have not been formally served with a petition in this matter despite hearings having taken place. The matter is currently pending resolution of an issue of trading margin, which also does not pertain to our PPA with SECI for this project.

For example, some companies are parties to litigations with respect to certain parcels of land, which are still pending consideration by courts in India. Additionally, a charge sheet has been filed against two former employees (one of whom has since resigned from the employment of our Group and the other has been reassigned to another project of the Group following the completion of the construction of the Bothe project) of Bothe Windfarm Development Private Limited in relation to an ongoing police investigation with respect to a fatal accident that occurred near our Bothe project in January 2015. The matter is still pending before the Sessions Court and the pleadings are yet to be completed. For details of material legal proceedings that we are involved in, see *“Our Business — Governmental, Legal and Arbitration Proceedings.”*

Natural and catastrophic events may reduce energy production below our expectations.

A natural disaster, severe weather conditions or an accident that damages or otherwise adversely affects any of our operations could have a material adverse effect on our business, financial condition and results of operations.

Severe flooding, lightning strikes, earthquakes, extreme wind conditions, severe storms, wildfires, and other unfavorable weather conditions (including those from climate change) or natural disasters may damage our property and assets or require us to shut down our projects or related equipment and facilities, impeding our ability to maintain and operate our projects and decreasing electricity production levels and revenues. Any of these events, to the extent not fully covered by insurance, could have a material adverse effect on our business, cash flows, financial condition and results of operations. For example, for our Dayapar Project in Gujarat, 220 kV Line Tower of Common Infrastructure built by Inox collapsed due to flooding on account of heavy rains in the region on July 12, 2022. Because of this, we are not able to sell the power for 88 MW of capacity commissioned since July 2022. Restoration of the said tower was completed in first week of December 2022 and thereafter we are evacuating power uninterruptedly.

In addition, catastrophic events such as explosions, terrorist acts or other similar occurrences could result in similar consequences or in personal injury, loss of life, environmental danger or severe damage to or destruction of the projects or suspension of operations, in each case, adversely affecting our ability to maintain and operate the projects and decreasing electricity production levels and revenues. If any of the foregoing events occur, to the extent not fully covered by insurance (and not all such risks are insurable), it could materially adversely affect our ability to make payments on the Notes.

Your ability to protect your rights through the U.S. federal courts may be limited.

Each of the Parent Guarantor and the Issuer is incorporated in Singapore. As of the date of this Offering Memorandum, all of the Parent Guarantor’s and the Issuer’s directors are non-residents of the United States and all or a majority of their assets will be located outside the United States. All of our operating assets are located in India. As a result, it may not be possible for investors to effect service of process within the United States upon the Parent Guarantor, the Issuer or their respective directors, or to enforce any judgment obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws. In addition, we cannot assure you that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in the jurisdictions of incorporation of the Parent Guarantor and the Issuer. See *“Enforceability of Civil Liabilities.”*

The group companies are not listed companies and therefore are not subject to the disclosure and corporate governance requirements that are applicable to a listed company.

None of the Issuer, the Parent Guarantor or the subsidiaries of the Parent Guarantor is a listed company and their shares are not traded on any stock exchange. Other than the reporting obligations that we are required to comply with under the Indenture, we do not have to comply with any additional reporting obligations imposed by any stock exchange. As such, Noteholders will not have the benefit of the disclosure and corporate governance requirements that are imposed on companies that are publicly listed in India or Singapore or elsewhere and access to information regarding the Parent Guarantor or any entities within the group may be limited.

Significant differences exist between Indian GAAP, IND-AS and other accounting principles, such as IFRS, SFRS and US GAAP, which may be material to the financial statements if the financial statements are required to be prepared in accordance with IND-AS in future.

The Consolidated Financial Statements have been prepared in accordance with Indian GAAP. However, if the Consolidated Financial Statements are required to be prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended (“IND-AS”) in future, there could be significant differences between the financial statements prepared in accordance with IND-AS compared to the financial statements prepared in accordance with Indian GAAP. Indian GAAP and IND-AS both differ in certain respects from US GAAP, IFRS and SFRS, with which prospective investors may be familiar in other countries and reconciliation of the financial information to other accounting principles has not been provided. The degree to which the financial information included in this Offering Memorandum will provide meaningful information is dependent on the reader’s level of familiarity with Indian accounting policies and practices, and investors should consult their own advisors regarding such differences and their impact on the financial data of the Group.

Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

Although we attempt to maintain the latest international technology standards, the technology requirements for businesses in the wind sectors are subject to continuing change and development. Some of our existing technologies and processes in the wind and solar business may become obsolete, performing less efficiently compared to newer and better technologies and processes in the future. The cost of upgrading or implementing new technologies, upgrading our existing equipment or expanding capacity could be significant and could adversely affect our results of operations. Failure to respond to current and future technological changes in the wind farm industry in an effective and timely manner may have a material adverse effect on our business, cash flows, financial condition or results of operations. For example, the new evolving grid requirements specify certain technological advancements, which may require us to make substantial investments.

Negative public or community response to clean energy projects in general or to our projects specifically can adversely affect our ability to operate our projects.

Negative public or community response to clean energy projects in general or our projects specifically can adversely affect our ability to operate our projects. For example, we faced negative publicity from the nearby villages with respect to the fatal accident near our Bothe project in January 2015. This type of negative response can lead to legal, public relations and other challenges that impede our ability to maintain operational efficiency and generate revenues. An increase in opposition to our requests for permits or successful challenges or appeals to permits issued to us could materially adversely affect our development plans and operations.

If we are unable to maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

While we manage regulatory compliance by monitoring and evaluating our internal controls to ensure that we are in compliance with all relevant statutory and regulatory requirements, there can be no assurance that deficiencies in our internal controls and compliances will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no other instances of non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

We are exposed to operational risks arising from inadequacy or failure of internal processes or systems. In addition, we are exposed from risk associated with fraud or misconduct of our employees. In the past, we have not experienced any fraud or misconduct by employees which has materially affected our business, results of operations or financial condition. However, we may not be safeguarded against all fraud or misconduct by employees or outsiders, unauthorized transactions by employees and operational errors. Employee or executive misconduct could also involve the improper use or disclosure of confidential information or data breach or other illegal acts, which could result in regulatory sanctions and reputational or financial harm, including harm to our brand. Our management information systems and internal control procedures are designed to monitor our operations and overall compliance. However, they may not be able to identify non-compliance and/or suspicious transactions in a timely manner or at all. In addition, certain internal control processes are carried out manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may suffer monetary losses, including contractual liabilities and penalties, which may not be covered by our insurance and may thereby adversely affect our business, results of operations and financial condition. Such a result may also adversely affect our reputation, business, results of operations and financial condition.

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

As of March 31, 2023, we had 216 full-time employees. While we had not had any instances of strikes or lock-outs since we commenced operations, we may experience disruptions in our operations due to disputes or other problems with our workforce, and efforts by our employees to modify compensation and other terms of employment may divert management's attention and increase operating expenses. From time to time, we also enter into contracts with independent contractors to complete specific assignments and these contractors are required to provide the labor necessary to complete such assignments. Although we do not engage these laborers directly, we may be held responsible for wage payments to laborers engaged by contractors should the contractors default on wage payments. The occurrence of such events could materially adversely affect our business, prospects, financial condition and results of operations.

Lack of transparency, threat of fraud, public sector corruption and other forms of criminal activity involving government officials may increase our risk for potential liability under anti-corruption legislation, including the U.S. Foreign Corrupt Practices Act and other international anti-bribery laws.

We are subject to international anti-bribery laws, including the U.S. Foreign Corrupt Practices Act that prohibit improper payments or offers of improper payments to foreign governments and their officials and political parties for the purpose of obtaining or retaining business or securing an improper advantage, and require the maintenance of internal controls to prevent such payments. Although we maintain an anti-bribery compliance

program and train our employees in respect of such matters, there can be no assurance that our employees will not take actions that could expose us to potential liability under the FCPA or other applicable anti-bribery laws. In particular, in certain circumstances, we may be held liable for actions taken by our local partners and agents, even though such parties are not always subject to our control. Any determination that we have violated international anti-corruption laws (whether directly or through acts of others, intentionally or through inadvertence) could result in penalties, both financial and non-financial, that could have a material adverse effect on our business.

Fluctuations in foreign currency exchange rates may negatively affect our capital expenditures and could result in exchange losses.

Our functional currency is the Indian rupee and our revenue and operating expenses are denominated primarily in Indian rupees. However, some of our capital expenditures, particularly those for equipment imported from international suppliers, such as solar module panels, are denominated in foreign currencies, particularly the U.S. dollar, and some of our other obligations, including our external commercial borrowings, are also denominated in U.S. dollars. At present, we have exposure to the extent of approximately U.S.\$961 million in the form of foreign currency notes raised through wholly owned subsidiaries of CGEL. Interest portion of 2027 Notes (U.S.\$561 million) have been fully hedged with interest rate cross currency swaps, while principal repayment portion is hedged till certain level of USD/INR exchange rates basis call-spread hedging in place. Similarly, interest portion of the 2026 Notes (U.S.\$400 million) have been indirectly hedged by keeping an amount equivalent to the interest servicing for non-call period of 18 months in USD at offshore and principal portion has been hedged till certain level basis call-spread hedging in place for non-call period of 18 months. To the extent that we are unable to match revenue received in our functional currency with costs paid in foreign currencies, exchange rate fluctuations could adversely affect our profitability. Substantially all of our cash flows are generated in Indian rupees and, therefore, significant changes in the value of the Indian rupee relative to foreign currencies could adversely affect our financial condition. We expect our capital expenditures for our proposed expansion plans to include significant expenditure in foreign currencies for imported equipment and machinery.

While we have hedged our NCDs and ECB exposure to Indian restricted group entities and our capital expenditure costs denominated in U.S. dollars against foreign currency fluctuations, changes in exchange rates may still adversely affect our results of operations and financial condition. Any amounts we spend in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. We cannot assure you that we will be able to reduce our foreign currency risk exposure, through the hedging transactions we have already entered into or will enter into, in an effective manner, at reasonable costs, or at all.

We may not be able to adequately protect our intellectual property rights which could harm our competitiveness.

We believe that the use of our name and logo is vital to our competitiveness and success and for us to attract and retain our clients and business partners. Any improper use or infringement by any party could adversely affect our business, cash flows, financial condition and results of operations. We cannot assure you that the measures we have taken will be sufficient to prevent any misappropriation of our intellectual property.

Enforcement of any intellectual property rights could be time consuming and costly. We may not be able to establish our rights to such intellectual property in the absence of relevant registrations and accordingly may not be able to take appropriate action or prevent the use of such name or logo by third parties. If the measures we take do not adequately safeguard our intellectual property rights, we could suffer losses due to competing offerings of services that exploit our name and logo. We may also be subject to claims for breach of intellectual property by third parties if we are unable to secure adequate protection in relation to our name and logo.

Risks Relating to the Projections

The projections contained herein and their underlying assumptions may be inaccurate.

This Offering Memorandum contains certain assumptions and projections with respect to the revenue, generating capacity and the associated costs of certain operational and under construction projects held by the Group (collectively, the “**Reviewed Projects**”). Deloitte Haskins & Sells LLP, our existing auditor, and S R B C & CO LLP, our previous auditor for the purpose of the consolidated financial statements of the Group prepared in accordance with Indian GAAP, have provided no assurance on the prospective financial information or projections and have performed no services with respect to it. The Independent Consultant ascertained the logic, assumptions and flow of data used in and evaluated the mathematical accuracy of the Company’s EBITDA projections model, which are as set forth in the Independent Consultant’s Report in light of the technical and operational parameters of each of the Reviewed Projects, assuming wind and solar resources, contractual arrangements, the operation and maintenance budgets, tariff details, and the completion date of each of the projects part of Reviewed Projects, continuity of regulatory policies and tariff orders, and the related assumptions contained therein. In addition, the PPA for our 126 MW Dayapar Project was terminated and the entire commissioned capacity of 126 MW is currently being sold on the IEX at mercantile basis, which means that actual cash flows from this project may deviate significantly from original expectations due to merchant market price volatility. Even though certain Restricted Subsidiaries have realized income from sale of carbon emission reduction benefits in the past, the Appendix A – Projections Report has not considered any income accruing from any credits towards avoidance/reduction of carbon benefits. In addition, the Independent Consultant did not conduct any due diligence of information provided in the technical reports, did not check any land records, land agreements, rent agreements or property taxes and instead relied upon management’s representation for all these expenses, did not review any historical data and did not explicitly evaluate the model logic and/or associated input assumptions below EBITDA including, but not limited to, those calculations and assumptions related to taxes, interest, depreciation, financing structure and working capital. The Independent Consultant also has not inspected historical data and has relied on management representations for certain historical information. These management representations were not subject to any independent diligence process and there may be discrepancies between the information given in these management representations and the information given elsewhere in this Offering Memorandum. In addition, the financial projections in the Independent Consultant’s Report were prepared for the calendar year 2024, while the annual historical financial information appearing in this Offering Memorandum and our financial statements for reporting purposes are prepared based on fiscal years ending March 31, meaning the financial projections in the Independent Consultant’s Report may not be directly comparable to our historical financial information. Furthermore, the revenue and EBITDA projections in the Independent Consultant’s Report were prepared with respect to specific projects of the Group and should not be confused with the Group’s or the Restricted Group’s consolidated revenue or EBITDA, which may include other revenue or expense items that have not been taken into account for purposes of the projections. You should review the Independent Consultant’s Report, which contains a discussion of the assumptions used in preparing the projections, in its entirety. After the issuance of the Notes, neither we nor the Independent Consultant will provide the Holders with revised projections, or any report or analysis of any differences between the projections contained therein and actual results later achieved, and we expressly disclaim any duty to update the projections under any circumstances.

As noted above, the Independent Consultant’s Report contains financial projections, which are based on our estimates of future financial performance. Our estimates of the future financial performance of the projects are based on the technical reports that were prepared prior to or during the construction of the projects and continuity of regulations, policies and tariff orders. For the purposes of preparing the projections and such estimates, certain assumptions were made with respect to technical and performance parameters of each of our Reviewed Project’s wind or solar resources, material contingencies and other matters that are not within our, the Independent

Consultant's or any other person's control and the outcome of which cannot be predicted, including, among others, operating performance, future capital expenditures, future operation and maintenance costs, future revenues, the non-occurrence of force majeure or other similar events and our ability to place our under-construction and under-active development projects into commercial operation. In addition to EBITDA projections for the Restricted Group, EBITDA projections are presented on a consolidated basis for a portfolio of 1,299.8 MW, which is currently operational, and a portfolio of 2,123 MW, which in addition to the 1,299.8 MW operational portfolio also includes 823.2 MW of projects under construction. The under construction projects in the portfolio are assumed to be commissioned by December 2023 in the Independent Consultant's Report. However, their commissioning could face delays on account of construction or other delays and risks. For example, for a part of the solar portion of our Ratlam 2 project, acquisition of land rights for approximately 200 acres of land rights out of a total requirement of approximately 540 acres for the 250 MW wind solar hybrid project is yet to be completed, and acquisition of land rights for approximately 60 acres out of a total requirement of approximately 650 acres of land of our 300.8 MW wind solar hybrid project at Bhavnagar is yet to be completed. The acquisition of land rights is negotiated with individual landowners and generally can take from several weeks to several months. In particular, the landowners could decide not to negotiate with us on commercially reasonable terms or at all. The regulatory process of converting agricultural land to non-agricultural land could also delay the acquisition. Any of these factors could give rise to construction delays and increase our construction costs in excess of our estimates, which could prevent us from completing the construction of our projects on time and delay commissioning. See "*— Risks Relating to Our Business — We may experience delays in construction of our assets, which may increase our construction costs beyond our initial estimates and could adversely affect our business, results of operations and cash flows*", "*— We may not be able to develop our projects, have cost overruns, have project commissioning delays and may also have significant write-offs*" and "*— We may not be able to commission our under construction projects*". Any such delays in commissioning would adversely affect the contributions of the relevant Reviewed Projects to our projected revenue and EBITDA for 2024 as set out in the Independent Consultant's Report. Accordingly, the financial projections do not necessarily reflect future costs or cash flows and may not be representative of actual financial performance. In addition, the underlying wind technical reports reviewed and relied upon by the Independent Consultant for purposes of preparing certain projections may not accurately reflect the current wind pattern. To the extent there are material differences between the wind patterns at the time of the underlying wind technical report and current wind patterns, this could materially change the actual results of operations.

The assumptions used for the projections are inherently subject to significant uncertainties and actual results could differ materially from those projected. We cannot assure you that these assumptions are correct or that the projections and estimates will reflect actual results of operations. In addition, the projected EBITDA for solar and wind assets are calculated based on assumed P75 and P90 confidence levels for PLF. A P75 or P90 generation estimate represents that there is a 75% or 90% probability, respectively, that actual annual generation will be higher than the estimated annual generation over the estimation period. Such probability reflects the likelihood of actual results exceeding the projected results over the life of the project, but there may be volatility in actual results over the short term. In particular, it is customary in the renewable energy industry for P75 and P90 estimates prior to commissioning to be arrived at based on several years of weather data and are not revised until there have been a number of years of consecutive weather pattern changes, which means there is a risk that changes to weather patterns can impact the actual probability compared to what is reflected in the projections report. In addition, the P90 projections for the Restricted Group in the Independent Consultant's Report are higher than those we have presented for the Restricted Group historically, and the performance of the Restricted Group in recent periods, including in FY 2023, has been lower than P90 due to lower power generation resulting from incidents such as, for example, the curtailment at our Periyapatti project until June 2022 and lower wind speeds. See "*— Risks Relating to Our Business — If conditions of our wind and solar energy projects are unfavorable or below estimates, our electricity production, and therefore our revenues, may be substantially below our expectations and we may, in some cases, face penalties payable to our customers for short supply of*

electricity. Additionally, seasonality causes fluctuations in our business, cash flows, financial condition and results of operations". There can be no assurance that the performance of our operating assets will not continue to be lower in the future. Therefore, no representations are made or intended nor should any be inferred, with respect to the accuracy of the projections or estimates. Moreover, our operational projects have a relatively short operating history. If actual results are materially less favorable than those shown or contained in the projections, or if the assumptions used in formulating the projections and estimates prove to be incorrect, then our ability to make payments on the Notes may be materially impaired. See "*— Risks Relating to Our Business — If conditions of our wind and solar energy projects are unfavorable or below estimates, our electricity production, and therefore our revenues, may be substantially below our expectations and we may, in some cases, face penalties payable to our customers for short supply of electricity. Additionally, seasonality causes fluctuations in our business, cash flows, financial condition and results of operations*". See Appendix A, "*The Independent Consultant's Report*".

Risks Relating to India

Changing laws, rules and regulations and legal uncertainties in India may adversely affect our business and operations.

Our business and operations are governed by various laws and regulations such as the Electricity Act, 2003, the various national and state-level policies, regulations and rules issued thereunder, together with environmental and labor laws and other legislations enacted by the GoI and the relevant State Governments in India.

The business, cash flows and financial performance of our Indian subsidiaries could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to our Indian subsidiaries. There can be no assurance that the GoI or any State Government in India will not implement new regulations and policies which will require our Indian subsidiaries to obtain additional approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on their operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on the business, cash flows, financial condition and results of operations.

In addition, there are certain recent legislations pertaining to the land pursuant to which we may be required to acquire land for our operations, which may have an impact on our business and results of operations. For instance, the Land Acquisition Act, 2013 came into force with effect from January 1, 2014. The provisions of the Land Acquisition Act, 2013 cover various aspects related to the acquisition of land which may affect our Indian subsidiaries, including provisions stipulating: (i) restrictions on acquisition of certain types of agricultural land; and (ii) compensation, rehabilitation and resettlement of affected people residing on such acquired land.

In addition, the GoI and different states have enacted regulations for forecasting and scheduling of all forms of renewable energy. Such regulations apply to all renewable projects commissioned and connected to the grid. The regulations require us to submit a schedule of electricity generation. If we fail to adhere to these regulations, we may be exposed to penalties, which could have a material adverse effect on our profitability.

Further, GoI may change their fiscal policy which may have any adverse change in our project. For example, pursuant to the decisions taken at the 45th GST Council Meeting in September 2021, the renewable energy devices and parts for their manufacture, and particularly Windmills, Wind Operated Electricity Generator ("WOEG") shall now be subject to a higher GST rate effective from October 1, 2021 (i.e., 5% GST rate changed to 12% GST). This has resulted in increase in project cost. Although, the change in GST will be considered as

‘Change in Law’ under the PPA and shall be completely pass through under the PPA by way of increase in tariff. We have also filed petition with CERC on April 1, 2023 for increase in tariff, the final approval may be delayed from the time we are expecting and the actual tariff increase can be different from what we are estimating.

Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own, lease or may from time to time acquire in connection with our current or future operations. Additionally, certain land may be subject to onerous conditions which may delay the lease/transfer of the land to us, or adversely affect its use or creation of security over the said land.

Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own, lease or may from time to time acquire in connection with our current or future operations. Additionally, title to certain land may be subject to onerous conditions which may delay the lease/transfer of the land to us, or adversely affect its use or creation of security over the said land.

There is no central title registry for real property in India and the method of documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level in local languages and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated in a timely manner, may be illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In certain instances, there may be a discrepancy between the extent of the areas stated in the revenue records and the areas stated in the title deeds, and the actual physical area of some of the land on which our wind projects are constructed. Furthermore, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property’s chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners, or other defects that a purchaser may not be aware of can affect the title to a property. As a result, potential disputes or claims over title to the land that we own or the land on which our wind projects are or will be constructed may arise. There can also be no assurance that there will be no legal defects and irregularities in title to any land (including irregularities on account of delay in mutation of land) which we have acquired or may acquire in the future in connection with the acquisition or development of wind projects or otherwise, or that we will be able to identify or correct any such defects or irregularities in title on time, if at all.

Further, pursuant to the Prohibition of Benami Property Transactions Act, 1988, as amended (the “**BPT Act**”), any land, the title of which is registered in the name of a third party who is not the actual owner of the property, is liable to confiscation by the GoI without payment of any compensation. Further, transfers from any such third party to the actual owner are now prohibited, and any such transfer may be declared null and void. In addition, the GoI also has a right of compulsory acquisition under the Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the “**Land Acquisition Act, 2013**”). Under the Land Acquisition Act, 2013, we would be compensated for any land compulsorily acquired, however, the compensation may not necessarily reflect the market value of such land which may have an impact our business, cash flows, financial condition and operations.

Further, some portions of our projects are also located on revenue land which is owned by the government and leased to us. Non-compliance with the relevant applicable laws and regulations could result in significant remedial costs and penalties and have a material adverse effect on our business, cash flows, financial condition and results of operations, as such defects or irregularities may result in loss of development rights over land, which could prejudice the success of our wind farm and may require us to write off substantial expenditures in respect of such wind farms.

In addition, in respect of certain portions of our Rajkot 1, 2A & 2B, Dayapar, Morjar 1 and Ratlam projects, we only have the right to use the land, and in respect of certain portions of our project, we have easement and do not

have ownership or leasehold rights in respect of such portions. Their interest in such land being limited to a right to use is subordinate to the interest of the holder(s) of such ownership rights or leasehold rights and is therefore neither a transferable interest nor an interest which is chargeable as security. While we carried out due diligence before acquiring land in undertaking any project, all risks, onerous obligations and liabilities associated with the land for each project may not be fully assessed or identified, which could include, inter alia, the nature of faulty or disputed title, unregistered encumbrances, adverse possession rights or potential expropriation by the GoI pursuant to applicable law. It may also impede the transfer of title and expose us to legal disputes and/or financial liabilities and affect our business and operations. Presently, certain legal disputes, pertaining to some of our land, are pending which may affect our title on such land. For details, see *“Our Business — Governmental, Legal and Arbitration Proceedings”*.

In addition, there is also a possibility that, in the future, GoI may also exercise its right of compulsory acquisition under the Land Acquisition Act, 2013. Though under the Land Acquisition Act, 2013, we shall be compensated for the land which shall be compulsorily acquired, however, the compensation may not reflect the market values and which may impact our business, cash flows, financial condition and operations.

Any defects or irregularities of title may result in loss of development rights over land, which may prejudice our success and may require us to write off substantial expenditures in respect of a wind and solar power project. Any inability to identify defects or irregularities of title, and any inability to correct any such defects or irregularities of title may have an adverse effect on our business, cash flows, financial condition and results of operations.

Further, our operations required certain land related approvals for construction and also require labor related approvals which require renewal from time to time. There can be no assurance that such approvals will be renewed by us in the future which might impede our ability to carry out our operations in the event of non-renewal of such approvals.

Our ability to raise foreign capital may be constrained by Indian law.

Our Indian subsidiaries are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance of existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse impact on our business growth, financial condition, results of operations and cash flows.

Similarly, the Group’s ability to raise foreign capital may also be constrained by Indian law. The Group is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Group’s financing sources and hence could constrain the Group’s ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, the Group cannot assure you that the required approvals will be granted to the Group without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse impact on the Group’s business growth, financial condition, results of operations and cash flows.

A significant change in the GoI’s economic liberalization and deregulation policies could impact economic conditions in India generally and our business and financial results and prospects in particular.

Since 1991, successive Indian Governments have pursued policies of economic liberalization and financial sector reforms, including significant relaxations of restrictions on the private sector. Nevertheless, the Indian Government continues to exercise a dominant influence over many aspects of the economy, and its economic policies have had and continue to have a significant effect on private-sector entities, including us.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the GoI and the State Governments in the Indian economy and the effect on producers, consumers, service providers and regulators have remained significant over the years. The Indian Government has in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees, determined the allocation to businesses of raw materials and foreign exchange and reversed their policies of economic liberalization. We may not be able to react to such changes promptly or in a cost-effective manner. Increased regulation or changes in existing regulations may require us to change our business policies and practices and may increase the cost of providing services to our customers which would have an adverse effect on our operations and our cash flows, financial condition and results of operations.

Although the current GoI has continued India's economic liberalization and deregulation programs, there can be no assurances that these liberalization policies will continue in the future. Significant changes in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India in general as well as our business and our future financial performance.

A prolonged slowdown in economic growth in India or financial instability in other countries could cause our business to suffer.

Slowdown in the growth of the Indian economy could adversely affect our business and our lenders and contractual counterparties, especially if such a slowdown were to be prolonged. The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be adversely affected by such economic slowdown. Notwithstanding the RBI's policy initiatives, the course of market interest rates continues to be uncertain due to the high inflation, the increase in the fiscal deficit and the GoI's borrowing program. Any continued or future inflation because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy and could have a material adverse effect on our business, cash flows, financial condition and results of operations, thereby affecting our ability to service the Notes. The uncertainty regarding liquidity and interest rates, and any increase in interest rates or reduction in liquidity could adversely impact our business.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could influence the Indian economy and could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Recent global economic conditions have been challenging and continue to affect the Indian securities market, which may adversely affect our business, financial condition, results of operations, cashflows and prospects.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may adversely affect the market price of securities of companies located in other countries, including India.

For instance, the COVID-19 pandemic adversely affected market prices in the global securities markets, including India. Several countries' governments and numerous companies imposed increasingly stringent restrictions to help avoid, or slow down, the spread of COVID-19, including restrictions on international and

local travel, public gatherings, physical participation in meetings, as well as closure of universities, schools, stores and restaurants. The GoI initially announced a 21-day lockdown on March 24, 2020, which, after being subject to successive extensions, is currently relaxed. During the lockdown, there were several restrictions instituted, including travel restrictions and a directive to all citizens to not leave their respective houses unless essential. Although several of these restrictions have been eased, there can be no assurance that they will not be imposed again.

In February 2022, a military conflict erupted between Ukraine and Russia, involving a military incursion by Russia into Ukraine. As a result, the United States, the European Union and other countries imposed wide ranging sanctions against Russia and certain Russian entities and individuals connected to the Russian government. The escalating conflict has resulted in great uncertainty in the global markets, which could have an impact on the ability of companies to access capital in the global capital markets and result in liquidity constraints for companies. Any significant decrease in availability of funding through the international capital markets could have an adverse effect on us. Additionally, the conflict between Ukraine and Russia may not be resolved quickly, and the situation could even degenerate even further.

Further, negative economic developments, such as increasing food and commodity prices, globally exacerbating inflationary pressures, rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, cash flows and financial performance.

Any other global economic developments or the perception that any of them could occur may adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, cash flows, financial condition and results of operations.

Terrorist attacks, civil disturbances and regional conflicts in South Asia may have a material adverse effect on our business.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighbouring countries. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business, cash flows and future financial performance. There can be no assurance that such situations will not recur or be more intense than in the past.

Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business, results of operations and financial condition. Such violence may have an adverse impact on the Indian and worldwide financial markets. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Notes.

Natural calamities could have a negative impact on the Indian economy and adversely affect our business and project operations.

India has experienced natural calamities, such as earthquakes, tsunamis, floods and drought in the past few years. In December 2016, cyclonic storm resulted in heavy rains over the state of Tamil Nadu in southern India and

adjoining areas, as a result of which, many parts of Tamil Nadu and Andhra Pradesh witnessed massive damage. In May 2018, high-velocity dust storms swept across the northern region in India resulting in destruction of infrastructure including electric poles and mass casualties. In June 2023, Biparjoy cyclone hit western region in India resulting in destruction of infrastructure. The extent and severity of these natural disasters determines their impact on the Indian economy. If natural disasters occur in areas where our projects and project teams are located, project development, connectivity to the power grid and the provision of O&M services may be adversely affected. In particular, materials may not be delivered as scheduled and labour may not be available. All of our operations and employees are located in India and there can be no assurance that we will not be adversely affected by natural disasters in the future.

Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations and the trading price of the Notes.

As of March 2023, India's credit rating by S&P is BBB- with stable outlook, Fitch is BBB- with stable outlook and Moodys' is Baa3 with stable outlook. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could have an adverse effect on our capital expenditure plans, business, cash flow and financial performance, and the trading price of the Notes. See “— *Risks Relating to the Notes, the Parent Guarantor Guarantee and the Collateral — The rating of the Notes may be lowered or withdrawn depending on various factors, including the rating agency's assessment of our financial strength and Indian sovereign risk*”.

Investors may not be able to enforce a judgment of a foreign court against the Indian subsidiaries, certain of our directors, or Continuum's key management personnel, except by way of a suit in India on such judgment.

All of our operating subsidiaries are incorporated under the laws of India. In addition, certain of our directors and substantially all of Continuum's key management personnel reside in India, and all or a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India. In India, recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the “**Civil Code**”) on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record. However, such a presumption may be displaced by proving want of jurisdiction.

India has not ratified any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the GoI has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the

judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards. Further, the execution of the foreign decree under Section 44A of the Civil Code is also subject to the exceptions under Section 13 of the Civil Code.

The United Kingdom, Singapore and Hong Kong (among others) have been declared by the GoI to be reciprocating territories for the purposes of Section 44A. However, the United States has not been declared by the Indian Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Accordingly, a judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh proceeding suit instituted in a court of India and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed in India to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court would, if an action were brought in India. Further, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such judgment and such amount may be subject to income tax in accordance with applicable laws. In addition, any judgment awarding damages in a foreign currency would be converted into Indian rupees on the date of the judgment and not the date of payment. We cannot predict whether a suit brought instituted in an Indian court will be disposed of in a timely manner or be subject to considerable delay.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy.

As of Jun 16, 2023, India's foreign exchange reserve stands at U.S.\$596 billion. However, a sharp decline in India's foreign exchange reserves could result in reduced liquidity and higher interest rates in the Indian economy. Reduced liquidity or an increase in interest rates in the economy following a decline in foreign exchange reserves could have a material adverse effect on our business, cash flows and financial performance and ability to obtain financing to fund our growth on favourable terms or at all.

The Insolvency and Bankruptcy Code in India may adversely affect the Indian Restricted Subsidiaries' ability to pay back its creditors.

The Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**") provides for reorganization and insolvency resolution of corporate persons. The Bankruptcy Code offers a uniform, comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code created an institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, that facilitate a formal and time-bound insolvency resolution and liquidation process. The Bankruptcy Code enabled Creditors to file a corporate insolvency and resolution petition ("**CIRP**") against debtors, including on default in payment of debt by debtors. Further, in the event the CIRP is admitted by the National Company Law Tribunal against a debtor, the moratorium provisions under the Bankruptcy Code prohibit, among other things, the creation of encumbrance, disposing of assets of such debtor, any action enforcing the security interest of such debtor and the institution or continuation of legal proceedings against such debtor. If the Bankruptcy Code provisions are invoked against us, it may adversely affect our ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

As a related party of the Indian Restricted Subsidiaries, the Issuer may be precluded from being a part of the committee of creditors in case of an insolvency of such Indian Restricted Subsidiary.

In case of an institution and admission of an insolvency resolution process with respect to an Indian Restricted Subsidiary under the provisions of the Bankruptcy Code, a committee of creditors of the insolvent Indian Restricted Subsidiary is constituted which is responsible for appointment of the resolution professional, approval of the resolution plan etc. The committee of creditors under the Bankruptcy Code would consist of all the financial creditors (being the lenders of debt along with interest disbursed against the consideration of time value of money) of such Indian Restricted Subsidiary. The Bankruptcy Code, however, precludes “related parties” (as defined in the Bankruptcy Code, which includes a subsidiary of a holding company to which the Indian Restricted Subsidiary is a subsidiary) from participating in the committee of creditors. As the Indian Restricted Subsidiaries and the Issuer are subsidiaries of the Parent Guarantor, the Issuer would be a related party of the Indian Restricted Subsidiary and would be precluded from participating in the committee of creditors (as the lender of the Onshore Debt) in case of an insolvency proceeding in relation to an Indian Restricted Subsidiary. Even in case of a change of control of the Issuer, given that at the time of the extension of the Onshore Debt by the Issuer to the Indian Restricted Subsidiaries the Issuer was a “related party” (as defined in the Bankruptcy Code) of the insolvent Indian Restricted Subsidiary, it is possible that the adjudicating authority under the Bankruptcy Code may nonetheless preclude the Issuer from participating in the committee of creditors of the insolvent Indian Restricted Subsidiary.

The new tax reforms could adversely affect the Indian Restricted Subsidiaries’ business prospects, cash flows, financial condition and results of operations.

There are two major reforms in Indian tax laws, namely the introduction of Goods and Services Tax (the “GST”) and provisions relating to General Anti-Avoidance Rules (“GAAR”).

The government has implemented the GST regime in India with effect from July 1, 2017, unifying and replacing various indirect taxes applicable earlier. The GST will lead to minor increase in the cost of operations of the Indian Restricted Subsidiaries since various services received by the Indian Restricted Subsidiaries will now be taxed at the rate of 18% under GST as compared to the earlier service tax which was charged at the rate of 15%.

The provisions of GAAR came into effect on April 1, 2017. The GAAR provisions can be invoked once an arrangement is regarded as an “impermissible avoidance arrangements”, which is any arrangement, or a part of it, the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests:

- (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length price;
- (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961;
- (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or
- (iv) is entered into, or carried out, by means, or in a manner, which is not ordinarily employed for bona fide purposes.

The onus to prove that the transaction is not an “impermissible avoidance agreement” is on the assessee, i.e. where GAAR provisions are invoked, an arrangement shall be presumed to be an “impermissible avoidance agreement”, unless it is proved to the contrary by the assessee. If GAAR provisions are invoked, then the tax

authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty the consequences and effects of which are not determinable at present. Such effects could materially and adversely affect our Restricted Subsidiaries' business, prospects, financial condition, results of operations and cash flows.

In addition, pursuant to the decisions taken at the 45th GST Council Meeting in September 2021, the renewable energy devices and parts for their manufacture, and particularly Windmills, Wind Operated Electricity Generator (“WOEG”) shall now be subject to a higher GST rate effective from October 1, 2021 (i.e., 5% GST rate changed to 12% GST). This has resulted in increase in project cost. Although, the change in GST will be considered as ‘Change in Law’ under the SECI PPA and shall be completely pass through under the SECI PPA by way of increase in tariff.

Moreover, certain changes in Indian tax laws or regulations or non-renewal of certain tax benefits past a sunset date could give the Issuer the right to redeem the Notes prior to their scheduled maturity. See “*Description of the Notes — Redemption for Taxation Reasons*” and “*Risk Factors — Risks Relating to the Notes, the Parent Guarantee and the Collateral — The redemption of the Notes prior to maturity may adversely affect your return on the Notes.*”

We cannot predict whether any new tax laws or regulations, in India or any other jurisdictions (including pursuant to any implementation of global tax initiatives such as Organization of Economic Cooperation and Development and G20's Inclusive Framework on Base Erosion or Profit Shifting) impacting the Indian Restricted Subsidiaries' services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on their financial statements.

Risks Relating to the Notes, the Parent Guarantee and the Collateral

The Notes may not be a suitable investment for all investors.

Each investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's currency;
- understand thoroughly the terms of the Notes including certain agreements and representations that any person who purchases Notes at any time is required to make, or is deemed to have made, as a condition to purchasing Notes or any legal or beneficial interest therein, and be familiar with any relevant financial markets;

- understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisors) the nature of the Notes and related hedging transactions that the Issuer intends to enter into and how the performance thereof may affect the pay-out and value of the Notes; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased with an understood, measured, appropriate addition of risk to their overall portfolios. There can be no assurances with respect to the performance of the Notes or the related hedging transactions that the Issuer intends to enter into, and an investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Notes and such hedging transactions will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the investor's overall investment portfolio.

The Issuer's ability to pay the principal and interest on the Notes and the Parent Guarantor's ability to guarantee the obligations under the Notes may be adversely affected by the offering structure and our corporate organization structure.

The operating companies within the Group are the Parent Guarantor's Indian Restricted Subsidiaries which conduct substantially all of our business. The Issuer is not an operating company and does not own any of the Indian Restricted Subsidiaries. The Issuer has extended some Onshore Debt to certain Indian Restricted Subsidiaries. The tenure of the Onshore Debt may vary as per the terms of such debt. The Issuer is not expected to have any material assets other than its receivables under inter-company loans including any Onshore Debt. As such, the Issuer's primary source of income is expected to be interest payments on any such Onshore Debt and any related hedging payments, and as a holding company, the Issuer will rely upon each of the Indian Restricted Subsidiary's timely payment under any such Onshore Debt and any related hedging proceeds for interest payments under the Notes, which in turn is dependent on such Indian Restricted Subsidiaries' operating and financial performance and ability to generate cash. This will be affected by the ability of the Indian Restricted Subsidiaries to successfully operate their respective projects, as well as general economic, financial, competitive, regulatory, technical and other factors beyond our control. If the Restricted Subsidiaries cannot generate sufficient cash to meet their debt service obligations or fund other business needs, they may, among other things, need to refinance all or a portion of their debt, including any Onshore Debt, obtain additional financing, delay capital expenditures or sell assets. The Indian Restricted Subsidiaries might not be able to generate sufficient cash through any of the foregoing. If the Indian Restricted Subsidiaries are not able to refinance any of their debt, obtain additional financing or sell assets on commercially favorable terms or at all, the Indian Restricted Subsidiaries may not be able to satisfy their obligations with respect to their debt, including any such Onshore Debt. If this were to occur, creditors of the relevant debt would be able to declare the full amount of such debt due and payable, and the assets of the Indian Restricted Subsidiaries may not be sufficient to pay such amounts. To the extent the Issuer does not receive payments on any such Onshore Debt and the related hedging payments, it may not be able to service the interest or principal payments of the Notes when they come due. There is no requirement for any Onshore Debt to remain in place during the tenor of the bonds and it can be terminated or repaid at any time in accordance with its own terms.

Furthermore, the Issuer and CGEIPPL, the direct holding company of the Indian Restricted Subsidiaries, are sister companies that are each wholly-owned by the Parent Guarantor. Under this structure, the Issuer does not have access to the cash flow or other assets of the Indian Restricted Subsidiaries, nor does it own, or have access to

any distribution on, capital stock of the Indian Restricted Subsidiaries. The Indian Restricted Subsidiaries might not make payments under any Onshore Debt in a timely manner or at all. In addition, legal constraints, such as restrictions relating to foreign exchange controls, transfer approvals or withholding taxes, a lack of retained earnings or the solvency of the Indian Restricted Subsidiaries may also limit the amounts that the Indian Restricted Subsidiaries can provide to the Issuer. If the payments from the Indian Restricted Subsidiaries to the Issuer are eliminated, delayed, reduced or otherwise impaired, the Issuer's ability to fulfil its obligations under the Notes would be substantially impaired.

The Parent Guarantor is a holding company that does not conduct any business operations and whose only material assets are equity shares of the Indian Restricted Subsidiaries through CGE IPL. The Parent Guarantor will rely upon dividends and other payments from CGE IPL and the other Indian Restricted Subsidiaries, as well as equity contributions from shareholders of the Parent Guarantor, to generate the funds necessary to meet its obligations under the Parent Guarantee. Historically, the Parent Guarantor has met its capital requirements primarily through investments from its shareholders, and the Parent Guarantor's subsidiaries have met their capital requirements through investments from the Parent Guarantor, debt financing and operating surpluses. The Indenture also permits the Parent Guarantor to sell 75.1% stake in CGE IPL subject to certain conditions. To the extent such sale occurs, the Parent Guarantee will be assumed by the acquiring company and the acquiring entity will also acquire 100% of the Issuer.

Subsidiaries of the Parent Guarantor have not historically made any dividend payments to the Parent Guarantor. In addition, each subsidiary is a separate and distinct legal entity and will have no obligation, contingent or otherwise, to make funds available, whether by dividend, distribution, loan or other payment, to the Parent Guarantor to fulfill its obligation under the Parent Guarantee. Dividend payments by an Indian company are subject to a recommendation by its board of directors and approval by a majority of its shareholders and have to be made in accordance with the provisions of the Companies Act, 2013 read with relevant rules made thereunder and the articles of associations of such Indian companies. Further, in accordance with the provisions of the Companies Act, 2013, interim dividend can be paid at any time, subject to the approval of board of directors and the articles of associations of such Indian companies. There can also be no assurances that the shareholders of the Parent Guarantor will make any further equity contributions in the future. In addition, some of the agreements covering the existing indebtedness of the Parent Guarantor's subsidiaries have restrictions on making any dividend payments prior to repayment of the facilities in full. Therefore, a dividend or other distribution on capital stock may not be distributed to the Parent Guarantor in full, which may substantially limit the amount the funds available for the Parent Guarantor to fulfill its obligations under the Parent Guarantee. Indebtedness of the subsidiaries of the Parent Guarantor and equity interests of the subsidiaries not held by us will effectively rank ahead of the Parent Guarantee. See "*Description of Other Indebtedness*". Legal constraints, such as restrictions relating to foreign exchange controls, transfer approvals or withholding taxes, a lack of retained earnings or the solvency of our subsidiaries may also limit the amounts that our subsidiaries can provide to the Parent Guarantor. As at March 31, 2023, the Parent Guarantor had INR 29.2 million of cash and bank balances on standalone basis and INR 32,348 million of cash and cash equivalents (CCE), bank balances other than CCE and fixed deposits with remaining maturities for more than 12 months of the Parent Guarantor and its subsidiaries on a consolidated basis. In addition, the Parent Guarantor and CGE IPL may, in certain circumstances, sell or otherwise dispose of its equity interests in the Indian Restricted Subsidiaries to other parties, subject to conditions set out in the Indenture and the Collateral. In the event of such a sale or other disposition, any proceeds received by the Parent Guarantor or CGE IPL may be used by it for any purpose and will not be available to service the Notes. If distributions from the subsidiaries to the Parent Guarantor were eliminated, delayed, reduced or otherwise impaired, the Parent Guarantor's ability to fulfill its obligations under the Parent Guarantee would be substantially impaired.

The Parent Guarantee will be effectively subordinated to secured obligations of the Parent Guarantor, to the extent of the assets serving as security for such obligations.

The Parent Guarantee will be issued as a general obligation of the Parent Guarantor. However, the Parent Guarantee will be effectively subordinated to any secured obligations of the Parent Guarantor to the extent of the assets serving as security for such secured obligations. In a bankruptcy of the Parent Guarantor, the holder of a security interest with respect to any assets of the Parent Guarantor would be entitled to have the proceeds of such assets applied to the payment of such holder's claim before the remaining proceeds, if any, are applied to the claims of holders of Notes.

The Notes will not be guaranteed by any of the Indian Restricted Subsidiaries and, accordingly, the Notes will be structurally subordinated to the liabilities of the Restricted Subsidiaries.

Our operations are largely conducted through our Indian Restricted Subsidiaries. Accordingly, we are, and after this offering will continue to be, dependent on our Indian Restricted Subsidiaries' operations and cash flows to service any Onshore Debt that we may hold or payments from our Parent Guarantor to repay any amounts under the Notes. Our Indian Restricted Subsidiaries operations and cash flows are subject to the claims of all holders of their debt securities and other creditors, including trade creditors. In the event of an insolvency, bankruptcy, liquidation, reorganization, dissolution or winding-up of the business of any Indian Restricted Subsidiary, creditors of such Indian Restricted Subsidiary will generally have the right to be paid in full before any distribution is made to us. For information about the significant amount of the indebtedness of our Subsidiaries, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness" and "Description of Other Indebtedness".

Holders of the Notes will not have any direct interests in the Onshore Debt, to the extent such debt exists.

The investors in the Notes will not have any direct rights in respect of any Onshore Debt as a result of their holding Notes and shall have no right to call for any Onshore Debt to be delivered to them either before or after any event of default under the Notes. On occurrence of an event of default under the Notes, if there is any Onshore Debt subsisting, the Issuer (or a broker on its behalf) may sell the Onshore Debt. The holders of the Notes may be able to acquire a direct right in respect of the Onshore Debt (in the capacity of a holder of the Onshore Debt and not in their capacity as a Noteholder), subject to applicable Indian law and regulations and other applicable restrictions where the Onshore Debt is listed, by purchasing them from such person, but a Noteholder's bid might not be successful in such case.

The Notes may be issued with original issue discount for U.S. federal income tax purposes.

The Notes may be issued with original issue discount for U.S. federal income tax purposes ("OID"). The Notes will be considered to be issued with OID if the stated principal amount of the Notes exceeds the issue price of the Notes (as determined for U.S. federal income tax purposes) by an amount equal to or more than a statutorily defined de minimis amount. In such event, investors in the Notes subject to U.S. federal income taxation generally will be required to include OID in their gross income for U.S. federal income tax purposes as it accrues, in advance of the receipt of cash payments attributable to such income, using the constant yield method. See "Taxation — Certain U.S. Federal Income Tax Consequences."

The characterization of the Notes for U.S. federal income tax purposes is uncertain.

The proper characterization of instruments such as the Notes for U.S. federal income tax purposes is subject to significant uncertainty. The determination of whether an obligation represents debt or equity is based on all the

relevant facts and circumstances. It is possible that the Notes could, for example, be treated as indebtedness of the Parent Guarantor, or, alternatively, be treated as an equity interest in the Issuer. The Issuer has filed an IRS Form 8832, electing to be treated as an entity disregarded from its sole owner for U.S. federal income tax purposes. To the extent the Issuer is required to take a position in, it intends to take the position that the Notes are properly characterized as indebtedness for U.S. federal income tax purposes. This position will be binding on a U.S. Holder (as defined in “*Taxation — Certain U.S. Federal Income Tax Consequences*”) unless the U.S. Holder expressly discloses that it is adopting a contrary position on its income tax return. However, the Issuer’s position is not binding on the U.S. Internal Revenue Service (the “**IRS**”) or the courts, there can be no assurance that this characterization will be accepted by the IRS or a court, and there is a significant risk that the IRS may disagree with such treatment. If the Notes are not treated as indebtedness, U.S. Holders could be subject to materially different U.S. federal income tax consequences from the acquisition, ownership and disposition of the Notes, which could be materially adverse. For example, if the Notes are properly characterized as equity of the Issuer for U.S. federal income tax purposes, each U.S. Holder may be required to include in its calculation of taxable income its allocable portion of the items of income, deduction, gain or loss of the Issuer, including without limitation, its allocable portion of interest income on the Onshore Debt. Additionally, if the Notes are not treated as indebtedness for U.S. federal income tax purposes, a U.S. Holder may also realize foreign currency gain or loss. Prospective investors should read the discussion under “*Taxation — Certain U.S. Federal Income Tax Consequences*” and consult their own tax advisors as to the U.S. federal income tax consequences of holding the Notes.

The characterization of the Notes for Singapore taxation purposes may change.

The Notes are, pursuant to the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”) and the MAS Circular FDD Cir 08/2023 entitled “Qualifying Debt Securities and Primary Dealer Schemes – Extension and Refinements” issued by the Monetary Authority of Singapore (“**MAS**”) on May 31, 2023, intended to be “qualifying debt securities” for the purposes of the Income Tax Act, subject to the fulfilment of certain conditions more particularly described in the section “*Taxation — Singapore Taxation*”. However, there is no assurance that the Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

Security over the Collateral will not be granted directly to the holders of the Notes.

Security over the Collateral for the obligations of the Issuer under the Notes and the Indenture will not be granted directly to the holders of the Notes but will be granted only in favor of the Common Collateral Agent, on behalf of the Trustee and any holders of permitted *pari passu* indebtedness, as applicable.

Accordingly, holders of the Notes will not have direct security and will not be entitled to take enforcement action in respect of the security for the Notes, except by instructing the Trustee to act on their behalf to instruct the Common Collateral Agent.

The Trustee may request the holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may request holders of the Notes to provide an indemnity and/or security and/or prefunding to its satisfaction before it will take actions on their behalf. The Trustee will not be obliged to take any such actions unless it is instructed in writing by the requisite number of holder and indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. Further, the Trustee may

not be able to take actions, notwithstanding the provision of an indemnity, security and/or prefunding to it, in breach of the terms of the Indenture or in circumstances where there is uncertainty or dispute as to such actions' compliance with applicable laws and regulations. In such circumstances, to the extent permitted by any applicable agreements or applicable laws, it will be for the holders of the Notes to take such actions directly.

The Collateral will also be charged to secure certain hedging obligations which may be paid in priority to the Notes, and the value of the Collateral may not be sufficient to repay the Notes in full and other pari passu secured indebtedness.

The Notes will be secured by a security package (the “**Collateral**”), which will consist of (1) a first-priority fixed share charge (the “**Share Charge**”) granted by the Parent Guarantor in favour of the Common Collateral Agent over the Capital Stock of the Issuer; and (2) a debenture (the “**Debenture**”) granted by the Issuer in favour of the Common Collateral Agent, with: (a) first priority fixed security (the “**Fixed Security**”) over the Issuer’s assets (including but not limited to its contractual rights, proceeds, accounts, property, equipment, investments, intellectual property, goodwill and uncalled capital); and (b) a first-priority floating charge (the “**Floating Charge**”) over all assets and undertaking of the Issuer (other than, in the case of each of the Fixed Security and the Floating Charge, (i) the Onshore Debt, (ii) any proceeds of, income from, and sums arising from any Onshore Debt which are held or caused to be held on behalf of the Issuer in India, and (iii) to the extent restricted by applicable Indian regulations, the Issuer’s rights, title and interest under the documents executed by the Issuer in relation to the Onshore Debt). The value of the Collateral in the event of a bankruptcy or liquidation of the Issuer will depend on many factors. In particular, the Share Charge only has value to the extent that the assets of the Issuer are worth more than its liabilities.

The Collateral may be shared on a *pari passu* basis by the holders of the Notes and any other creditors with respect to *pari passu* secured indebtedness permitted under the Indenture, including the certain hedging obligations with respect to the Notes. Accordingly, in the event of a default under the Notes or the other secured indebtedness and a foreclosure or enforcement of the Collateral, any foreclosure or enforcement proceeds would be shared by the holders of the Notes and the holders of any other secured indebtedness in proportion to the outstanding amounts of each class of secured indebtedness. In addition, in the event of an early termination of the relevant hedging agreement arising from any event (other than an event of default in respect of the applicable counterparty(ies)) in the event of an acceleration of certain Hedging Obligations in relation to Hedging Obligations permitted to be Incurred by the Issuer under clause (2)(e) of the definition of Permitted Indebtedness, amounts recovered in respect of the Collateral are required to be turned over to the Common Collateral Agent and, subject to the payment of certain fees and expenses, paid by the Common Collateral Agent to the counterparties to such Hedging Obligations in priority to the Holders and to holders or lenders of other Permitted Pari Passu Secured Indebtedness. Holders of the Notes will not have recourse to the Parent Guarantor as pledgor or any of the Parent Guarantor’s assets, other than the shares of the Issuer.

By its nature, the Share Charge may be illiquid and have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the proceeds from any sale or liquidation of the Collateral might not be sufficient to pay the Issuer’s obligations under the Notes. Any claim for the difference between the amount, if any, realized by holders of the Notes from the sale of the Collateral and the obligations under the Notes will rank equally in right of payment with all of the Issuer’s unsecured senior debt and other unsubordinated obligations.

In the case of any Qualified CGEIP Transaction, the acquiror must grant a replacement Share Charge over all the Capital Stock of the Issuer on substantially the same terms as the existing Share Charge, but in the case of an insolvency the hardening period of the replacement Share Charge will be determined from the date the new Share Charge is granted and not the date on which the original Share Charge was granted.

In the case of any Qualified CGEIP Transaction, the acquiror must grant a replacement Share Charge over all the Capital Stock of the Issuer on substantially the same terms as the existing Share Charge substantially concurrently with the consummation of such Qualified CGEIP Transaction. Singapore law provides that where a transaction, such as where security interests are granted, is considered an undervalued transaction or where an unfair preference given, such transaction may be set aside or varied by the Singapore courts if it is determined that it was entered into during the hardening period. The hardening period under Singapore law refers to a period of time prior to the commencement of winding up or judicial management of the insolvent company. For undervalue transactions this typically ranges around 3 years and for transactions where unfair preference was given, this is typically 1 year unless the preference was given to a connected person, whereby it would be around 2 years. As such although a replacement Share Charge on substantially the same terms as the existing Share Charge will be granted substantially concurrently with the completion of the Qualified CGEIP Transaction, in the case of insolvency, the hardening period of the new Share Charge that is granted in connection with the Qualified CGEIP Transaction will be determined from the date the new Share Charge is granted and not the date on which the original Share Charge was granted.

The redemption of the Notes prior to maturity may adversely affect your return on the Notes.

The Issuer has the right to redeem some or all of the Notes prior to maturity, as described under “Description of the Notes — Optional Redemption” and “Description of the Notes — Redemption for Taxation Reasons.” Such redemption may give rise to a termination or early unwind of hedging agreements, which may result in termination payments being due by the Issuer to the hedge counterparties and may thus reduce the amount received by the holders of the Notes. The Issuer may redeem the Notes at times when prevailing interest rates may be relatively low. Accordingly, you may not be able to reinvest the redemption proceeds in a comparable security and issuer at an effective rate as high as that of the Notes.

The obligations of the Issuer under the Indenture and the Notes and of the Parent Guarantor under the Note Guarantee may not be secured for up to 10 days from the date of the Indenture.

The obligations of the Issuer under the Indenture and the Notes and of the Parent Guarantor under the Note Guarantee and the performance of all other obligations of the Issuer under the Indenture and the Notes and the Parent Guarantor under the Note Guarantee will be secured by the Collateral; however, the Issuer and the Parent Guarantor have up to 10 days from the date of the Indenture to enter into the Collateral Documents defining the terms of the security interests that secure the Indenture and the Notes and to secure the obligations of the Parent Guarantor under the Parent Guarantee and the Issuer under the Indenture and the Notes.

If we are unable to comply with the covenants of the Indenture or other existing debt agreements, or any debt agreements we enter into in the future, there could be a default under the terms of such agreements, which could cause repayment of our debt to be accelerated.

If the Parent Guarantor, the Issuer or any of the Indian Restricted Subsidiaries is unable to comply with the covenants in the Indenture or future debt obligations and other agreements, there could be a default under the terms of these agreements. In addition, there will be certain restrictions on the Parent Guarantor’s and the Restricted Subsidiaries’ ability to incur indebtedness but a default by the Parent Guarantor or any of the

Restricted Subsidiaries on indebtedness over a certain threshold is an event of default under the Notes. In the event of a default under these agreements, the holders of the debt could accelerate repayment of such debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the Indenture, contain cross-acceleration provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, or result in a default under our other debt agreements, including the Indenture. If any of these events occur, our assets and cash flow might not be sufficient to repay in full all of our indebtedness, and we might not be able to find alternative financing on terms that are favorable or acceptable to us.

The Parent Guarantee may be challenged under applicable insolvency or fraudulent transfer laws, which could impair the enforceability of the Parent Guarantee.

Under bankruptcy laws, fraudulent transfer laws, insolvency or unfair preference or similar laws in Singapore, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by, or when it gives, its guarantee:

- incurred the debt with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the guarantee in a position which, in the event of the guarantor's insolvency, would be better than the position the beneficiary would have been in had the guarantee not been given;
- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee;
- was insolvent or rendered insolvent by reason of the incurrence of such guarantee;
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The measure of insolvency for purposes of the foregoing will vary depending on the laws of the applicable jurisdiction. Generally, however, as a matter of Singapore law, a guarantor would be considered insolvent at a particular time if it were unable to pay its debts as they fell due or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities in respect of its existing debts as they became absolute and matured.

In addition, a guarantee may be subject to review under applicable insolvency or fraudulent transfer laws in Singapore or subject to a lawsuit by or on behalf of creditors of the guarantor. In such case, the analysis set forth above would generally apply, except that the guarantee could also be subject to the claim that, since the guarantee was not incurred for the benefit of the guarantor, the obligations of the guarantor thereunder were incurred for less than reasonably equivalent value or fair consideration.

The enforceability of the Parent Guarantee will be subject to the local laws of the jurisdictions in which the Parent Guarantor is organized.

The laws of the jurisdictions in which the Parent Guarantor is organized may limit (i) the ability of the Parent Guarantor to guarantee debt of the Issuer, and/or (ii) any obligations other than such entities' direct obligations or the obligations of such entities' subsidiaries and/or impose a time limit pursuant to which a claim must be made under a guarantee.

These limitations arise under various provisions or principles of corporate and tax law which include provisions requiring the Parent Guarantor to receive adequate corporate benefit from the financing, financial assistance rules, rules governing preservation of share capital and fraudulent transfer principles. Accordingly, if you were to enforce the Parent Guarantee, your claims may be limited. If these limitations were not observed, the guarantees of the Notes could be subject to legal challenge. Furthermore, although we believe that the Parent Guarantee is enforceable (subject to local law restrictions), a third party creditor may challenge the Parent Guarantee and prevail in court.

Any enforcement of the guarantees after an insolvency event of the Parent Guarantor will be subject to the insolvency and administrative laws of the Parent Guarantor's jurisdiction of organization, or the insolvency laws of the country where the center of main interests of the Parent Guarantor is situated. The insolvency, administrative and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the Parent Guarantee or limit any amounts that you may receive. In addition, any reorganization without the consent of the Parent Guarantor may impact the enforceability of the Parent Guarantee.

Investment in the Notes may subject you to foreign exchange risks.

The Notes are denominated and payable in U.S. dollars. If an investor measures its investment returns by reference to a currency other than U.S. dollars, an investment in the Notes entails foreign exchange-related risks, including possible significant changes in the value of the U.S. dollar relative to the currency by reference to which an investor measures its investment returns, due to, among other things, economic, political and other factors over which we have no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Notes.

Furthermore, the revenues and expenses of our operating subsidiaries in India are denominated in Indian Rupee. Depreciation of the Rupee against the U.S. dollar, to the extent not fully hedged, could adversely affect the U.S. dollar value of our earnings, the Issuer's ability to satisfy its obligations under the Notes and the value of the Parent Guarantee.

The Notes are subject to restrictions on transfer which may adversely affect their liquidity and value.

The Notes and the Parent Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state or any other jurisdiction. You may not offer the Notes in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws, or pursuant to an effective registration statement. Furthermore, we have not registered the Notes under any other country's securities laws. It is your obligation to ensure that your offers and sales of the Notes within the United States and other countries comply with applicable securities laws. See "Transfer Restrictions."

The Indenture contains, and the agreements governing our other borrowings may contain, covenants that limit our ability to take certain actions.

The Indenture contains, and our other debt agreements may contain, covenants imposing operating and financial restrictions on our business that limit our flexibility.

For example, the Indenture restricts the Parent Guarantor and the Restricted Subsidiaries, including the Issuer, ability to, among other things:

- borrow money;
- pay dividends or make other distributions;
- incur liens;
- make certain asset dispositions;
- make certain loans or investments;
- issue or sell share capital of the Restricted Subsidiaries;
- merge, consolidate, or sell, lease or transfer all or substantially all of the Parent Guarantor's and the Issuer's assets;
- issue certain guarantees; and
- enter into transactions with affiliates.

These restrictions could adversely affect our ability to finance our operations or capital needs, or engage in other business activities that may be in our interest, or react to adverse market developments. These restrictions also may impair our ability to make payments on the Notes or the Parent Guarantor's ability to make payments under the Parent Guarantee. Any default under the covenants contained in other debt agreements may lead to an event of default under the Notes and may lead to cross acceleration under our other indebtedness. We may not be able to pay any amounts due to holders of the Notes in the event of any such default and any such default may significantly impair our ability to satisfy our obligations under the Notes or the Parent Guarantor's ability to make payments under the Parent Guarantee.

The Issuer may be unable to repurchase the Notes as required upon a Change of Control Triggering Event and a Change of Control Triggering Event may not afford Noteholders protections in certain circumstances.

If we experience a Change of Control Triggering Event, the Issuer would be required to make an offer to repurchase all outstanding Notes at 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the date of repurchase. See "*Description of the Notes — Repurchase at the Option of Holders — Change of Control Triggering Event.*" However, the Issuer may be unable to do so because it might not have enough available funds at the time of any Change of Control Triggering Event to pay the purchase price of the tendered outstanding Notes. In addition, any future indebtedness of the Issuer may limit its ability to repurchase the Notes upon a Change of Control Triggering Event.

In addition, the definition of Change of Control Triggering Event does not necessarily afford protection for the holders of the Notes in the event of some highly-leveraged transactions, including certain acquisitions, mergers, refinancing, restructuring or other recapitalization, although these types of transactions could increase our indebtedness or otherwise adversely affect our capital structure or credit ratings and the holders of the Notes. The Indenture also permits the Parent Guarantor to sell a majority stake in the Indian holding company that owns the Indian Restricted Subsidiaries subject to certain conditions. To the extent that there is no ratings decline (if the

Change of Control is to a Qualified Investor), a Change of Control Triggering Event will not have occurred. The definition of Change of Control also includes a phrase relating to the sale of “all or substantially all” of our properties or assets taken as a whole. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition under applicable law. Accordingly, the Issuer’s obligation to make an offer to repurchase the Notes, and the ability of a holder of Notes to require the Issuer to repurchase the Notes pursuant to the offer, as a result of a highly leveraged transaction or a sale of less than all of our assets, may be uncertain.

The Onshore Debt will have to comply with the applicable Indian regulations which may impose certain conditions on transfer, redemption and other terms of the Onshore Debt.

The Onshore Debt will be availed by the Indian Restricted Subsidiaries in compliance with Indian regulations. Depending on the form of the Onshore Debt, the Indian regulations may impose certain conditions in relation to the minimum maturity, rate of return, transferability and other such aspects of the Onshore Debt. For example, if the Onshore Debt is provided in the form of an ECB, it will have to comply with the ECB Regulations. ECBs can be raised by eligible entities if the ECB has a minimum average maturity of three years (or five years, in case of ECBs raised from foreign equity holders and utilized for working capital purposes, general corporate purposes or repayment of rupee loans). During such period, a prepayment or repayment of the ECBs may require prior regulatory approval. Further, if the Issuer ceases, at any time, to qualify as a ‘foreign equity holder’ under the ECB Regulations, it may affect the ability of the relevant Indian Restricted Subsidiary which will avail the ECB, to retain such ECB.

Similarly, if the Onshore Debt is provided through subscription to Rupee NCDs, pursuant to the VRR of the RBI, on occurrence of a prepayment or redemption of the Onshore Debt, the Issuer shall not be permitted to repatriate proceeds of such repayment or redemption, such that its investment falls below 75% of its committed portfolio size in India during the committed retention period (which minimum time, as on the date of this Offering Memorandum is three years), without prior regulatory approval.

Onshore Debt raised in any other form may also be subject to similar restrictions and approvals may be required for any early repayment of such Onshore Debt.

Further, under the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder remittance of funds outside India by the Indian Restricted Subsidiaries pursuant to indemnity clauses requires prior RBI approval.

Therefore, upon the occurrence of an event of default, an early redemption event or a mandatory redemption event under the Onshore Debt, the Issuer might be required to obtain regulatory approval, (which may or may not be forthcoming), in order for it to receive any payments under the Onshore Debt. In the absence of such regulatory approvals, the issuer of the Onshore Debt will not be in a position to repay / prepay the Onshore Debt.

An active trading market may not develop for the Notes.

We cannot assure you as to the liquidity of any market that may develop for the Notes, the ability of the holders of the Notes to sell them or the price at which the Holders of the Notes may be able to sell them. The liquidity for any market for the Notes will depend on the number of holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our financial condition, performance and prospects, as well as recommendations by securities analysts. Historically, the market for non-investment grade debt, such as the Notes, has been subject to disruptions that have caused substantial price

volatility. If a market for the Notes develops, such market would be subject to similar disruptions. The Initial Purchasers have informed us that they intend to make a market for the Notes after the offering is completed. However, the Initial Purchasers are not obligated to do so and may cease market-making activity at any time without notice. As a result, an active trading market for the Notes might not develop or, if one does develop, it might not be maintained. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and the trading price of the Notes and your ability to sell your Notes at a particular time or at a favorable price.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through DTC and its participants, including Euroclear and Clearstream. Interests in the Global Notes (as defined in “*Description of the Notes — Book-Entry, Delivery and Form*”) representing the Notes will trade in book-entry form only, and Notes in definitive registered form, or definitive registered Notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of the Notes. The custodian for DTC will be the sole registered holder of the Global Notes. Payments of principal, interest and other amounts owing on or in respect of the Global Notes will be made to the paying agent who will make payments to DTC. Thereafter, these payments will be credited to accounts of participants (including Euroclear and Clearstream) that hold book-entry interests in the Global Notes and credited by such participants to indirect participants. After payment to the custodian for DTC, the Issuer will have no responsibility or liability for payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of DTC, Euroclear and Clearstream, and if you are not a participant in DTC, Euroclear and Clearstream on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC, Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through DTC, Euroclear and Clearstream. The procedures to be implemented through DTC, Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See “*Description of the Notes — Book-Entry, Delivery and Form*.”

You may be unable to enforce your rights under U.S. bankruptcy law; and the insolvency laws of Singapore may differ from U.S. bankruptcy law or those of another jurisdiction with which you are familiar.

The Issuer and the Parent Guarantor are incorporated outside the United States under the laws of Singapore, India or other jurisdictions. Under United States federal bankruptcy law, courts typically have jurisdiction over a debtor’s property, wherever located, including property situated in other countries. However, courts outside of the United States may not recognize the United States bankruptcy court’s jurisdiction. Accordingly, difficulties may arise in administering a United States bankruptcy case with property located outside the United States, and any orders or judgments of a bankruptcy court in the United States may not be enforceable outside of the United States.

Because the Issuer and the Parent Guarantor are incorporated under the laws of Singapore, an insolvency proceeding relating to the Issuer or the Parent Guarantor, even if brought in the United States, would likely involve insolvency laws under the laws of Singapore, the procedural and substantive provisions of which may differ from comparable provisions of United States federal bankruptcy law.

Application of Singapore insolvency and related laws to the Issuer or the Parent Guarantor may result in a material adverse effect on the holders of the Notes.

There can be no assurance that the Issuer or Parent Guarantor will not become bankrupt, unable to pay its debts or insolvent or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of the Issuer or Parent Guarantor, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on the holders of the Notes. Without being exhaustive, below are some matters that could have a material adverse effect on the holders of the Notes.

Where the Issuer or the Parent Guarantor is insolvent or close to insolvent and the Issuer or the Parent Guarantor undergoes certain insolvency or restructuring procedures, there may be a moratorium against actions (including the enforcement of security) and proceedings which may apply in the case of, or in connection with, judicial management, schemes of arrangement and/or winding-up processes in relation to the Issuer or the Parent Guarantor (as the case may be). It may also be possible (provided certain conditions are met) that if a direct or indirect subsidiary of the Issuer, or a holding company of the Issuer, obtains an order for a moratorium from the Singapore court in connection with a proposed creditor scheme of arrangement, the Issuer may also seek a moratorium even if the Issuer is not in itself proposing, and does not intend to propose, a scheme of arrangement (an “**Extended Scheme Moratorium**”). These moratoria can be discharged or varied with court permission. It is also possible for actions (including the enforcement of security) to be brought against the Issuer if leave to do so is obtained from the court. Additionally, where the Issuer is under judicial management, it is possible for actions to be brought against the Issuer with the consent of the judicial manager or the court notwithstanding the moratorium. Accordingly, if for instance there is any need for the Trustee to bring an action against the Issuer, the need to obtain court permission or leave, or the judicial manager’s consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

It should also be noted that if the Parent Guarantor is insolvent or close to insolvent and undergoes insolvency or restructuring procedures or if the Parent Guarantor successfully applies for and obtains an Extended Scheme Moratorium (for instance, on the basis that the Issuer has obtained a moratorium in connection with a proposed scheme of arrangement in which the Parent Guarantor plays a necessary and integral role), these may likewise trigger, or provide the basis for, moratoria on certain actions or proceedings against the Parent Guarantor, which may stay the enforcement of the first-priority fixed Share Charge provided by the Parent Guarantor over the shares of the Issuer. As above, if there is any need for the Common Collateral Agent to take steps to enforce such a share charge, the need to obtain court permission or the judicial manager’s consent for the same may result in delays in the process of enforcement or recovery.

Further, the holders of the Notes may be made subject to a binding scheme of arrangement where a majority in number representing 75% in value of each class of creditors intended to be bound by the scheme and the court approve such scheme. In respect of creditor schemes of arrangement, there are cram-down provisions that may apply to dissenting class(es) of creditors. The court may notwithstanding that there are dissenting class(es) of creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate against and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to

approve the scheme. In such scenarios, Noteholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 of Singapore (the “**IRD Act**”) was passed in Parliament of Singapore on October 1, 2018 and came into force on July 30, 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition does not apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to related contracts that are not found to be directly connected with the Notes.

The rating of the Notes may be lowered or withdrawn depending on various factors, including the rating agency’s assessment of our financial strength and Indian sovereign risk.

The ratings of the Notes address the likelihood of payment of principal on the relevant maturity dates of the Notes and the timely payment of interest on each payment date. A rating of the Notes is not a recommendation to purchase, hold or sell the Notes, and the rating will not comment on market price or suitability for a particular investor. The ratings of the Notes could be lowered or withdrawn at any time. A downgrade in the rating of the Notes will not be an event of default under the terms of the Notes. The ratings may be lowered depending on, among other factors, the respective rating agency’s assessment of our financial strength as well as its assessment of Indian sovereign risk generally. Any downgrade, suspension or withdrawal of a rating by a rating agency (or any anticipated downgrade, suspension or withdrawal) could reduce the liquidity or market value of the Notes. Any lowering of our ratings may make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the Notes is subsequently lowered or withdrawn for any reason, you may lose some or all of the value of your investment.

The liquidity and price of the Notes may be volatile.

The price and trading volume of the Notes may be highly volatile. The price of the Notes will be affected by a number of factors, including (i) the value and volatility of the Onshore Debt, and the creditworthiness of the relevant Restricted Subsidiary incurring the Onshore Debt, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the maturity date and (iv) the nature and liquidity of the related hedging agreements. Any such developments may result in large and sudden changes in the trading volume and price of the Notes. Any price at which Notes may be sold prior to the maturity date may be at a discount, which could be substantial, to the price at which they are offered in this offering.

The Collateral may be voidable.

The Collateral securing the Notes may be voidable under insolvency, bankruptcy, fraudulent transfer or similar laws of Singapore. In particular, the Collateral may be voidable under laws of Singapore if the security has been created within the period of one year (or in some circumstances, within longer periods) prior to the date on which a winding-up petition is presented in respect of the entity providing the Collateral, or the entity providing the Collateral enters judicial management. If the Collateral is voided for any reason, holders of Notes would have only an unsecured claim against the Issuer and the Parent Guarantor.

Neither the Issuer nor the Parent Guarantor is a U.S. entity and the enforcement of the Notes, the Parent Guarantee or of judgments predicated upon the civil liability provisions of the U.S. federal securities laws may be subject to the uncertainties of a foreign legal system.

The Issuer and the Parent Guarantor are incorporated under the laws of Singapore. Substantially all of their directors and officers are resident outside of the United States and substantially all of the Issuer's and the Parent Guarantor's assets and substantially all of the assets of the Issuer's and the Parent Guarantor's directors and officers are located outside of the United States. As a result, it may not be possible for investors to effect service of process upon the Issuer, the Parent Guarantor or such persons within the United States or to enforce against the Issuer, the Parent Guarantor or such persons outside of the United States judgments obtained in United States courts, including judgments relating to the enforcement of the Notes or the civil liability provisions of the United States federal securities laws.

The Notes may not become, or remain, listed on the SGX-ST.

Although the Issuer will apply for the listing of and quotation for the Notes on the Official List of the SGX-ST and intends to maintain such listing as long as the Notes are outstanding, it is not obligated to do so. Although no assurance can be made as to the liquidity of the Notes as a result of listing on the SGX-ST, failure to be approved for listing or the delisting of the Notes from the SGX-ST may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

We have, on a consolidated basis, a substantial amount of debt, which could have a material adverse effect on our business, cashflows, financial condition and results of operations.

As of March 31, 2023, we had INR 118,644 million of borrowings comprising long-term borrowings from banks, financial institutions, non-convertible debentures and senior notes, current maturities of long-term borrowings and short term borrowings, INR 1,106 million towards interest accrued but not due on borrowings and NCDs issued to external parties, and INR 1,480 million of long term borrowings from related parties and INR 1,317 million towards interest accrued but not due on borrowings forming part of other long term liabilities from related parties. As of March 31, 2023, after giving effect to the application of proceeds of this offering as described under "Use of Proceeds", the Group on a consolidated basis would have had INR 125,425 million of outstanding indebtedness including INR 35,764 million of Notes offered hereby and INR 2,797 million of loans and dues to related parties. Please refer to "Capitalization" for further details. Our high level of indebtedness could have important consequences and significant adverse effects on our business, including the following:

- our ability to satisfy our obligations under the Notes and other debt may be limited;
- our vulnerability to adverse general economic and industry conditions may be increased;
- we may be required to use a substantial portion of our cash flow from operations to pay interest on our indebtedness, which will reduce the funds available to us for operations and other purposes;
- our ability to obtain additional financing for working capital, capital expenditures or general corporate purposes may be restricted;
- our high level of indebtedness could place us at a competitive disadvantage compared to our competitors that may have proportionately less debt;

- our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate may be limited;
- our high level of indebtedness could limit, along with the financial and other restrictive covenants of our indebtedness, our ability to borrow additional funds; and
- increase the cost of additional financing.

We cannot assure you that these factors will not adversely impact our ability to operate our business. In addition, certain of our debt instruments, including the Indenture, prohibit us from incurring new debt. As a result, in order to incur debt, we will require consents from the relevant lenders prior to incurring such debt. If we are unable to obtain such consents, we will be unable to incur the debt. In addition, if such consents are not obtained prior to engaging in any of the restricted activities, it may result in the occurrence of a potential event of default or cross-default under our existing debt instruments.

Risks Relating to the Green Bond

There is no current market consensus on what constitutes a “green” or “sustainable” project.

There is no clearly defined definition (legal, regulatory or otherwise) of, or current market consensus on what precise attributes are required for a particular project to be defined as “green” or “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Therefore, the Eligible Green Projects may not meet the criteria and expectations of investors regarding environmental impact and sustainability performance. We may not meet or continue to meet, the investment requirements of certain environmentally focused investors with respect to the Notes, which may also have consequences for certain investors with portfolio mandates to invest in green assets. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Memorandum regarding the use of proceeds of the Notes.

In the event that any such Notes are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfied, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any green projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for green projects in, or substantially in, the manner described in the Offering Memorandum, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any green projects will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such green projects. In addition, in respect of any Instruments issued with a

specific use of proceeds, such as a “green bond”, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor. the relevant green projects. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any green projects will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any green projects. See *“The recent order of the Supreme Court of India in 2021 directing the shifting of existing overhead transmission lines underground in certain environmentally protected areas might adversely impact the business and operation of certain Group entities.”* Nor can there be any assurance that such green projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any green projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance green projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

USE OF PROCEEDS

We estimate receiving approximately U.S.\$435 million in proceeds from this offering.

The proceeds from the proposed issuance will be used (i) to redeem the Issuer's outstanding 2026 Notes, (ii) to pay the interest on the first Interest Payment Date of the Notes and the transaction costs, (iii) for development expenditure for Eligible Green Projects, and (iv) for general corporate purposes.

GREEN BOND FRAMEWORK OVERVIEW

Introduction

Continuum Green Energy Limited (“**Continuum**” or the “**Company**”), through its fully owned subsidiary, Continuum Green Energy (India) Pvt Ltd, India, is committed to the development, design, construction and operation of renewable energy projects in India.

The Green Bond Framework (the “**Framework**”) provides a single robust methodology how Continuum proposes to use Green Bonds proceeds for Eligible Green Projects. It adheres to the Green Bond Principles (“**GBP**”), 2018, established by the International Capital Markets Association (“**ICMA**”).

Use of proceeds

The net proceeds of the Green Bond will be used to finance and/or refinance eligible green projects in whole or in part that support the transition towards low-carbon climate resilient growth with lower environmental impact. To be considered “eligible”, Green Projects must meet the following eligibility criteria as specified in the Framework:

Renewable Energy:

- Development, construction and operation of onshore and offshore wind farms and related support infrastructure.
- Development, construction and operation of solar energy and related support infrastructure.
- Development, construction and operation of energy storage.

Negative screening will be applied and Continuum will not knowingly be involved in financing activities that include involvement in fossil-fuel related activities.

Selection and evaluation of eligible green projects

The evaluation and selection process ensures that the Green Bond net proceeds are allocated to projects that meet the eligibility criteria set out in the “Use of Proceeds” section of the Framework.

Continuum has established a Green Bond Committee (the “**Committee**”) to oversee the assessment and selection of Eligible Green Projects and govern the evaluation, approval, monitoring, replacement and observation of eligible projects.

Management of Proceeds

Continuum will establish a Green Project Portfolio and track the allocation of net proceeds from any Green Bonds issued to eligible green projects.

All eligible Green Projects must meet the eligibility criteria throughout the term of the Green Bonds. If an eligible Green Project ceases to fulfil the eligibility criteria or exits our portfolio Continuum will, on a best effort basis, substitute the project as soon as reasonably practicable.

Prior to full allocation or in the event of early repayment, proceeds will be held in line with Continuum’s general liquidity guidelines in cash, cash equivalents, and/or other liquid marketable instruments. Unallocated proceeds will not knowingly be placed in investments that include greenhouse gas intensive assets that are inconsistent with the transition towards a low carbon economy.

Reporting

Continuum will publish a Green Bond Report which will be publicly available on its investor relations website at www.continuumenergy.in. within one year from the issuance of any Green Bonds and update annually until full allocation. The reporting is split into two parts: (i) the “allocation reporting” and (ii) the “impact reporting.”

The allocation report will contain information on, but not limited to, the total amount of outstanding Green Bonds, share of proceeds used for financing vs. refinancing and any shortfall of amount of assets unallocated.

Impact reporting will disclose data on the environmental impact of the Green Projects financed by Green Bonds on a best effort basis.

External Review

Continuum has engaged CICERO, an independent firm that specializes in rating environmental and corporate governance performance, to provide a Second Party Opinion (“**SPO**”). CICERO’s SPO confirms Continuum’s Green Bond Framework to be aligned with the GBP. CICERO provided Continuum’s Framework with a “Dark Green” rating.

To align with ICMA’s GBPs, Continuum will appoint an external verifier to produce a verification report on the allocation of the proceeds, on an annual basis, starting one year after the first issuance under the Framework.

CAPITALIZATION

The following table sets forth (i) our cash and bank balances and (ii) capitalization of the Group, in each case, as of March 31, 2023:

- on an actual basis as derived from the Consolidated Financial Statements as of March 31, 2023; and
- as adjusted to give effect to the issuance of the Notes offered hereby and the application of the proceeds as described under “*Use of Proceeds*”, assuming the Issuer’s outstanding 2026 Notes have been redeemed.

You should read the following table together with “*Use of Proceeds*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” “*Description of the Notes*” and the Consolidated Financial Statements included elsewhere in this Offering Memorandum.

	As of March 31, 2023			
	Actual		As Adjusted	
	(INR in millions)	(U.S.\$ in millions) ⁽¹⁾	(INR in millions)	(U.S.\$ in millions) ⁽¹⁾
Cash and cash equivalents	15,243	185.4	18,121 ⁽⁴⁾	220.4 ⁽⁴⁾
Bank balances (other than cash and cash equivalents)	12,646	153.8	12,646	153.8
Deposit with remaining maturity for more than 12 months	4,459	54.2	4,459	54.2
Total	32,348	393.4	35,226	428.4
Indebtedness:				
Long term borrowings from banks, financial institutions, non-convertible debentures (NCDs) and senior notes including current maturities of long term borrowings and short term borrowings (a)	118,644	1,443.1	85,757 ⁽⁴⁾	1,043.1 ⁽⁴⁾
Interest accrued but not due on borrowings and NCDs (b)	1,106	13.4	1,106	13.4
Sub-total (c = a + b)	119,750	1,456.5	86,863	1,056.5
Liability towards premium on redemption of NCDs (d)	—	—	—	—
Notes Offered hereby (e)	—	—	35,764	435.0
Loans and dues to related parties ⁽²⁾ (f)	2,797	34.0	2,797	34.0
Total indebtedness (g=c+d+e+f)	122,547	1,490.5	125,425	1,525.5
Compulsory convertible debentures (CCDs) (h)	1,263	15.4	1,263	15.4
Interest accrued but not due on CCDs (i)	93	1.1	93	1.1
Minority interest (j)	118	1.4	118	1.4
Shareholders’ funds (k) ⁽³⁾	(3,226)	(39.2)	(3,226)	(39.2)
Capitalization (g+h+i+j+k)	120,795	1,469.2	123,673	1,504.2

Notes:

- (1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of Rs. 82.2169 per U.S.\$1.00, being the closing exchange rate published by the FBIL as of March 31, 2023.

- (2) Rs. 1,480 million of long-term borrowings from related parties and Rs. 1,317 million towards interest accrued but not due on borrowings from related parties forming part of other long-term liabilities.
- (3) Shareholders' funds includes share capital amounting to Rs. 11,128 million and reserves and surplus of Rs. (14,354) million.
- (4) Assuming the Issuer's outstanding 2026 Notes have been redeemed.

Except for the foregoing and otherwise disclosed under section titled "Description of Other Indebtedness", there has been no material adverse change in the Parent Guarantor's capitalization since March 31, 2023.

ENFORCEABILITY OF CIVIL LIABILITIES

India

Some of the subsidiaries of the Group are incorporated under the laws of India and their assets are located in India. In addition, the majority directors and key managerial personnel of the subsidiaries of the Group reside in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India.

In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, Section 14 and Section 44A of the Civil Code, on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment is conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim to litigate under the same title, except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Code may be enforced either by a fresh suit upon judgment or by proceedings in execution.

Under Section 14 of the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. Such a presumption may be displaced by proving want of jurisdiction.

Section 44A of the Civil Code provides that, where a foreign judgment has been rendered by a superior court in any country or territory outside India which the GoI has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. Section 44A of the Civil Code is applicable only to decrees or judgments under which a sum of money is payable not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties and does not include arbitration awards. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy or practice in India.

The United Kingdom, Singapore and Hong Kong (among others) have been declared by the GoI to be reciprocating territories for the purposes of Section 44A. However, the United States has not been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Accordingly, a judgment of a court in a country which has not been declared as a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. A suit for enforcement of a foreign judgment is required to be filed in India within 3 (three) years from the date of the judgment. It is difficult to predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to untimely delay.

A party seeking to enforce a foreign judgment in India is also required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to such enforcement, and any such amount may be subject to income tax in accordance with applicable laws. Any judgment awarding damages in a foreign currency is required to be converted into Indian Rupees on the date the award becomes enforceable and not on the date of payment.

Singapore

Each of the Issuer and our Parent Guarantor is a company incorporated under the laws of the Republic of Singapore, and certain of its officers and directors are residents outside the United States. Moreover, a majority of the assets of the Issuer and our Parent Guarantor are located outside the United States. Although the Issuer and our Parent Guarantor are incorporated outside the United States, they have agreed to accept service of process in the United States through their agent designated for that purpose. Nevertheless, since a majority of the assets owned by the Issuer and our Parent Guarantor are located outside the United States, any judgment obtained in the United States against the Issuer and our Parent Guarantor may not be enforceable within the United States. There is no treaty between the United States and Singapore providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters and a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or not predicated solely upon the federal securities laws, would, therefore, not be automatically enforceable in Singapore.

There is uncertainty as to whether judgments of courts in the United States based upon the civil liability provisions of the federal securities laws of the United States would be recognized or enforceable in Singapore. In making a determination as to enforceability of a foreign judgment, the Singapore courts would have regard to whether the judgment was final and conclusive and on the merits of the case, given by a court of law of competent jurisdiction, and was expressed to be for a fixed sum of money. In general, a foreign judgment would be enforceable in Singapore unless procured by fraud, or the proceedings in which such judgments were obtained were not conducted in accordance with principles of natural justice, or the enforcement thereof would be contrary to public policy, or if the judgment would conflict with earlier judgment(s) from Singapore or earlier foreign judgment(s) recognized in Singapore, or if the judgment would amount to the direct or indirect enforcement of foreign penal, revenue or other public laws. Civil liability provisions of the federal and state securities law of the United States permit the award of punitive damages against the Issuer, our Parent Guarantor or their respective directors and officers. Singapore courts would not recognize or enforce judgments against the Issuer, our Parent Guarantor and their respective directors and officers to the extent that doing so would amount to the direct or indirect enforcement of foreign penal, revenue or other public laws. It is uncertain as to whether a judgment of the courts of the United States under civil liability provisions of the federal securities law of the United States would be regarded by the Singapore courts as being pursuant to foreign, penal, revenue or other public laws. Such a determination has yet to be made by a Singapore court in a reported decision.

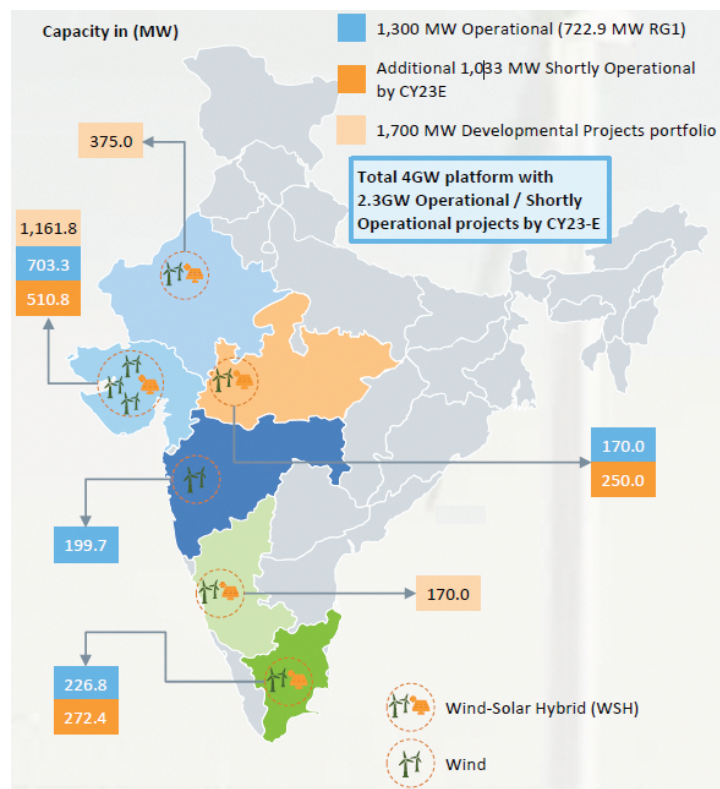
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Consolidated Financial Statements, included elsewhere in this Offering Memorandum. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in or implied by any of the forward-looking statements as a result of various factors, including those listed under "Risk Factors" and "Forward-Looking Statements."

The Consolidated Financial Statements have been prepared in accordance with accounting standards issued by The Institute of Chartered Accountants of India and other generally accepted accounting principles in India ("Indian GAAP").

Overview

We are an independent power producer in India, led by a strong and focused management team with experience in identifying, developing and operating renewable energy projects in India. We are one of the largest suppliers of renewable energy to C&I consumers in India with contracts with over 190 diversified, high credit quality industrial consumers for supply of green energy by us at a discount to the tariff that they would otherwise pay for black energy to distribution utilities. We were amongst the first developers to build large scale single location single owner wind and WSH power projects. We have employed a "self-development" approach which has resulted in better control over the project in terms of project design, project timelines and technology selection. We have developed strong in-house expertise for various aspects of developing and operating a renewable project, which is leveraged to achieve optimization at various stages of project life cycle. We largely self-develop, build, own, operate and maintain a portfolio of wind and WSH power projects that are large in size and can be complemented in the future with storage solutions to provide dispatchable electricity supply. All our new development projects are planned as WSH capacity. As of June 30, 2023, our Group's portfolio included an operational capacity of 1,299.8 MW, plus an additional capacity of 1,033.2 MW ("shortly operational" capacity which is expected to be commissioned in phases by the end of Q3 FY2024) bringing our total operational capacity to 2.3 GW. In addition, we have multiple projects and expansion plans identified for near term construction after the 2.3 GW becomes operational, several of which are brownfield expansions of existing capacity catering to C&I consumers.



Note:

- (1) RG1 is the restricted group including the five operational projects Bothe, Ratlam 1, Periyapatti, Rajkot 1 and 2A projects which are a part of the 2027 Notes issuance.

Impact of COVID-19

The Group considered the effects that resulted from the COVID-19 pandemic on the carrying amounts of property, plant and equipment, investments, receivables and other current assets of the Group. In developing the assumptions relating to the possible future uncertainties in the global economic conditions including conditions in India because of this pandemic, the Group used internal and external sources on the expected future performance of the Group. The Group, based on the estimates and after analysing various scenarios, believed the carrying amount of these property, plant and equipment, receivables and other current assets were fully recoverable. The Group has continued its assessment of the likely impact on the general economic environment and the financial risks arising on account of the COVID-19 pandemic. Because the disruptions caused by COVID-19 are now significantly reduced and that the Group's business is categorized as an essential industry by the GoI, the Group believes that the impact of COVID-19 on its financial position and results of operations are not material.

Factors Affecting Our Results of Operations

Impact of Weather and Seasonality

Weather conditions can have a significant effect on our power generating activities. The profitability of the Group's wind and WSH energy projects are directly correlated with wind and solar conditions at its project sites.

Variations in wind and solar conditions occur as a result of fluctuations in wind currents on a daily, monthly and seasonal basis and, over the long-term, as a result of more general climate changes. In particular, wind conditions

are generally tied to the monsoon season in India and are impacted by the strength of each particular monsoon season. During the period March to September, which includes the monsoon season, we generate approximately 60% of our annual production. The performance of wind energy projects in different areas of India are correlated to a certain extent, as at times weather patterns across the whole of India are likely to have an influence on wind patterns. Unlike wind resources which are concentrated in specific regions and sensitive to the monsoon season, solar power generation is viable across India throughout most of the year. The energy output performance of our solar plants is dependent in part on the amount of sunlight and hence may be impacted by shorter daylight hours in winters or cloud cover during monsoons. PLF is expected to be the lowest in the third quarter and highest in the first quarter of any given fiscal year, which for us ends on March 31.

Operation of Our Projects

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

While we currently outsource the operations and maintenance of our wind turbines to suppliers, we continue to build in-house O&M skills to oversee the operations and maintenance of our turbines and to create insights through data analytics and detailed root cause analysis, a model which we believe is different from that generally adopted by our competitors. Our Parent Guarantor has invested in a sophisticated AOMS, a software platform that enables us to monitor the performance of our wind turbines and solar modules over a large number of performance parameters and indicators. All our wind turbines, solar inverters and the dedicated substations are connected to AOMS which provides information every second, every day of the week. We have developed several algorithms and indices to proactively identify underperforming systems and the causes for such deviant performance. AOMS analytics coupled with our forecast of wind speeds, solar irradiation and power generation have also enabled us to plan maintenance downtime during periods of low resource availability to minimize revenue loss. We archive data from wind turbines and solar inverters on operating parameters every second, which has now reached several terabytes and increases every day. We rely on the archived data to perform predictive maintenance and root cause analysis.

As we own large wind farms and solar parks, we are able to negotiate favorable terms with turbine manufacturers, solar module suppliers, EPC contractors and other O&M contractors. Our O&M contracts typically include comprehensive O&M services, generally for a period of 10 to 20 years with a renewal option over the operational life of the project (with free services in some cases for the first two to three years). Under these contracts, contractors undertake to ensure smooth operations of the turbines and solar panels, provide competent and skilled manpower, spares and consumables for comprehensive preventive and curative maintenance.

In several of our O&M contracts for our wind farms and in the O&M contract for one of our solar farms, we pay the O&M fee on per kWh of electricity generated and billed from the plant (subject to a base minimum fee per MW per year) thereby aligning our and the operator's interest in maximizing generation. Contractors provide maximum reactive consumption power guarantees to ensure reactive power imported from the power grid is not more than 4-5% of the active power exported from the grid over a specified 12-month period. If the reactive

power guarantee is not met, the contractor is liable to reimburse the amount charged for the extra power imported up to a percentage of the O&M charges payable to the contractor under the various O&M contracts.

The O&M contractor assures optimum operational performance of the turbines as well as a guaranteed performance commitment in the form of a minimum availability guarantee of 95% to 97% including seasonal availability guarantee, which assures the turbines' availability to generate electricity for a specified percentage of the time with liquidated damages calculated by way of revenue loss. Our O&M solar contracts cover performance ratio guarantees for up to eight years. For further details see "*Our Business — O&M*".

Significant Recent Growth

The following table sets forth the capacity of our operational projects as of March 31, 2021, 2022 and 2023:

	As of March 31,		
	2021	2022	2023
	(Capacity MW)		
Operational projects	<u>757.4</u>	<u>855.4</u>	<u>1,159.3</u>

Power Purchase Agreements

One of the key factors which affects our results of operations is our ability to enter into long-term PPAs, thereby enhancing the security and long-term visibility of our revenues and limiting the impact of market price variability on our revenues. All our generated power is sold to state distribution utilities (GUVNL, MPPMCL and MSEDCL), SECI and to C&I customers. While the PPAs with GUVNL, MPPMCL, MSEDCL and SECI provide a fixed price for power, the predictability of our operating results and cash flows vary by project based on the negotiated terms with C&I customers, in particular, the tariffs. Our PPAs with GUVNL, MPPMCL, MSEDCL are structured with preferential FITs having a term of between 13 to 25 years which provide downside protection since the tariffs are generally fixed for the duration of the PPA. Our PPAs with SECI are determined following competitive auctions and fixed for a term 25 years which provide downside protection since the tariffs are generally fixed for the duration of the PPA. Our PPAs with C&I consumers are generally for five to twenty years, at tariffs set at a level lower than their alternative variable cost of electricity purchase from distribution utilities and cater only to 50% to 60% of an individual consumer's demand of electricity, which ensures off-take security and higher visibility of our future financial performance. Our revenue model offers strong earnings visibility as all our PPAs are either based on FITs, determined following competitive bids, or C&I tariff PPA. For further details see "*Our Business — PPA*."

Capital Expenditure Costs

Demand for qualified labor and components in our industry has increased over the last few years. This has increased the costs of construction and maintenance of power generation projects. Apart from the labor and components required for under-construction or under-development projects in the Group, capital expenditures are also necessary to maintain and improve the operating conditions of our operating projects and to meet regulatory and prudential operating standards. Future costs will be highly dependent on the cost of components and the availability of contractors that can perform the necessary work to maintain and improve our projects, as well as changes in regulations which could require us to make capital improvements to our projects.

Government Policies and Initiatives

We depend in part on government policies and initiatives that support clean energy and enhance the economic feasibility of developing clean energy projects. For several years, India has adopted policies and subsidies

actively supporting clean energy. We receive an average tariff of INR 5.76 per unit for the 193.4 MW of electricity generated at the Bothe project, a tariff of INR 5.92 per unit for the 170 MW of electricity generated at the Ratlam 1 project and INR 2.82 per unit of electricity generated for our 148.5 MW Morjar 1 project, respectively. Our tariffs for the Surajbari 2, Rajkot 1, 2A, 2B projects and the Periyapatti wind-solar co-located hybrid farm as well as Rajkot 3, Dalavaipuram, Ratlam 2, Bhavnagar and Kalvad 1 projects are varied across our over 190 C&I customers. In addition, the GBI scheme, which provides an incremental incentive of INR 0.5/kWh capped at INR 10 million per MW, was reinstated in September 2013 for new wind energy projects and benefit all the wind capacity commissioned from April 1, 2012 until March 31, 2017. The GBI benefits are available for our Bothe and Ratlam 1 projects for a minimum period of four years and up to a maximum period of 10 years.

Subsequent to March 31, 2017, as per the policy of the Indian government, most states in India have shifted to models based on competitive bidding instead of preferential tariffs, for awarding PPAs. For further details regarding the regulatory framework governing the competitive bidding process for award of PPAs in India, see “*Regulation — National Tariff Policy*”.

These regulatory initiatives have increased demand for clean energy generally and therefore for power generated by our energy projects. Regulation also contributes to the revenue received for the power our projects generate. The support for clean energy has been strong in recent years, and the Indian Government has periodically reaffirmed its desire to sustain and strengthen that support. Additional regulatory requirements could increase demand for clean energy and power prices. For example, the aim of the Indian Government is for 50.0% of India’s energy requirements to be derived from renewable energy sources by 2030 and the RPO is one of the regulatory measures implemented to achieve of this goal. To this end, state distribution companies, open access consumers and captive consumers are obligated to purchase a certain percentage of their power from renewable sources under the RPO rules.

Financial Policies

We follow a set of financial policies spanning across the complete spectrum of project lifecycle from planning and development to O&M. Our general financial policy consists of a disciplined project selection approach, under which we only construct projects that meet satisfactory return thresholds. We also monitor debt gearing, net debt and EBITDA levels. Further, we have a conservative dividend policy with a priority on reinvesting cash to fund our growth. In addition, our hedging policy provides for appropriate hedging instruments to be used in cases of ECB borrowings for long-term loans in relation to projects and limits foreign exchange exposure. In addition, in order to maintain liquidity, we generally obtain credit lines from multiple banks to reduce funding costs during construction, pursue an efficient capital structure with a focused refinancing strategy and build a cash reserve for sustaining liquidity and for other general corporate purposes.

Consolidated Statement of Profit and Loss

The following is a brief description of the principal line items that are included in the Consolidated Statement of Profit and Loss.

Revenue from Operations

Our revenue from operations consists of the sale of electricity, generation-based incentive, income from renewable energy certificates, deviation settlement mechanism income, income from sale of verified carbon units and revenue loss recovered.

Sale of electricity

Revenue from the sale of electricity is dependent on the units of power generated by our projects and is recognized on the basis of the number of units of power exported in accordance with joint meter readings undertaken with distribution companies at the eligible rates set forth in the respective PPAs with such distribution utilities/customers under group captive mechanism/open access or as per the average power purchase cost (“**APPC**”) rates prescribed under the tariff order issued by Maharashtra Electricity Regulatory Commission (“**MERC**”) in the case of Bothe’s unsigned PPA for 6.3 MW and the surplus power as per the rate prescribed by the relevant state regulatory commission to state distribution utilities (“**State Discoms**”).

Generation based incentive (GBI)

The GBI scheme, which provides an incremental incentive of INR 0.5/kWh capped at INR 10 million per MW, was reinstated in September 2013 for new wind energy projects and benefits all the wind capacity commissioned from April 1, 2012 until March 31, 2017. Revenue from generation based incentives is recognized based on the number of units exported or if the eligibility criteria are met in accordance with the guidelines issued by the Indian Renewable Energy Development Agency Limited for the GBI scheme. See “*Regulation — Generation Based Incentive Scheme.*”

Verified Carbon Units (VCUs)

Income from sale of verified carbon units is recognized on sale of eligible units. Any unsold VCUs which are granted are accrued at a nominal value.

Renewable Energy Certificate (REC) income

Revenue from Renewable Energy Certificate (“**REC**”) is recognized based on the units accrued following the generation of electricity, as stipulated by CERC, for eligible projects and they are sold on the electricity exchanges as stipulated by the CERC. REC revenues are initially recognized at floor price and any movement in price at the time of sale of REC on the electricity exchanges, are recorded as gain or loss in the consolidated statement of Profit and loss, in the year in which such RECs are traded on electricity exchanges.

Other Income

Other income includes interest income from bank deposits, advance to vendor, income tax refunds, unsecured loan to related party and interest on overdue trade receivables. It also includes provision no longer required written back, income arising due to liquidated damages, insurance claims received and other miscellaneous income. Interest earned from customers on delayed payment are recognised only upon its reasonable certainty of receipt. Interest income is included under the head “other income” in the consolidated statement of profit and loss.

Total Expenses

Total expenses comprise operating and maintenance expenses, employee benefits expense, other expenses, depreciation expense and finance costs.

Operating and maintenance expenses

Operating and maintenance expenses generally include expenses for operating and maintaining wind turbines, solar plants and BOP. It also includes transmission, open access and other operating charges incurred or paid to

regulatory authorities for grid charges, operating charges, DSM charges, activation energy charges and reactive energy charges in accordance with the terms of the PPAs.

Employee benefits expense

Employee benefits expense primarily includes salaries, wages and bonus, as well as payable staff welfare expenses, contributions to provident fund and other funds, provision for gratuity expenses and leave benefits. Salaries, wages and bonus also include expenses related to Phantom Stock Units Option Scheme (PSUs).

Other expenses

Other expenses include rent, rates and taxes, provision towards litigation and contingencies, provision towards commitment charges towards short supply, legal and professional fees, insurance expenses, travelling, lodging and boarding expenses, repairs and maintenance, rebates and discounts, office administration, communication costs, auditor remuneration, site development and site related expenses, and other miscellaneous expenses.

Depreciation expense

Depreciation expense primarily arises from the depreciation of our tangible assets including leasehold land, buildings, plant and equipment, furniture and fixtures, vehicles, office equipment and computer.

Finance Costs

Finance costs comprise interest on borrowings, NCDs, CCDs, senior notes, forward premium cost as well as redemption premium on NCDs and unsecured loans from related parties. It also includes other borrowing costs and amortization of ancillary cost of borrowings.

Exceptional Items

Exceptional items include certain non-recurring costs, including a non-recurring provision for certain long-term contracts for which the Group anticipates foreseeable losses, an advance paid to a contractor in an earlier year towards acquisition of a few entities which has certain rights of project development for identified locations in India which has been provided for during the year based on the overall progress these entities have achieved with respect to project development and cost towards repair and restoration of evacuation network due to heavy rains and flood.

Current tax

During fiscal year 2020, certain of our Indian subsidiaries opted for the new tax regime available under Section 115BAA of the Income Tax Act, 1961, which reduced the base tax rate to 22% with certain condition like MAT credit not applicable. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1947 as enacted in Singapore and also in accordance with the Income Tax Act, 1961 as enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

There are certain subsidiaries which have been incorporated after October 2019 and hence subject to a reduced base tax rate of 15%, subject to certain criteria being met.

Deferred tax

Net deferred tax includes deferred tax liability recognized on account of timing differences of depreciation and others. Deferred tax asset recognized on carry forward tax losses, unabsorbed depreciation loss and provision for employee benefits under the Indian Income Tax Act, 1961.

Results of Operations

Unless the context requires otherwise, the following tables sets out select financial data derived from the Consolidated Financial Statements for each of the years ended March 31, 2021, 2022 and 2023 included elsewhere in this Offering Memorandum:

Fiscal Year Ended March 31, 2023, 2022 and 2021

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions, unless otherwise stated)			(U.S.\$ in millions) ⁽¹⁾
Consolidated Summary Statement of Profit or Loss				
Revenue from operations	7,909	9,743	10,554	128.4
Other income	348	466	1,511	18.4
Total income	8,257	10,209	12,065	146.7
Operating and maintenance expenses	1,442	1,755	2,274	27.7
Employee benefits expense	355	371	472	5.7
Other expenses	584	582	797	9.7
Depreciation expense	1,897	2,067	2,542	30.9
Finance costs	6,764	5,926	9,410	114.5
Total expenses	11,042	10,701	15,495	188.5
Loss before tax and exceptional items	(2,785)	(492)	(3,430)	(41.7)
Exceptional items	—	—	(427)	(5.2)
Loss before tax	(2,785)	(492)	(3,857)	(46.9)
Current tax	—	200	292	3.6
Deferred tax expenses/(credit)	(208)	469	1,318	16.0
Total tax expenses/(credit)	(208)	669	1,610	19.6
Loss after tax	(2,577)	(1,161)	(5,467)	(66.5)
Share of loss attributable to minority interest	(30)	(40)	(64)	(0.8)
Loss for the year	(2,547)	(1,121)	(5,403)	(65.7)

Note:

- (1) Translation of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of INR 82.2169 per U.S.\$1.00, being the closing exchange rate published by the FBIL as of March 31, 2023.

Fiscal Year 2023 Compared to Fiscal Year 2022

Revenue from operations

Revenue from operations increased by 8.3% from INR 9,743 million in FY 2022 to INR 10,554 million in FY 2023. The following table sets forth the breakdown of our revenue from operations for the indicated periods:

	As of March 31,	
	2022	2023
	(INR in millions, unless otherwise stated)	
Sale of electricity	9,181	10,171
Income from renewable energy certificate (REC)	41	40
Generation-based incentive (GBI)	346	322
Deviation settlement mechanism (DSM) income	5	8
Income from sale of verified carbon units (VCUs)	170	—
Revenue loss recovered	—	13
Revenue from operations	<u>9,743</u>	<u>10,554</u>
Installed capacity at beginning of period (MW)	757.4	855.4
Installed capacity at end of period (MW)	855.4	1,159.3
Generation (GWh)	1,746	1,911

Revenue from the sale of electricity increased by 10.8% from INR 9,181 million in FY 2022 to INR 10,171 million in FY 2023, primarily due to higher generation on account of commissioning of incremental project capacity during FY 2023.

Income from REC remained relatively stable at INR 41 million in FY 2022 and INR 40 million in FY 2023. DSM income also remained relatively stable at INR 5 million in FY 2022 and INR 8 million in FY 2023.

GBI decreased by 6.9% from INR 346 million in FY 2022 to INR 322 million in FY 2023, primarily due to lower generation at the Bothe and Ratlam projects and completion of the 10-years period for partial capacity in the Bothe project.

Income from sale of VCUs decreased as we did not have any sale of VCUs in FY 2023 as compared to INR 170 million in sale of VCUs in FY 2022.

We had recovered revenue loss of INR 13 million in FY 2023 as compared to nil in FY 2022, which was primarily towards compensation for lower machine availability provided by the O&M contractor as against committed machine availability as per the O&M agreement entered into with the contractor of one of our subsidiaries.

Our generation for FY 2022 and FY 2023 was 1,746 GWh and 1,911 GWh, respectively, representing an increase of 9.5%.

Other income

Other income increased by 224.2% from INR 466 million in FY 2022 to INR 1,511 million in FY 2023, primarily due to an increase in interest income on bank deposits from INR 252 million in FY 2022 to INR 713 million in

FY 2023 as a result of an increase in the balance of our bank deposits, an increase in interest on overdue trade receivables from INR 38 million in FY 2022 to INR 501 million in FY 2023 as a result of recognition of interest income on overdue trade receivables based on certainty of its collection and past trend of actual receipts of interest on overdue receivables as well as an increase in provision no longer required written back from INR 4 million in FY 2022 to INR 158 million in FY 2023 mainly as a result of reversal of excess provision towards the 6.3 MW capacity at the Bothe project of INR 119 million and reversal of provision made towards early payment rebate of INR 17 million at the Ratlam project.

Total expenses other than depreciation and finance costs

Total expenses other than depreciation and finance costs increased by 30.8% from INR 2,708 million in FY 2022 to INR 3,543 million in FY 2023, primarily due to (i) an increase in operating and maintenance expenses from INR 1,755 million in FY 2022 to INR 2,274 million in FY 2023 as a result of (i) end of the free O&M period of the Rajkot 1 project in July 2021 and the Rajkot 2A project in May 2022 and general inflationary increase in fees to contractors; (ii) an increase in transmission and open access charges mainly at the Rajkot 2B, Rajkot 3 and Dayapar projects due to operationalization of additional capacity during the year; (iii) an increase in employee benefits expense from INR 371 million in FY 2022 to Rs 472 million in FY 2023 as a result of the annual increase in compensation and additional workforce to cater to the increased project portfolio; and (iv) an increase in other expenses from INR 582 million in FY 2022 to INR 797 million in FY 2023 as a result of increases in various expenses including rent, insurance expenses and travelling, lodging and boarding.

Depreciation expense

Depreciation expense increased by 23.0% from INR 2,067 million in FY 2022 to INR 2,542 million in FY 2023, primarily due to the commissioning of capacities of the Dayapar, Morjar 1 and Rajkot 3 projects in FY 2023 and full year charge of depreciation of capacities commissioned during FY 2022, resulting in depreciation on plant and equipment for these projects.

Finance costs

Finance costs increased by 58.8% from INR 5,926 million in FY 2022 to INR 9,410 million in FY 2023, primarily due to (i) an increase in interest on senior notes from INR 1,865 million in FY 2022 to INR 4,877 million in FY 2023 as a result of the issuance of the U.S.\$400 million floating rate notes, (ii) an increase in interest on borrowings from INR 812 million in FY 2022 to INR 1,063 million in FY 2023 due to an increase in projects term loans in relation to the Dayapar, Morjar 1 and Rajkot 3 projects as well as interest on such loans getting charged off upon mechanical completion project capacities during FY 2023, (iii) an increase in redemption premium on NCDs from INR 357 million in FY 2022 to INR 1,243 million in FY 2023 as a result of redemption premium paid due to pre-mature NCDs redeemed during FY 2023, which was partially offset by (i) a decrease in interest on NCDs from INR 755 million in FY 2022 to INR 277 million in FY 2023 due to redemption of NCDs during Q2 of FY 2023.

Exceptional items

We had exceptional items of INR 427 million in FY 2023 as compared to nil in FY 2022. Such exceptional items were non-recurring in nature and were primarily due to (i) a provision for losses in the amount of INR 234 million with respect to certain long-term contracts for which we anticipate foreseeable losses, (ii) an advance of INR 100 million previously paid to a contractor in an earlier year towards acquisition of entities which have certain rights of project development for identified locations in India which has been provided for

during the year based on the overall progress these entities have achieved with respect to project development, and (iii) a cost of INR 93 million towards repair and restoration of collapsed tower and line along with other expenses with respect to one of the projects which were affected by heavy rains and flood during the year.

Loss before tax

For the reasons discussed above, we recorded a loss before tax of INR 492 million in FY 2022 and a loss before tax of INR 3,857 million in FY 2023.

Current tax

Current tax increased by 46.0% from INR 200 million in FY 2022 to INR 292 million in FY 2023 due to withholding tax deducted by Indian subsidiaries on interest and redemption premium paid to Singapore subsidiaries.

Deferred tax expenses/(credit)

Deferred tax expenses increased by 181.0% from INR 469 million in FY 2022 to INR 1,318 million in FY 2023 due to deferred tax liabilities created due to timing difference of depreciation, allowance of interest and certain expenses which are deductible as per Indian & Singapore income tax rules and as per books of accounts.

Loss after tax

For the reasons discussed above, we recorded a loss after tax of INR 1,161 million in FY 2022 and a loss after tax of INR 5,467 million in FY 2023.

Share of loss attributable to minority interest

This represented the share of loss attributable to minority interest on account of loss reported in Watsun and Dalvaipuram in FY 2023 whereas in the case of FY 2022 it was only on account of Watsun.

Loss for the year

As a result of the foregoing, we recorded a loss for the year of INR 1,121 million in FY 2022 and a loss for the year of INR 5,403 million in FY 2023.

Fiscal Year 2022 Compared to Fiscal Year 2021

Revenue from operations

Revenue from operations increased by 23.2% from INR 7,909 million in FY 2021 to INR 9,743 million in FY 2022. The following table sets forth the breakdown of our revenue from operations for the indicated periods:

	As of March 31,	
	2021	2022
	(INR in millions, unless otherwise stated)	
Sale of electricity	7,546	9,181
Income from renewable energy certificate (REC)	34	41
Generation-based incentive (GBI)	329	346
Deviation Settlement Mechanism (DSM) income	—	5
Income from sale of verified carbon units (VCUs)	—	170
Revenue from operations	<u>7,909</u>	<u>9,743</u>
Installed capacity at beginning of period (MW)	661.8	757.4
Installed capacity at end of period (MW)	757.4	855.4
Generation (GWh)	1,407	1,746

Revenue from the sale of electricity increased by 21.7% from INR 7,546 million in FY 2021 to INR 9,181 million in FY 2022, which was primarily attributable to an increase in installed capacity from 757.4 MW to 855.4 MW which resulted into higher generation along with higher generation on account of increased wind speeds in FY 2022 compared to FY 2021.

Income from REC remained relatively stable at INR 34 million in FY 2021 and INR 41 million in FY 2022.

Income from GBI increased from INR 329 million in FY 2021 to INR 346 million in FY 2022 due to higher generation on account of increased wind speeds.

We had DSM income of INR 5 million in FY 2022 as compared to nil in FY 2021 as well as income from sale of VCUs of INR 170 million in FY 2022 as compared to nil in FY 2021.

Generation in FY 2021 and FY 2022 was 1,407 GWh and 1,746 GWh, respectively, which is an increase of 24.1%.

Other income

Other income increased by 33.9% from INR 348 million in FY 2021 to INR 466 million in FY 2022, primarily due to an increase in overdue trade receivables from nil in FY 2021 to INR 38 million in FY 2022 as a result of recognition of interest income on overdue trade receivables based on certainty of its collection and past trend of actual receipts of interest on overdue receivables and an increase in interest income on bank deposits due to higher cash balances available with the Group. -

Total expenses other than depreciation and finance costs

Total expenses other than depreciation and finance costs increased by 13.7% from INR 2,381 million in FY 2021 to INR 2,708 million in FY 2022, primarily due to (i) an increase in operating and maintenance expenses by

INR 313 million due to Periyapatti Solar project becoming commissioned at end of FY 2021, the end of free O&M period of the Rajkot 1 project in July 2021 and general inflationary increase in fees to contractors, (ii) increase in transmission and open access charges due to operationalization of additional capacity during the year, and (iii) an increase in employee benefits expense by INR 16 million which was in line with the annual increase in compensation.

Depreciation expense

Depreciation expense increased by 9.0% from INR 1,897 million in FY 2021 to INR 2,067 million in FY 2022, primarily on account of the commissioning of Periyapatti solar project, the Rajkot 2A, Rajkot 2B and Dayapar projects, resulting in depreciation on turbines and solar equipment capitalized during the year.

Finance costs

Finance costs decreased by 12.4% from INR 6,764 million in FY 2021 to INR 5,926 million in FY 2022, primarily due to (i) a decrease in interest on borrowings from INR 3,983 million in FY 2021 to INR 812 million in FY 2022 as a result of repayment of project term loan in end of FY 2021, (ii) a decrease in prepayment premium charges from INR 909 million in FY 2021 to nil in FY 2022, which was partially offset by (i) an increase in interest on senior notes from INR 265 million to INR 1,865 million due to the issuance of the U.S.\$561 million 4.50% senior note due 2027 and (ii) an increase in forward premium cost from INR 79 million in FY 2021 to INR 1,666 million in FY 2022.

Loss before tax

For the reasons discussed above, loss before tax decreased from INR 2,785 million in FY 2021 to INR 492 million in FY 2022.

Current tax

We had current tax in the amount of INR 200 million in FY 2022 as compared to nil in FY 2021. The increase was primarily due to withholding tax deducted by Indian subsidiaries on interest and redemption premium paid to Singapore subsidiary.

Deferred tax expenses/(credit)

We had a deferred tax credit of INR 208 million in FY 2021 and a deferred tax expense of INR 469 million in FY 2022. The change was primarily due to section 94B disallowances of interest cost beyond 30% EBITDA criteria and higher income tax depreciation as compared against book depreciation during initial years of projects commissioned which led to creation of deferred tax liability.

Loss after tax

As a result of the foregoing, our loss after tax decreased from INR 2,577 million in FY 2021 to INR 1,161 million in FY 2022.

Share of loss attributable to minority shareholders

This represented the share of loss attributable to minority interest on account of loss reported in Watsun.

Loss for the year

As a result of the foregoing, our loss for the year decreased from INR 2,547 million for FY 2021 to INR 1,121 million for FY 2022.

Liquidity and Capital Resources

Overview

As of March 31, 2023, our cash and cash equivalents (CCE) plus bank balances other than CCE were INR 27,889 million. Our financing requirements are primarily for:

- implementation of new projects;
- maintenance and operation of projects;
- financing and servicing of debt;
- funding working capital needs; and
- general overheads.

We fund our capital requirements primarily through equity and optionally convertible debentures (“OCD”) or CCD instruments as well as unsecured debt provided by CGE IPL, and debt financing facilities from commercial banks and financial institutions or other lenders. We believe that our credit facilities, together with cash generated from our operations and cash from investments will be sufficient to finance our working capital requirements for the next 12 months. We expect that cash flow from operations and our credit facilities will continue to be our principal sources of cash in the medium term.

Cash Flow

A summary of the Consolidated Cash Flow Statement is set forth below:

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions)			(U.S.\$ in millions ⁽¹⁾)
Consolidated Summary Cash Flow Statement				
Net cash flows from operating activities	3,918	5,423	8,966	109.1
Net cash (used in) investing activities	(3,392)	(17,496)	(35,632)	(433.4)
Net cash flow from financing activities	2,410	10,573	36,625	445.5
Foreign exchange translation reserve	438	42	—	—
Adjustment on account of purchase of intercompany investment	(61)	—	—	—
Effects of exchange difference on restatement of foreign currency cash and cash equivalents	—	—	3	0
Cash and cash equivalents at the beginning of the year	3,426	6,739	5,281	64.2
Cash and cash equivalents at the end of the year	6,739	5,281	15,243	185.4

Note:

- (1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of INR 82.2169 per U.S.\$1.00, being the closing exchange rate published by the FBIL as of March 31, 2023.

Net cash flows from operating activities

In FY 2023, our net cash flows from operating activities was INR 8,966 million. This net cash inflow was primarily attributable to (i) loss before tax of INR 3,857 million, depreciation expense of INR 2,542 million, finance costs of INR 9,410 million, interest income of INR 781 million and foreign exchange loss (net) of INR 228 million, and (ii) aggregate of movements in working capital of INR 1,948 million, which primarily included a decrease in other current liabilities of INR 486 million, an increase in other long-term liabilities of INR 691 million, a decrease in trade receivables of INR 2,210 million, an increase in provisions of INR 131 million, a decrease in loans and advances of INR 196 million, which resulted in an increase in net cash flows from operating activities of INR 5,423 million in FY 2022 to INR 8,966 million in FY 2023.

In FY 2022, our net cash flows from operating activities was INR 5,423 million. This net cash inflow was primarily attributable to (i) loss before tax of INR 492 million, depreciation expense of INR 2,067 million, finance cost of INR 5,926 million and interest income of INR 378 million, and (ii) aggregate of movements in working capital of INR 1,574 million, which primarily included a decrease in trade payables of INR 222 million, an increase in trade receivables of INR 965 million, an increase in loans and advances of INR 405 million, which resulted in an increase in net cash flows from operating activities of INR 3,918 million in FY 2021 to INR 5,423 million in FY 2022.

In FY 2021, our net cash flows from operating activities was INR 3,918 million. This net cash inflow was primarily attributable to (i) loss before tax of INR 2,785 million, interest income of INR 298 million, finance costs of INR 6,764 million and depreciation expense of INR 1,897 million, and (ii) aggregate of movements in working capital of INR 1,760 million, which primarily included an increase in trade receivables of INR 2,130 million, an increase in other current assets of INR 30 million and increase in other non-current assets of INR 49 million.

Net cash used in investing activities

In FY 2023, our net cash used in investing activities of INR 35,632 million primarily included (i) INR 23,413 million in purchase of property, plant and equipment, including capital advances and capital work in progress, (ii) INR 13,141 million in investment in fixed deposit, which was partially offset by (i) sale of equity shares to minority interest of INR 155 million and (ii) interest received of INR 767 million.

In FY 2022, our net cash used in investing activities of INR 17,496 million primarily included (i) INR 15,763 million in purchase of property, plant and equipment, including capital advances and capital work in progress, (ii) INR 1,887 million of investment in fixed deposit, which was partially offset by interest received of INR 150 million.

In FY 2021, our net cash flow used in investing activities of INR 3,392 million primarily included (i) INR 4,925 million in purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors (ii) INR 1,743 million towards proceeds from fixed deposit, (iii) INR 557 million towards foreign exchange loss on translation of investments, (iv) INR 283 million as interest received and (v) INR 56 million towards proceeds on redemption of mutual funds redemption and INR 8 million towards sale of non-current investments.

Net cash flow from financing activities

In FY 2023, our net cash flow from financing activities of INR 36,625 million primarily included (i) INR 62,062 million of proceeds from long-term borrowings, (ii) INR 1,263 million of proceeds from issuance of CCDs, which was partially offset by (i) INR 7,935 million of repayment of NCDs, (ii) INR 5,937 million of repayment of long-term borrowings, (iii) INR 2,039 million of repayment of short-term borrowings (net) and (iv) INR 10,789 million of finance cost paid.

In FY 2022, our net cash flow from financing activities of INR 10,573 million was primarily attributable to (i) INR 19,796 million of proceeds from long-term borrowings, (ii) INR 2,286 million of proceeds of short-term borrowings, which was partially offset by (i) INR 4,969 million of repayment of long-term borrowings and (ii) INR 6,540 million of finance cost paid.

In FY 2021, our net cash flow from financing activities of INR 2,410 million was primarily attributable to proceeds of INR 40,890 million from the issuance of the 2027 Notes and proceeds of INR 6,344 million from long-term borrowings, partially offset by INR 38,351 million in repayment of long-term borrowings INR 958 million repayment (net) of short-term borrowings and INR 5,515 million towards finance costs paid.

Indebtedness

As of March 31, 2023, we had adjusted borrowings of INR 119,750 million. Adjusted borrowings comprise long-term borrowings from banks, financial institutions, Non Convertible Debentures (NCD) issued to external parties and Senior Notes, short-term borrowings, interest accrued but not due on borrowings, liability towards premium on redemption of NCDs issued to external parties, interest accrued but not due on NCDs issued to external parties and interest accrued but not due on working capital.

Our borrowings are typically secured by a lien on the assets of the project to which they relate and a pledge of certain percentage of shares and debentures issued by the relevant project subsidiary. Our loan agreements generally contain covenants, including limitations on the use of proceeds and restrictions on indebtedness, liens, asset sales, investments, transfers of ownership interests and certain changes in business. These covenants may limit our ability to pay dividends or make loans or advances to us, subject to the lender's waiver or consent.

Our ability to incur additional debt is subject to a variety of uncertainties including the amount of capital that other entities with operations may seek to raise in the domestic and foreign capital markets, economic and other conditions in India or elsewhere that may affect investor demand for our securities, the liquidity of capital markets in India or elsewhere, our compliance with covenants in our financing agreements and our cash flows, financial condition and results of operations. We intend to continue to utilize long-term debt towards satisfying our financing requirements, taking into account prevailing market conditions and our ability to borrow at competitive rates.

Capital Expenditures

We incurred INR 5,850 million, INR 17,919 million and INR 24,313 million towards purchases of property, plant and equipment and capital work in progress during the years ended March 31, 2021, 2022 and 2023. Capital expenditure represents additions in property, plant and equipment plus closing capital work-in-progress less opening capital work-in-progress.

liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of electricity

Revenue from the sale of electricity is recognized on the basis of the number of units of power generated and supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the licensed distribution or transmission utilities and the Company at the rates prevailing on the date of supply to the grid as determined by the PPAs entered into with such distribution utilities/customers under group captive mechanism/open access sale/third party power trader. In case of Bothe's unsigned PPA, revenue is recognized as per the APPC rates prescribed under the tariff order issued by the MERC. Revenue from sale of surplus power is recognized as per the rate prescribed by the relevant state regulatory commission to the State Discoms.

Unbilled revenue represents the revenue that the Group recognizes at eligible rates for the arrangement where the Group has all approvals in place except that the PPA is pending to be signed between the Group and State Discoms.

Accrued revenue represents the revenue that the Group recognizes where the PPA is signed but the invoice is raised subsequently.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest earned on temporary investment of borrowed funds, to the extent eligible for adjustment to capital cost has been adjusted in the cost of property, plant and equipment. Interest earned from customers on delayed payment are recognized only upon its reasonable certainty of receipt. Interest income is included under the heading "other income" in the consolidated statement of profit and loss.

Insurance claims

Income from insurance claims are accounted for after the same are approved by the relevant insurance company.

Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Generation based incentive

GBI income is earned and recognized on certain projects which sell electricity to licensed distribution utilities at tariffs determined by relevant State Electricity Regulatory Commissions (“**SERCs**”). GBI is paid at a fixed price of INR 0.50/kwh of electricity units sold subject to a cap of INR 10 million per MW of capacity installed for the electricity fed into the grid for a period not less than four years and a maximum of ten years.

Renewable Energy Certificate (REC) Income

Revenue from Renewable Energy Certificate (“**REC**”) is recognized based on the units accrued following the generation of electricity, as stipulated by the CERC, for eligible projects and they are sold on the electricity exchanges as stipulated by the CERC. REC revenues are initially recognized at floor price and any movement in price at the time of sale of RECs on the electricity exchanges are recorded as gain or loss in the consolidated statement of profit and loss in the period in which such RECs are traded on electricity exchanges.

Sale of Verified Carbon Units (VCUs)

Income from sale of VCUs is recognized upon issuance and sale of VCUs. Any unsold VCUs which are granted to the Company are accrued at a nominal value.

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on translation/settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Translation of integral and non-integral foreign operation

The Group classifies all its foreign operations as either “integral foreign operations” or “non-integral foreign operations.”

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the consolidated statement of profit and loss.

Further any exchange difference arising on an intra-group monetary item, whether short-term or long-term, is not eliminated against a corresponding amount arising on other intra-group balances because the monetary item represents a commitment to convert one currency into another and exposes the reporting enterprise to a gain or loss, such an exchange difference continues to be recognized as income or an expense in the consolidated statement of profit and loss.

Property, plant and equipment

Property, plant and equipment (PPE) and capital work in progress are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The costs comprise of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the property, plant and equipment. Any subsequent expenses related to property, plant and equipment is added to its book value only if below recognition criteria is met:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the consolidated statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from de-recognition of property, plant and equipment 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.

The Group identifies and determines cost of each component/part of the asset separately, if it has a cost that is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining life.

Capital Work-In-Progress

Costs and direct expenses incurred for construction of assets or assets to be acquired and for assets not ready for use are disclosed in under “*Capital Work in Progress*.”

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight-line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

Depreciation on Property, plant and equipment

The Group provides depreciation on straight-line basis (“**SLM**”) and written down value (“**WDV**”) basis on all assets on the basis of useful life estimated by the management. The Group has used the following useful life to provide depreciation on its fixed assets.

Category of fixed assets	SLM/WDV	Useful life
Leasehold land	SLM	Over the lease term
Building	SLM	30 years
Building – others	WDV	3 years
Plant and equipment ⁽¹⁾	WDV	6 – 15 years
Plant and equipment ⁽¹⁾	SLM	3 – 40 years
Furniture and fixtures	WDV	10 years
Vehicles	WDV	10 years
Office equipment	WDV	5 years
Computer	WDV	3 years
Network equipment ⁽¹⁾	SLM	6 years

Note:

- (1) Based on technical estimate, the useful life of plant and equipment and network equipment are different from those as indicated in Schedule II to the Companies Act 2013.

Temporary structures are depreciated fully in the year in which they are capitalized.

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

Borrowing costs

Borrowing costs include interest and amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the relevant asset. All other borrowing costs are expensed over the year of respective borrowings.

Impairment

The Group assesses 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 Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s net selling price and its value in

use. The 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 groups of assets. Where the carrying amount of an asset 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable value since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit and loss.

Leases

Where the Group is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

Investments

Investments which are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at costs. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged to the consolidated statement of profit and loss.

Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1947 as enacted in Singapore and Income Tax

Act 1961 as enacted in India. The tax rates used to compute such amounts are based on tax laws that are in effect at the reporting date.

CGE IPL is eligible for a deduction of 100% of taxable income under section 80-IA of Income Tax Act, 1961 subject to Minimum Alternate Tax (“MAT”) and it can avail the said benefit for 10 continuous years out of total 15 years from the year in which unit starts its commercial operations.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and the reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax assets and the deferred tax liabilities related to the taxes on income levied by the same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where a subsidiary of the Group is entitled to a tax holiday under the Income Tax Act, 1961 as enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group’s gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

MAT, whenever applicable and paid during the period, is charged to the consolidated statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Income Tax Act, 1961, the said asset is created by way of credit to the consolidated statement of profit and loss and shown as “MAT Credit Entitlement.” The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

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 tax assets and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares

are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that change the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Retirement and other employee benefits

Retirement benefits in the form of a provident fund is a defined contribution scheme. The contributions are charged to the consolidated statement of profit and loss for the year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

The Group operates only one defined benefit plan for its employees, i.e. gratuity. The costs of providing this benefit are determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognized in full in the period in which they occur in the consolidated statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year or period end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Provisions

A provision is recognized when the Group has a present obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made in relation to the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement.

Employee share-based payment

The Group issued PSUs to certain employees of the Group, whereby employees render services and they are granted unit appreciation rights, which are settled in cash (cash-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments as issued by the ICAI, a liability is recognized for the fair value of cash-settled transactions or the minimum cost escalation on year-on-year basis, whichever is higher in the books of Company as well as in the books of Group. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognized in employee benefits expense in the Group's consolidated statement of profit and loss. The fair value is expensed out over the period until the vesting date with recognition of a corresponding liability.

Derivative and hedge accounting

In the normal course of business, the Group uses derivative instruments for management of exposure due to fluctuations in foreign currency exchange rates that is attributable to a 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. The Group designates these derivative instruments in a hedging relationship by applying the hedge accounting principles as set out in the Guidance note on Accounting for Derivative Contracts issued by the ICAI issued in 2021.

The use of derivatives can give rise to credit and market risks. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Contracts designated as Cash Flow Hedge

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

Derivative financial instruments are initially recognized 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. The Group evaluates hedge effectiveness of cash flow hedges at the time a contract is entered into as well as on an ongoing basis. The effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the "hedge reserve", while any ineffective portion is recognized immediately in the consolidated statement of profit and loss.

Amounts recognized in the cash flow hedge reserve are transferred to the consolidated statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognized in the hedging reserve is transferred to the consolidated statement of profit and loss. If an entity terminates a hedging

instrument prior to its maturity/contractual term, hedge accounting is discontinued prospectively. Any amount previously recognized in the hedge reserve is reclassified into the consolidated statement of profit and loss only in the period when the hedged item impacts the earnings. The cost of effective portion of cash flow hedges is expensed over the period of the hedge contract. Derivative assets and liabilities that are hedges of forecasted transactions are classified in the balance sheet as current or non-current based on the settlement date/maturity dates of the derivative contracts.

Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Other bank balances

Other bank balances include deposits having a maturity of more than three months but less than twelve months which can be readily convertible to cash with insignificant risk of changes in value.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

Current and non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle; or
- expected to be realized within twelve months after the reporting period; or
- 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.

A liability is current when:

- it is expected to be settled in normal operating cycle; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company estimates its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

Market Risk

General

Our activities expose us to a variety of financial risks: market risk, credit risk, liquidity risk and inflation risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our financial instruments comprise loans from banks and financial institutions, loans from our Parent Guarantor and its affiliates, demand deposits, short-term bank deposits, trade and other receivables and trade and other payables.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. We may enter into certain suitable hedging arrangements to mitigate any identified market risk. Market risk can be further segregated as foreign exchange risk and interest rate risk.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Consolidated Financial Statements are presented in Indian rupees. We generate revenues and incur costs in Indian rupees.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As we have no significant interest-bearing assets other than investment in bank deposits, our income and operating cash flows are substantially independent of changes in market interest rates. We consider that the impact of fair value interest rate risk on investment in bank deposits is not material as only excess funds post utilization gets invested into fixed deposits. A significant portion of our borrowings carry a fixed rate of interest; however, as these debts are carried at amortized cost, there is no fair value interest rate risk to us. Our interest rate risk arises from borrowings. Borrowings issued at variable rates expose us to cash flow interest rate risk.

If interest rates on borrowings had been 50 basis points higher or lower with all other variables held constant, our loss after tax for FY 2023 would have been lower or higher by INR 378 million mainly as a result of the higher or lower interest expense on long-term floating rate borrowings. The sensitivity analysis is based on a reasonably possible change in the market interest rates computed from historical data.

	Fiscal year ended March 31,		
	2021	2022	2023
	(INR in millions, unless otherwise stated)		
Floating rate borrowing	8,304	23,706	75,502
Fixed rate borrowing	42,862	43,610	44,375
Increase by 50 basis points	42	119	378
Decrease by 50 basis points	(42)	(119)	(378)

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our credit risk arises from accounts receivable balances on sales to customers. Nearly all of our revenue is derived from sales to government corporations and highly rated C&I customers under the PPAs. See “*Our Business*” and “*Risk Factors — Our customers may not be able to fulfill their payment-obligations under the PPAs as a result of poor financial health, restructuring or other external events, which could have an adverse impact on our operations, cash flows and our ability to service our debt under our loan agreements*” for further information.

In addition, we maintain banking relationships with creditworthy banks and non-banking financial institutions which we review on an ongoing basis. When we enter into derivative financial instruments, the counterparty is generally a bank. Consequently, the credit risk on the derivatives and bank deposits is not considered material.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and maintaining adequate credit facilities. In respect of our existing operations, we fund our activities primarily through equity and long-term loans secured against each project. Our objective in relation to our existing operating business is to maintain sufficient funding to allow the projects to operate at an optimal level.

Inflation risk

Our results of operations have not been significantly impacted by inflation.

DESCRIPTION OF THE ISSUER

The Issuer, Continuum Energy Aura Pte. Ltd., is a private limited company incorporated in Singapore on February 25, 2022. The registered office of the Issuer is at 10 Changi Business Park Central 2, #01-02, Hansapoint, Singapore 486030, and the telephone number is +65 6571 1604.

The Issuer is a wholly owned subsidiary of the Parent Guarantor.

Business Activity

The Issuer is a company formed for the purposes of issuing the Notes and has no material assets or liabilities or business operations.

Management

The directors of the Issuer are:

Pan Peiwen. For a description of Pan Peiwen's experience, see "*Management — Board of Directors of CGEL*".

Marc Maria van't Noordende. For a description of Marc Maria van't Noordende's experience, see "*Management — Board of Directors of CGEL*".

Peter Farley Mitchell. For a description of Peter Farley Mitchell's experience, see "*Management — Board of Directors of CGEL*".

Arvind Bansal. For a description of Arvind Bansal's experience, see "*Management — Board of Directors of CGEL*".

Alternate director to Marc Maria van 't Noordende

Arno Kikkert. For a description of Arno Kikkert's experience, see "*Management — Board of Directors of CGEL*".

Alternate director to Arvind Bansal

Vikash Saraf. For a description of Vikash Saraf's experience, see "*Management — Board of Directors of CGEL*".

Capitalization

The Issuer has an issued and paid-up ordinary share capital of U.S.\$1.00.

INDUSTRY OVERVIEW

The information presented in the “Industry Overview” section has been extracted from an industry report entitled “India Renewable Energy Market” dated August 2023 (the “Report”) that the Issuer has commissioned from CRISIL Market Intelligence & Analytics (“CRISIL MI&A”), a division of CRISIL Limited (“CRISIL”). CRISIL MI&A has taken due care and caution in preparing the Report based on the information obtained by CRISIL from sources which it considers reliable (“Data”). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data or the Report and is not responsible for any errors or omissions or for the results obtained from the use of Data or the Report. The Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of the Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. The Issuer will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/ reproduced in any form without CRISIL’s prior written approval.

Overview of India’s Power Market

Organised operating and regulatory structure of the power market in India

Electricity is a concurrent subject in India with the Ministry of Power, Government of India, mainly being responsible for creating the overall policy framework for the power sector in the country. All state-level policies and issues come under the purview of the respective state governments.

All states and union territories have set up electricity regulatory commissions (“**SERCs**”) to regulate and determine tariffs for generation, transmission as well as distribution companies (“**discoms**”). The CERC fulfils this responsibility for inter-state generation and transmission and also for central power utilities. The Appellate Tribunal for Electricity was established to hear appeals against the orders of adjudicating authorities (SERCs, JERC and CERC).

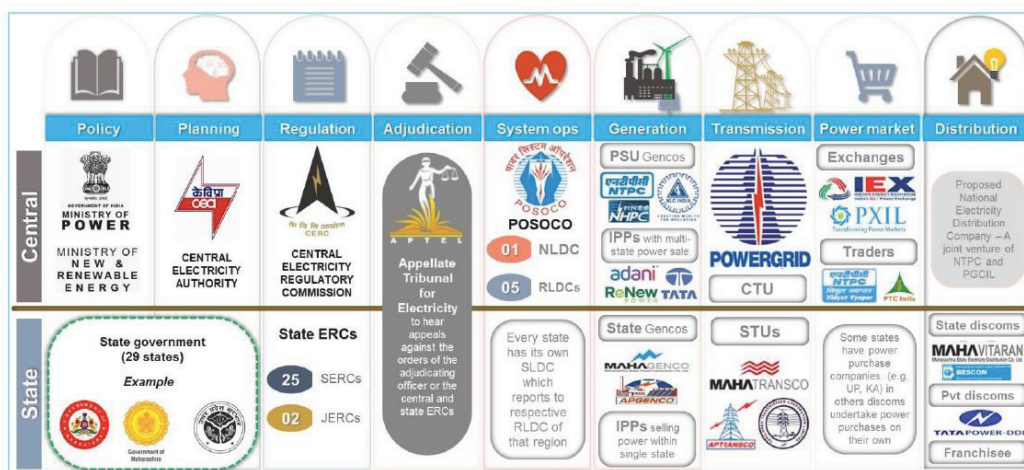
Grid Controller of India Ltd (formerly Power System Operation Corporation Ltd) manages the national and regional grid through the National Load Despatch Center (“**NLDC**”) and its five regional load-dispatch centers (“**RLDCs**”). These entities operate in unison to ensure the integrated operation of the grid in a reliable, efficient and secure manner. While the NLDC controls the load flow within the country, the RLDCs and state load dispatch centers (“**SLDCs**”) are responsible for ensuring the integrated operation of the power system in the concerned regions and states.

Central Transmission Utility of India Limited (“**CTUIL**”), 100% subsidiary of Power Grid Corporation of India Limited (“**PGCIL**”), is notified as the CTU and is responsible to undertake transmission of electricity through the inter-state transmission system (ISTS) and other functions as per the provisions of Electricity Act 2003. The National Committee on Transmission (NCT) is responsible for planning and examining the proposals of ISTS scheme for approval. The state transmission utilities (“**STUs**”) are tasked with the development of the intra-state transmission system. The transmission lines are operated in accordance with regulations/ standards of CEA/ CERC/SERCs.

Power exchanges set up for trading of power and deepening markets are a distinct licensed activity (from generation, transmission and distribution) as recognized by the Electricity Act 2003. Power trading was introduced to meet the short-term requirement of electricity and to ensure optimum utilization of power resources across regions, given demand-supply mismatches. Several traders, both Central government and the private sector, have established their presence; a few states have companies (e.g., Gujarat, Uttar Pradesh, Karnataka and Madhya Pradesh) to procure power on behalf of their state discoms.

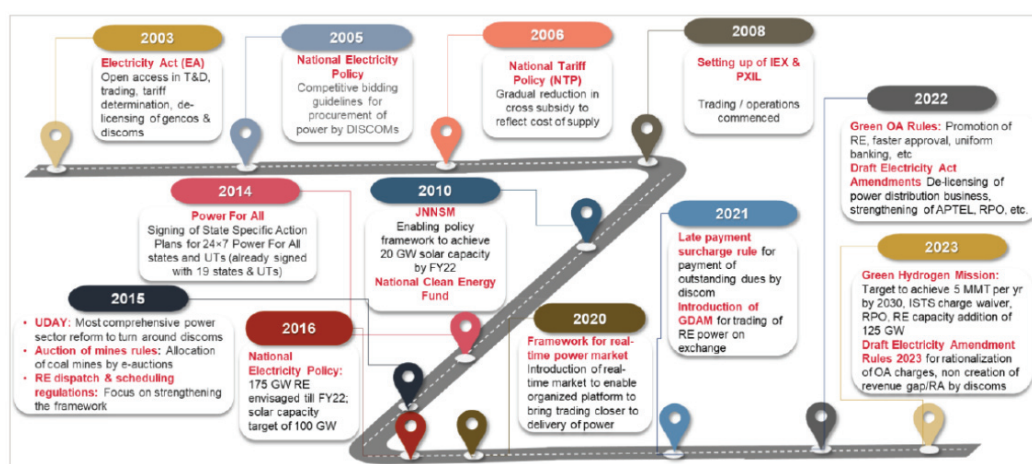
Power distribution system is the last leg of the electricity value chain. The main function of power distribution system is to provide power to the premises of individual consumers. Responsibility for distribution and supply of power to end-consumers rests with the states. The power distribution segment in India is largely dominated by the state government-owned distribution companies, although a few private entities are also present in the sector to serve end-consumers. Further, open access allows large consumers to procure power through traders, exchanges or via captive/group captive generation.

Structured planning and regulatory processes ensure coordination between various Central and state government agencies



Source: CRISIL Analysis

Electricity Act 2003 and subsequent policies aided a stable regulatory framework that promoted competition and market development



Source: CRISIL Analysis

The central government enacted the Electricity Act, 2003, to promote competition and efficiency in the power sector against the backdrop of the ongoing economic reforms in other key sectors of the economy. The Electricity Act, 2003 replaced the three existing legislations governing the power sector, namely (i) Electricity Act, 1910, (ii) Electricity (Supply) Act, 1948, and (iii) the Electricity Regulatory Commissions Act, 1998 (ERC, 1998). Prior to Electricity Act, 2003, the electricity industry recognized generation, transmission and supply as principal activities under “electricity supply”. Enactment of the Electricity Act in June 2003 led to significant structural changes in the power sector, such as:

- Shift from a single-buyer to multi-buyer model;
- Delicensing of generation;
- Open access in transmission and distribution;
- Identification of trading as a distinct activity; and
- Reorganization of the erstwhile state electricity boards (“SEBs”).

Following the Electricity Act, 2003, several policies evolved including National Electricity Policy, National Electricity Plan and National Tariff Policy to address issues related to tariff structures (including cross-subsidization), power procurement through the competitive bidding route, thrust on renewable energy and promotion of open access/captive/group captive consumption as well as development of short-term electricity market.

Energy requirement grew at 4.3% CAGR over fiscals 2013 to 2023; growth to remain healthy over the next decade

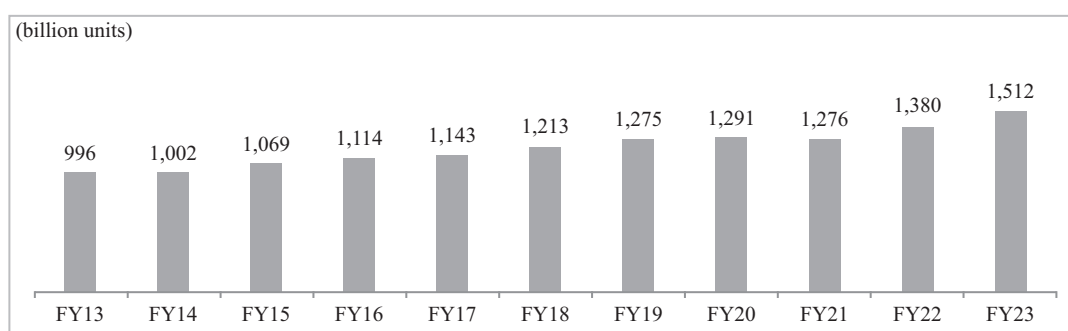
Even though India is the world’s third-largest electricity producer, the country’s need for energy continues to rise propelled by economic growth.

Over the past 10 years (fiscals 2013 to 2023), energy requirement grew at a 4.3% CAGR. This was driven by rising power availability, gradual improvement in electricity access, rapid urbanization, increasing per-capita income, railway electrification and continued government support.

On the other hand, certain factors — reduction in T&D loss, focus on energy efficiency and reduction in energy intensity in GDP mix with healthy growth in services sector — constrained growth in the energy requirement.

Energy-requirement growth, however, has slowed down in the recent three years, due to a slowdown in economic growth as well as weak financial health of power distribution companies, which restricted off-take. Moreover, fiscal 2021 witnessed approximately 1% on-year decline in demand due to COVID-19 related lockdown and subsequent drop in consumption. However, with a gradual pick-up in manufacturing activity, especially with the strong thrust on ‘Make in India’, ‘Aatmanirbhar Bharat’ and investments in manufacturing sector under Performance Liked Incentive (PLI) scheme, energy requirement is expected to witness steady growth. In addition, reduction in load shedding, penetration of electric vehicles and improvement in liquidity position of discoms is expected to support growth in energy requirement.

Energy requirement in India

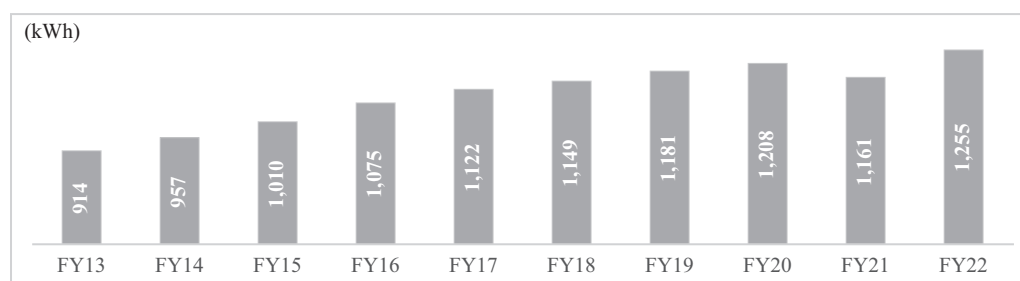


Source: CEA, CRISIL Analysis

Per-capita electricity consumption remains significantly lower than the world, implying strong growth potential

Led by growth in energy requirement, India’s per-capita electricity consumption has been continuously rising over years, from 914 kWh in fiscal 2013 to 1,255 kWh in fiscal 2022, an increase of approximately 3.6% CAGR over 10 years.

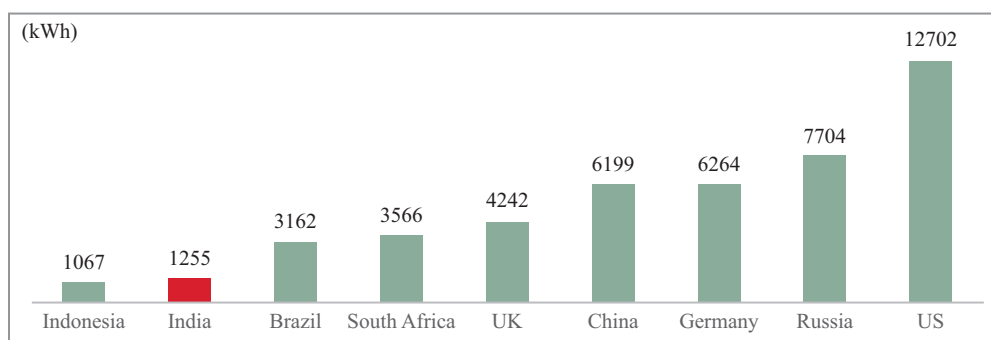
Per capita electricity consumption trends in India



Source: CEA, CRISIL Analysis

Despite this healthy increase, the per-capita electricity consumption remains significantly lower than other major as well as developing economies. Developing countries, such as Brazil, Malaysia and China, have significantly higher per-capita electricity consumption than India.

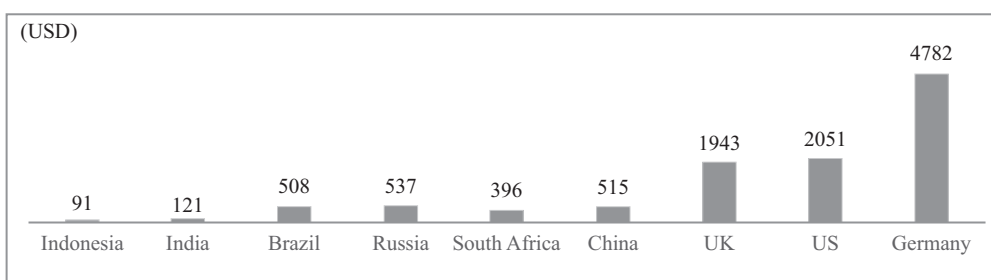
Per-capita electricity consumption across countries in 2022



Source: CRISIL Analysis

India is still a developing economy and electricity expenditure constitutes a small percentage of the total household expenditure. Healthy economic growth is expected to increase per-capita income, in turn, resulting in higher disposable income available to spend on electricity. Also, the rise in income would improve the general standard of living, which, in turn, would further propel demand for electricity.

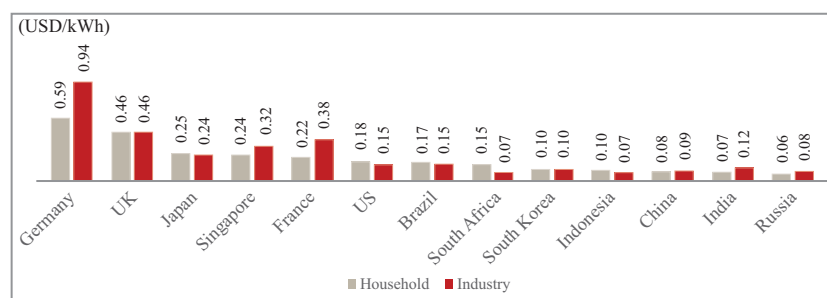
Per-capita expenditure on electricity across countries in 2022



Source: CRISIL Analysis

The chart below shows the price of electricity for households and industries across key economies. The prices include distribution and energy cost, various environmental and fuel cost charges and taxes. The world average price is US\$0.185 per kWh for household users and US\$0.193 per kWh for industries as of December 2022. The electricity prices in Europe increased in 2022 due to suspension of gas deliveries to EU member states by Russia which resulted in increase in wholesale energy prices. Industrial tariffs in India are competitive than developed countries but are still more than that of China, Indonesia, South Korea, South Africa.

Industrial and household electricity tariff across countries in 2022

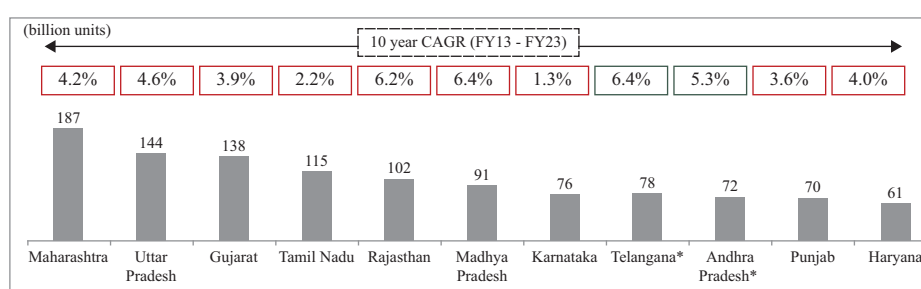


Source: CRISIL Analysis

Top five states accounted for 45% of total energy requirement in fiscal 2023, led by Maharashtra, Uttar Pradesh and Gujarat

As of fiscal 2023, the top five states accounted for 45% of total energy requirement in the country, while the top 10 states accounted for over 70% of the requirement. States including Maharashtra, Uttar Pradesh, Gujarat and Tamil Nadu led the pack in terms of total energy requirement, driven by high industrialization, urbanization and better power availability.

Energy requirement in key states during fiscal 2023 and corresponding CAGR over the last ten years



Note: Numbers in above boxes represent CAGR growth over FY13 to FY23;

* CAGR for Telangana and Andhra are for FY16 to FY23 as Telangana was formed in June 2014;

Source: CEA

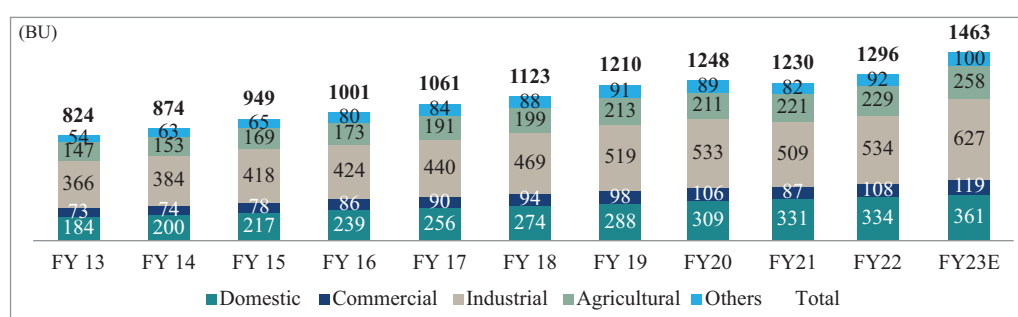
C&I segment accounts for approximately 51% of total energy sales; future growth to be led by strong thrust on manufacturing as well as rising urbanization

Industrial consumers are the largest consumers of electricity in absolute terms. Going forward, India's economy is expected to continue to expand beyond fiscal 2022, with industrial activity gradually picking up over the medium term. Trickle-down effect of Aatmanirbhar Bharat relief package, government spending on infrastructure through the National Infrastructure Pipeline, commissioning of the dedicated freight corridors, expansion of the services industry, rapid urbanization, and increased farm income from agriculture-related reforms are key macroeconomic factors fostering the power demand. Significant policy initiatives such as PLI schemes and low corporate tax rates, among others have aided large scale manufacturing in India which will further boost power demand in the country.

In fact, several sectors including automobiles, mobile handsets and tablets, solar, lithium-ion batteries, food & beverages and defence are expected to witness fresh investments including foreign direct investments from global majors. In addition, with the government undertaking several measures, India's ranking in ease of doing business improved 14 spots to 63 (out of 190 countries), which will also attract investments and in turn drive energy sales.

Further, railway electrification, rapid transition to EVs, upcoming metro projects primary tailwinds providing impetus to power demand. A confluence of these factors is expected to drive energy sales to the commercial consumer segment.

Consumer segment-wise energy sales in India



E: Estimated based on total energy supplied in FY23;

Source: CEA, CRISIL Analysis

Growth in domestic and industrial consumption has been the key driver in overall increase in energy demand. Between fiscals 2013 and 2023, domestic and industrial electricity consumption has grown at a CAGR of 7.0% and 5.5%, respectively, from approximately 184 billion units to approximately 361 billion units in domestic consumption and from approximately 366 billion units to approximately 627 billion units in industrial consumption. Growing population, expanding economy along with rising urbanization, industrialization government's "Make in India" initiative encouraging domestic manufacturing, PLI schemes, emergence of special economic zones and industrial parks and access to grid-based electricity to rural households have played key roles for such an increase in energy consumption.

Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya), which was launched by the GoI in September 2017, has helped achieving universal household electrification across the country. Under the scheme, 28.6 million households were electrified in the country. The scheme is completed and, in turn, drove electricity demand.

The program also aims to ensure 24x7 power supply to separate agriculture and non-agriculture feeders, facilitating judicious fostering of supply to agricultural and non-agricultural consumers in rural areas and strengthening the sub-transmission and distribution infrastructure in rural areas, including metering of distribution transformers/feeders/consumers. It is also expected that electricity currently being supplied through back-up facilities, such as invertors and DGs, may move back to the grid with increased quality of supply.

Demand from Commercial sector grew at approximately 5.0% CAGR in ten years to fiscal 2023, due to rapid urbanization as more people migrate to urban centers seeking better opportunities, the need for commercial spaces, educational institutions, and healthcare facilities has increased, consequently driving up electricity consumption.

Consumer-wise tariffs indicate a sharp rise for C&I users over years to makeup the under recovery in tariffs of other users

The tariffs across categories have increased at a CAGR of approximately 4.1% between fiscal 2013 and 2023, with domestic tariff increased at a rate of 5.5% followed by commercial and industrial tariffs at approximately 3.7% and 3.2%, respectively. Consequently, grid tariffs for domestic and agriculture are highly cross-subsidized by C&I consumers. In fact, in fiscal 2023, average cross-subsidization levels (tariffs above average cost of supply) for commercial and industrial consumers as per the approved tariffs for different categories have remained high at approximately 130%. Thus, grid power is expected to remain costlier for C&I consumers with limited scope for tariff rationalization as inability of discoms to increase domestic and agriculture tariffs to put increased pressure on C&I tariffs.

The increase in utility tariffs in India can be attributed to several factors that have collectively put pressure on the power generation and distribution sector. One of the key factors is the rising cost of coal, which is the primary source of fuel for thermal power plants in the country. As the demand for electricity continues to grow with rapid urbanization and industrialization, the increasing cost of coal has a direct impact on the overall generation cost, prompting power producers to pass on these expenses to consumers through higher tariffs.

Another significant reason is the increasing penetration of renewable energy sources, such as solar and wind, which has led to a decrease in the utilization of thermal power plants. As renewable energy generation becomes more prevalent, the Plant Load Factor (PLFs) of thermal power plants decreases, making it economically challenging to cover the fixed costs of these plants. To offset this, utilities often need to depend on expensive balancing power to maintain grid stability, thereby contributing to higher generation costs and, in turn, elevated tariffs.

Furthermore, in India, electricity tariffs for certain consumer categories, particularly domestic and agricultural, are subsidized by charging higher tariffs to C&I consumers. The burden of cross subsidization falls on these C&I consumers, resulting in increased tariffs to maintain financial viability for the power utilities. Moreover, aging infrastructure and transmission losses also play a role in escalating tariffs. The costs of maintaining and upgrading power transmission and distribution networks are significant, and inefficiencies in the system lead to increased financial burden on utilities, which are ultimately passed on to consumers.

Multiple schemes and rules/regulations are being passed by GoI to ensure adequate correction in the retail tariffs such as Revamped distribution sector scheme (RDSS) scheme which require better financial practice by discom, timely recovery of increase in cost of power purchase cost and automatic pass through into the consumer tariff and recovery of regulatory assets and limit the creation of any further regulatory assets by SERC.

Snapshot of consumer category-wise tariffs (average billing rates) across key states

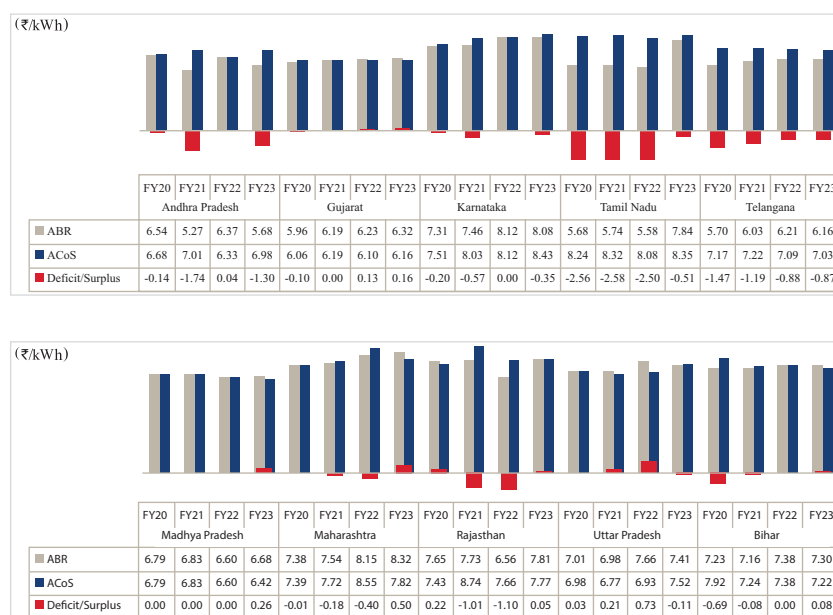


Note: FY23 figures are as per respective SERC approved discom's tariff orders;

Source: State Tariff Orders, PFC Report on Performance of State Power Utilities, CRISIL Analysis

The state wise gross average billing rate (ABR) and average cost of supply (ACoS) for last three fiscals is also shown in the below chart. It shows that the ABR has increased by 3.5% year-on-year whereas the ACoS has increase at a rate of approximately 1.6% over the last four years. The average gap between ABR and ACoS for these states have reduced from INR 0.49/kWh to INR 0.21/kWh from fiscal 2020 to fiscal 2023. The MoP also issued multiple rules and guidelines over the years to rationalize the tariffs and to ensure no creation of fresh regulatory assets by ensuring regular and timely revisions of tariffs. The draft electricity amendment rules, 2023 have also proposed to liquidate the regulatory assets within seven years of equal instalments. These measures are expected to remove the gap by fiscal 2025 if taken rigorously by SERCs.

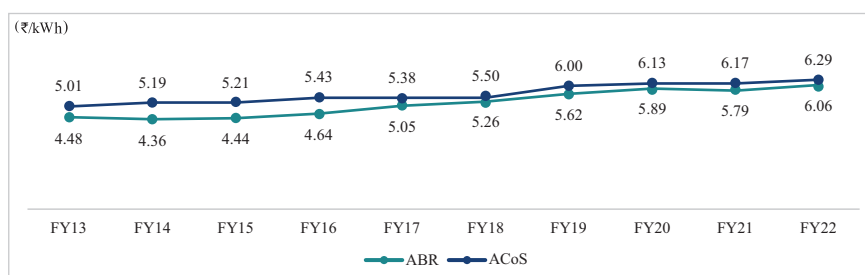
State wise ABR and ACoS for the last four financial years



Source: State Tariff Orders, REC Report on key regulatory parameters of Power Utilities, CRISIL Analysis

The national ABR has also increased at a CAGR of 3.4% between fiscal 2013 and 2022. The ABR is calculated at national level based on revenue realized and total subsidy billed during the year. The ACoS has increased at a CAGR of 2.6% during the same period. The gap between ABR and ACoS has narrowed over the year and during fiscal 2022, the gap was INR 0.23/kWh which is expected to reduce with the implementation of RDSS and amendments in electricity rules implemented by GoI to remove the gap by fiscal 2025.

Average billing rate at India level



Source: PFC Report on Performance of State Power Utilities, CRISIL Analysis

The discoms' tariff structure has two components which are fixed cost (comprising of fixed cost payable to generating stations, transmission charges, return on equity, interest on loan, depreciation, operation & maintenance charges etc.) and variable cost which includes fuel cost of generating stations. The fixed cost is recovered through fixed charges and variable cost is recovered through energy charges of the tariff. The fixed cost component constitutes approximately 40% to 45% of the total cost for most of the discoms. However, in practice the discoms recover only 15% to 20% of total cost through fixed charges while 80-85% is recovered through energy charges. As a result, significant portion of the fixed cost is recovered through energy charge component of the retail tariff leading to a mismatch between the cost and revenue structure. It may exhibit some

variation from state to state depending upon total number of generating stations within the state, pit- head thermal plants, type of fuel used, age of power plants and consumer mix, unresolved legacy tariff issues and approach by SERC, etc.

C&I sales as a percentage of total utility sale in most of the states have reduced year-on-year on account of increased open access consumption

The below chart shows the share of electricity consumption across each consumer category for leading states in the last 10 years. The average share of C&I consumption has been approximately 37% with Gujarat and Maharashtra leading at 55% and 45%, respectively. Some of the states such as Andhra Pradesh, Telangana, Uttar Pradesh have registered a decline in C&I sales over the years due to increase in open access sales.

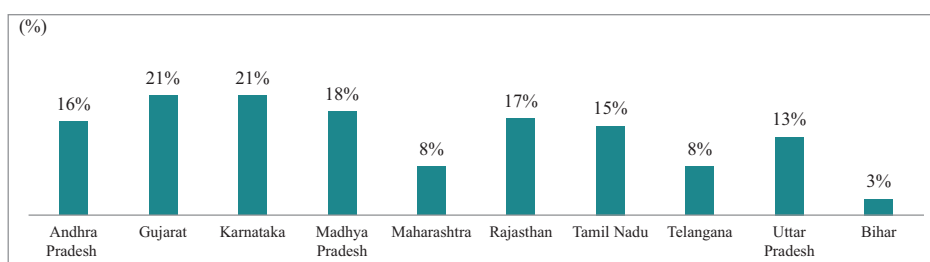
Consumer category wise energy sales by discoms in key states (BU)



Note: FY23 figures are as per respective SERC approved discom's tariff orders;

Source: State Tariff Orders, PFC Report on Performance of State Power Utilities, CRISIL Analysis

Share of captive consumption in total sales during FY21



Source: CEA, NITI Aayog, CRISIL Analysis

During the fiscal 2021, the proportion of captive consumption in most states of India ranged between 15% to 20%. The captive plants predominantly comprised coal-based facilities. However, post FY17, there has been a notable shift in consumer behavior towards adopting RE based projects for captive consumption due to several factors such as Renewable Purchase Obligation (RPO) compliance, the escalating cost of conventional fuels, the decreasing trend of RE tariffs, and the attractive incentives offered under open access regulations in some of the states.

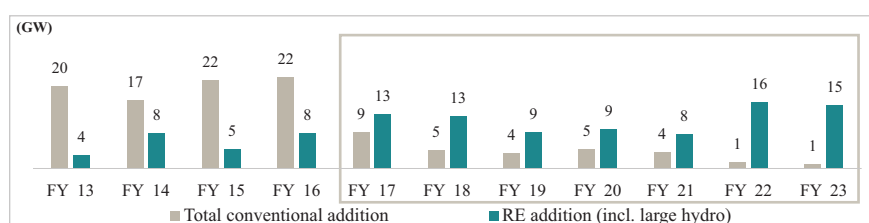
By FY21, approximately 5.5 GW of RE capacity (solar and wind) had been installed under the captive mode, making a significant contribution of approximately 15% to the total installation of captive capacity. This trend indicates a growing recognition of the benefits and advantages associated with RE sources, as industries increasingly embrace sustainable practices and capitalize on the economic and environmental benefits of RE generation for their own consumption.

Capacity addition zoomed over the past decade, to be dominated by RE addition over the next decade

India witnessed robust growth in capacity addition over the past decade, led by delicensing of the power-generation business through the Electricity Act, 2003, followed by strong government thrust on renewable energy through favourable policies and regulations.

In particular, between fiscals 2013 and 2016, conventional power capacity addition, particularly coal-based, rose at a break-neck speed with an addition of approximately 80 GW. Renewable energy made significant inroads in the subsequent period until fiscal 2023 with the addition of 83 GW.

Thermal and RE capacity addition

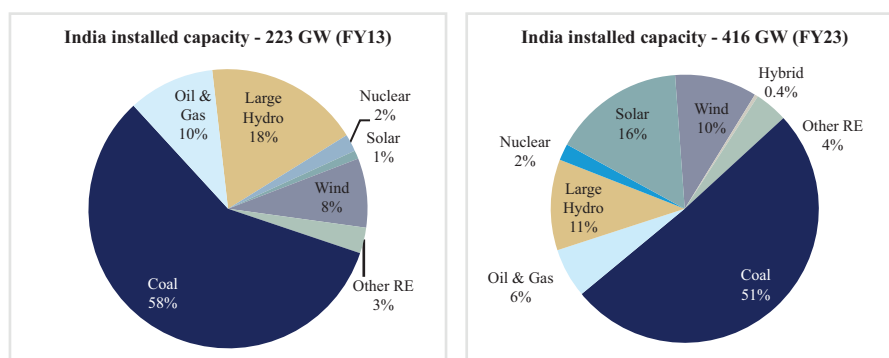


Source: CEA, CRISIL analysis

Growth in gas and hydro-power capacities, however, remained muted over years. Between fiscals 2013 and 2023, approximately 7.86 GW hydro and 7.0 GW gas-based capacities have been added, leading to a change in the overall composition of installed capacity mix.

The share of coal-based and hydro capacity in the overall installed capacity has declined to 51% and 11%, respectively, between fiscals 2013 and 2023. The share of renewable energy in the overall installed capacity increased to approximately 30% in fiscal 2023 from approximately 12% in fiscal 2013. With continued government support, falling tariffs and strong investor interest, the share of RE (mainly solar and wind) is expected to rise further.

Fuel-wise breakup of generation capacity

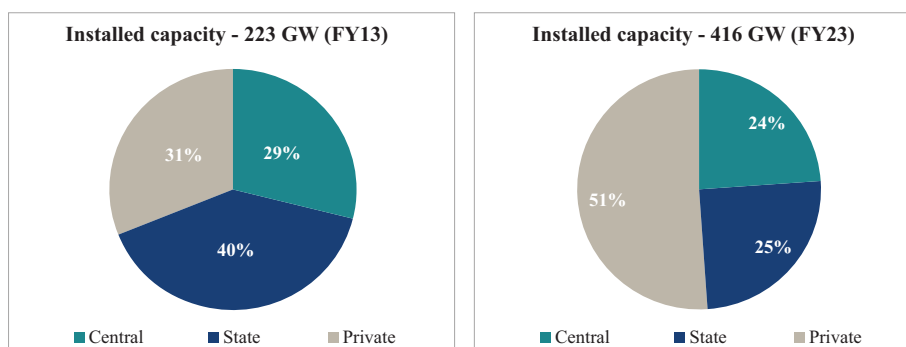


Source: CEA, CRISIL analysis

The percentage share of capacity addition from the private sector has also been on the rise. The total installed capacity from the private sector increased to 51% of the total installed capacity as of March 2023, compared with 31% as of March 2013.

CRISIL expects 27-28 GW conventional capacity additions over the next five years to be coal-based, led by a large number of planned projects and the fact that coal remains the most widely available and competitive among the conventional sources of power. Nuclear power capacity additions of 6-7 GW are expected during the same period. Also, hydropower capacity additions are expected to rise to 17-19 GW with clean energy status expected to enhance government push for clearances and construction cycles. Renewable capacity additions are expected to nearly double to 110-130 GW over the next five years. Storage-based capacity, consisting of pumped hydro and battery energy storage systems, is likely to reach 20-22 GW, driven by PSP and BESS capacity additions.

Ownership-wise breakup of generation capacity



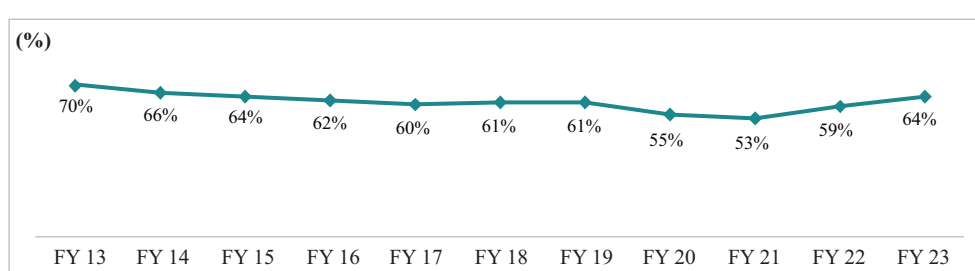
Source: CEA, CRISIL analysis

Coal plant PLFs plummet owing to oversupply; RE PLFs improving led by ‘must-run’ status coupled with technology improvement

The existing coal-based power-generation capacities are not being fully utilized, due to significant surge in capacity additions and demand not keeping pace. Additionally, weak financial health of discoms also constrained the offtake. However, strong power demand recovery in fiscal 2023 by 9.6% helped the PLF to recover to 64.2% in fiscal 2023. The PLF of coal-based plants are consistently rising over the past two fiscals. This can be attributed to rise in peak demand due to erratic seasonal changes along with robust industrial and manufacturing activities.

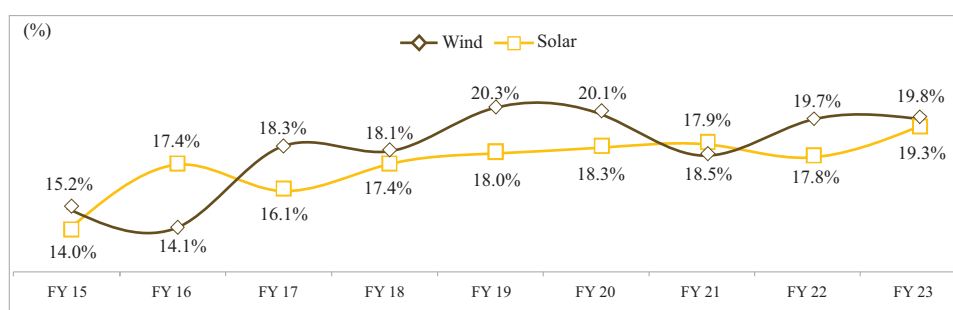
With demand expected to rise at a steady pace, decline in thermal additions as well as retirement of old capacities, coal-based plant PLFs are expected to gradually rise. However, the share of coal power in the overall generation mix in India is expected to further decline on the back of rising RE penetration.

Historical PLF of coal-based power plants



Source: Ministry of Power; CRISIL Analysis

Historical wind and solar power PLFs



Source: CEA; CRISIL Analysis

Renewable energy projects (except biomass power plants) have been granted “must-run” status under the CERC (Indian Electricity Grid Code) Regulations, 2010. A must-run status ensures that solar and wind power plants are not backed down for reasons other than technical and grid-security concerns. This has helped renewable energy projects, especially wind and solar to maximize utilization. The government has also included wind-solar hybrid, hydropower sources and other RE projects as must-run in the Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021. It also provides for the compensation to the developer from the procurer in the event of curtailment of supply from such plants at the rate specified in the PPA.

Over the past five years, the average annual PLFs of solar and wind capacities have seen improvements, mainly driven by technological advancements, DC over-loading, improvement in inverter efficiencies for solar and

increase in turbine size, hub heights, better tracking and weather forecasting technologies as well as improvement in O&M practices to reduce downtime for wind.

Assessment of power deficit/surplus

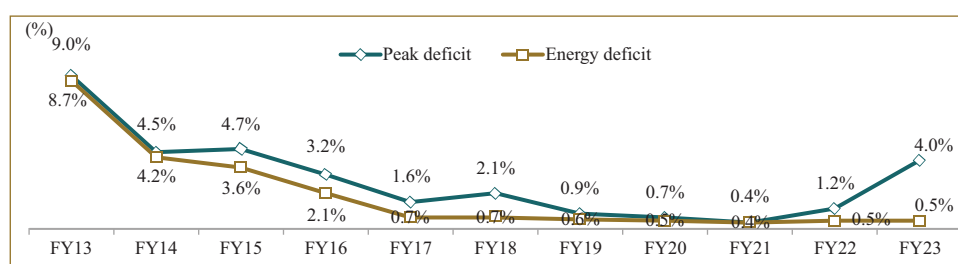
On the back of strong growth in installed capacity, growth in energy availability outpaced demand growth. As a result, the gap between demand and supply narrowed, both in terms of energy as well as peak demand in the country. Peak demand shortage fell sharply to 0.4% in fiscal 2021, from 9.0% in fiscal 2013, whereas the energy shortage fell to 0.4% from 8.7% during the same period.

Peak power demand has surged due extreme weather conditions coupled with buoyant industrial and manufacturing activities in fiscal 2023. While intense heat wave in the summer months lead to peak demand touching record high levels of 216 GW in April, winter chills pushed the power demand to all-time highs of 211 GW in January 2023. The generation has struggled to keep up with booming demand, which has led to an increase peak demand deficit to 4.0% for fiscal 2023 as compared to 1.2% fiscal 2022.

Moreover, poor distribution network, frequent overloading of grid equipment, lack of automation, and poor quality and reliability of power supply in many large states result in reduced availability of electric power to the end-consumers. Clearly, there is still huge latent demand in the country, which is not reflected in the deficit numbers.

It is expected that the base deficit to persist, though remaining negligible at 0.3-0.5% over the medium-term, as deficit is expected in under-penetrated areas due to weak distribution infrastructure, with underserved populations expected to gradually come onto the grid in the long term.

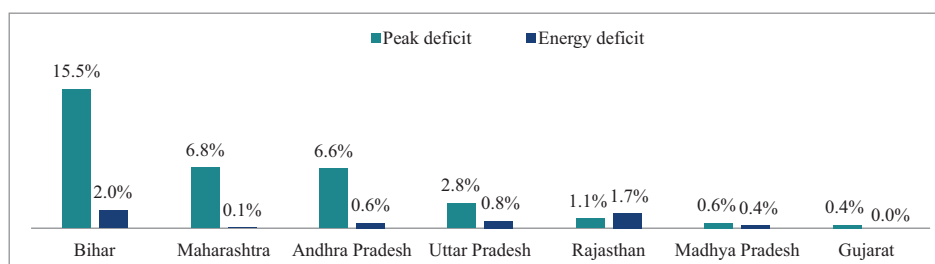
Energy and peak demand shortage trend during the past 10 years



Source: CEA; CRISIL analysis

In fiscal 2023, the energy deficit across states and union territories stood at 4%. States including Bihar, Maharashtra and Andhra Pradesh have registered highest peak deficit during fiscal 2023.

Top states in terms of peak demand deficit in fiscal 2023



Source: CEA; CRISIL analysis

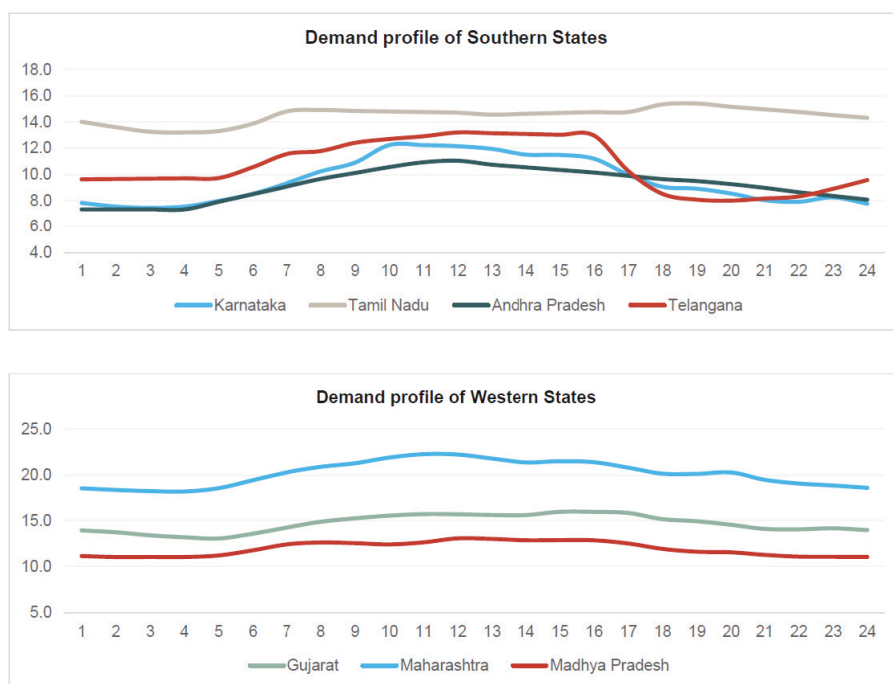
Demand curve profiles of key states across regions

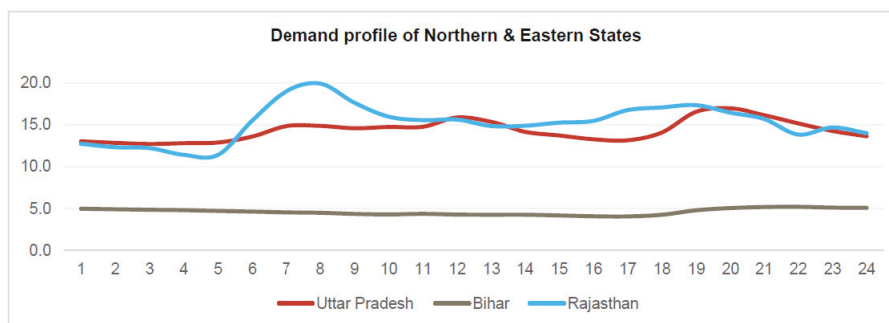
The load curve of southern states in India is characterized by a high morning peak, followed by a dip in demand in the evening and early morning hours. However, Telangana & Karnataka are predominantly agricultural states, and farmers use a lot of electricity to pump water for irrigation. The demand is highest in the morning and evening, when farmers are irrigating their fields. In the late afternoon, the demand for electricity drops when the farmers are less likely to be irrigating their fields.

The load curve of Maharashtra and Gujarat are similar in nature as both the states have similar kind of consumer mix. They have more than 45% of C&I demand and 15-20% of domestic load. The demand rises in the morning and settles down with evening peak between 6-7 pm.

Uttar Pradesh's electricity load is characterized by a high evening peak, followed by a dip in demand in the late evening and early morning hours followed by a dip in demand in the late evening and early morning hours. The seasonal variation in load is also significant, with the peak demand occurring in the summer months when the weather is hot and humid. Bihar has a low level of industrial activity, which means that there is less demand for electricity from factories and other businesses. The state also has low per capita electricity consumption which also contributes to the flat load curve. Rajasthan is largely an agricultural state with over 40% demand along with 30% C&I demand. This demand is highest in the morning, when farmers are irrigating their fields and industrial operations are started.

Demand curve of key states in fiscal 2023 (GW)





Source: Regional Load Dispatch Centres; CRISIL analysis

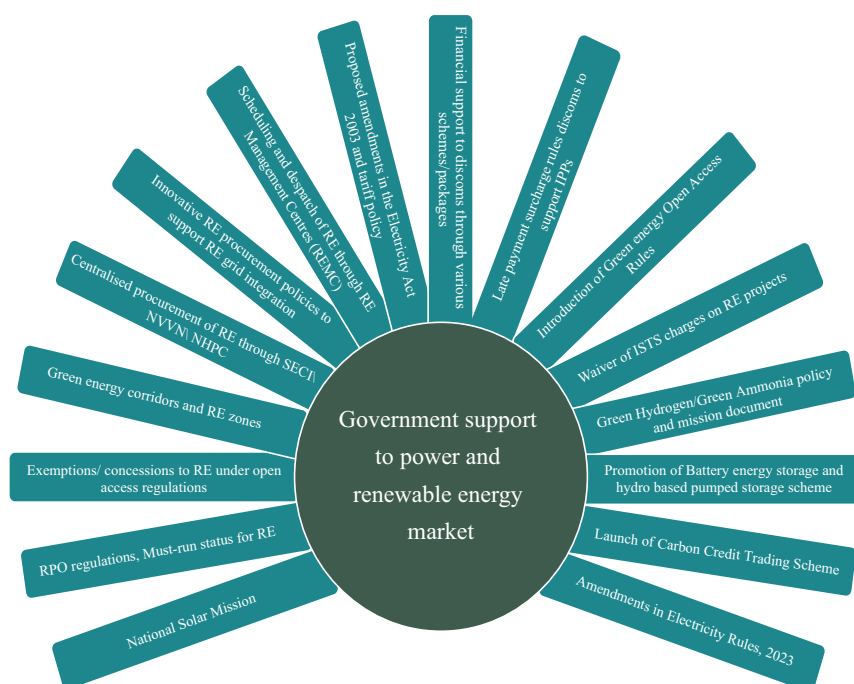
Government support and initiatives

The GoI has extended significant support to boost RE through the launch of multiple programs, policies and incentives. The government is committed to drive growth in the sector by holistically promoting investments, proactively resolving industry issues and addressing policy concerns.

The Indian government at Conference of Paris (“COP-26”) has set a target to achieve net-zero emissions by 2070. This is supported by raising its non-fossil fuel-based energy capacity to 500 GW and 50% of its energy demand through renewables by 2030. India has also committed to reducing 1 billion tons of projected emissions and achieving carbon intensity reduction of 45% by 2030. The government efforts are underway to achieve them. This demonstrates the government’s commitment to increase the share of renewable energy in the electricity mix of the country. In fact, strong government support and robust growth potential is reflected through strong investor interest including global pension funds, sovereign wealth funds and PE firms.

The following section explains the key policies, regulations and initiatives undertaken by the GoI to support the power and renewable energy market.

Snapshot of government support to the power and renewable energy market in India



Source: CRISIL Analysis

National Solar Mission provided long-term clarity and helped offset risk

The GoI launched the ‘National Solar Mission’ (“NSM”) in January 2010 and set a target of 100 GW of solar power in India by 2022. This program clearly chalked out a plan for phase-wise awarding of projects under different routes such as bundling with coal-based power, state-based viability gap funding and CPSU scheme among others. This provided developers long-term clarity in terms of capacity allocation across phases.

Also, centralized procurement through NTPC Vidyut Vyapar Nigam (“NVVN”) and Solar Energy Corporation of India (“SECI”) was adopted to offset the risk of power offtake and payment delays.

In addition, the GoI on March 22, 2017, sanctioned the implementation of a solar park scheme, initially for 20 GW and subsequently scaled up to 40 GW. This is aimed to provide developers plug and play projects with ready land, evacuation infrastructure and other ancillary needs and thereby reduce execution risk and lead to timely installations.

Renewable purchase obligations (“RPOs”) to support RE capacity additions; strict enforcement — a key monitorable

As per the Electricity Act, 2003, SERCs are required to fix the purchase of a minimum percentage of electricity from renewable energy sources out of total electricity consumption (excluding hydro) for obligated entities – discoms, open access consumers and captive power users – in the state. The RPO could be met by purchase of renewable energy or through purchase of renewable energy certificates (RECs). In the event of default by an obligated entity in any fiscal, SERCs may direct the obligated entity to pay a penalty or to deposit an amount determined by the relevant SERC, into a fund to be utilised for, among others, the purchase of RECs.

To promote the installation of solar power systems across various Indian states, the government amended the National Tariff Policy in fiscal 2016, proposing an increase in RPO target to 21.0% by fiscal 2022. Consequently, several states set RPO targets based on their respective RE potential.

The MoP in July 2022 has also declared hydro power obligation (HPO) and energy storage obligation (ESO) trajectory till fiscal 2030 in addition to RPO.

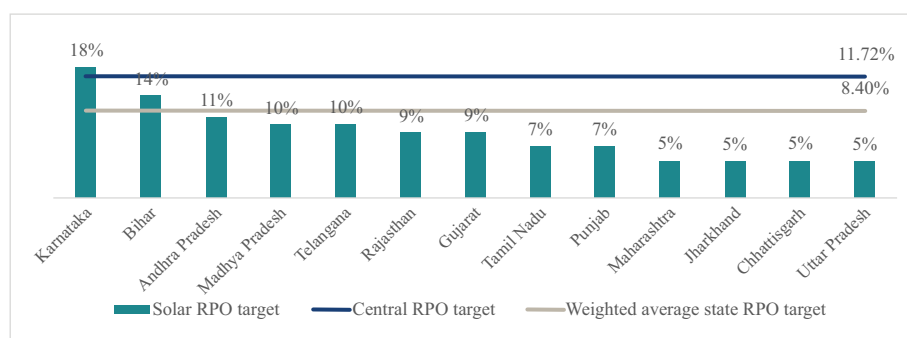
RPO targets by MoP

Category	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Wind RPO	0.81%	1.60%	2.46%	3.36%	4.29%	5.23%	6.16%	6.94%
HPO	0.35%	0.66%	1.08%	1.48%	1.80%	2.15%	2.51%	2.82%
Other RPO	23.44%	24.81%	26.37%	28.17%	29.86%	31.43%	32.69%	33.57%
Total	24.61%	27.08%	29.91%	33.01%	35.95%	38.81%	41.36%	43.33%
ESO	-	1.00%	1.50%	2.00%	2.50%	3.00%	3.50%	4.00%

Source: Ministry of Power, CRISIL Consulting

While RPOs have helped drive RE capacity additions, lack of strict enforcement has resulted in non-uniform RPO compliance across states. Going forward, it is critical that strict enforcement across states is ensured by the respective SERCs. In fact, through amendments to the Electricity Act 2003, a National RE Policy is proposed, which will enable a support system to promote procurement of RE through RPO obligations and penalties for not complying with the same.

RPO target across key states



Source: CEA, State discom tariff orders, CRISIL Analysis

To fulfill state RPO targets, as per respective trajectories, there has been increased tendering by states like Maharashtra, Gujarat, Karnataka, Uttar Pradesh, Madhya Pradesh, Bihar and Punjab under their state schemes allocated over fiscals 2018-2023. In addition, any excess unit generated by the obligated entity, i.e., over and above its obligations, would be utilised by discoms to meet their solar RPO targets.

The overall solar RPO compliance was estimated at 75-80% in fiscal 2022. This is mostly on account of the over-achievement of existing RPO targets by a few states such as Karnataka, Andhra Pradesh, and Telangana which have seen rapid solar capacity additions. The RPO compliance for fiscal 2023 is estimated at 91% as focus on solar helps meet state RPO targets.

Further, the MoP in February 2023 introduced renewable generation obligation (RGO), wherein it has mandated all upcoming coal/lignite-based power plants to source/establish a minimum of 40% of their capacity from RE. The mandate is expected to aid renewable capacity addition. Thermal power plants with commercial operation date between April 1, 2023 and March 31, 2025 are required to adhere to RGO norms. Any new thermal power plants that come into operation after April 1, 2025, to also comply with the RGO requirements. However, captive thermal power plants are exempted from the scope of the RGO regulations.

Renewable Energy Certificates (REC) to support RPO

The Ministry of Power has approved the amendments to the existing REC mechanism. Those RE generators will be eligible for issuance of REC whose tariff is neither determined under the provisions of the Act nor selling power through power exchanges / traders and has not availed any waiver / concession on open access charges. The registration of eligible entity for issuance of certificates will be valid for a period of 15 years from the date of commissioning of the project and 25 years for the existing RE project. The certificates issued will remain valid until they are redeemed. The certificates will be issued basis technology multiplier and the price of certificate will be discovered through power exchanges / traders. The CERC will have a monitoring and surveillance mechanism to ensure that there is no hoarding of RECs.

The REC mechanism facilitates RPO compliance by obligated entities which include discoms, captive power plants & open access consumers. It is one of the simplest ways for small obligated entities, such as captive power plants / open access consumers to comply with RPO regulations and to those C&I consumers who are committed to 100% energy consumption from green sources.

Must-run status for RE generation partly offsets operational risk

Power is scheduled on a day-ahead basis and the same is then dispatched by load dispatch centers under the merit order dispatch mechanism by prioritizing the lowest-cost sources. Given the infirm nature of RE coupled with high RE tariffs, scheduling and dispatching RE would have been a challenge.

To address this issue, the Indian Electricity Grid Code, 2010, exempted RE from the merit order dispatch mechanism and scheduling regulations and provide (except biomass power plants with installed capacity of 10 MW and above) must-run status. This ensures offtake of RE sources and does not allow its curtailment unless it causes any grid stability issue. The must-run status has played a crucial role in partly offsetting operational risk and facilitating growth of the RE sector in India.

However, the Grid Code do not provide for any remedy on the failure of a procurer to schedule power from must-run power plants apart from grid safety/technical constraints. Hence to resolve such issues the MoP notified Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021 which are applicable to all RE projects. Such RE projects including but not limited to wind, solar, wind-solar hybrid, hydropower sources, must be considered a must-run project as per the rules and the power from these projects must not be curtailed. The Rule provides monetary relief for any curtailment of the generation of must-run power plants by the procurer, regardless of whether it arises out of grid safety or technical constraints.

The must-run status has played a crucial role in partly offsetting operational risk and facilitating growth of the RE sector in India.

Majority of states have scrapped concessions for RE open access, while some offer limited benefits

Consumers opting to procure power under open access routes are liable to pay various charges to transmission and distribution utilities to use their network to wheel power from the third-party supplier to the consumption point. These charges include cross-subsidy surcharge, additional surcharge, transmission and wheeling charges and losses, connectivity charges, and LDC charges, among others. Further, cross-subsidy surcharge and additional surcharges are determined by respective state regulatory commissions to compensate distribution companies for loss of revenue on account of the shift of high paying C&I consumers. However, as per National Tariff Policy 2016, cross-subsidy surcharge and additional surcharge should not be so onerous to eliminate competition through open access route.

The expansion of the T&D networks, availability of more efficient systems to maintain grid stability, and increased operating efficiency of the utilities will free up network capacity to open access users. The increased operating efficiency and network availability would keep a rein on transmission and wheeling charges & losses.

Thus, the rationalization of cross-subsidy/additional surcharges and efficiency in grid operations would make open access routes more attractive for bulk consumers.

SERCs of different states have either exempted or provided concessions to RE projects from payment of various open access charges from time to time to promote the use of renewable energy among C&I consumers. For instance, Tamil Nadu and Rajasthan have provided 50% concession in the wheeling and transmission charges for renewable projects, Tamil Nadu has concessional cross-subsidy charges at 30% of conventional power. For detailed state-wise benefits, please see “— Open access market — A growing opportunity”.

However, many states have either reduced or disallowed banking provisions for renewable energy projects. For example, Karnataka previously had an annual energy banking settlement but now it has allowed monthly energy banking. Other states such as Andhra Pradesh and Tamil Nadu have discontinued banking provisions. Gujarat allows daily settlement for solar, monthly for wind and hybrid projects, Maharashtra allows monthly settlement, Telangana and Rajasthan have annual banking.

Despite the discontinuation of open access charges exemptions/incentives for new projects, it is important to note that these benefits will be applicable until their expiry for the old projects commissioned during the period when such benefits were introduced. However, the landed cost of open access projects without any exemptions/incentives could remain competitive as compared to utility tariff as the discom variable tariffs for C&I category are expected to continue to rise in future. There would be a sufficient margin between the levelized cost of RE and variable discom's C&I tariff to mitigate the risk of reducing/withdrawing the open access charges incentives. The savings will improve further if consumer opts for captive mode.

Green energy corridors and RE zones to enable smooth RE integration

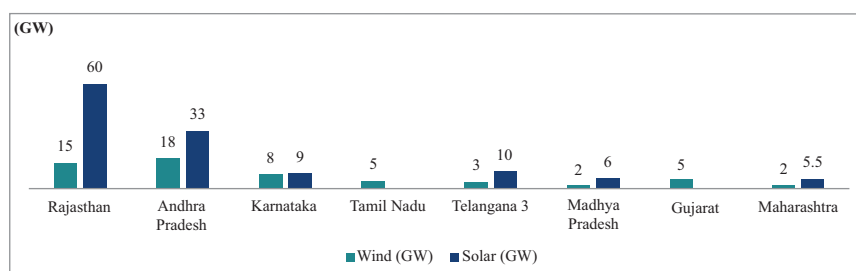
To facilitate integration of RE projects and transmission of RE from RE-rich states to other parts of the country, India launched the Green Energy Corridor ("GEC") project in 2013. The project is implemented by eight RE-rich states such as Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Gujarat, Madhya Pradesh, Rajasthan and Himachal Pradesh. GEC target of approximately 9,700 ckm of intra-state transmission lines by December 2020 has overshoot the timeline both due to operational reasons and COVID related restrictions. Once commissioned, it will reduce the concentration risk of RE and help non-RE-rich states to benefit.

In addition to GEC Phase-I, the government approved GEC Phase-II in January 2022. The scheme will facilitate grid integration and power evacuation of 20 GW of RE power projects in seven states namely, Gujarat, Himachal Pradesh, Karnataka, Kerala, Rajasthan, Tamil Nadu and Uttar Pradesh. The transmission systems will be created over a period of five years between fiscals 2022 and 2026.

The next growth driver for ISTS projects is the Inter-State transmission system planned for evacuation and grid integration of 66.5 GW Renewable Energy Zone (REZ) spread across the states of Tamil Nadu, Andhra Pradesh, Karnataka, Gujarat, Maharashtra, Rajasthan, and Madhya Pradesh. PGCIL has also come out with a scheme for setting up grid infrastructure in identified REZ. Under this, key areas with concentration of existing / planned renewable energy projects have been identified in the Western and Southern regions of the country. Out of this, 8 GW of grid capacity will be added for wind projects in the Western region and 9 GW in the Southern region.

MNRE/SECI have identified REZs totalling to 181.5 GW for likely benefits by the year 2030. These REZ's are located in eight states as detailed below:

Potential RE zones identified by MNRE/SECI



Source: CEA, Transmission System for Integration of over 500 GW RE Capacity by 2030

Out of 181.5 GW RE capacity, 56 GW RE capacity is likely to be commissioned by March 2025, 62.1 GW RE capacity is likely to be commissioned by December 2027 and 63.4 GW RE capacity is likely to be commissioned by December 2030.

Centralised procurement of RE through SECI/NVVN/NHPC reduces risk

In September 2011, the GoI set up SECI as an implementation and facilitation institution dedicated to the solar energy sector and gradually included wind power as well. SECI along with the NVVN (power trading arm of NTPC) and NHPC act as intermediaries to procure power from RE developers under competitive bidding and supply it to various discoms under back-to-back power purchase and sale agreements.

PPAs with central counterparties significantly reduce counterparty risk as they are covered under a tri-partite agreement between the central government, state government and SECI/NTPC/NHPC, providing payment security in case of default by discoms as they can recover dues from the Reserve Bank of India's devolution to state governments. In fact, this was successfully used by SECI in 2020 in the case of significant payment delays from Andhra Pradesh. Later MoP in 2021 also invoked tripartite agreements with Jharkhand, Karnataka and Tamil Nadu to recover dues from the state government and pay directly to the power producer.

Other payment security mechanism to de-risk RE project include letter of credit and payment security fund (PSF). These instruments have been further strengthened by the notification of the Late Payment Surcharge (LPS) Rules, 2022. LPS is levied on the payment outstanding by a discom to a generating company ("**genco**") at the base rate (pegged to SBI's marginal cost of lending rate). LPS is applicable for the period of default at base rate for the first month of default and increased by 0.5% for every successive month of delay, subject to a maximum of 3% over base rate at any time.

Further, the presence of PSF backed by budgetary allocation to cover payment delays by discoms provides additional comfort to developers. Of late, SECI has had to dip into the PSF to ensure timely payments to IPPs owing to delay in payments from discoms (SECI's receivables rose sharply to 93 days in fiscal 2020 and reduced to 49 days in fiscal 2022). While this is positive, it could become challenging in the event of continued payment delays by discoms given the back-to-back nature of the contract.

SECI — Key financial indicators signify strong balance sheet position

Particulars	Unit	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Operating income	INR million	5,740	7,854	11,582	32,351	46,257	54,429	72,848
EBITDA	INR million	281	722	891	1,786	2,087	2,271	3,153
PAT	INR million	190	465	647	1,294	1,789	1,777	2,403
EBITDA margin	%	4.9	9.2	7.7	5.5	4.5	4.2	4.3
PAT margin	%	3.3	6.0	5.6	4.0	3.9	3.3	3.3
RoCE	%	17.9	26.0	25.2	40.2	37.2	30.9	22.2
Debt/net-worth	Times	0.1	—	—	—	—	—	—
Debt/EBITDA	Times	0.9	—	—	—	—	—	—
Cash, cash equivalent	INR million	3,877	10,880	16,015	16,741	17,620	15,915	25,219
Interest coverage ratio	Times	4,424	50	137	67	67	63	77
Trade receivables	Days	85	47	41	80	93	57	49
Trade payables	Days	82	59	80	46	36	31	23

Source: SECI annual reports, SECI credit rating reports

Innovative procurement policies to support grid integration of RE

To address the issue of intermittency, under-utilisation of transmission infrastructure and land, the government introduced procurement models to promote innovative technologies and encourage supply of dispatchable renewable energy. So far, the government has released such tenders for round-the-clock RE power (with prescribed monthly/ annual CUF) and RE to supply guaranteed peak power (with an energy storage component). In addition, hybrids including wind and solar as well as bundling RE with thermal power have also been released.

A key feature across these tenders is the increase in the quantum of generation, which was required to be supplied and the peak power supply (PPS) tender for stipulating the power to be provided during peak hours. The PPS tender also mandated the use of storage, as that would be essential to supply power during peak hours.

The uptake of such tenders has increased and the shift from plain vanilla solar and wind tenders to hybrid, RTC tenders have been observed as discoms also demand for more reliable and invariable power.

Going forward, such tenders are expected to become the norm rather than the currently prevalent plain vanilla wind and solar tenders. This is critical to “firm” RE, reduce fixed cost burden of coal-based plants on discoms and help maintain grid stability. In fact, gradually, as witnessed in the global markets, India would transition to technology-neutral tenders/ auctions with the choice of technology left to the IPP.

Renewable energy management centers (“REMCs”) for scheduling and dispatch of RE

REMCs are established to address issues of variability and intermittency of the renewable energy sources through the deployment of state-of-the-art monitoring, forecasting and scheduling system to help the grid operator effectively manage power system operations with economy, reliability and security. The REMCs are equipped with artificial intelligence-based RE forecasting and scheduling tools and provide greater visualisation and enhanced situational awareness to the grid operators.

There are 13 REMCs co-located with the state load dispatch centres in the RE-rich states of Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Gujarat, Rajasthan and Telangana; and in regional load dispatch centres at Mumbai, Bengaluru and Delhi as well as one at the national load dispatch centre. Presently, these 13 REMCs are monitoring cumulative renewable energy capacity of approximately 98 GW (solar and wind).

Favorable budgetary announcements by government to further support RE deployment

The recent Budget 2023 has allocated INR 350 billion for priority capital investments towards green energy transition, net zero objectives and energy security. Viability gap funding (VGF) for development of 4,000 MWh BESS has been proposed. The GoI support of INR 8,300 crore for construction of interstate transmission system for evacuation and grid integration of 13 GW RE from Ladakh. Further, the outlay of INR 197 billion for the Green Hydrogen Mission to facilitate transition of the economy to low carbon intensity.

The Budget 2022 had allocated an additional support of INR 195 billion (INR 45 billion was approved in April 2021) as production linked incentive for manufacturing of high efficiency solar modules, with priority to fully integrated manufacturing units.

Earlier in Budget 2020, the government had reduced the corporate tax rate for new power generation projects to 15%, which would have a positive impact on the RE sector through improved cash flows. Further, the

government introduced 100% exemptions on income tax for investments by sovereign wealth funds and pension funds in specified infrastructure activities. This includes a tax exemption on income earned in the form of dividend, interest and capital gains arising from investments in infrastructure projects. This will benefit the renewable energy sector as it will help attract long-term investments at relatively low rates from foreign funds.

Amendments in Electricity Act, 2003 and Tariff Policy augur well for growth of RE sector

The Electricity Amendment bill, 2022

In February 2021, the government proposed to amend the Electricity Act, 2003 with the following major objectives:

- Giving choice to electricity consumers
- Mandatory appointment of a member with a law background in the Electricity Regulatory Commissions
- Strengthening the APTEL by increasing the number of members to clear long pending cases
- Mandatory compliance of RPO

Subsequently, in 2022, MoP issued the revised Electricity (Amendment) Bill, 2022 after factoring in new challenges in the sector such as payment security mechanisms, energy transition, contract enforcement, providing choice to consumers to promote competition, etc.

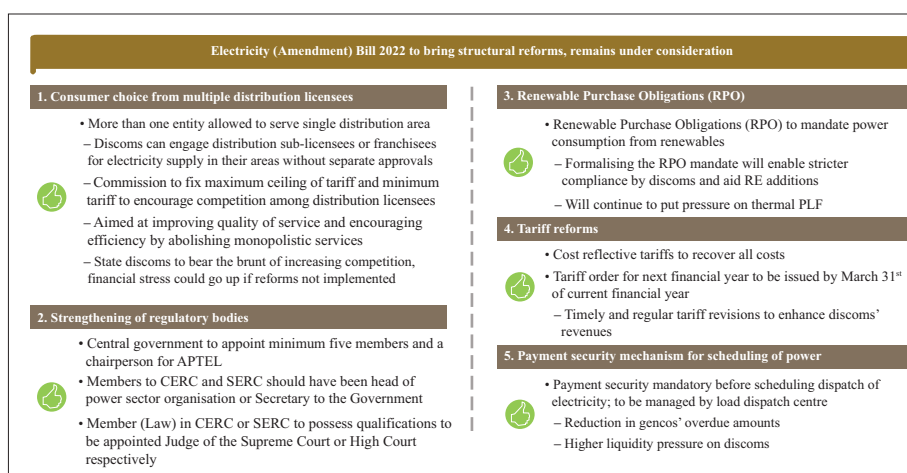
The principal act “the Electricity Act, 2003” allows operation of more than one distribution licensee in the same area using their own network. The proposed amendment through Electricity (Amendment) Bill, 2022 has proposed to remove this requirement. The bill also proposes that a network-owning distribution licensee shall provide non-discriminatory access to its network to other distribution licensees. The power and associated costs from the existing power purchase agreements with the existing distribution licensee, as on the date of issuing license to another distribution licensee, shall be shared among all the distribution licensees in the area of supply as per such arrangements as may be specified by the State Commission.

In case of distribution of electricity in the same area of supply by two or more distribution licensees, the Appropriate Commission shall, for promoting competition among such distribution licensees, fix the maximum tariff ceiling and the minimum tariff for retail sale of electricity.

The bill also proposes to setup a cross-subsidy Balancing Fund upon the grant of multiple licenses for the same area. Any surplus with a distribution licensee on account of cross-subsidy will be deposited into the fund to finance deficits in cross-subsidy for other discoms in the same area or any other area. The bill also provides for a payment security mechanism to ensure timely payment to generation companies by distribution licensees.

The move is expected to lead to competition and an improvement in distribution services offered to electricity consumers.

The proposed amendments in Electricity Act, 2003, include:



Source: Ministry of Power, CRISIL Analysis

The Electricity Amendment rules, 2022

- **Timely recovery of power purchase costs by distribution licensee:** The respective SERCs to specify a price adjustment formula for recovery of the costs arising due to various reasons. If the discom fails to calculate fuel and power purchase adjustment surcharge on time, the discom will lose the right to recover the costs for that surcharge.
- **Surcharge payable by Consumers seeking Open Access:** The surcharge, determined by the SERC shall not exceed 20% of the ACoS.
- **Energy storage system:** It provides the Energy Storage Systems (ESS) to be considered as a part of the power system. The ESS can be utilised either as an independent energy storage system or network asset or in complementary with generation, transmission and distribution.
- **Implementation of uniform Renewable Energy Tariff for central pool:** The Implementing Agency shall compute the uniform renewable energy tariff for selling of electricity to end procurer by intermediary procurer on a monthly basis as per the methodology specified in Rules.

The uniform renewable energy Tariff shall be applicable only to power procured by the end procurers and shall not in any manner have any implication on the renewable energy tariff discovered under the respective tariff based competitive bidding process and payable to renewable energy generators by the intermediary procurer as per the Power Purchase Agreement.

The Electricity (Late payment surcharge) rules, 2022

Enforcement of late payment surcharge against delay in payments by discoms or electricity trader to generators or by a user of transmission system to a transmission licensee is another positive measure proposed in the amendments. The rules provisioned for converting discoms' outstanding dues to these companies into equated monthly instalments (EMIs) for gradual liquidation of these dues.

The rule provides rates for late payment surcharge, payment security mechanism and process for adjustment of arrears. In case of non-payment of dues by discoms the short-term power supply to the defaulting discom would

be regulated entirely as per LPS Rules. Continuing default after regulation of short-term power supply would result in regulation of long-term access and medium-term access by 10%, with progressive increase of 10% for each month of default. Also, the supply from genco's end would be reduced to 75%, and balance 25% power may be sold through power exchanges, upon non-maintenance and/or non-payment of outstanding dues by the Default Trigger Date. Further, continuance of such default shall entitle genco to sell its 100% power through power exchanges. Stricter implementation of the above is expected to deter distribution utilities from delaying payments to IPPs that are facing financial challenges due to non-payment of dues by discoms.

Draft Electricity amendment rules, 2023

The MoP issued the Draft Electricity (Amendment) Rules, 2023, with several reforms aimed at facilitating power transmission and open access and improving the financial viability of discoms. The draft rules propose to rationalise the open access charges by introducing a different methodology for computing these charges. Further, it also aims to prevent the creation of revenue gaps/regulatory assets and provide time-bound liquidation of such assets. Some of the key highlights of the draft rules are:

Open access charges: The proposed changes focus on calculating open access and wheeling charges in a manner such that for short-term open access consumers using STU network, the charges are suggested to be limited to a maximum of 110% of the charges for long-term consumers. Any additional surcharge for open access consumers should not exceed 50% of the wheeling charges for that category of consumer. Moreover, for long-term open access consumers, any additional surcharge should be eliminated within five years from the date of granting open access.

Gap between approved ARR and estimated annual revenue from approved tariffs: The proposed Rule emphasises that the approved tariff should be aligned with the actual revenue requirements, with a permissible gap of no more than 3% of the approved ARR, except in cases of natural calamities. Any existing gaps, along with carrying costs at the base rate of LPS, should be liquidated over a maximum of three equal yearly instalments, commencing from the next financial year. It is expected to ensure cost reflective tariff and all the prudent costs are passed through into the tariff.

Establishment, operation and maintenance of dedicated transmission lines: The draft proposes to exempt gencos establishing captive generation plants or ESS from the necessity of obtaining a transmission license to establish, operate, or maintain a dedicated transmission line for grid connection. This exemption is applicable to consumers with a minimum load capacity of 25 MW for ISTS or 10 MW for InSTS.

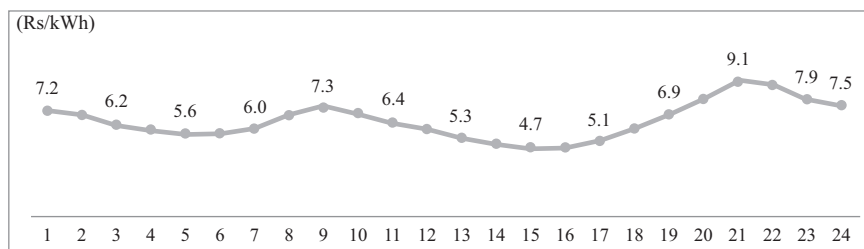
Other Rules notified by the government over the period

Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021: The Rules would be applicable to gencos and transcos. Timely recovery of the costs due to change in law is crucial to maintain the financial viability of the project. At present the pass through under change of law takes a lot of time, forcing the drying of the investment in the power sector. In order to ensure timely recovery of recurring/ non-recurring costs arising due to change in law, the rule is expected to provide relief available to the affected party, irrespective of a specific change in law clause in the PPAs.

The Electricity (Rights of Consumers) amendment rules, 2021 give consumers of electricity right to set up renewable energy generation unit either by himself or through third party service providers. The consumers can set up solar rooftop system up to 500 kW under net-metering and gross-metering for loads above 500 kW. This is expected to boost the open access transactions by corporate consumers.

The Electricity (Rights of Consumers) amendment rules, 2023 introduced Time of Day (ToD) Tariff mechanism wherein the tariff during solar hours of the day shall be 10%-20% less than the normal tariff, while the tariff during peak hours will be 10% - 20% higher. This would be applicable for C&I consumers having maximum demand of 10 kW and above, from April 1, 2024 and for all other consumers except agricultural consumers, latest from April 1, 2025.

Hourly average Green Day ahead Market (“GDAM”) prices for FY23



Source: IEX, CRISIL Analysis

Government continues to extend financial support to discoms through various schemes/packages and directives

Distribution being the most important link in the power sector value chain, sustainability of discoms is of great importance. Hence, the GoI extended support to state distribution utilities for capital investments (IPDS, DDUGJY) and financial sustainability (UDAY) through various schemes and initiatives. In July 2021, the GoI launched the RDSS with the objective of improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution Sector.

The government has also notified various rules and guidelines to support discoms. As per Electricity Rules, 2022, the government have provided a mechanism for automatic pass through of any variation in power purchase cost arising on account of the variation in fuel prices to the consumer tariff on a monthly basis for timely recovery of power purchase cost by discom. If the discom fails to calculate fuel and power purchase adjustment surcharge on time, the discom will lose the right to recover the costs for that surcharge. The MoP also issued directions related to ensuring regular revision of tariffs including true ups in timely manner so that creation of fresh regulatory asset does not arise and to have a mechanism for fuel and power purchase cost adjustment in place for automatic pass through of any variation in such costs.

Integrated Power Development Scheme (IPDS)

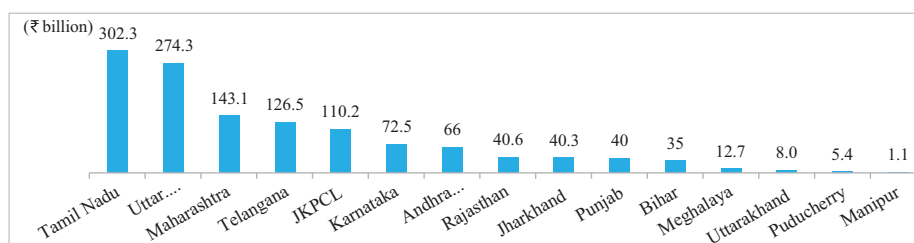
IPDS was launched with the objectives of strengthening the sub-transmission and distribution network in urban areas, metering of distribution transformers/ feeders / consumers in urban areas and IT enablement of the distribution sector. The component of IT enablement of the distribution sector and strengthening of the distribution network, approved by CCEA in June 2013 in the form of R-APDRP for 12th and 13th plans, have been subsumed under this scheme. The total cost of projects envisaged under this scheme during the 12th and 13th plans was approximately INR 700 billion.

Liquidity infusion scheme for discoms under Aatmanirbhar Bharat Abhiyaan

To address the problems faced by discoms due to the COVID-19 related lockdown, the GoI announced a liquidity package of INR 900 billion for discoms to clear their pending dues towards power generators. Later, this

amount was enhanced further to INR 1,350 billion. Disbursal of the liquidity infusion package is linked to reform measures such as states' undertaking to liquidate outstanding payments to discoms, installation of smart prepaid or prepaid meters in government departments, digital payment of electricity bills, timely payment of subsidies, and an action plan to be provided by states to bring down losses over the next 3-4 years. Against the sanctioned amount of INR 1,355 billion worth of loans, INR 1,037 billion has already been disbursed till January 2022.

Central government support to states under discom relief package



Source: Ministry of Power, PFC/REC

Revamped distribution sector scheme (RDSS)

RDSS is a reform-based and result-linked scheme for improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

In Union Budget 2022, the GoI announced the RDSS with an outlay of INR 3.04 trillion, partly funded by the GoI to the tune of INR 976 billion, aimed at improving the operational and more importantly financial parameters like ACS-ARR gap of discoms. The package, slated to be distributed over the next five years, will subsume other schemes (DDUJY and IPDS) under its ambit. As has been the case with the Aatmanirbhar Bharat discom liquidity package, PFC and REC will be the key nodal lenders for disbursal of funds to discoms. The GoI has laid down the guidelines and criteria for availing funding under the scheme, which aims to improve operational efficiency, distribution infrastructure, and governance and compliance standards of state discoms. The scheme's primary objective is to reduce AT&C losses to 12-15% at pan-India levels and reduction of ACS-ARR gap to zero by fiscal 2025. As per the MoP's guidelines, the tariff revision is one of the pre-condition for release of funds under RDSS and no new Regulatory Assets have been created in latest tariff determination cycle.

So far, out of the 52 discoms that submitted DPR for approval, the GoI have approved DPRs worth INR 1.62 trillion, out of which INR 877 billion is sanctioned for smart meters and INR 747 billion for loss reduction.

Lending by PFC and REC to discoms

The MoP has directed PFC and REC to extend lending only after assessing the ability of the discoms to pay their loans. The assessment should be based on actual receipts rather than on accrual basis. As per MoP's directives the computation of income should not include any subsidy due but not paid, any regulatory income (unless it is passed through in tariff and recovered) and UDAY grants. Any power purchase dues to be deducted from the profits while determining the debt repayment ability. All such parameters to be considered to formulate a ratio for evaluation of discoms' capability to pay their immediate liabilities against the loans before fresh loan proposals are processed.

In order to recover regulatory assets by discoms, the PFC and REC have developed a policy for funding against regulatory assets of discoms. The funding would be available only 50% against the regulatory assets recognized

by the respective SERCs in previous three years' tariff orders and recovery schedule included in the tariff order. It must include a time bound recovery plan of the regulatory asset by SERC and plan for recovery of carrying cost of the regulatory assets by SERC.

Growing prospects for open access sale

Introduction of green energy open access rules

The Electricity (Promoting renewable energy through green energy open access) rules, 2022 give consumers an option to draw green energy through open access whose contract demand is 100 kW or above and no limit for supply of power for captive consumers. It states that cross-subsidy surcharge should not be increased by more than 50% for a period of 12 year from the date of project commissioning and full waiver on additional surcharge if fixed charges being paid by the consumer. The banking is allowed on a monthly basis on payment of banking charges. The un-utilised surplus banked energy would be lapsed at the end of each banking cycle and the RE generating station would get RECs to the extent of the lapsed banked energy. It also allows a consumer to purchase green energy by placing a requisition with their discom.

In addition, as per the rules, the electricity produced from offshore wind projects commissioned upto December 2025 will not attract additional surcharge for the energy supplied to open access consumer.

ISTS charges waiver

The MoP has waived the ISTS charges for all the RE projects – solar, wind, pumped hydro & BESS commissioned until June 2025. The ISTS charges waiver is applicable for 25 years for solar, wind, and pumped hydro projects and for 12 years for BESS projects. The waiver is also applicable to the RE power traded on the power exchanges under Green Term Ahead Market (“GTAM”) and GDAM till 2023.

Such waiver would significantly reduce landed cost of tariff for consumers and promote the growth of open access projects connected to the ISTS network. The open access project developers would be able to sell power to multiple C&I consumers located predominantly in states like Maharashtra, Tamil Nadu, Gujarat. The ISTS waiver along with the introduction of green energy open access rules and launch of GDAM market may catalyse the growth of open access amongst C&I consumers.

Further, the waiver of ISTS charges applies to offshore wind energy projects for 25 years that are commissioned on or before December 31, 2032. Moreover, for Green Hydrogen/Green Ammonia production units utilizing RE (from projects commissioned after March 8, 2019), pumped storage, or BESS, or any combination of these technologies, the ISTS charges are waived for a period of 25 years from the project's commissioning date. This waiver is applicable to projects commissioned on or before December 31, 2030.

Captive/group captive policies

As per electricity Rules, 2005 a power plant could qualify as a captive generating plant (CGP) if the captive user holds at least 26% ownership. A group captive mode is where a developer develops a power plant for collective usage of many consumers. A power project is considered “captive” if consuming entity or entities consume at least 51% of the power generated and owns at least 26% of the equity.

However, as per Electricity (Amendment) Rules, 2023 notified in June 2023 has amended the provisions relating to CGPs. The amended Rule states that a power plant will be considered as a CGP only if not less than 26% of

ownership of the plant is held by the captive user. However, if the CGP is being set up through an affiliate company, the captive user will have to own at least 51% in such affiliate company.

As far as benefits for captive users are concerned, as per section 42(2) of the Electricity Act, 2003, captive power plants, set up by end-users for their consumption, are exempted from payment of cross-subsidy surcharge and the additional surcharges, otherwise would be applicable for open access consumers. Thus, the central government's policy support has played a role in promoting the captive/group captive model, especially for C&I consumers.

Draft Electricity Amendment Rules, 2023

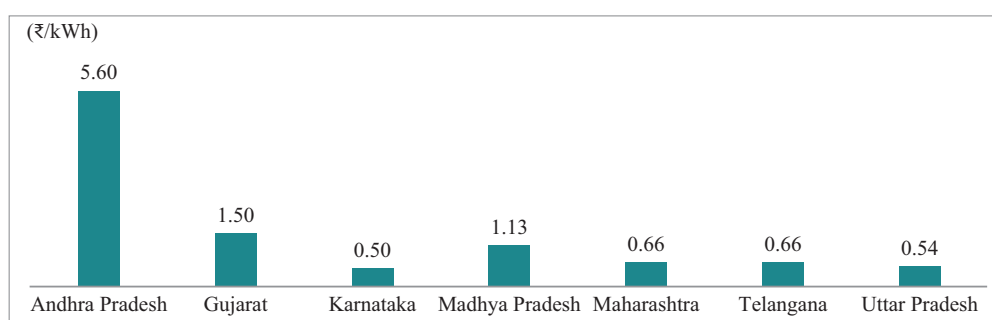
The proposed changes in calculating open access and wheeling charges create a more favorable environment for consumers to consider and opt for open access. The charges for STOA consumers are proposed to be limited to a maximum of 110% of what long-term consumers pay. Moreover, any additional surcharge for open access consumers should not exceed 50% of the wheeling charges for that consumer category. For long-term open access consumers, any additional surcharge should be phased out within five years from the date of granting open access.

The reduced charges and limitations on additional surcharges provide cost advantages and greater transparency, enabling C&I consumers to make informed decisions based on their specific energy requirements and financial considerations for a long-term. These changes can drive higher interest in open access among C&I consumers, leading to increased participation in the open access market.

Option for green tariff under green open access rules

In line with the rules, the MoP directed SERCs to take necessary measures for the determination of green tariffs and clarified that the green tariff should not exceed the average power purchase cost of RE, including a surcharge equivalent to 20% of the average cost of supply, along with a margin of 25 paise. So far, the states like Andhra Pradesh, Karnataka, Gujarat, Maharashtra, Uttar Pradesh, Telangana have notified green tariffs for their states and only a few states have either implemented or issued draft green open access rules such as Karnataka, Punjab, Gujarat, Maharashtra, Madhya Pradesh, Telangana, West Bengal, Haryana.

Prevailing green tariff premium in key states



Note: Tamil Nadu also notified green tariff premium at 10% of variable grid tariff for HT consumers.

Source: State Tariff Orders

The rules provide long-term certainty to the open access charges for the stakeholders which will help in determining their returns from the project. Further, if open access application is not approved within 15 days, it

will be deemed approved. This will ensure timely execution of projects by minimizing any risk of cost escalations. The demand for green energy open access from C&I consumers is likely to increase after implementation of these rules. However, discom cooperation, regulatory proactiveness in timely tariff orders and green energy tariffs are a key monitorable.

Government notified Green Hydrogen/Green Ammonia policy- a step towards National Hydrogen Mission

The GoI launched the National Hydrogen Mission (NHM) in August 2021 to reduce carbon emission by scaling up green hydrogen production and its utilisation. Under the ambit of NHM, the government has notified green hydrogen / green ammonia policy in February 2022.

The policy is aimed at producing 5 million metric tonne per annum of green hydrogen by 2030. This could require approximately 250 BUs of green power, translating into RE capacity of about 125 GW.

The policy focuses on providing easy access to and reducing the cost of RE, which currently accounts for approximately 60% of green hydrogen production. The proposed waiver of ISTS charges is estimated to bring down green hydrogen production cost by 5-7% assuming RE is sourced through third party open access. Additionally, such waiver will support setting up of RE capacity in resource rich regions, further reducing costs. The government has proposed to setup manufacturing zones to scale up green hydrogen manufacturing and storage facilities at ports, and aggregate demand from different sectors through designated agencies. In this context, coordinated planning with appropriate technology choices would be critical to ensuring effective RE capacity utilisation.

The Mission will have wide ranging benefits- creation of export opportunities for Green Hydrogen and its derivatives; Decarbonisation of industrial, mobility and energy sectors; reduction in dependence on imported fossil fuels and feedstock; development of indigenous manufacturing capabilities; creation of employment opportunities; and development of cutting-edge technologies.

The initial outlay for the Mission is INR 19,744 crore, including an outlay of INR 17,490 crore for the Strategic Interventions for Green Hydrogen Transition Programme (SIGHT) programme, INR 1,466 crore for pilot projects, INR 400 crore for R&D, and INR 388 crore towards other Mission components. Under the SIGHT, two distinct financial incentive mechanisms have been proposed, one is targeting domestic manufacturing of electrolyzers and the other for production of Green Hydrogen. The Mission will also support pilot projects in emerging end-use sectors and production pathways.

Overall, the Green Hydrogen Policy is a major step forward for the clean energy transition in India. The policy is expected to have a significant impact on the future renewable capacity addition in India and will help to make India a prominent player in the green hydrogen sector.

Government's thrust to promote energy storage through BESS and pumped hydro storage for grid security

The following initiatives have been taken to promote growth of energy storage technologies:

- MoP issued legal status for Energy Storage Systems (ESS) on January 2022 wherein ESS has been designated as a power system element which can be utilized as a Generator, Transmission or Distribution element.
- ESO trajectory till fiscal 2030 and bidding guidelines for BESS has been notified by MoP.

- Waiver of ISTS Charges on Hydro Pumped Storage Projects (PSP) and BESS Projects, commissioned up to June 30, 2025, has been provided. The waiver is applicable for a period of 25 years for PSP and for a period of 12 years for BESS.
- Revised scheme for flexibility in generation and scheduling of thermal/ hydro projects through bundling with RE and storage power.
- In the amendment to Electricity Rules, 2023, GoI has allowed the energy stored in BESS to be considered for captive status.

Regarding hydro-based PSPs, the MoP has issued guidelines in April 2023 to regulate and promote development of PSP in India. The guideline highlights methods for allotment of projects on nomination basis where states can directly award projects to these entities. While this can expedite development, it may also lead to project delays. Another method is the competitive bidding process. This method is advantageous for private developers as it introduces competition. However, the provision that grants the home state the right of first refusal for 80% of the project capacity could be detrimental to the interests of private developers.

Several provisions are proposed to facilitate the allocation and development of PSPs. No upfront premium is required to pay for project allocation. Appropriate commissions are mandated to ensure that ancillary services are monetized, and they will determine peak and off-peak tariffs. This will provide assurance of revenue realization and improve off-take chances. PSPs will be allowed to participate in all market segments, including the high-price segment of the day-ahead market, thereby expanding the market available for sale. Developers will have the freedom to utilize surplus capacity for optimization purposes.

To ensure financial viability, the GoI may notify a benchmark cost, and only PSPs with a levelized cost within the benchmark cost may be considered for development. While this measure intends to maintain cost control, it may pose challenges to the interests of developers. However, financial institutions such as PFC, REC, and IREDA are expected to treat PSPs at par with other RE projects and provide long-term loans with tenures of 20 to 25 years, with a debt-equity ratio of 80:20. This availability of loans at competitive rates will support the financial aspects of PSP development.

To encourage PSP development, certain tax and duty incentives are provided. States may reimburse State Goods and Services Tax (SGST) on hydropower project components, provide exemptions in stamp duty and registration fees for land, and offer land on an annual lease rent basis. Furthermore, PSPs will be exempt from ISTS charges.

In addition, the PSP will be exempted from free electricity obligation, doing away with the need for environmental impact assessment studies and public hearings if such projects are built in existing dams or areas away from the main river water (off-the-river). The guidelines also mandated using green finance like sovereign bonds or concessional climate finance for funding such projects.

CEA has also established a Single Window Clearance Cell for approval of PSP projects. It has nominated the officers from Central Water Commission and Geological Survey of India for fast-tracking the clearance of design aspects and geological aspects of DPR, respectively. The timeline for concurrence of DPR has been reduced from 90 days to 50 days for PSPs awarded under section 63 of Electricity Act, 2003, part of integrated RE project and being developed as captive plants or merchant plants. Timeline for concurrence of DPR of other PSPs has been reduced from 125 days to 90 days.

India's carbon market development gains momentum

The carbon market started when India became a signatory to the Kyoto Protocol, which allows countries to earn carbon credits by reducing greenhouse gas emissions. RE generators in India were allowed to register their projects under the Clean Development Mechanism (CDM) to earn certified emission reduction credits (CERs). CERs can be traded on international platforms such as the European Union-Emissions Trading System (EU-ETS). CERs were briefly traded in India, but trading was stopped because the carbon derivatives market had not developed locally.

Further, India's participation in the CDM was hindered when EU has restricted the use of CERs from projects registered after 2012, unless the projects are located in Least Developed Countries. India is not a Least Developed Country, so this restriction has limited the market for CERs from Indian projects.

In December 2022, the GoI amended the Energy Conservation Act, 2001 to empower it to specify a carbon credit trading scheme. The amendment also provides that the designated consumers may be required to meet a proportion of their energy needs from non-fossil sources. The amendment also provides for a legal framework for carbon market to incentivise emission reductions.

The MoP issued Carbon Credit Trading Scheme (CCTS) in June 2023 to establish a framework for the Indian carbon market. The scheme notified a steering committee will be set up involving several ministries and agencies to govern the carbon market and vet its rules. The steering committee will comprise 18 representatives from various ministries and government agencies, led by the Ministry of Power and the Ministry of Environment, Forest and Climate Change. The empowered committee will be responsible for providing guidance on issuance criteria, validity of issued emission reductions along with detailed application procedures for institutionalising the Indian carbon market, specific greenhouse gas emission targets for the obligated entities, guidelines regarding the trading of carbon credit certificates outside India, to issue carbon credit certificate.

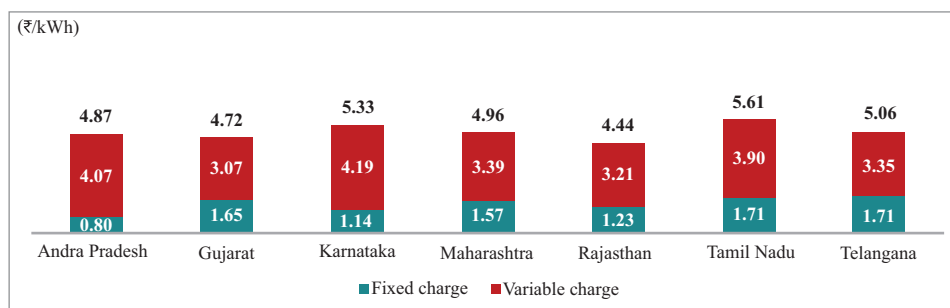
Between 2010 and 2022, India issued 278 million credits in the Voluntary Carbon Market, accounting for 17% of global supply. India is set to establish a carbon market with compliance, as well a voluntary market. The GoI has been working on a supportive regulatory framework in this regard. A well-developed carbon market supported by suitable regulations and policies could create tremendous opportunities in coming years.

Competitiveness of coal-based power versus RE

Cost of coal-based power high in major states; to rise further

With large-scale capacity additions of coal-based power, several states entered into PPAs over fiscals 2010-2016 to meet power requirement and bridge the deficit. As a result, coal dominates in the power procurement mix of discoms and their average power purchase cost mirrors cost of coal-based power.

Cost of coal-based power in key states



Source: State merit orders, CRISIL Analysis

Cost of coal-based power varies with states mostly depending on the age of the plant, technology deployed and source and quality of coal.

As can be observed from the chart above, the fixed cost of coal-based plants in major states varies between INR 1.2 – 1.7 per unit. Variable cost is higher in case of plants located in South India, due to the distance from East India, where key coal bearing states are located, and higher dependence on imported coal. Also, total cost of coal-based power is INR 4.4 – 5.6 per unit, factoring in the capital intensity on a per-MW basis and maintenance requirement of plants.

The higher variable price is due to the blending of Domestic Coal up to 30% of imported coal during the first half of fiscal 2023 as per the direction given by the MoP to the Thermal Power Stations to tide over the power supply crises prevailing in the Country.

Outlook on coal-based tariff

CRISIL expects domestic non-coking coal production to log a CAGR of 4.5-5.5% over fiscals 2024-28, on account of increased production by Coal India and with the addition of commercial mines. Non-coking coal imports are expected to decline as rise in domestic coal production will increasingly substitute the demand for imported coal.

Notified coal price is primarily based on a cost-plus model, with CIL revising the prices on an ad-hoc basis, depending on factors such as employee cost and cost of consumables, such as fuel and explosives. Among various costs, the employee expense is the largest, accounting for over half of CIL's total operating costs. To maintain profitability, CIL revised prices this fiscal year 2024. It hiked non coking coal prices by 8% with effect from 31 May 2023. Therefore, it is a key determinant for revision in coal prices. CIL also considers the demand-supply scenario; imported coal prices; and cost of production from new projects while revising prices.

The price revision has been done for the grades G2 to G10 which is majorly used in the cement, fertilizer and sponge iron industries. Whereas, thermal power plants mostly rely on grades G11, G12 and G13. Thus, the impact would be limited to the plants which use higher grade of domestic coal for blending purposes according to the CERC tariff regulations.

Imported coal prices are expected to decline as Europe switches back to gas and Russian coal is rerouted to Asian markets competing with Indonesia and Australia.

Going forward, coal-based power tariff is expected to rise further, led by an increase in emission-related compliance to install flue gas desulfurization (FGD). With the implementation of FGD, the tariff would increase by INR 0.70 – 0.80 per unit. Deepening RE penetration would result in higher cycling of coal-based plants leading to reduced efficiency and increase in O&M costs. Rising coal price and freight charge is expected to increase variable cost.

Average tariffs for new coal-based units are expected to remain in the range of approximately INR 4.95/kWh considering the above factors till fiscal 2028. Any introduction of carbon tax or increase in coal cess are key monitorables. A confluence of these factors is expected to push up levelised cost of energy (LCOE) of coal-based plants.

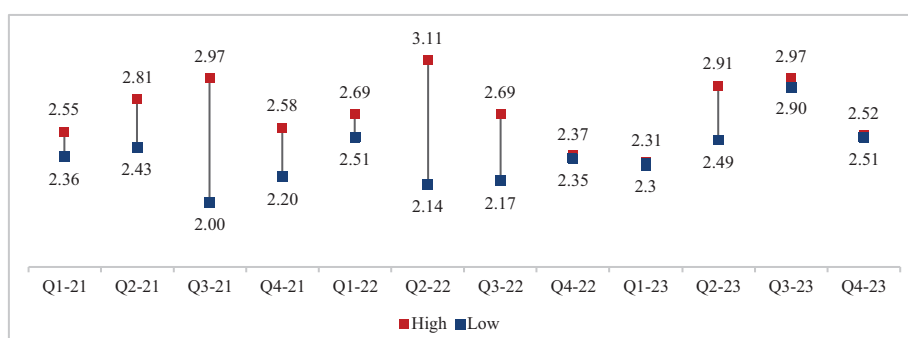
RE tariffs fell sharply led by falling capital cost, financing cost, improvement in technology

Over the last few years, RE tariffs have seen rapid decline making robust business case for the solar and wind projects. Many factors together have led to this sharp fall in tariffs including reduction in equipment cost, technological advancements leading to better efficiency/higher yield, policy and government support leading to reduced risks, reduction in financing costs with availability of both domestic and international sources, improvement in O&M practices. Further, bid tariffs are determined based on developers' analysis of location, counter-party risks, resource availability and other project-specific factors.

Solar tariff

There is a sharp uptick in tendering of solar capacity after the government set a 280 GW solar target for 2030. The graphic below shows how competitive tariff in India's solar sector moved over the recent quarters.

Trend in recent solar bid tariff (INR/ kWh)



Source: Central & State nodal agencies, CRISIL Analysis

Between fiscals 2013 and 2023, bid tariff declined 11% annually. The fall in solar bid tariffs could be attributed to the following factors.

- 12.5% annual fall in module price over fiscals 2013-2023
- Increase in competition with the entry of foreign and domestic players
- Decline in financing cost owing to lower interest rate and longer tenure
- Rising economies of scale
- Technological innovations

The falling tariff has significantly improved the competitiveness of solar power against conventional sources such as gas and coal, which have, in fact, witnessed a rise in cost over the years due to a spike in landed cost of fuel. Even tariff of relatively firm RE power – hybrid RE, RE to meet peak power supply and RTC RE – has seen attractive tariff ranging from INR 2.5 to INR 3.5 per unit.

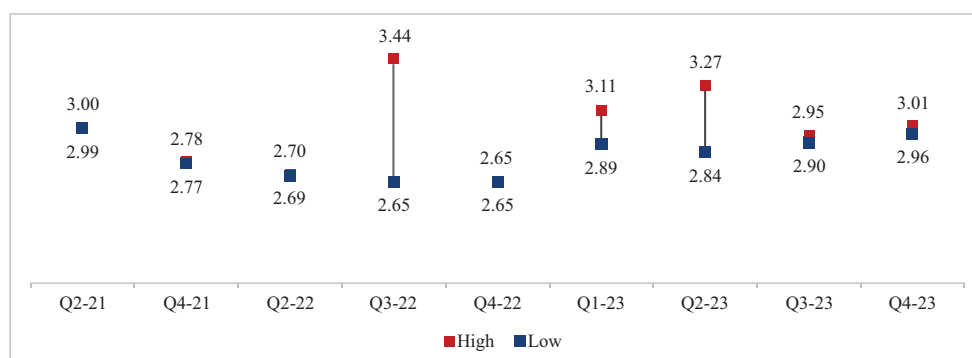
However, global energy crisis, geopolitical tensions, and supply-side disruptions at key locations in China led to a reversal in module pricing, with prices climbing to USD 0.25 per watt peak in fiscal 2023 for mono-crystalline technology. Increase in module prices coupled with policy changes impacting the sourcing of modules for new projects forward and the cost of debt on an uptrend with uncertain global climate led to increase in weighted average tariffs to INR 2.79 per unit in fiscal 2023.

However, policy consistency, contractual sanctity and timely payments from discoms are a key monitorable.

Wind tariff

Technological improvements such as increased hub height, improvement in blade designs with longer and lighter rotor blades which can withstand higher stress at increased heights, advanced resource tracking devices and control systems to optimize output, etc. led to an increase in PLFs, which has reduced the LCOE of wind power. Moreover, availability and access to low-cost financing has enabled the wind industry to offer a highly competitive tariff to the consumers.

Recent trend in competitively bid out wind tariff (INR/ kWh)



Source: Central & State nodal agencies, CRISIL Analysis

In recent bids, the discovered tariff for wind projects have stabilised at INR 2.9-3.0/ unit given land and evacuation constraints and payment delays from discoms.

However, in January 2023, the GoI scrapped the reverse auction process for wind projects in order to boost wind capacity addition. MNRE also issued bidding guidelines for wind-based projects in July 2023 with an option to the bidding agency/procurer to choose reverse auction for final selection of bidder. This move is expected to ease aggression in bidding, providing a mechanism to provide cost reflective tariffs for the segment, boosting viability for wind projects. Going forward, the tariff is expected to see corrections on account of change in bidding process, resource variability at newer sites, rising wind turbine costs, etc.

Outlook on RE tariffs over the next 5 years

Solar power prices are subject to the price of modules. Solar tariffs showed a rapid decline over fiscal 2016-2020, majorly due to declining module prices. Modules account for 57% of cost of generation for solar energy and

these module prices are impacted by the commodities used to manufacture them. Steel is the key commodity used and accounts for a 33% share, followed by Polysilicon (28%), Aluminium (12%) and Copper (8%). Polysilicon prices have increased from approximately 9 USD/kg to approximately 37 USD/kg from 2020 till date due to shortage of raw materials. In the long run, it is expected to witness a falling trend, due to increased production by foreign countries, thereby bringing down the levelized tariffs. However, prices of commodities are expected to showcase an upward trend, resulting in an overall increase in solar tariffs.

Since wind prices are largely driven by commodity prices, they are expected to have an upward trajectory. Wind energy development cost is governed by Nacelle (34%) and BOS (21%). Steel is the major commodity with 31% share in overall wind energy development followed by cast iron (10%) and copper (4%). Renewable energy sources are expected to continue to be competitive compared to fossil fuels with improvement in technology, increased efficiency, and government support.

In recent years, energy storage tariffs have been considerably high due to increase in commodity and battery pack prices post 2020. However, these tariffs expected to fall during the forecast period on account of technological improvements in grid scale storage systems, introduction of new chemistries such as zinc/sodium batteries, and increased availability of lithium-ion batteries. The recent tender results for standalone battery-based projects have yielded a tariff of INR 9/kWh. In the coming years, as advancements in battery technology and economies of scale are projected to reduce further within the next five years.

Firm RE to become more competitive over the medium term

The issue of intermittency in power generated from solar and wind sources is a key impediment in large-scale adoption of RE, especially when RE penetration is above 20%. Wind speed and solar irradiation intensity throughout the day varies, resulting in inconsistent power generation throughout the day. Without RTC supply of RE, discoms are forced to rely on conventional fossil fuel-based power, which is the biggest barrier to transition from fossil fuels.

Gradual shift away from plain vanilla, standalone solar and wind tenders towards firm RE supply

		Peak Power Supply	Round the clock	Bundled-thermal and RE
		For simplification of comparison, scenarios are based on the assumption of standard 500 MW rated project plant capacity		
Key Features	Annual availability required	Minimum annual CUF-40% or 3.504 MU/MW	Annual availability@90%	Annual availability@80%; supply at least 51% of annual energy from RE
	Storage requirement	Mandatory	Can use	Use of coal plants
	Tariff Condition	Two-part tariff Peak and off-peak tariff	Tariff escalation@4% per annum up to end of 15 th year, fixed thereafter	Composite tariff, 30% of total quoted tariff to be indexed to coal prices
Assumptions and Output	Generation requirement (MUs)	1752	3942	3504
	Scaling factor for RE component and storage	1.3-1.5X 100% storage	2.5-2.7X No storage	1.1-1.3X No storage and 33% thermal
	Expected operating cost (Rs. Mn/MW)	0.6-0.8	0.5-0.7	0.5-0.7
	Expected Total capital cost (Rs. Bn)	45-50	50-55	35-40
	Expected Tariff Range (Rs./kWh) (@14-16% Equity IRR)	4.0-5.0	2.5-3.5	3.0-4.0
	Players (Capacity auctioned)	Renew (300 MW) Greenko (900 MW)	Renew (400 MW)	Hindustan Thermal, Jindal Neo, Greenko, Renew Power & Power Mech Projects (2.5 GW)
	Tariff range	Off peak: Rs.2.88/kWh Peak: Rs 6.12-6.85/kWh	Rs. 2.9 with 3% escalation every year	Rs. 3.01-3.45/kWh
	Key Monitorable	Quantum of storage element, scaling factor, balance between solar and wind to achieve generation requirement		Thermal tie up (existing vs new plants)

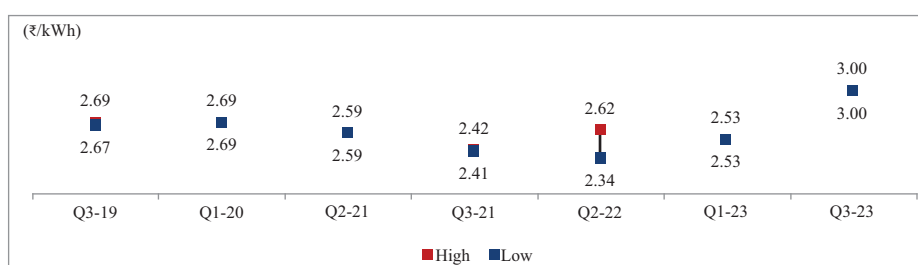
Source: SECI, CRISIL analysis

Wind-solar hybrid (WSH) projects

WSH projects have garnered significant interest in recent years, primarily driven by the increasing demand for reliable green power from both corporate consumers and discoms. MNRE also notified national Wind-Solar Hybrid Policy in 2018 with an aim to reduce RE variability and improve grid stability. Additionally, various state including Gujarat, Andhra Pradesh, and Rajasthan have formulated their own WSH policies.

Some of the key advantages of hybrid projects include improved land and transmission infrastructure utilisation, reduced generation variability and complimentary generation profiles. Standalone solar and wind projects exhibit relatively low CUF. However, the amalgamation of these two technologies leads to a higher CUF, resulting in enhanced overall efficiency of the hybrid plant. Moreover, the cost of co-located solar and wind projects is lower compared to that of their respective standalone counterparts, making them economically attractive. Consequently, tenders conducted for such hybrid projects have yielded competitive tariffs, with prices ranging from INR 2.5 to 3.0/kWh. These factors collectively contribute to the growing allure and widespread adoption of WSH projects.

Recent trend in competitively bid out wind-solar hybrid tariff



Source: Central & State nodal agencies, CRISIL analysis

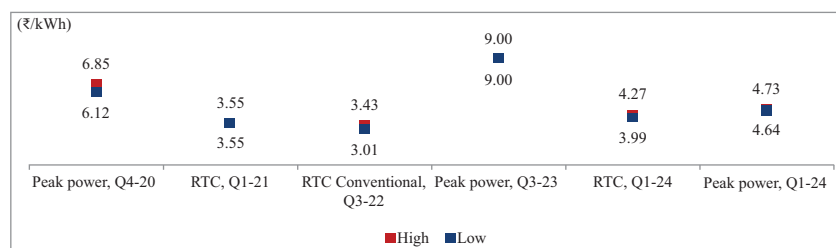
Hybrid projects also poses some challenges related to land constraints with most of the capacity required to be wind-based to meet minimum CUF condition. Optimising system size is also challenging as per wind and solar resources at each site and determining the appropriate storage capacity to avoid underutilization during high generation period.

Round-the-clock (RTC) projects

The primary challenge of solar and wind, is its intermittent and uncertain nature, leading to an inability to consistently meet fluctuating electricity demand. To ensure grid stability, a balancing power is required to offset the fluctuations in renewable power supply, as off-takers prefer a stable flow of RE. This can be addressed by adopting a RTC procurement from VRE integrated with stable power from conventional sources like thermal, hydro, and/or energy storage systems. RTC power supply can meet off-taker's demand through fixed demand procurement, slot-wise fixed demand procurement, or real-time demand procurement. The high cost of energy storage technologies is expected to drop with rising scale and advancement in technology (battery price fell sharply to \$132/ kWh in 2021 from \$1,160/ kWh in 2010). In addition, various policy and regulatory measures, including incentives by the central government that are on the anvil, are expected to increase adoption of storage technologies in India. This, in turn, will make RTC RE more feasible and replace conventional, fuel by catering to base load. Further, under the revised RE bundling scheme notified by GoI in November 2021, the discoms need not to procure additional capacity for balancing RE, rather, they have the flexibility to procure RE power within the existing PPA.

These kind of procurement options will increase the attractiveness of RE in India. In fact, of late, the government has been increasingly tendering out RE capacities with an aim to provide steady RE to discoms. More importantly, tariff discovered through such tenders has been more competitive at INR 3.0–3.5/ unit than conventional power. This, in turn, will make RTC RE more feasible and replace conventional, fuel by catering to base load. Further, under the revised RE bundling scheme notified by GoI in November 2021, the discoms need not to procure additional capacity for balancing RE, rather, they have the flexibility to procure RE power within the existing PPA.

Recent trend in competitively bid out RTC and peak power tariff



Source: Central & State nodal agencies, CRISIL analysis

The high cost of energy storage technologies is expected to drop with rising scale and advancement in technology (battery price fell sharply to \$152/ kWh in 2022 from \$732/ kWh in 2013). In addition, various policy and regulatory measures, including incentives by the central government that are on the anvil, are expected to increase adoption of storage technologies in India.

RTC projects involve advanced automation and control systems that enable real-time adjustments to power generation and consumption based on demand fluctuations. While RTC projects hold promise in enhancing grid stability and optimizing energy use, their practical execution and effectiveness are yet to be seen on a large scale.

Challenges for development of new RE projects

Commodity price inflation

The RE project require some of the essential materials such as steel, polysilicon, glass, and metals. For WTG manufacturing, the cost of steel, which is a critical component in the construction of wind power plant, has substantially increased, impacting the overall project cost. Similarly, in solar module manufacturing, the cost of polysilicon has risen significantly, putting pressure on the financial viability of solar projects. Additionally, the prices of glass and metals used in module manufacturing have also escalated, further straining project economics.

Availability of resource rich sites

WSH projects require wind and solar plants to be co-located to inject power into the same pooling station. This means the ideal location should have good irradiation and experience high wind speeds. But such locations are hard to find, especially as all major windy areas with strong grid evacuation facilities have been saturated. Many of these resource-rich sites have already been acquired or developed, leaving fewer options for new projects. Moreover, non-allocation of revenue sites by State Governments due is also one of the major hurdle in getting timely allotment of land.

Right of way (RoW) challenges

As demand for renewable projects grows, the costs associated with acquiring RoW have been spiraling upwards, impacting the budgeting of project costs making it challenging for developers to accurately forecast and plan for the expenses involved. Additionally, RoW hurdles, such as land acquisition issues, local community opposition, leads to delays in project execution.

Competition from exports

The US government's Inflation Reduction Act of 2022 has led to a spike in demand for renewable energy which would increase the demand for solar PV and wind project components in the US market. The European Union (EU) market has also seen a surge in demand for solar PV modules and wind turbines, due to the need for energy security in the wake of the Russia-Ukraine war. This increased demand has led to higher export prices for solar PV modules and wind turbines. The Indian manufacturers are taking advantage of price hike by selling their products to US and EU markets which resulted in deficit in the Indian domestic market leading to higher solar PV modules and wind turbines prices.

Logistic issues with large WTGs

As wind turbine technology advances, newer models with larger rotor diameters are becoming more common, as they can harness more wind and generate higher energy output. However, transporting these bigger turbines to remote and often challenging terrains can be complex and expensive. The scarcity of larger cranes capable of handling these heavy components further exacerbates the issue. As a result, project developers often face logistical hurdles, leading to delays and increased costs in transporting and installing the equipment.

Plateaued technology curve of WTG

The execution of new wind projects facing challenges related to marginal improvements in the latest wind turbine power curves and lower generation per MW. This limited improvement in power curves can lead to diminished expectations in terms of increased electricity output from new turbines, which can act as a deterrent from a C&I business model perspective who are looking for substantial and reliable electricity supply to meet their energy needs.

Qualitative and quantitative factors driving the growth of solar and wind capacity addition in India

National Institute of Solar Energy has assessed the Country's solar potential of about 748 GW assuming 3% of the waste land area. Whereas as per National Institute of Wind Energy, the gross wind power potential in India at 100 meters is 302 GW and 695.50 GW at 120 meters. In June 2023, NIWE published Wind Atlas wherein the onshore wind potential at 150 meters is estimated as 1,164 GW. Further, as per government estimates, the commercially exploitable wind potential is estimated to be more than 200 GW.

As of March 2023, the total installed capacity of wind power was 42.6 GW (approximately 21% of commercially exploitable wind potential), and that of solar was 66.8 GW (approximately 9% of total potential). Over the years solar energy has been prioritised over wind energy, despite import dependence in the solar sector. From March 2014 to March 2023, the installed capacity of wind power doubled whereas solar power capacity increased exponentially by 25 times. Solar power experienced exponential growth due to significant advancements in solar panel technology, manufacturing processes, and cost reductions. The decreasing costs of solar panels made solar energy more economically viable, incentivizing large-scale projects and encouraging greater investment. Moreover, solar power systems are more versatile, making them accessible for diverse applications, including residential, commercial, and utility-scale projects.

Historically, solar power tariffs had been on a downtrend, achieving a new low of INR 1.99 per unit in the December 2020 auctions. After the notification of a 40% basic customs duty on PV modules from April 1, 2022, has led to an increase in capital costs to INR 5.5-6.0 crore/MW considering the procurement of the imported modules which led to increase in tariffs up to INR 2.6-INR 2.8 per unit. For wind projects, shift to competitive bidding mechanism from feed-in-tariff regime has caused a slowdown in capacity additions. Tariffs fell from INR 4.0-4.5/unit in fiscal 2016 to INR 2.4-2.6 per unit under the competitive bidding mechanism during fiscal 2018. Later in fiscal 2020-2022 tariffs corrected to the INR 2.8-3.0 per unit mark. Low realisations remained unviable for the entire value chain at current capital costs of INR 7.5-8.0 crore/MW. Higher capacity turbines and higher hub-heights for installation have enabled developers to take benefit of higher generation. In such a scenario CUF have been estimated at 35% on a conservative basis, where peak time CUF (monsoons) have been known to touch 40% in few cases. MNRE has also announced removal of e-reverse auction process to improve bidder interest and activity in the wind sector. This move will ease aggression in bidding, providing a mechanism to provide cost reflective tariffs for the segment, boosting viability for the segment.

Despite the above-mentioned challenges, CRISIL believes the sector does have an upside in view of the pipeline buildup and higher momentum through hybrid schemes. However, challenges such as slow execution momentum on account of rising capital costs and viability concerns for lower bid tariff wind projects restricts overall capacity addition outlook. Additionally, capacities under other schemes such as the wind solar hybrid scheme and other mixed resource tenders, offshore wind energy and repowering of existing low-capacity wind turbines will add to overall capacity additions over the longer run.

Hence it is essential to note that both solar and wind energy sources complement each other in an integrated energy system. Therefore, a balanced approach that combines both solar and wind projects will be crucial for ensuring grid stability and security.

Focus on climate change, sustainability to further support RE

With sharpening focus on climate change given India's global commitments, RE is expected to continue to receive continued support from the government. In this context, there will be a vigil over coal-based power, which emitted 0.79 tonne/ MWh of CO₂ in fiscal 2021. This would increase cost for coal-based power owing to levy of cess/ tax and adversely impact its economics.

To compensate expected coal capacity addition of approximately 27 GW by 2030 as per CEA, the RGO would play an important role to source/establish a minimum of 40% of upcoming coal/lignite-based power plants capacity from RE.

Coal-based power is also facing severe financing constraints from Indian and foreign banks. This is led by associated financial and reputational risk in investing in coal-based projects. On the other hand, RE has been witnessing massive investment from a variety of global investors — private equity funds, foreign pension and sovereign wealth funds and multilateral agencies. Moreover, RE developers and financiers have been able to access foreign debt markets to raise capital at attractive rates to fund projects in India.

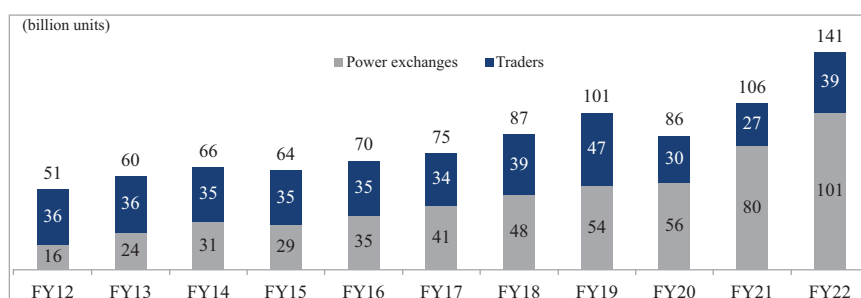
With rising awareness about climate change, several corporates in India are voluntarily procuring RE with an objective to operate sustainably. This is providing a further impetus to RE.

Nevertheless, certain structural issues — payment delays by discoms, contract compliance, regulatory risks, and policy flip-flops by the government — will remain key monitorables for RE projects in India.

Open access market — a growing opportunity

Power demand, particularly from C&I consumer segments, is expected to witness steady growth led by rising urbanisation, increasing per capita income and strong government thrust on manufacturing through programmes/schemes including Make in India, PLI and Aatmanirbhar Bharat. Along with these, expected elevated tariffs in the C&I segment will transform the open access route for power sale into a strong growth opportunity for IPPs. Open access sales volume has logged a healthy CAGR of approximately 11% over the past 10 years.

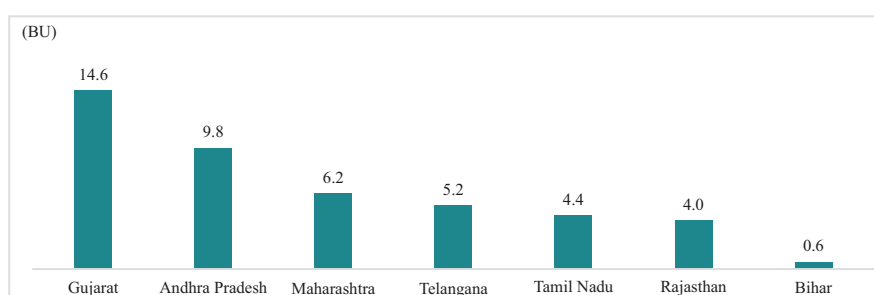
Open access transactions (through power exchanges and traders) over last 10 years



Source: CERC, CRISIL Analysis

Growth in open access sales has been led by encouraging policy directions, government mandates and favourable market dynamics. While open access is a right of consumers (with sanctioned load > 1 MW) as per the Electricity Act, there is varying degree of ease with which approvals are accorded in different states. Thus, its share in total electricity consumption has remained range-bound at 6-8% over the same period. This also indicates the strong growth potential of the open access market. In addition, with relaxed eligibility criteria (contract demand >100 kW) as per the draft electricity rules for green energy open access will further boost the open access transactions.

Major buyers of electricity on power exchanges during FY22



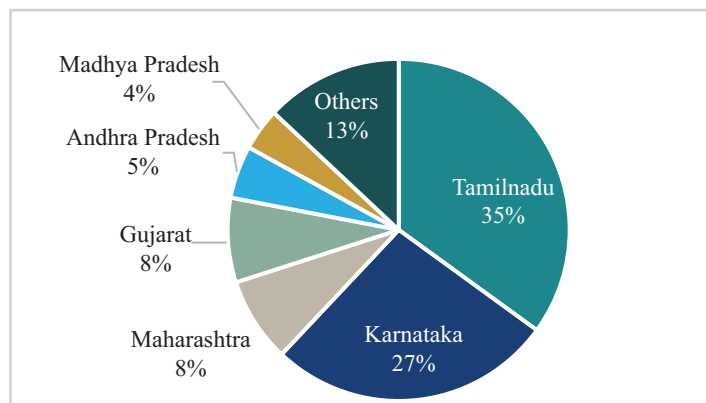
Source: CERC, CRISIL Analysis

Four states in India accounts for approximately 75% of RE based C&I open access installations

The cumulative open access C&I capacity including solar rooftop installation is approximately 24 GW as of fiscal 2023, of which solar and wind OA project accounts for approximately 15 GW. Among the renewable sources, solar holds the majority share at approximately 70%. This dominance is attributed to its advantages, such as higher accessibility, lower costs, wider availability of resources, shorter project gestation periods, and reduced construction and operational risks.

A significant portion of this capacity is concentrated in a few states such as Maharashtra, Tamil Nadu, Gujarat, and Karnataka, which together contribute more than 75% of the total C&I RE open access capacity. These states are recognized for their high industrialization levels and, consequently, account for a larger proportion of C&I power consumption compared to other states.

Share of RE open access capacity across states



Source: CRISIL Analysis

The C&I consumers are exhibiting a growing preference for transitioning to wind or wind-solar hybrid energy sources. This inclination is primarily driven by the advantages of wind power supplying energy during peak hours. Furthermore, with the recent introduction of Electricity Amendment Rule, 2023 wherein the ToD tariff regime has been specified and a specific provision has been made to set the tariffs for solar hours at 20% lower than the normal tariffs. As a result, discoms may be reluctant in procuring standalone solar power at higher tariffs, as they would realize comparatively lesser revenue during the solar hours due to the lower tariffs imposed for solar energy consumption. Moreover, a noticeable trend is emerging as more states are shifting away from annual banking mechanisms towards monthly banking arrangements. In light of this, consumers are increasingly opting for the adoption of wind or wind-solar hybrid solutions, which offer distributed energy generation capabilities throughout the day.

High C&I grid tariff across states and falling RE generation cost augur well for the open access business model. In addition, to support wind and solar power, states have extended exemptions/ concession on open access charges. However, in the recent past, some of the states have either discontinued or tightened the exemptions/ concessions on the open access charges.

Favorable economics of open access for C&I even though most of the states have discontinued the concessions on OA charges

High C&I grid tariff across states and falling RE generation cost augur well for the open access business model. However, most of the states have either discontinued or reduced the exemptions/ concession on open access charges. Some states such as Gujarat, Rajasthan are providing benefits for hybrid projects with or without storage under their respective state policies to promote adoption of hybrid projects. However, the RE projects that were commissioned during the period when open access charges rebates/concessions were introduced under the open access regulations would continue to enjoy such benefits until its expiry. Any changes made in the open access charges incentives are usually implemented prospectively and are applicable to new projects which may affect the future open access transactions.

The table below summarizes open access policies of major states:

State	Key parameters
Maharashtra	No waivers in charges; banking allowed for one month.
Gujarat	No waiver in CSS and AS for third party sale under solar energy policy Wind and wind-solar hybrid policy - 50% concession on CSS and additional surcharge for projects under third party sale; 50% exemption on wheeling charges for captive solar projects; exemption in electricity duty.
Tamil Nadu	Transmission and wheeling concessional rate of 50%; 30% exemption on CSS for solar and 40% for wind; For wind projects - Banking period of 1 year commissioned before March 2018 under captive wheeling with banking charges at 14% of banked energy and banking period of 1 month for projects commissioned after March 2018 with no banking charges; unadjusted units to be settled at 75% of tariff decided by Commission.
Madhya Pradesh	50% waiver on wheeling charges for all RE projects for 5 years from COD; no waivers in transmission charges, CSS & additional surcharge; cross-subsidy surcharge and additional surcharge waiver for all projects commissioned by November 2017; monthly banking allowed with banking charges at 5% of the banked energy.
Andhra Pradesh	No waivers in wheeling and transmission charges; exemption from distribution losses for projects commissioned by March 2020; Banking not allowed.
Telangana	Under state solar policy 2015, for projects completed by March 2020, cross subsidy surcharge waived for 5 years from commissioning; transmission and wheeling charges waived for 10 years from COD for intra-state captive consumption; annual banking allowed for captive and third party open access with banking charges of 2% delivered energy for solar projects.
Karnataka	75% exemption on transmission/wheeling charges for RE projects not completed 10 years as of March 2018; no exemption on RE projects completed 10 years as of March 2018; 75% exemption on transmission/wheeling charges for RE projects commissioned after March 2018; 95% exemption on wheeling charges for Solar projects commissioned earlier to March 2017; no exemption for Solar Projects commissioned after March 2018; and - Banking charges at 8-10% of banked energy based on the drawal of energy during peak hours.
Rajasthan	As per RERC RE Tariff determination regulation, 2020, waiver of 75% in intrastate transmission and wheeling charges for RE with Storage projects installed before March 31, 2023. This waiver is applicable for 7 years from COD. (The exemptions are applicable for projects with individual plant capacity of maximum 25 MW and for the total capacity of 500 MW) Banking of 25% of the energy injected, allowed on annual basis and only for captive consumption within state. Banking charges at 10% of banked energy; option for monthly banking for projects commissioned before Dec 2020.
Uttar Pradesh	Exemption of 50% on wheeling / transmission charges on Intrastate sale of power to third party/captive use; 100% exemption on CSS; 100% banking allowed for entire useful life of Project or 25 years whichever is less; Banking charges at 6% of banked energy.

Source: State RE policies, open access regulations

In addition to incentives mentioned in the table above, as per section 42(2) of the Electricity Act 2003, the captive and group captive models used to avail open access exempt cross-subsidy and additional surcharges on such power sale across most states. This, in particular, offers significant savings potential for C&I users.

Recently many states either reduced or withdrew exemptions and concessions related to open access and banking provisions. Some of these changes may affect open access capacity additions in these states over the near term. However, these changes are expected to address concerns about uncertainty over short-term incentives and provide greater visibility for long-term cash-flow projections for open access based RE projects. In fact, it also reduces dependence of the RE based open access business model on government support and thrives on its inherent competitiveness. Moreover, there exists an arbitrage between landed cost of open access power (through the group captive model) and grid tariffs. This helps C&I consumers reduce cost and enhances competitiveness. At the same time, it also offers IPPs an opportunity to diversify their portfolio away from ailing discoms.

Further, several global IPPs and private equity, impact funds, multilateral agencies have recently invested in Indian renewable energy companies with strong focus on open access transactions in C&I segments. This clearly indicates growing interest of global players in open access in C&I market in India which is expected to grow at healthy pace over the medium term.

Open access offers IPPs an opportunity to diversify the portfolio away from ailing discoms

IPPs mostly sell power generated to state utilities either directly or through intermediaries such as SECI and NVVN. Given the high exposure to state utilities, which are mostly financially stressed, working capital cycles of IPPs gets significantly stretched owing to payment delays from utilities. This also hampers the ability of IPPs to make future investments.

The open access market offers IPPs an opportunity to diversify their portfolio. There exist several high credit worthy consumers across the C&I consumer segments, which could be tapped for power sale through the open access route. Also, presence of consumer segments across end use sectors further diversifies the portfolio. Given that several sectors are power intensive with many consumers having plants across multiple locations, open access also offers the requisite scale in many cases. More importantly, payments are timely for credit worthy consumers, which in turn protects the profitability of such projects.

Overall, a portfolio approach with a balanced mix of state utilities and open access projects bodes favorably

Large scale utility players are also into C&I space to capture untapped potential

The demand for clean energy in the C&I segments is witnessing a remarkable surge, driven by falling tariffs and an increasing focus on sustainability initiatives. In response to this burgeoning demand, IPPs are stepping up to seize the opportunity. They are proactively tailoring their offerings to cater to the specific needs of C&I customers, providing them with custom-made RE solutions.

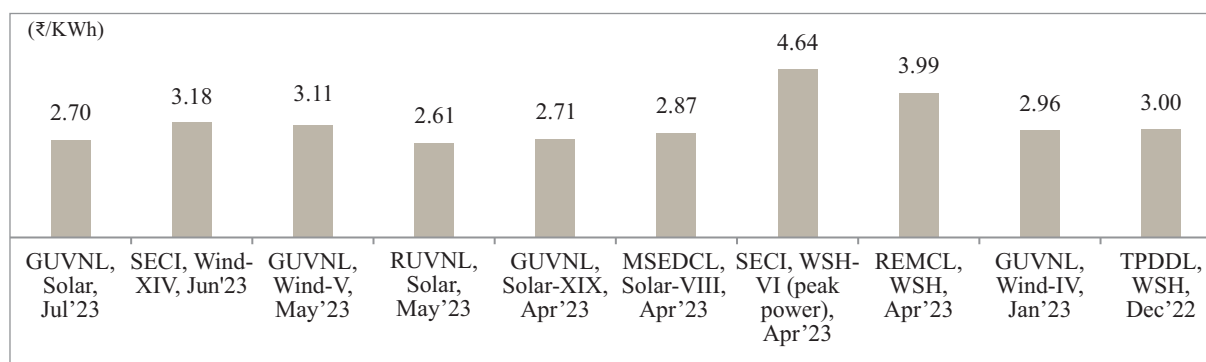
The IPPs in the C&I RE space in India offering clean energy solutions to diverse verticals including manufacturing, aerospace & defence, automotive, FMCG, pharma, food processing, retail chains, educational institutes, hospitals & healthcare, office buildings, shopping malls, etc.

Sales to C&I consumers leading to higher realisations versus utility-scale projects

PPAs with credit worthy C&I consumers are more attractive than those with utilities, where tariff is discovered through auctions and is characterised by cut-throat competition which lowers tariff. On the other hand, tariff (net of regulatory charges) realised by IPPs through the open access route is benchmarked to C&I grid tariff, which is high in most states. As a result, cash surplus and returns are superior to utility-scale projects.

In addition, once the IPP bags a customer, there are several cross-selling opportunities that are available. For instance, the IPP could extend services such as peak shaving, energy audit, enhancing energy efficiency and setting up rooftop solar. Such value-add services could help provide a further upside from a particular project.

Tariffs discovered in recent utility-scale projects

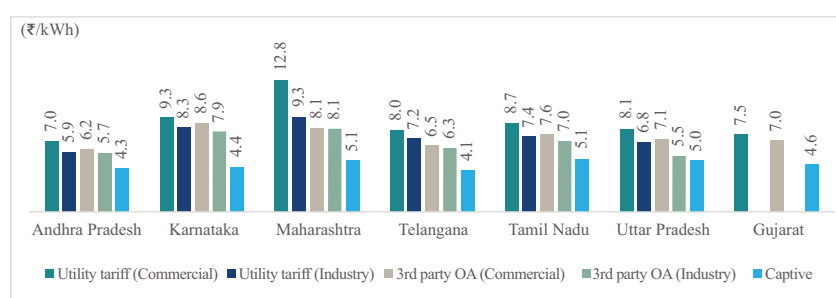


Source: SECI, SERCs, CRISIL Analysis

Landed cost of RE is at least 10-15% lower as compared to C&I grid tariff

The utility tariff for C&I consumers is significantly higher than other consumer categories and this trend is expected to continue in future. On the other hand, the landed RE tariff, which accounts for the levelized cost of RE projects and other open access charges to the consumers, has become increasingly competitive due to advancements in technology, higher CUF, lower cost of finance and supportive government policies and regulations for open access consumers. As demonstrated in the chart below, assuming a levelized tariff of INR 3.5/kWh for key states, the difference becomes evident, offering businesses a compelling incentive to opt for sustainable and cost-effective RE solutions. In fact, it can be inferred from the below chart that the open access tariffs are still competitive than variable utility tariff even after removal/reduction of incentives for open access charges in majority of the states.

Utility vs open access tariff for C&I consumer



Source: SERC Tariff Orders, CRISIL Analysis

Voluntary adoption of RE gaining rapid traction by corporates to meet sustainability goals

Several large electricity-intensive industries exist in sectors such as steel, cement, chemicals, textiles, automobile, glass and other industrial products. While several large corporations – utilising open access power or captive generation from conventional fuels – are mandated to meet RPO targets, their voluntary compliance is gradually rising.

On a broader scale, one of the main drivers behind the increase in Indian corporate PPAs in RE is the predominant reliance on coal in the country's electricity grid, resulting in high tariffs. Moreover, RE sources are now widely accessible and affordable in India, particularly solar energy due to significant advancements. Now many corporates are entering into wind-solar hybrid with and without storage to maximise the use of RE throughout the day.

Additionally, given the growing significance of sustainability and climate consciousness, there is a focus on robust Environment, Social, and Governance (ESG) standards and forthcoming green taxonomies, which may also extend to unlisted companies.

Furthermore, GoI's decisive shift toward renewable energy, driven by ambitious climate targets set under the Paris Agreement, has led to the implementation of various green policies and regulations. These include the recent modifications to the open access and REC regime in 2022, creating an environment that encourages and incentivizes the adoption of green practices.

Procuring electricity through open access using RE not only helps reduce costs, but also cuts carbon footprint and aids in meeting sustainability goals. Several corporations are gradually setting out long-term goals for net zero carbon emissions for their own production and across their value chain, including suppliers, supply chain and distributors. In fact, the global list of RE 100 companies also features a few Indian companies.

Consequently, the number of corporate PPAs in the renewable energy sector has surged and is expected to continue with evolving policy, regulations and business models.

Strong investor interest to support growth in the open access market

Several developers focused on the open access market have managed to attract marquee global investors. Investor interest has not only been from a specific investor class but has been witnessed across investor categories. Global IPPs, PE funds, Impact funds as well as multi-lateral agencies – have extended financing to such developers. This clearly indicates the potential of the open access market in India.

More importantly, the available financial support will help the growth momentum in this market segment to continue.

Evolving power sale options and innovative contracting mechanisms to further support open access sales

In a bid to help obligated entities meet RPO targets and offer an alternative to IPPs to sell green power, the CERC approved the GTAM. This was supported by stabilisation in RE technology, falling price and availability of sophisticated tools for forecasting and scheduling RE. The GTAM platform would also enable IPPs to sell 'surplus' RE and avoid any potential back-down or curtailment by discoms. Further, after the success of GTAM, the government has recently launched the GDAM. These market segments will create additional sale avenues to the existing IPPs and encourage other merchant power plants to setup more RE capacity.

Going forward, a few innovative contracting mechanisms, i.e., forward contracts and derivatives as witnessed in global markets, are expected to gain policy and market support in India. One mechanism prevalent globally and is also gaining interest in India among C&I consumers is Virtual Power Purchase Agreement (VPPA)" which is a contract for difference. In this mechanism, RE developers sell their power in wholesale market while transferring the green attributes of power to VPPA consumer. In return, consumer guarantees a fixed price (strike price) with positive and negative adjustments based on difference of open market price vs. strike price. The entire transaction is financial and would not require actual physical transfer of power from generator to consumer.

VPPAs are more flexible in their structure than physical PPAs as the corporate buyer and power producer do not have to be connected to the same electricity network. However, due to uncertainty around regulatory jurisdiction concerning new instruments - forward derivative contracts and futures in electricity, with VPPA being one of them, it impeded the implementation of the VPPA model. But in October 2021, the Supreme Court passed the order wherein CERC was granted authority over all physical delivery-based forward contracts, while the regulation of financial derivatives was entrusted to SEBI. Consequently, any VPPA will be subject to joint regulation by both CERC and SEBI.

As a result, investors, power producers, and consumers could now explore the benefits of such innovative power purchase mechanisms, leading to potential advancements in the adoption of RE sources is expected to further boost demand for corporate PPAs through the open access route.

C&I consumers have other options such as PAT, TOD tariffs to reduce demand, save on electricity cost, and promote sustainability

Bureau of Energy Efficiency (“BEE”) has notified broad policies for promotion of Energy Efficiency (“EE”) in India. Industrial segment is one of the focus sectors of the BEE to enhance energy efficiency. In a bid to combat increasing energy consumption and related carbon emissions, the BEE had rolled out Perform Achieve and Trade (PAT) scheme.

Energy efficiency

EE in industrial sector has gained significant momentum through PAT scheme. It is a market-based mechanism to enhance cost effectiveness of improvements in energy efficiency in energy intensive large industries and facilities, through certification of energy savings that could be traded. In this mechanism, an individual target will be set for the industries by the government to reduce their specific energy consumption. Those industries that achieve and exceed the target would be issued Energy Saving Certificates (ESCerts) and those industries who could not achieve the target have to either pay penalties or buy the ESCerts from the industries who have secured ESCerts by exceeding the target assigned to them.

BEE had launched Energy Conservation Building Code (ECBC) 2007 to establish minimum energy performance standards for buildings in India which was later amended in 2017. As per BEE, adoption of ECBC 2017 for new commercial building construction in India is estimated to lead to a 50% reduction in energy use by 2030 which would translate to energy savings of about 300 BUs and peak demand reduction of over 15 GW in a year. The Code is applicable to buildings or building complexes that have a connected load of 100 kW or more or a contract demand of 120 kVA or more and are intended to be used for commercial purposes.

Demand side management

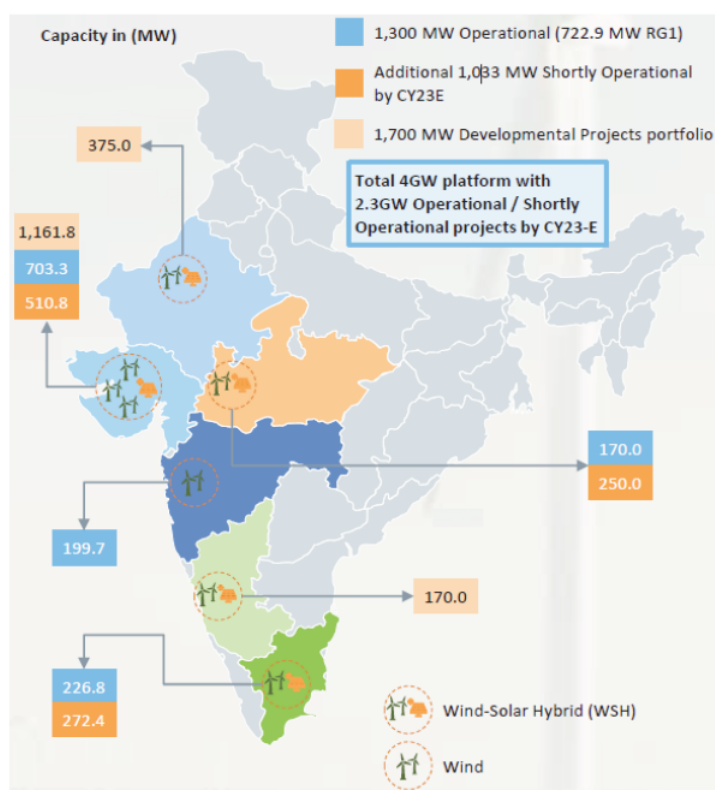
Demand-side management (DSM) is a strategy that can help C&I consumers to optimize their electricity demand and save on electricity expenses. DSM programs typically offer incentives to customers to modify their energy consumption patterns during peak hours or reduce their overall energy consumption.

Time of Day (ToD) tariff is recognized globally across electricity industries, as an important DSM measure which is used as a means of incentivizing consumers to shift a portion of their loads from peak times to off-peak times, thereby improving the system load factor by reducing the demand on the system during peak period. Various statutory provisions already exist in India to enable and promote implementation of ToD tariff in Electricity Act 2003, National Electricity Policy 2005 and Tariff Policy 2016.

OUR BUSINESS

Overview

We are an independent power producer in India, led by a strong and focused management team with experience in identifying, developing and operating renewable energy projects in India. We are one of the largest suppliers of renewable energy to Commercial & Industrial (“C&I”) consumers in India with contracts with over 190 diversified, high credit quality industrial consumers for supply of green energy by us at a discount to the tariff that they would otherwise pay for black energy to distribution utilities. We were amongst the first developers to build large scale single location single owner wind and wind-solar hybrid (“WSH”) power projects. We have employed a “self-development” approach which has resulted in better control over the project in terms of project design, project timelines and technology selection. We have developed strong in-house expertise for various aspects of developing and operating a renewable project, which is leveraged to achieve optimization at various stages of project life cycle. We largely self-develop, build, own, operate and maintain a portfolio of wind and WSH power projects that are large in size and can be complemented in the future with storage solutions to provide dispatchable electricity supply. All our new development projects are planned as WSH capacity. As of June 30, 2023, our Group’s portfolio included an operational capacity of 1,299.8 MW, plus an additional capacity of 1,033.2 MW (“shortly operational” capacity which is expected to be commissioned in phases by the end of Q3 FY2024) bringing our total operational capacity to 2.3 GW. In addition, we have multiple projects and expansion plans identified for near term construction after the 2.3 GW becomes operational, several of which are brownfield expansions of existing capacity catering to C&I consumers.



Note:

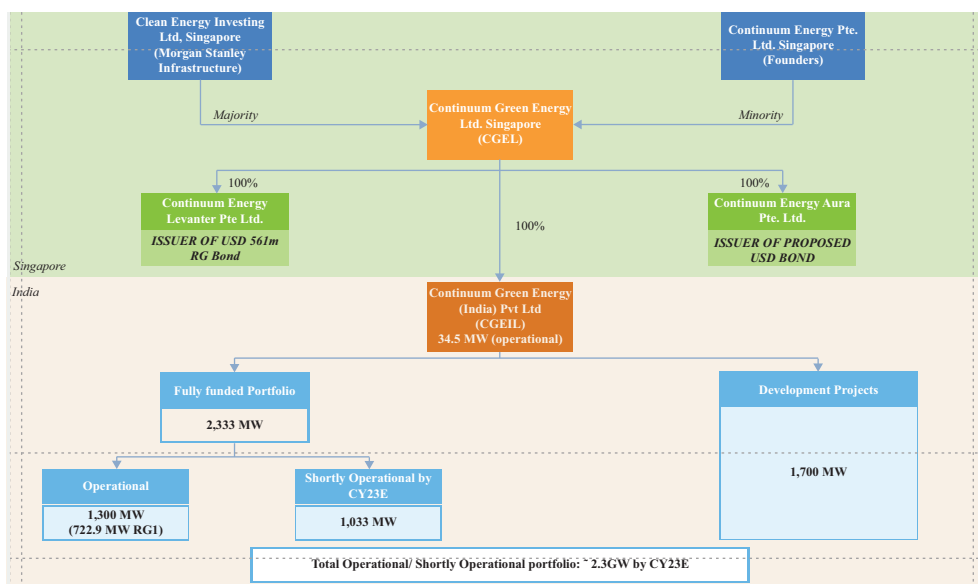
- (1) RG1 is the restricted group including the five operational projects Bothe, Ratlam 1, Periyapatti, Rajkot 1 and 2A projects which are a part of the 2027 Notes issuance.

Recent Developments

CGE Shree Digvijay Cement Green Energy Private Limited

On May 18, 2023, Shree Digvijay Cement Company Limited acquired 27% equity stake in CGE Shree Digvijay Cement Green Energy, a subsidiary of CGE IPL holding 20.1 MW of the Bhavnagar project, the entire production of which is to be supplied to Shree Digvijay Cement Company Limited.

Corporate Structure

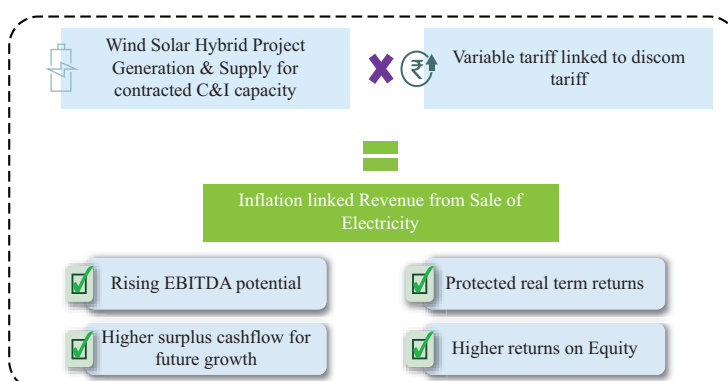


As of June 30, 2023, our total installed and commissioned capacity was 1,299.8 MW, comprising 678.7 MW wind capacity and 621.1 MW wind-solar co-located/hybrid generation capacity. Our total operating capacity is expected to reach approximately 2.3 GW by Q3 FY 2024E comprising (i) 534.7 MW wind capacity selling power to Utilities (including GUVNL, MSEDCL, MPPMCL and SECI, (ii) wind capacity of 144 MW selling power to C&I consumers or on electricity exchange); and (iii) 1,654.3 MW WSH capacity selling power to C&I consumers. We have executed PPAs with state-owned distribution utilities for 379.9 MW capacity; with SECI for 148.5 MW capacity; and with C&I consumers for 1,493.8 M. 126 MW capacity is currently being sold on electricity exchanges. PPAs are pending to be signed for 178.5 MW of C&I projects which are currently under construction and 6.3 MW capacity at the Bothe project due to ongoing litigation with MSEDCL. See “— *Governmental, Legal and Arbitration Proceedings — Proceedings instituted by Bothe Windfarm Development Private Limited against MSEDCL.*” Out of the 2.3 GW proposed capacity, C&I consumers/ electricity exchange sale is expected to account for approximately 77% of the total capacity.

From our Surajbari 1, Bothe and Ratlam 1 projects, we sell electricity under the feed-in-tariff PPAs to distribution utilities i.e. GUVNL, MSEDCL and MPPMCL, respectively and realize a fixed tariff of (i) INR 3.37 per kWh for a period of 20 years, which are expected to expire in FY 2028 (ii) INR 5.81 per kWh for 101.0 MW and INR 5.70 per kWh for 92.4 MW of electricity generated at the Bothe project for a period of 13 years which are expected to expire between FY 2027 and FY 2028; and (iii) INR 5.92 per kWh for the 170 MW of electricity generated at the Ratlam 1 project for a period of 25 years which are expected to expire in FY 2041. In addition, we also receive GBI benefits of INR 0.50 per kWh up to a cumulative value of INR 10 million per MW over a period up to 10 years for Bothe and Ratlam 1 projects.

For our Morjar 1 project, we sell power to SECI and realize a fixed tariff of INR 2.82 per kWh for a period of 25 years. Further, we have also filed a petition with CERC on April 1, 2023 for eligibility for change in tariff due to change in law to the extent of Rs 0.12/kWh. This change is based on calculation for a control period of 15 years and was in response to an increase in project cost due to changes in GST rate on the wind turbines rising from 5% to 12%. CERC order is pending as of the date of this Offering Memorandum.

Capacity of all other projects (excluding Dayapar Project which is selling power on electricity exchange at present), is meant for sale of power to over 190 C&I consumers mostly under inflation linked variable tariff structure. Tariffs charged to most of our individual C&I consumers are dependent on the tariff charged to them by the electricity distribution utilities and are set at a discount to the prevailing tariffs charged by the distribution utilities to these consumers.



The majority of net tariff realized under our PPAs varies with increase/decrease in variable tariffs charged by distribution utilities to such consumers and changes in open access charges/ losses payable to distribution utilities/transmission utilities. The net variation in tariffs charged by distribution utilities and open access charges/losses is shared in varying proportions between the C&I consumer and the Company.

The Group has a young fleet of projects with an average remaining operating life of 23 years (assuming project life of 25 years). The following table sets forth certain key data of our expected total capacity of 2.3 GW of operational and shortly operational capacity as of June 2023:

Project	Status	Location (State)	Capacity (MW)	Offtaker	Type	COD ⁽¹⁾ (FY)
Surajbari 1	Operational	Gujarat	16.5	GJ DISCOM	Wind	2008
Surajbari 2	Operational	Gujarat	18.0	C&I	Wind	2013
Bothe	Operational	Maharashtra	199.7 ⁽²⁾	MH DISCOM	Wind	2015
Ratlam 1	Operational	Madhya Pradesh	170.0	MP DISCOM	Wind	2016
Periyapatti	Operational	Tamil Nadu	226.8 ⁽³⁾	C&I	WSH	2018-21
Rajkot 1	Operational	Gujarat	101.2	C&I	WSH ⁽⁴⁾	2020
Rajkot 2A	Operational	Gujarat	25.2	C&I	WSH ⁽⁴⁾	2021
Rajkot 2B	Operational	Gujarat	28.0	C&I	WSH ⁽⁴⁾	2022
Dayapar	Operational	Gujarat	126.0	Power Exchange ⁽⁵⁾	Wind	Q1FY24
Morjar 1	Operational	Gujarat	148.5	SECI	Wind	Q1FY24
Rajkot 3	Operational	Gujarat	239.9	C&I	WSH	Q1FY24
Rajkot 4	Shortly Operational	Gujarat	40.0	C&I	WSH ⁽⁴⁾	Q3FY24E
Ratlam 2	Shortly Operational	Madhya Pradesh	250.0	C&I	WSH	Q3FY24E
Dalavaipuram	Shortly Operational	Tamil Nadu	272.4	C&I	WSH	Q3FY24E
Bhavnagar	Shortly Operational	Gujarat	300.8	C&I	WSH	Q3FY24E
Kalvad 1	Shortly Operational	Gujarat	170.0	C&I	WSH	Q3FY24E
Total			2,333.0			

Notes:

(1) Commissioning Date.

(2) PPAs are pending for 6.3 MW capacity.

- (3) Periyapatti wind 148 MW was commissioned in FY 2018 – FY 2019 and Periyapatti Solar 78.8 MW was commissioned in FY 2021.
- (4) Rajkot 1, 2A & 2B are expected to be converted into WSH by Q3FY2024 by adding Rajkot 4 which comprises a 40.0 MW solar project at the same location connecting to same existing pooling sub-station and interconnection point.
- (5) Dayapar project was previously selling to SECI. In its letter dated April 14, 2023, SECI terminated entire PPA in line with terms & conditions of the RfS/PPA. SECI may consider offtake of 88 MW subject to MNRE approval, as stated in the letter. The Company has accepted above mentioned letter and started selling power on exchange from April 20, 2023 at prevailing GTAM prices (currently at approximately INR 4-7 per kWh). Further, the Company is evaluating options of selling power to exchange or C&I consumer(s) under medium/ long-term open access route, pending communication from SECI for its decision on 88 MW.

Our Parent Guarantor

Our Parent Guarantor, Continuum Green Energy Limited, Singapore, was founded by Continuum Energy Pte Ltd, Singapore in 2012 and is focused on establishing a large independent renewable energy producer business in India. In 2012, our Sponsor, a wholly owned subsidiary of a fund entity of North Haven Infrastructure Partners I managed by Morgan Stanley Infrastructure Partners (“**MSIP**”) made a commitment to invest up to U.S.\$200 million of equity in our Parent Guarantor, which was largely invested by early 2018. As of the date of this Offering Memorandum, our Sponsor holds 92.31% of our Parent Guarantor’s share capital. Our Parent Guarantor meets its capital requirements primarily through investments from its shareholders and through the 2026 Notes issued by the Issuer in July and August 2022. Our Parent Guarantor’s subsidiaries meet their capital requirements through investments from our Parent Guarantor, debt financing and operating surpluses. Our Parent Guarantor’s Indian subsidiaries have current and past borrowing relationships with State Bank of India (“**SBI**”), Power Finance Corporation (“**PFC**”), International Finance Corporation (“**IFC**”), Indian Renewable Energy Development Agency Limited (“**IREDA**”), India Infrastructure Finance Company Limited (“**IIFCL**”), India Infradebt Limited, L&T Finance Limited, PTC India Financial Services Limited, Central Bank of India, ICICI Bank Limited, IndusInd Bank Limited, HDFC Bank Limited, Olympus Capital Asia, Canada Pension Plan Investment Board (“**CPPIB**”), Ontario Municipal Employees’ Retirement System (“**OMERS**”), Pierfront Capital (“**Pierfront**”) among others.

Our Sponsor has actively advised and assisted Continuum and its management team in developing a comprehensive business plan for Continuum, in order to take advantage of various opportunities including identifying potential improvements in the areas of personnel, facilities, technology and contracts, and simultaneously setting a timeline for asset growth, operational and performance milestones. We have a practice of frequent reporting and information dissemination to the Sponsor with Continuum meeting corporate governance standards of Morgan Stanley Infrastructure Partners.

Our Sponsor has invested a total of U.S.\$198.0 million in our Parent Guarantor’s operations as of March 31, 2023.

Since 2012, our Parent Guarantor has added wind and solar capacity to its portfolio by developing wind and WSH projects in strategic locations in India. Our Parent Guarantor’s portfolio of assets consists of 16 operational/shortly operational projects with an aggregate capacity of 2.3 GW. Out of these 16 projects, 11 projects are currently operational with a total capacity of 1299.8 MW and remaining five projects are expected to be shortly operational by Q3 FY2024. Our Parent Guarantor owns and operates these projects through its 100% subsidiary in India, Continuum Green Energy (India) Private Limited (CGE IPL), except for Continuum Power Trading (TN) Pvt Ltd, which owns our 126 MW Dayapar project and is directly owned by our Parent Guarantor.

Competitive Strengths

Attractive Industry Dynamics and Economics

India is the third largest electricity producer and consumer globally and is the fourth largest renewable market globally based on installed capacity as of end-2022, according to REN21 Renewables 2022 Global Status Report. The International Monetary Fund (IMF) has projected that India would be the fastest-growing economy in the world, despite confronting considerable challenges across the world. In April 2023, IMF released its latest World Economic Outlook report, projecting that the Indian economy will grow by 5.9% in fiscal year 2024 and 6.3% in fiscal year 2025. According to the agency, India's prospects for 2024 are marked up on expected improvements to credit growth and, subsequently, investment and consumption, building on better-than-anticipated performance of the financial sector. Economic growth fueled by increasing urbanization, industrialization and penetration of technology is also resulting in increasing demand for electricity. Total electricity demand in India grew at a CAGR of 4.3% during the ten years ended fiscal 2023. CEA in its National Electricity Plan dated May 2023 expects energy demand to grow at a CAGR of 6.67% to 1,908 billion kWh by fiscal 2027 and a CAGR of 5.33% to 2,474 billion kWh by fiscal 2032. Further, as per the CEA, the Indian market for renewable energy is anticipated to exhibit a CAGR of 16.5% until fiscal 2027 and CAGR of 12.1% until fiscal 2032 and to have a 35.0% and 44.0% contribution of renewable energy in the total energy demand. The growth is supported by various government policies, rising environmental concerns, incentives, and tax benefits for solar panel installations.

The Indian power sector has traditionally been more dependent on conventional thermal fuel sources, such as coal and gas, than on renewable sources. Power consumption in India, a developing nation, has been increasing at a greater pace. Energy production in India is still dominated by conventional sources such as coal and water-based thermal power plants, however, India's reliance on thermal sources has been adversely affected by persistent shortfalls in coal and gas supplies and water shortages, resulting in increased costs and uncertainty of supply from new thermal power generation capacity. There is an increasing focus on reducing the import of energy in India, relying on alternative sources of energy, and enhancement of domestic supply. Steep declines in solar panel prices over the last several years improving efficiency of wind turbines and rising cost of coal-based power has resulted in more competitive wind and solar power tariffs and has increased the appeal of renewable energy. Wind power in India has already achieved grid parity in some wind rich states, such as Tamil Nadu, Karnataka, Gujarat, Maharashtra and Madhya Pradesh, when compared with newly build coal projects. The GoI has established its commitment to fight climate change by presenting five-point agenda while delivering the "National Statement" at the COP-26 conference in Glasgow, Scotland, which include (i) non-fossil fuel-based energy capacity of the country to reach 500 GW by 2030, (ii) 50% of the country's energy requirements to be met using renewable energy sources by 2030, (iii) country to reduce the total projected carbon emission by one billion tonnes between now and the year 2030, (iv) carbon intensity of the economy to reduce by more than 45% by 2030, and (v) to achieve net zero emissions by 2070.

The GoI is strengthening its efforts to develop renewable energy sources, with the promotion of wind and solar power being one of its key agendas.

Launched in January 2010, the National Solar Mission's objective is to establish India as a global leader in solar energy by creating the policy conditions for solar technology diffusion across the country as quickly as possible. In order to achieve the above target, GoI launched various schemes to encourage generation of solar power, including the Solar Park Scheme, VGF Schemes, CPSU Scheme, Defence Scheme, Canal bank & Canal top Scheme, Bundling Scheme, Grid Connected Solar Rooftop Scheme. In 2015, India laid the foundation for International Solar Alliance, a treaty-based inter-governmental organization working to create a global market

system to tap the benefits of solar power and promote clean energy applications, with over 114 member countries worldwide. Its mission is to unlock U.S.\$1 trillion of investments in solar by 2030 while reducing the cost of the technology and its financing. It promotes the use of solar energy in the agriculture, health, transport and power generation sectors.

The GoI issued National Wind-Solar Hybrid Policy in May 2018 with an objective to provide a framework for promotion of large-scale grid connected wind-solar PV hybrid systems for optimal and efficient utilization of wind and solar resources, transmission infrastructure and land. The wind-solar PV hybrid systems will help reduce the variability in renewable power generation and achieving better grid stability.

In order to overcome the issues of intermittency and low-capacity utilization of transmission infrastructure, the mechanism of 'bundling' has been brought out by the GoI. To ensure uninterrupted firm power round-the clock, renewable energy is bundled with power from other sources or combined storage. Such bundled power is supplied to the distribution utilities thereby obviating the need for distribution utilities to balance power.

GoI launched the Green Corridor initiative in order to strengthen grid interconnections, provide flexible generation, forecast renewable energy generation and improve monitoring (the "**Green Energy Corridor**"). The primary aim of the Green Energy Corridor is to facilitate the transfer of renewable power from the renewable rich potential states to other states as well as absorption of renewable power within the renewable energy-rich states (host state), strengthen intra-state and inter-state transmission systems to accommodate increasing amount of intermittent generation from renewable energy resources.

The Electricity Act, 2003 empowers the CERC and SERCs to specify renewable energy purchase obligations for distribution utilities and ensure compliance. Consequently, electricity regulatory commissions have notified several key regulations such as Renewable Energy Certificates (REC) and Renewable Purchase Obligations (RPO) (on distribution utilities and open access customers), and several incentives and concessions for procurement of power by C&I consumers under open access mechanism, which are key drivers for renewable energy capacity addition across various states.

CERC has introduced Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2022 to ease the purchase of renewable energy by the state utilities and obligated entities, including the states which are not well endowed with renewable energy sources and to create a national level market for renewable generators to recover their cost.

In July 2022, the Ministry of Power updated the Renewable Purchase Obligations from FY 2023 onwards (as % age of total consumption) for all discoms and open access consumers to rise from 24.61% in 2023 to 43.33% in 2030. The Ministry of Power has also notified Energy Storage Obligations, which will become operational from FY 2024, that 1% of a discoms' total consumption should come from renewable (solar or wind) plus storage.

Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 exempts renewable energy from the merit order dispatch mechanism which played a crucial role in partly offsetting operational risk and facilitating growth of the renewable sector in India. Ministry of Power has notified Electricity (Promotion of generation of Electricity from Must-Run Power Plant) Rules, 2021 to ensure that no renewable energy capacity is backed down. This will ensure that the consumers get green and clean power and secure a healthy environment for the future generation.

The National Tariff Policy 2016 encourages the state utilities to endeavour to procure power from renewable energy sources through competitive bidding to keep the tariffs low. In 2017, MNRE announced the guideline for

the tariff based competitive bidding process for procurement of power from grid connected standalone solar and wind projects. In 2020, MNRE announced the guideline for WSH projects. The guidelines help enhance transparency and fairness in the procurement process, while protecting consumer interests through affordable power. These guidelines also provided standardisation and uniformity in processes and a risk-sharing framework between various stakeholders involved in the renewable energy procurement. Additionally, MNRE also granted waiver of interstate transmission system (ISTS) charges on transmission of electricity generated from solar and wind power projects to be commissioned up to June 30, 2025.

Furthermore, the Ministry of Power has also proposed a draft Electricity (Amendment) Bill, 2022 which include, among other things, (i) introducing a framework which would allow more than one distribution company to supply power in a given area; (ii) requiring energy regulatory commissions to include at least one member with experience and qualifications in law and also increasing the number of members of the APTEL; (iii) empowering the National Load Despatch Centers to oversee the national grid; (iv) requiring any contract for scheduling or dispatch of power to provide for an adequate payment security mechanism, as per contracts; (v) introduction of penalties for failure to meet RPO; (vi) removing requirement of more than one distribution licensee (discom) to operate in the same area and supply electricity through their own network; (vii) requiring the network-owning discoms to provide open and non-discriminatory access to its network to other discoms; (viii) sharing of the power and associated costs from existing power purchase agreements (PPAs) among all discoms in an area; (ix) determination of the floor and ceiling tariffs for retail supply by the State Commission, if there is more than one discom in an area; (x) setting up a cross-subsidy balancing fund by the state government to deposit surplus of cross-subsidy with one discom, and to provide for any deficit with another discom in the same or any other area; (xi) providing for a payment security mechanism to ensure timely payment to generation companies; and (xii) amending the qualification for chairpersons and other members of the Central and State Commissions. The Electricity (Amendment) Bill, 2022 was introduced in Lok Sabha in August 2022. It has been referred to the Standing Committee on Energy for detailed examination.

In February 2021, the GoI issued the Electricity (Late Payment Surcharge) Rules, 2021 governing the charges payable by distribution companies to generating companies for power procured from them. Ministry of Power, GoI notified Late Payment Surcharge Rules on June 3, 2022 (the “**LPS Rules**”) superseding the earlier rules notified in February 2021. The LPS Rules impose certain timelines to incentivize discoms to make payment for electricity. In case of any delay in these timelines, discoms will be debarred from electricity exchange for any purchase or sale of electricity and shall also loose access for any short term sale (up to 1 year) arrangements until the dues are fully paid. If dues are not paid even after this timeline, discoms shall loose the ability to purchase/sell electricity under medium term (up to three years) and long term agreements also shall be reduced progressively at the rate of 10% for every additional month of delay. As an example, on August 18, 2022, 13 discoms including Maharashtra and Madhya Pradesh discoms were disconnected from the electricity exchange until the dues including late payment surcharge are cleared as per revised agreed timeline of one month from due date or two and half months from the date of invoice, whichever is later. This provides focused implementation of the amended rules and regulations from the Central Government and a positive step for the resolution of profit and loss level issues of discoms instead of one time resolution of balance sheet challenges. The LPS Rules cover our Surajbari 1, Bothe and Ratlam 1 projects. Receivables in Bothe and Ratlam 1 project have substantially reduced following implementation of LPS rules.

Ministry of Power also notified Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 on June 6, 2022. These rules were notified for promoting generation, purchase and consumption of green energy. It enables a simplified procedure for the open access to green power. As per the rules, the green open access is allowed to any consumer and the limit of open access transaction has been reduced from 1 MW to 100 kW for green energy in order to enable small consumers also to purchase renewable power through open access. There will be transparency in the approval process of the open access applications.

Central Government has also launched Discoms Reform 3.0 program, with the objective to resolve revenue deficit problem being faced by discoms instead of one-time balance sheet management. Guidelines for Revamped Distribution Sector Scheme (RDSS) released in December 2021 clearly identify that discoms need to focus on improving their operational efficiencies and financial sustainability and improve consumer services, to be able to meet the desired consumer service standards. Through Discoms Reform 3.0 program, following objectives are planned: (i) improved quality, reliability and affordability of power supply to consumers; (ii) financially sustainable and operationally efficient distribution sector; (iii) ensuring zero revenue deficit for discoms by FY 2025 by aligning tariffs to meet cost of supply, and (iv) reducing the Aggregate Technical and Commercial (AT&C) losses to pan-India levels of 12-15% by FY 2025. In case discoms are unable to meet the agreed objectives as per timelines proposed, they shall be denied access to banks and financial institutions or federal financial support. Evaluation criteria has been defined, to be monitored by institutions like Power Finance Corporation and Rural Electricity Corporation, which focus on factors like zero deficit between tariffs and costs, timely payment of subsidy by state governments to discoms, timely payment by discoms to generators/transmission companies and reduced AT&C losses as per agreed trajectory. This is expected to necessitate tariff increase for consumers, especially C&I consumers. For FY 2023, we have witnessed increase in tariff from 8%-13% in all key state where we are present and selling power to C&I customers:

Variable Tariff charged by Discoms to Industries	Gujarat	Tamil Nadu	Madhya Pradesh	Maharashtra
Q1 FY 2023, INR/kWh	7.30	6.90	6.28	6.89
Q1 FY 2024, INR/kWh	8.25	7.57	6.80	8.12
% increase	13%	9.7%	8.3%	17.8%

We believe these measures provide a favorable environment to own and operate wind and solar farms in India. Continuum has carefully curated portfolio of projects well poised to create sustainable value.

Carefully curated portfolio of projects

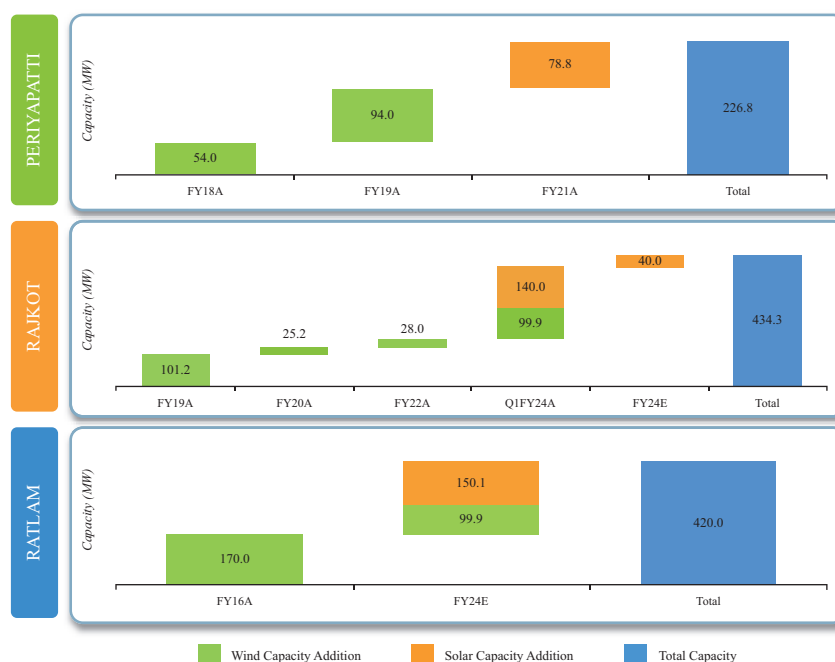
We have focused on conceptualization and building of projects with high efficiency and creating significant moats with sustainable intrinsic value.

- Most of the Group's projects are connected to extra high voltage connectivity, which ensures reliability of power, a key concern of most of the industrial consumers. There has been no history of curtailment in existing projects except in case of Periyapatti project, where high voltage green corridor completion was delayed from utility end, which was completed in March 2022 and we have experience no curtailment since June 2022. Higher voltage connectivity also helps absorb variability in nature of power generation for renewable sector.
- We focus on building and owning dedicated evacuation and interconnection facilities, which reduces dependence and reliance on third parties for operation, maintenance as well as retaining the ability for upgradation, brownfield expansion of projects and conversion into wind-solar or wind-solar-storage hybrids over time. Since the balance of plant is controlled by ourselves, we retain the capability to replace the contractors for undertaking O&M services for the plant. Due to intrinsic project design advantages built from the start, we are in a position to hybridize existing windfarms into WSH and later WSH storage projects. Since we own 100% of the wind turbines in windfarms (except in Surajbari 1, Surajbari 2 and Dayapar projects) with no shared infrastructure with other wind turbine owners, we retain self-development capability for upgradation and augmentation of the project capacity as per technological evolution.
- In C&I business, WSH projects provide up to approximately 3.7 times more value for consumers than standalone solar projects. Due to higher PLF, wind capacity provides approximately 2.2 times more MWh

per MW of consumer load compared to solar. The grid access costs are payable per MW of connected load in most of the states, which results in approximately 30% lower charges per kWh for wind capacity compared to standalone solar capacity and approximately 50% lower charges per kWh for WSH capacity compared to standalone solar capacity. Further, due to the complimentary nature of generation for wind and solar projects, hybrid capacities offer lower fluctuation and better intra-day matching with demand curve of power, requiring lesser storage capacities for dispatchable supply. Approximately 70% of 2.3 GW of operational/shortly operational capacities of the Group are WSH projects. These WSH projects are expected to require lower storage capacity addition for future expansions once storage cost is economically attractive, retaining a significant future potential for cross-selling of products and services. At present, we supply approximately 50% of our consumers' consumption requirement. With addition of storage capacity, we can supply dispatchable power to the consumers as a premium service and can take the supply contract for arrangement of remaining electricity needs of the consumers through its own projects, third party projects or power exchange solutions, thereby increasing our business volume.

- With focus on Utility scale C&I segment in renewable space which is a differentiated approach amidst the competition chasing the large utility scale low tariff auctioned projects, we have focused on states with (i) higher wind and solar resource availability, (ii) higher industrialization, and (iii) regulatory maturity to ensure stability in the business. In addition, we have successfully developed relationships with over 190 C&I consumers, with high repeat order business for new projects. We have also built a mechanism in which in case of any increase or decrease in grid discom tariff or open access charges, upside/downside is shared between the consumer and us. This creates a win-win approach where in case of any increase in grid tariff, additional benefit is passed on to the consumer in the form of higher savings compared to the grid discom tariff as well as to us in the form of higher net tariff.
- We have carefully selected projects to lock-in long term policy benefits to place us at substantial advantage compared to our competitors. For example:
 - Tamil Nadu: Our 148 MW wind power project at Periyapatti is entitled to annual (on fiscal year basis) energy banking arrangement with the discom, an arrangement not available to wind projects commissioned after March 31, 2020. We can bundle the electricity supply from the Periyapatti project with annual banking facility with the production from new projects being constructed in the state. Given that banking required by consumers is less than approximately 20% of total energy supply in a year, with banking available for 148 MW, we are in a position to create approximately 600 MW of additional wind capacity by utilizing the advantage created by this banking arrangement in place. On top of this additional approximately 600 MW wind capacity, an additional approximately 900 MW solar capacity can be added to offer WSH production to consumers. Of this additional capacity, the first 272.4 MW of WSH capacity is already under construction at our Dalavaipuram project, which is expected to be operational by Q3 FY2024E.
 - Gujarat: (i) Any new wind energy project commissioned post March 2023, (ii) any solar project commissioned after December 31, 2020; and (iii) any new WSH project commissioned post June 2023 or any further extension will lose the 25-year waiver of 50% of cross subsidy surcharge and 50% waiver of additional surcharge on third party sale. Our commissioned capacity in Gujarat, prior to expiry of the said policy benefits, shall be able to lock-in these significant benefits of approximately INR 2.00/kWh of electricity generated for 25 years.
 - Madhya Pradesh: Ratlam 2 is a WSH project comprising of 99.9 MW of wind power project and 150.1 MWp DC solar power project located in Ratlam and Mandsaur districts of Madhya Pradesh. The proposed project is brownfield expansion of existing Ratlam 1 project of 170 MW. Ratlam 2

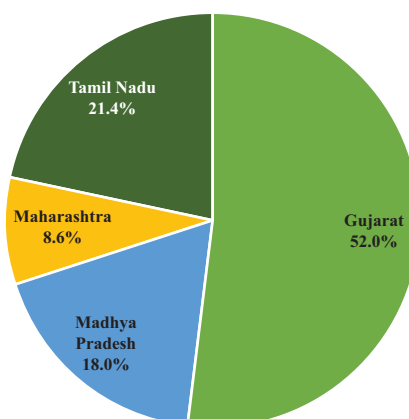
project shares evacuation infrastructure with existing Ratlam 1 project and is connected to the existing pooling substation at Bhatkheda which is further connected to existing Grid Substation of MP Power Transmission Company Limited (MPPTCL) at Daloda through 220 kV Extra High Voltage (EHV) line, connectivity approval for which has been received. The capital expenditure saving on evacuation infrastructure has helped lower the levelized cost of electricity from the project.



Diversified Portfolio of Clean Energy Assets

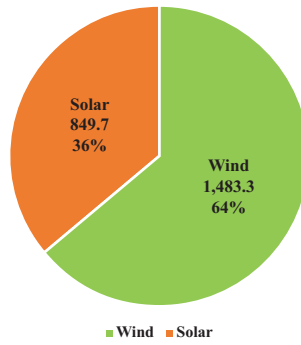
We own and operate large wind projects and large wind-solar co-located/hybrid projects in India, with a total operating/shortly operational capacity of 2.3 GW of generation capacity. We mitigate our resource risks through our presence across wind-rich states in India. As seen in the diagram below, our projects are located in Maharashtra, Madhya Pradesh, Tamil Nadu and Gujarat which account for 8.6%, 18.0%, 21.4% and 52.0% of the generation capacity respectively, of the 2.3 GW.

Presence across wind-rich states mitigates resource risk (by capacity)

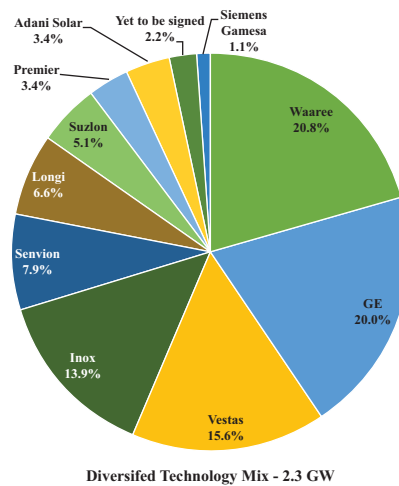


Operational/Shortly Operational 2.3 GW

Capacity (MW)



We purchase equipment from reputable turbine and solar module suppliers such as Vestas, GE, Suzlon, Senvion, Siemens Gamesa, Inox Wind, Waaree Energies, Longi (Vietnam), Premier Energies and Adani Solar. Certain turbine models which we have purchased from these suppliers have already had several years of successful operational history. The below charts show details of the various turbines and modules used across all technologies:



Contracts for wind turbines and solar modules for the entire 2.3 GW in INR-denominated fixed prices have already been tied up except for certain solar capacity for the Kalvad 1 project.

Project	Location (State)	Capacity		Equipment	Equipment Details
		(MW)	Type		
Surajbari 1	Gujarat	16.5	Wind	Vestas	10 x Vestas V82 1.65 MW at 78m hub heights
Surajbari 2	Gujarat	18.0	Wind	Vestas	10 x Vestas V100 1.8 MW at 95m hub heights
Bothe	Maharashtra	199.7	Wind	Vestas	40 x Vestas V100 2.0 MW at 95m hub height (upgraded with advanced aerodynamics)
				Suzlon	40 x Suzlon S97 2.1 MW at 90m hub height
				Suzlon	17 x Suzlon S97 2.1 MW at 80m hub height
Ratlam 1	Madhya Pradesh	170.0	Wind	Inox Wind	85 x Inox 100 2.0 MW at 92m hub height Upgraded with a booster package
Periyapatti	Tamil Nadu	226.8	WSH	Vestas	60 x Vestas V100 2.0 MW at 95m hub height
				Vestas	14 x Vestas V110 2.0 MW at 95m hub height
				Adani Solar	Adani Solar Poly Crystalline modules for 78.8 MWp

Project	Location (State)	Capacity		Equipment	Equipment Details
		(MW)	Type		
Rajkot 1	Gujarat	101.2	WSH ⁽¹⁾	Vestas	46 x Vestas V120 2.2 MW at 120 m hub height
Rajkot 2A	Gujarat	25.2	WSH ⁽¹⁾	Siemens Gamesa	12 x Siemens Gamesa SG122 2.1 MW at 127 m hub height
Dayapar	Gujarat	126.0	Wind	Inox Wind	63 x Inox 2 MW DF2000_113_ at 92 m hub height
Rajkot 2B	Gujarat	28.0	WSH ⁽¹⁾	Inox Wind	14 x Inox 2 MW DF2000_113_ at 92 m
Morjar 1	Gujarat	148.5	Wind	GE	55 x GE 132 2.7 MW at 130 m hub height
Rajkot 3	Gujarat	239.9	WSH	GE	37 x GE 132 2.7 MW at 130 m hub height
				Waaree Energies	Monocrystalline, Monofacial module for 140 MWp
Ratlam 2	Madhya Pradesh	250.0	WSH	GE	37 x GE 132 2.7 MW at 130 m hub height
				Waaree Energies	Monocrystalline, Monofacial module for 100.1 MWp
				Premier Energies	Monocrystalline, Monofacial module for 50 MWp
Dalavaipuram	Tamil Nadu	272.4	WSH	GE	44 x GE 132 2.7 MW at 130 m hub height
				Longi	Monocrystalline, Monofacial module for 153.6 MWp
Bhavnagar	Gujarat	300.8	WSH	Senvion	44 x Senvion M130, 2.7 MW at 130 m hub height
				Waaree Energies	Monocrystalline, Monofacial module for 152 MWp
				Premier Energies	Monocrystalline, Monofacial module for 30 MWp
Kalvad 1 ⁽²⁾	Gujarat	170.0	WSH	Senvion	24 x Senvion M130, 2.7 MW at 130 m hub height
				Waaree Energies	Monocrystalline, Monofacial module for 52.9 MWp. Balance 52.3 MWp to be signed.
Rajkot 4	Gujarat	40.0	WSH ⁽¹⁾	Waaree Energies	Monocrystalline, Monofacial module for 40 MWp
		2,333.0			

Notes:

(1) We expect to subsequently convert Rajkot 1, 2A and 2B into WSH by adding Rajkot 4 which comprises a 40.0 MWp solar project at the same location connecting to the same project sub-station.

(2) Term sheet signed with Senvion for supply of WTGs and advance of INR 419 million paid to Senvion.

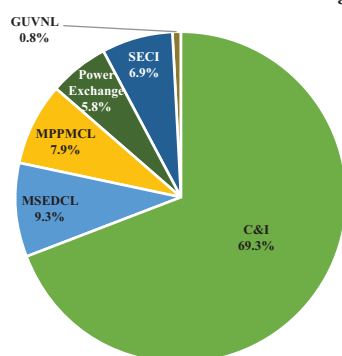
Distinctive Business Model with Diversified Off-taker Mix and Earnings Visibility through Long-term PPAs/ Variable tariff C&I PPAs with superior counterparties

As seen in the diagram below, we have a diversified mix of PPAs that comprises:

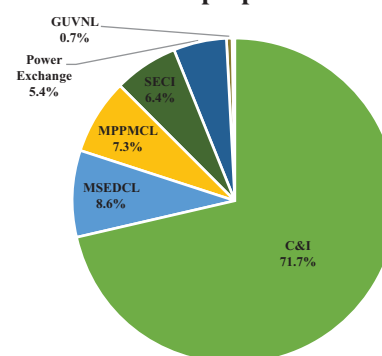
- (i) Fixed tariffs (for 13-25 years term of the PPAs) PPAs with GUVNL & SECI utility for projects in Gujarat, MSEDCL distribution utility in Maharashtra and MPPMCL distribution utility in Madhya Pradesh; and
- (ii) C&I tariff PPA with over 190 C&I consumers together in Gujarat, Tamil Nadu and Madhya Pradesh.

Offtakers mix (by capacity)

Offtake Mix for 21 GW - PPA Signed



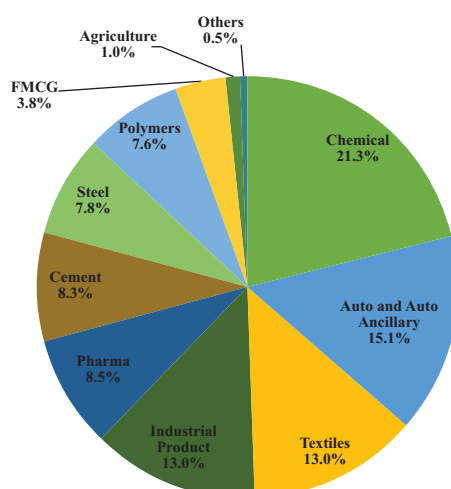
Offtake Mix for proposed 2.3 GW



In FY 2023, we generated 41.6% of our gross revenue from the sale of electricity to Utilities (SECI, GUVNL, MPPMCL and MSEDCL). Additionally, the Bothe and Ratlam projects are eligible for GBI benefits from the GoI (paid by IREDA) which constituted 3.1% of our gross revenue in FY 2023. The PPAs with Utilities are structured on a fixed tariff and long tenor, which provide off-take security and high visibility of our future financial performance. The run rate gross revenue from sale of electricity to Utilities is expected to be about 22.0% of our portfolio of 2.3 GW, which is expected to further change as Utility PPAs expire and we start selling power to C&I consumers. For instance, the PPAs for our Bothe project of 199.7 MW with MSEDCL are due to expire between FY 2027 and FY 2028 and the PPAs for our Surajbari 1 project of 16.5 MW with GUVNL are due to expire in FY 2028.

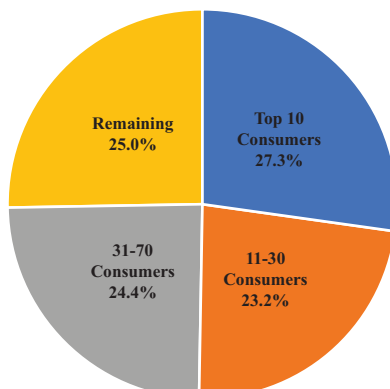
In FY 2023, we generated 55.3% of our gross revenue from the sale of electricity from our PPAs with C&I consumers. PPAs with C&I consumers are generally for 5 to 25 years, at tariffs set at a level lower than their alternative variable cost of power purchase from distribution utilities and cater to 50% to 60% of an individual consumer's demand of electricity, which ensures off-take security and high visibility of our future financial performance. The run rate gross revenue from sale of electricity to C&I is expected to be about 78% on account of sale of power out of operational/shortly operational projects. As seen in the diagram below, our C&I consumers span a wide range of industries mitigating our offtake risk with no single industry accounting for more than 25% of our total sales to C&I consumers.

C&I Off-taker industries (by capacity)



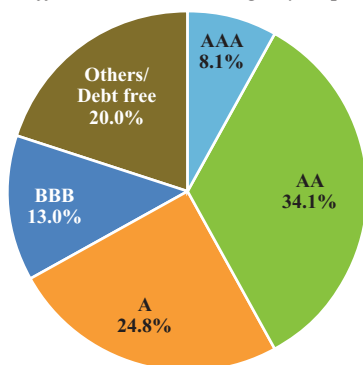
Further, in our C&I business, we face reduced customer concentration risk with no C&I consumer accounting for more than 3.5% of our overall business capacity in any single project.

C&I Off-taker share (business capacity)

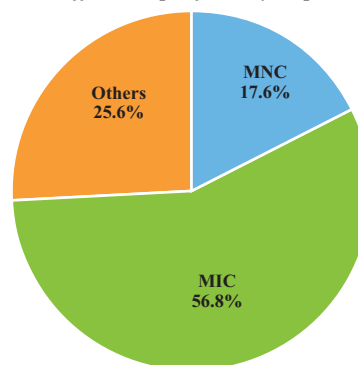


We have entered into PPAs with high quality C&I consumers — as seen in the diagram below, more than 85% of our consumers are either debt free or rated “A+/-” or higher by independent, regulated credit rating agencies in India. More than 70% of our consumers belong to multinational companies (MNC) or marquee Indian consumers/industrial groups (MIC).

C&I Off-taker credit rating (by capacity)



C&I Off-taker profile (by capacity)



The high quality and diversified consumers mix helps achieve 100% of offtake from the project. Even during the lockdowns period from March to July 2020 in the wake of COVID-19, 94.4% of our total saleable generation from C&I projects was accounted for by consumption by our C&I consumers and the balance was sold to distribution utilities at predetermined tariffs.

We continue to scale up our C&I segment by adding additional consumers and through the increase in consumption by our existing consumers.

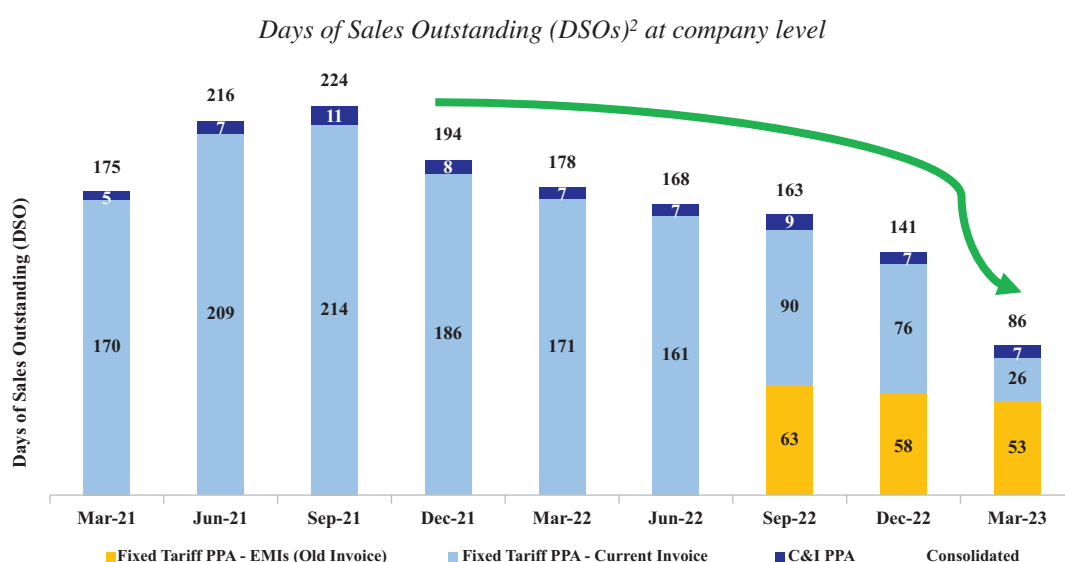
Industry Leading Receivables Position

We sell all our electricity to combination of Utilities and C&I consumers. With our C&I consumers, we carry receivables of less than 21 days. To Utilities, we sell electricity from:

- 16.5 MW Surajbar-1 project to GUVNL which is the best rated electricity discom in India with a rating of “AA” by CARE. GUVNL has consistently paid ahead of due date and claimed early payment discount;

- 199.7 MW Bothe project to Maharashtra discom MSEDCL. In FY 2023, MSEDCL made payments equivalent to approximately 19 months of billing. All invoices raised till generation month of January 2023 have been cleared by MSEDCL till June 30, 2023. The current receivable cycle (up to June 2023) for MSEDCL stands at four months from the invoicing date (i.e. two months from the due date). Enactment of LPS Rules ensures that the payments from MSEDCL are being collected at frequent intervals within 3-4 months of invoicing date along with LPS. LPS has been paid for invoices submitted till November 2022. Further, MSEDCL has also started remitting payments against generation from 6.3 MW (for which PPA has not been signed) as per provisional invoice being raised at a tariff of INR 3.50/kWh from October 10, 2022 pursuant to favourable interim Supreme Court Order. Payment against such invoices have been received till the generation month of March 2023. The ongoing litigation with respect to signing of PPAs for 6.3 MW capacity and related details have been discussed subsequently. See “ — Governmental, Legal and Arbitration Proceedings — Proceedings instituted by Bothe Windfarm Development Private Limited against MSEDCL”;
- 170.0 MW Ratlam I project to Madhya Pradesh discom MPPMCL. Pursuant to the LPS Rules, MPPMCL has opted to reschedule their dues till generation month of March 2022 along with LPS amount in 40 equal monthly instalments under the revised LPS Rules. We have already collected 11 instalments till June 30, 2023. The current receivable (up to June 2023) stands at one month from the invoice submission date, with invoices till generation month of April 2023 and invoiced in May 2023 collected before June 2023; and
- 148.5 MW Morjar-1 project to SECI (which is rated “AAA” by ICRA). SECI has been paying bills within 10 days, earlier than due date, and claiming an early payment discount of 2%.

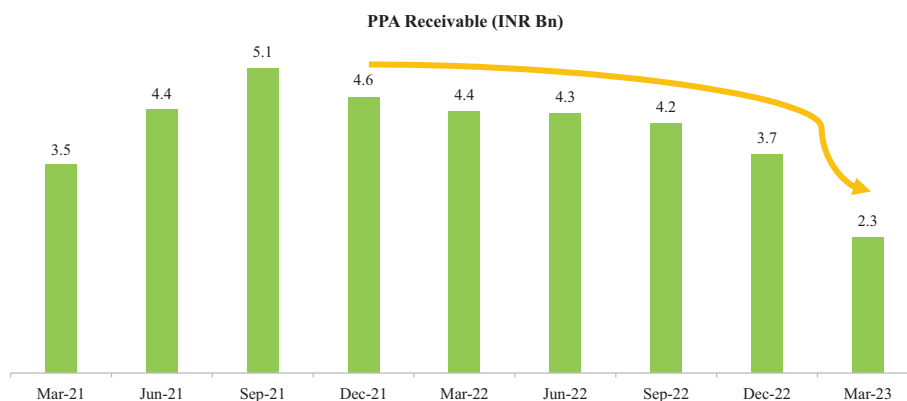
We previously sold electricity from our 126 MW Dayapar project to SECI, however SECI terminated the entire PPA in line with terms & conditions of RfS/PPA pursuant to its letter dated April 14, 2023. SECI may consider offtake of 88 MW subject to MNRE approval, but as of the date of the Offering Memorandum communication from SECI on the same is pending. In the interim, we have acknowledged the termination letter from SECI and have received permission (Standing Clearance) from WRLDC to sell power (for the entire commissioned capacity of 126 MW) on power exchange from April 20, 2023 at prevailing GTAM prices (currently at approximately INR 4-7 per kWh). Subject to the decision of MNRE, we may explore engaging with certain C&I consumers to sell power under a long term physical or virtual PPA at attractive tariffs.



Note:

- (1) $DSO = (365 * \text{Receivables}) / (\text{LTM billings})$.

Decrease in receivable cycle is also reflected in reduction in receivable as under:



Due to benefits of the LPS Rules in relation to projects selling power to discoms, with the operation of 126.0 MW and 148.5 MW projects selling power to SECI and electricity exchange and with the increase in C&I capacity, our overall DSOs have reduced significantly. Our overall receivable cycle for the portfolio has reduced to 86 days and is expected to further improve after increase in C&I operating capacity as part of 2.3 GW portfolio and payment of monthly instalments by MPPMCL. Of the 86 days, 53 days of DSOs were represented by the receivables due from MPPMCL rescheduled to be paid in 40 monthly instalments beginning on August 5, 2022. All instalments due until June 2023 have been paid on time.

Low operating risk with superior project quality and asset management approach

We mitigate wind risks with our thorough site selection process. Our projects were selected after analyzing long-term wind data from multiple onsite wind masts to increase generation reliability. We conduct external and in-house micro-siting studies and layout planning to reduce wake effects and maximize generation at our project sites. We focus on high quality of wind resource data by ensuring data from (a) multiple onsite met masts, (b) multiple years of measurement, and (c) higher met masts.

Regarding solar projects, the databases and software publicly available for assessing solar resources are substantially comprehensive, reflecting a higher degree of accuracy than analogous sources typically provide for wind resource. Accordingly, we find available databases and software to be substantially adequate for all of our solar resource assessment purposes.

Unlike companies that purchase wind turbines on a turnkey basis from wind turbine manufacturers where they control a portion of the turbines in a wind project, our project companies control the entirety of our wind/solar projects (with the only exceptions of Surajbari and Dayapar where we own the turbines and we share the common infrastructure with other developers) and have exclusive grid connections to evacuate power from them, which gives us the flexibility to choose the wind turbine technology, partner with multiple suppliers and O&M contractors, manage our regulatory risks and maintain the flexibility to deploy the latest technology (including solar hybrid and electricity storage solutions) at our projects. Our experienced in-house team helps us deliver improved cost efficiencies and greater quality control over designing, sizing, engineering, developing, constructing and operating our wind and solar projects.

We use superior quality electrical components to reduce transmission loss and improve plant availability for our wind and solar project. For example, we have deployed rolled steel joist poles and galvanized square cross-sectional poles to ensure good mechanical strength of the transmission lines and extend their durability. We also installed the AL59 conductor instead of the ASCR model to ensure better internal grid connections and reduced line losses. To reduce downtime, we have deployed suspension type insulators and installed higher poles with bird guards.

We also maintain complete control over the evacuation infrastructure to minimize downtime. For example, we have mostly deployed double circuit EHV transmission lines to reduce downtime risks in case of mishaps, provided transfer buses in substations to help secure downtime in case of a system failure and optimized internal lines to achieve full utilization of feeder capacity and lower right of way concerns.

We operate our projects in tandem with equipment vendors and O&M contractors under long-term contracts. While the OEM equipment vendors are awarded Full-Service Agreement for operating and maintaining the wind turbines and solar panels, we operate and maintain the balance of plant (“BoP”) inhouse. We have strong partnerships with reputable O&M operators and suppliers such as Vestas, Siemens Gamesa, GE, Inox Green, Suzlon, Senvion, Larsen & Toubro, Waaree Energies and Gensol. As part of our O&M operations, we have a dedicated in-house team of 66 employees, as of March 31, 2023. We have well-defined asset management practices and have received ISO certification for Quality, Environment and Safety.

ISO 9001 : 2015 (QUALITY) CERTIFICATE, ISO 14001 : 2015 (ENVIRONMENT) CERTIFICATE AND ISO 45001 : 2018 (SAFETY) CERTIFICATE FOR O&M PRACTICES AND UNDERGO REGULAR AUDITS



Our operational wind and solar projects require low levels of expenditure to operate and maintain them. For our wind projects, we have comprehensive O&M contracts for periods of 10 to 20 years with first 2-3 years of free O&M. The comprehensive O&M contracts include scope of repairs and replacement of minor/major components within the fee agreed for these contracts. These contracts generally provide for a warranty for a minimum period of two years from the earlier of the date of commissioning or the date of supply, a power curve guarantee which assures reliability of performance of the wind turbines and a guaranteed operational performance commitment in the form of a minimum availability guarantee of 95% to 97% of the wind turbines’ availability to generate electricity for a specified percentage of time with liquidated damages calculated by way of revenue loss. In addition, serial defect warranties, access to unfiltered turbine data, blade cleaning services and seasonal availability guarantees also help improve the performance.

Our contracts for our solar project includes a warranty for two years, performance ratio guarantees for up to five to eight years, starting at 81.55 - 82% and a comprehensive O&M contract for 5-10 years.

In several of our O&M contracts for our wind projects and in the O&M contract for one of our solar project, instead of paying a fixed fee per year per MW of capacity, we pay the O&M fee on per kWh of electricity generated from the plant (subject to a base minimum fee per MW per year) thereby aligning our and O&M contractor’s interest in maximizing generation and reducing downtime.

Real time monitoring through AOMS solution

Since 2017, all of the operational wind and solar projects are monitored using real-time state-of-the-art artificial intelligence based monitoring systems, providing continuous, real-time alerts, predictive maintenance requirements to our operations team. Our analytics solutions help to track the health of our equipment, trigger maintenance alerts, conduct detailed root cause analysis of alarms to enable us to better understand the equipment issues, create fault patterns and run probabilistic models to help us estimate on a real time basis the likelihood of faults. The solution is scalable to any wind turbine and solar module/invertor model.

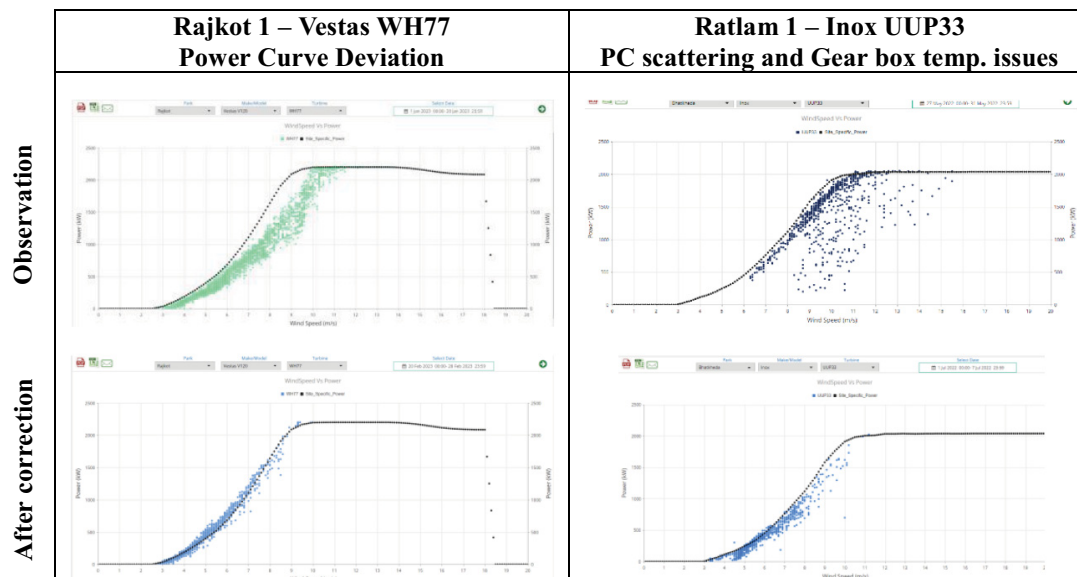
				
Data Centralization	Clear Reporting	Push O&M beyond SLA	Performance Analytics	Predictive Maintenance
Real time unrestricted data collection on per sec basis from Turbines, Balance of Plant, and Weather / Forecasting model	Generation of periodic reports and continuous monitoring of system KPIs	Continuous parallel monitoring of alarms & downtime, and thereby pushing the O&Ms to perform beyond SLA	Detailed analytics on system Health and Performance by assigning Risk & Performance scores	AI based comparative analysis of performance and alarms within the turbine pool, assist in detecting future issues

Our in-house O&M capabilities and timely maintenance of assets help to minimize downtime. We have also achieved operational efficiencies due to our real-time artificial intelligence-based portfolio monitoring systems, data analysis, wind/solar forecasting practice, efficient vendor agnostic equipment selection and a centrally dedicated asset monitoring team for superior portfolio monitoring practice. Our Asset Operations Monitoring System (AOMS) collects more than 65 gigabytes of data every day and along with more than 50 terra bytes of data already collected, continuously benchmarks the wind/solar equipment against other wind /solar equipment in the same wind/solar projects as well as across our fleet to identify deviation in performance of components and various indicators such as temperature, pressure, power curve performance, etc., raises alerts in case of deviations and suggests probable causes for such deviation for further investigation. This helps our operations teams, in many cases, to identify potential problems before an equipment failure occurs so that proactive actions can be taken to preserve equipment health, procure spare parts and schedule maintenance (predictive maintenance). Several times, these problems were not identified by our O&M contractors. Therefore, this system helps improve the quality of our operations and maintenance than if we relied solely on our O&M contractors. More than 2,991 intelligent predictive alerts have been raised between April 2017 and March 2023 (not identified by OEM operator).

For example:

- On March 23, 2023, at our Bothe project, we observed that for WTG SP22, generator bearing NDE temperature was 20 degrees higher than park average (74 degrees against 50 degrees). Temperature increased since March 20, 2023. The issue was notified to OEM and suggested for corrective action. Manual lubrication completed on March 27, 2023 and temperature of SP22 dropped down to 56 degrees after that.
- On December 15, 2022, for our Ratlam 1 project, generator bearing drive end temperature of DJE18 was reaching above warning limit since December 9, 2022. As per WTG breakdown history, bearing DE & NDE greasing was done on December 9, 2022. However, the temperature was still high even after 6 days of greasing. Issue was notified to OEM again on December 22, 2022 for possible bearing damage. WTG was again attended on December 25, 2022 and observed abnormality in the bearing. We replaced both generator DE & NDE bearing. The temperature was within 2 standard deviation limit of park average after that.

- In September 2022, power curve deviation was observed in WTG WH77 at our Rajkot 1 project and the issue was highlighted to OEM on September 23, 2022. Deviation became significant during January 2023 depending on the intensity of dust accumulation on blades. The issue was notified to OEM and blade cleaning activity was suggested. Blade cleaning was undertaken in WH77 on February 14, 2023. The power curve improved thereafter.
- On July 19, 2022, at our Ratlam 1 project, generator side choke temperature was increasing for one of the WTG. The issue was highlighted to OEM on the same day. WTG was attended on the next day. The generator choke fan was found not working and was replaced by new one. Temperature was normalized thereafter.
- On July 12, 2022, at our Bothe project, generator NDE side temperature was increasing for one of the WTG when compared to nearby WTGs. The issue was highlighted to OEM on the same day. WTG was attended on the same day and manually lubrication was done. Temperature got normalized thereafter.
- In our Ratlam 1 project, we observed scattered power curve in WTG UUP33 since May 27, 2022, due to the high gearbox temperature. Issue was highlighted to OEM. On inspection, dust was found in the gearbox radiator. Radiator cleaning was done and the power curve improved thereafter.

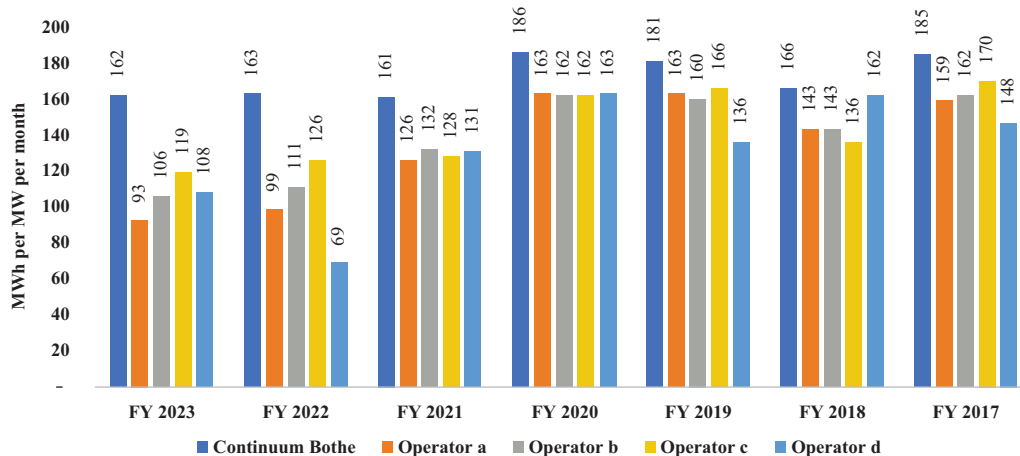


Our O&M team is able to resolve issues in a few days and this helps us avoid generation losses during peak wind season and potential downtime and keep our machine availability high.

Due to our complete ownership of our wind projects, we have the ability to switch wind turbine OEM operator (in case of unsatisfactory service) and mitigate the risk of relying on one specific vendor. Vendors such as Vestas, Siemens Gamesa, Suzlon and Dalian Huarui Heavy Industry Group, among others, have the expertise to take over O&M operations at our wind projects where the wind turbines have been supplied by other turbine manufacturers.

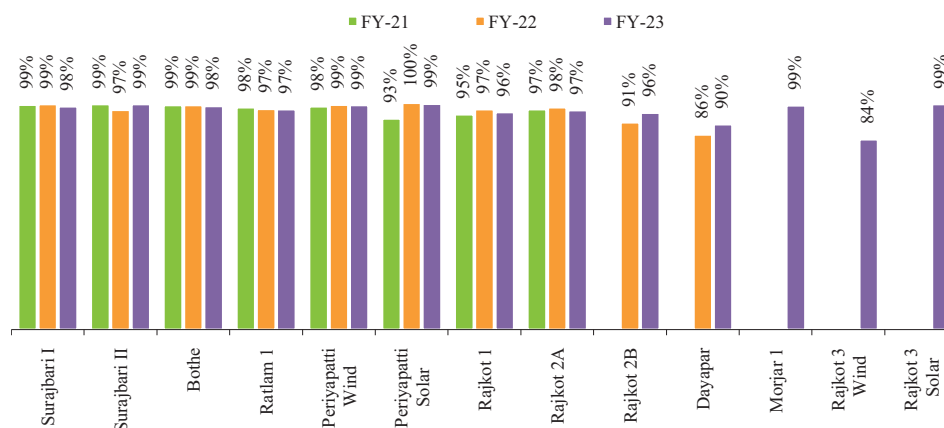
We believe that all the above features as described will help us achieve superior performance as compared to our competitors. As an example, according to data obtained from the Maharashtra State Load Despatch Centre, the Bothe project achieved higher monthly generation per MW of installed capacity than our competitors for the periods indicated in the chart below.

Our generation compared to our peers



Some of the KPIs we track at our projects are machine availability, internal grid availability, external grid availability and Mean Time Between Inspections (“MTBI”). Higher MTBI indicates less requirement for maintenance personnel to attend to wind turbines and indicate better wind turbine health and lower downtimes. Machine availability and internal grid availability are a function of the quality of our own windfarms and of our maintenance. We believe we have achieved industry leading availabilities and MTBI as set out in the chart below, for the periods indicated.

Machine Availability (%)

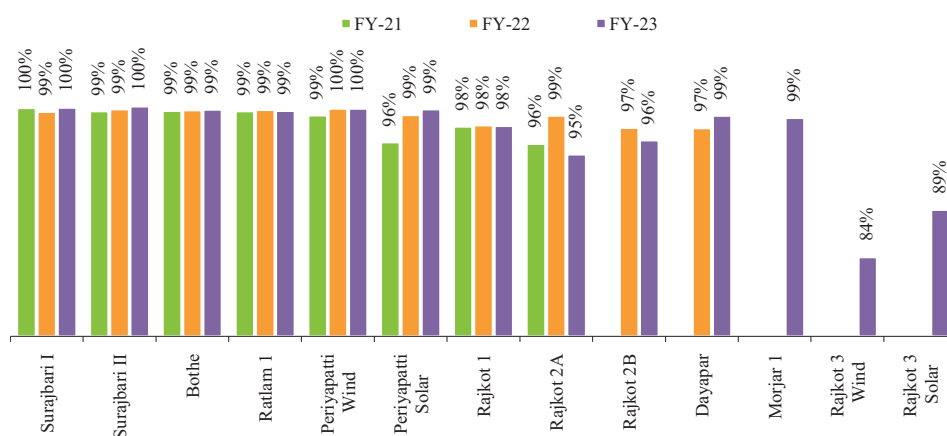


Notes:

- (1) FY 2021: (i) availability at Periyapatti solar project and Rajkot 2A project was lower due to stabilization period as part of first year of operations; (ii) availability at Rajkot 1 project was lower because wind turbines were shutdown/operated in derated mode as a precaution after the fire incident in Vestas make wind turbine in July 2020 at Rajkot 1 project. Rectification works were undertaken on the wind turbines between September 2020 to February 2021.
- (2) FY 2022: (i) availability at Rajkot 2B and Dayapar projects was lower due to stabilization period post commissioning for Rajkot 2B and Dayapar project.

- (3) FY 2023: (i) availability at Rajkot 1 project was lower due to implementation of software upgrade for 19 WTG; (ii) Rajkot 1, 2A & 2B project faced downtime due to reshuffling of internal transmission lines because of construction and addition of the Rajkot 3 project; (iii) Rajkot 1, 2A & 2B project wind turbines were down due to transformer failure and restoration was delayed due to crane availability; (iv) Rajkot 3 project was partly operational and under stabilization.

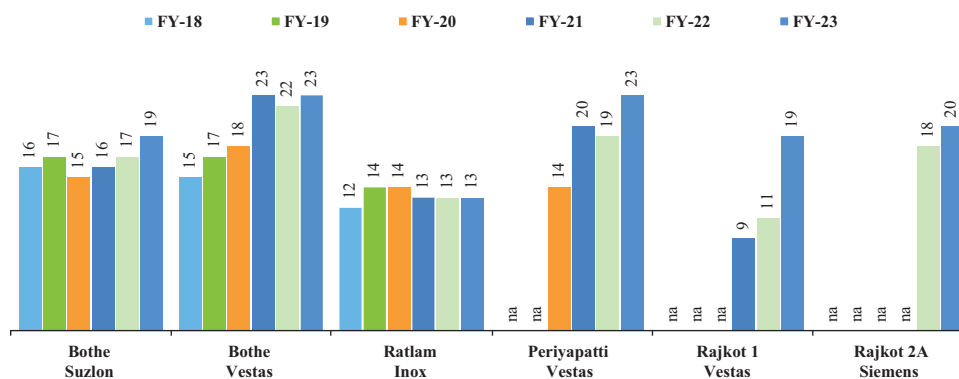
Internal grid Availability (%)



Note:

- (1) FY 2023: (i) low Internal grid availability for Rajkot 1, 2A and 2B project on account of downtime due to reshuffling of internal lines because of construction of the Rajkot 3 project; (ii) Rajkot 3 project was partly operational and under stabilization.

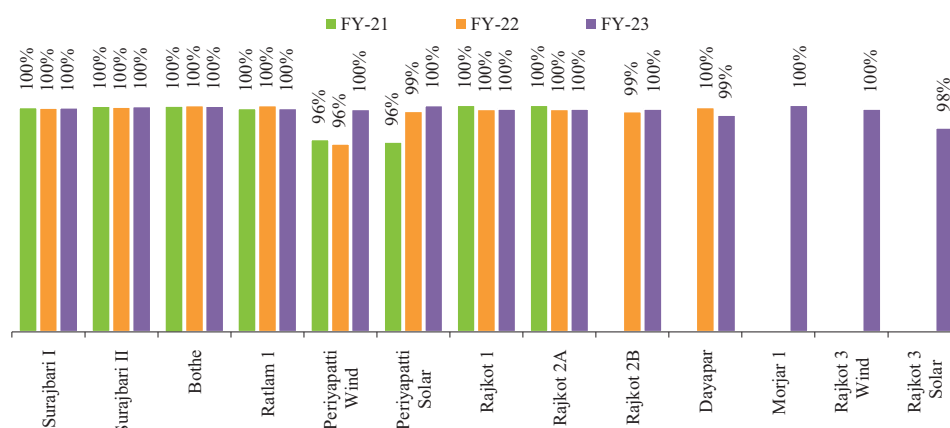
Mean Time Between Inspections



Note

- (1) It can be observed from the above graph that MBTI which indicates period between two successive breakdowns/inspections for a turbine is continuously increasing post installation of real-time artificial intelligence based portfolio monitoring systems.

External grid Availability (%)



Notes:

- (1) FY 2021 and FY 2022: High voltage corridor completion for Periyapatti project was delayed by the utility. It was completed in March 2022 and has not faced curtailment since June 2022.
- (2) FY 2023: Rajkot 3 project was partly operational and under stabilization.

The external grid availability is largely a function of the quality of electricity grid that our wind and solar projects are connected to. We prefer to build wind or solar projects where we get extra high voltage connection to 220kV grid substations which, in turn evacuate power at 400 kV or higher. Such grid substations are part of high capacity, trunk transmission routes of the electricity grid, have higher availability and can absorb the variability of renewable energy production. As a result of this extra high voltage connection, which costs us more capital expenditure upfront, our projects have not faced any curtailment of energy. We had faced some curtailment of energy in the past at our Periyapatti project because of delay in completion of the 400 kV green corridor grid that we are connected to. The work on 400kV green corridor was completed in March 2022 and we have not faced any curtailment since June 2022.

Our control over entire wind project has resulted in consistent improvement in accuracy of generation forecasting resulting into lower DSM charges and higher profitability. Further, the larger size of each wind project formed by combining multiple projects help us gain higher allowable absolute deviation (which is a function of total installed capacity connected to a pooling substation) thereby resulting in more accurate forecasting and hence reduction of deviation costs. For example, Rajkot 1, 2A, 2B and Rajkot 3 are connected to the same project pooling sub-station and are considered as a single wind project owned by us and the forecasting is done for the entire wind project rather than for each individual wind project. Moreover, the lower actual deviation due to diversification within the sites due to wind/solar connecting to same sub-station (WSH) or large number/different types of equipment at the same site, longer wind resource data, higher equipment/grid availability and integration of AOMS and forecasting data helps in improving the accuracy of forecasting and thereby reduction in deviation costs.

Demonstrated ability to raise capital in domestic and international markets

Our ability to access diversified pools of capital has enabled us to raise funding and refinance our projects regularly and on competitive terms to maximize our capital efficiency. Our capital structure and fundraising track record are aligned with our project development needs and growth plans and we raise an appropriate and efficient mix of funds according to our anticipated requirements.

We have enjoyed support from multiple domestic banks and financial institution including State Bank of India, Power Finance Corporation, International Finance Corporation, Indian Renewable Energy Development Agency Limited (“IREDA”), India Infrastructure Finance Company Limited (“IIFCL”), India Infradebt Limited, L&T Finance Limited, PTC India Financial Services Limited, ICICI Bank Limited, IndusInd Bank Limited and HDFC Bank Limited.

We have successfully sourced more than INR 65,000 million as non-recourse project financing for our C&I projects from various banks and institutions and have contracted the single largest non-recourse project financing for a C&I project of more than INR 10,000 million. Our lenders have been able to draw comfort on our C&I business with following features:

- Our proven track record of executing & operating C&I projects;
- Our consumer profile with investment grade rating with majority being above A rating or are debt-free MNC or MIC;
- Our consumers sign up for PPA with a tenor of 5-20 years;
- Our consumers provide payment security in the form of letter of credit or bank guarantee or invest equity to the extent of at least 26% of the corresponding capacity that they sign in case of group captive sale model; and
- Our consumers also provide a certificate confirming recognition of power expense as part of O&M expense, which ensures that our dues rank higher as operational debt compared to any unsecured financial liability in case of any liquidation proceedings.

On February 9, 2021, we issued U.S.\$561 million 4.50% Green Senior Secured Notes due 2027 with IFC as an anchor investor, the proceeds of which was used to refinance the certain existing indebtedness and general corporate purposes. The issue was rated BB+/Stable by Fitch and Ba2/Stable by Moody’s. This was one of the few non-recourse project finance offerings from renewable industry (mix of utility and C&I PPA) in India in international markets due to its unique structure. It was a highly successful debut transaction with broad-based participation from real money accounts across all regions. See “*Description of Other Indebtedness — Issue of 2027 Notes by Continuum Energy Levanter Pte. Ltd.*”

In July and August 2022, we issued U.S.\$400 million aggregate principal amount of Floating Rate Senior Secured Notes due 2026 to three marquee institutional investors. The net proceeds from the issuance of the 2026 Notes were used by CGEIPL as capital expenditure for new projects and for prepayment of existing corporate and project debt at CGEIPL and other transactions and incidental expenses. We propose to refinance this facility with the proceeds from this Offering. See “*Use of Proceeds*” and “*Description of Other Indebtedness — Issue of 2026 Notes by Continuum Energy Aura Pte. Ltd.*”

Robust Financial Profile Bolstered by Attractive Credit Metrics

We prudently leverage our robust balance sheet to support our growth. Please also refer to the key financial parameters as summarised in the section “Summary Consolidated Financial Statements and Other Data” for more details.

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
	(INR in million, unless otherwise stated)		
Operational Capacity @ year end (MW)	757.4	855.4	1,159.3
Total assets	67,782	85,080	131,833
Total income	8,257	10,209	12,065
Revenue from operations	7,909	9,743	10,554
EBITDA (A)	5,876	7,501	8,522
Interest expenditure ⁽¹⁾ (B)	4,938	5,455	9,139
Income taxes refund/(paid) (net) (C)	68	(175)	(380)
FFO ⁽²⁾ (D = A-B+C)	1,006	1,871	(997)
Adjusted borrowings ⁽³⁾ (E)	51,045	68,593	119,750
FFO to Adjusted borrowings (D/E) %	2%	3%	(1)%

Notes:

- (1) Interest expenditure includes interest on long term borrowings, interest on NCDs, interest on senior notes, redemption premium on NCDs and forward premium cost.
- (2) FFO (Funds from Operations) is defined as EBITDA less interest expenditure less tax paid.
- (3) Adjusted borrowings includes long-term borrowings from banks, financial institutions, Non Convertible Debentures (NCD) issued to external parties and Senior Notes, short-term borrowings, interest accrued but not due on borrowings, liability towards premium on redemption of NCDs issued to external parties, interest accrued but not due on NCDs issued to external parties and interest accrued but not due on working capital.

FFO and Adjusted Borrowings disclosed here may not be comparable to other similarly titled measures of other companies because such measures are not uniformly defined. These measures have limitations as analytical tools.

Wind and solar project’s expected generation estimates are usually stated in p-levels to capture the level of uncertainty of availability of wind or solar radiation, thereby impacting generation of electricity. A P90 estimate of average annual production over 20 years implies that there is a 90% or higher probability that the annual generation levels would exceed the P90 level of generation, and a P75 estimate of average annual production over 20 years implies that there is a 75% or higher probability that the annual generation levels would exceed the P75 level of generation over such 20-year period.

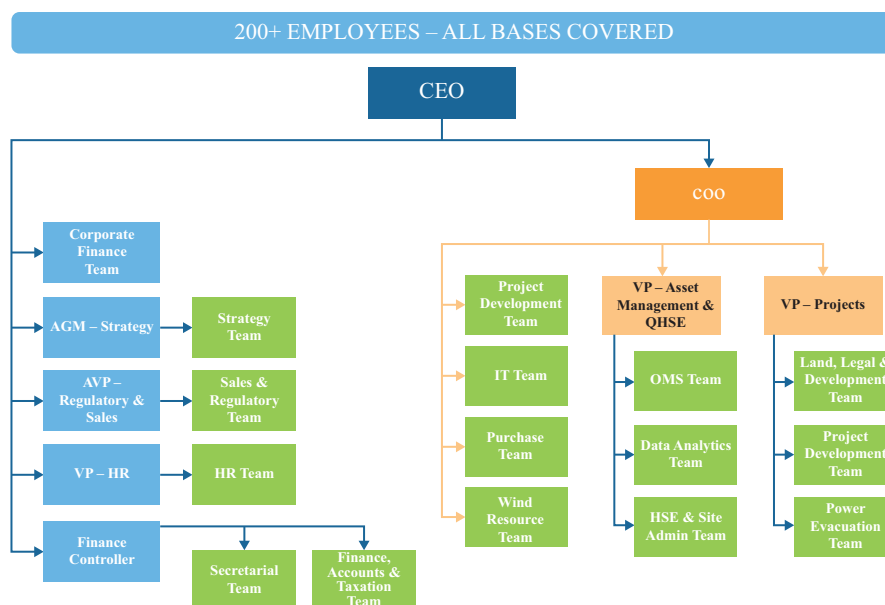
As of March 31, 2023, we have invested INR 36,437 million in our operational and shortly operational projects with a total capacity of 2.3GW. In addition to this investment, we have outstanding long-term borrowings from banks, financial institutions, non-convertible debentures and senior notes including current maturities of long-term borrowings of INR 80,382 million for the projects.

Our ability to access diversified pools of capital has enabled us to raise funding and refinance our projects regularly and on competitive terms to maximize our capital efficiency. We seek to lower our refinancing risks through a mixture of cash lock-ups, mandatory cash sweeps and amortization. Our capital structure and fundraising track record are aligned with our project development needs and growth plans and we raise an appropriate and efficient mix of funds according to our anticipated requirements.

Highly Experienced Management Team

We are led by a management team with extensive experience in the renewable energy sector, in-depth understanding of managing projects and a proven track record of superior performance. The senior management team of Continuum, led by Mr. Arvind Bansal (Chief Executive Officer) and Mr. N.V. Venkataramanan (Chief Operating Officer), possess complementary skills and have extensive experience and knowledge of the electricity sector. We have experienced Projects Team with expertise in developing and executing large scale projects with high quality Corporate Finance Team with demonstrated ability to raise finance for large projects. The experience of Continuum's Operation and Maintenance Team lends significant expertise for the operation and maintenance of our projects. Additionally, our dedicated Regulatory & C&I Sales team have pioneered in building the unique inflation linked C&I business.

We have grown from 30 to 216 employees over the last decade. Approximately 60% members of our team have 10 more years of experience.

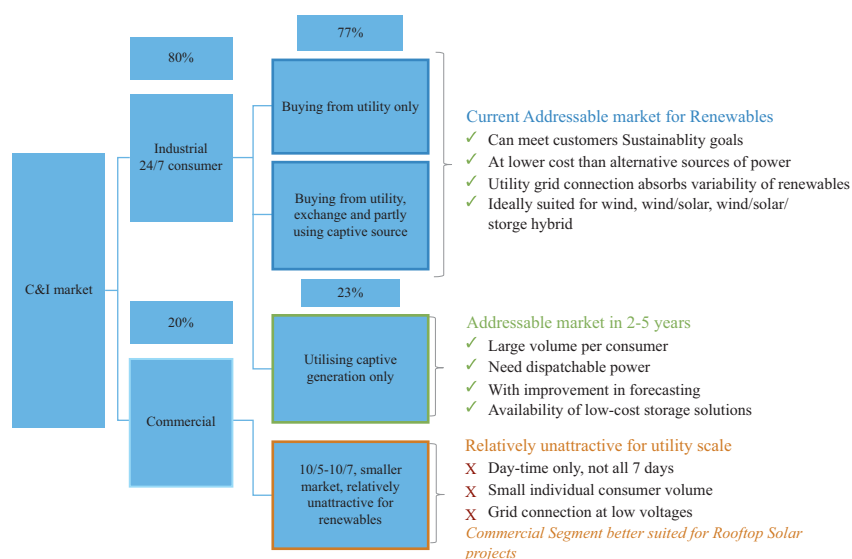


Business Strategy

Focus on Sale of Renewable Energy to C&I Consumers

Our current strategy of selling renewable energy under open access centers around selling to industrial consumers. Industrial consumers constitute approximately 80% of the electrical consumption in the C&I segment, which in turn constitutes approximately 50% of total electricity consumption in India. Industrial consumers usually consume electricity 24x7 unlike commercial consumers who consume electricity only during daytime on some, and not necessarily all, days of the week. Since wind and solar projects are designed to produce all days of the year, our target segment is industrial consumers. Those industrial consumers who buy part or all of their energy from the distribution utility have a grid connection to absorb the variability in the production of electricity by renewable sources and hence are a more suitable target market for us than those who produce all the energy they need captively without any connection to distribution utility grid. The latter category of consumers is usually larger and present an attractive market in the future when the costs of electricity storage solution have reduced, digital renewable energy becomes mainstream and the accuracy in forecasting the production of renewable energy has improved significantly.

We believe that the commercial consumer segment, unless they are 24x7 consumers of electricity, is more suitable for rooftop solar sources of energy.



We plan to focus on high yield C&I projects by expanding our wind projects, hybridizing existing wind projects and implementing WSH projects catering to C&I consumers.

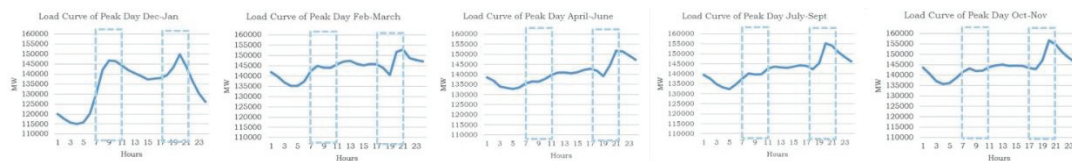
Attractiveness of wind energy in sales to C&I consumers

Discoms or inter-state grids are large capacity grids and can absorb large quantities of energy supply. However, a C&I consumer has a defined capacity of electrical connection to the utility grid (in turn a function of the size of its manufacturing facilities) which limits the amount of electricity that a consumer can purchase and consume at a given point. For example, if a consumer has a 10 MW connection to the utility grid, it can purchase only 10 MW of electricity at any time from among all sources of electricity - grid connection as well as open access sources of electricity.

Since we price our green energy PPAs at an agreed discount per kWh to the variable cost of purchase of black electricity from the grid, an open access consumer benefits the most by purchasing electricity on open access from a source that provides higher amount of energy per MW (i.e, plant load factor or PLF) of grid connection than other sources. Such higher amount of renewable energy per MW of open access also enables a consumer to achieve their ESG goals (replacement of fossil power by renewable power) faster. WSH energy projects produce significantly higher amount of electricity per MW of installed capacity than wind projects followed by solar projects. When the agreed discount per kWh is multiplied by the volume of energy supplied per MW, the consumer makes a higher absolute amount of annual savings in its electricity costs by purchasing the same MW of WSH energy on open access compared to purchasing the same MW amount of standalone wind or solar energy on open access.

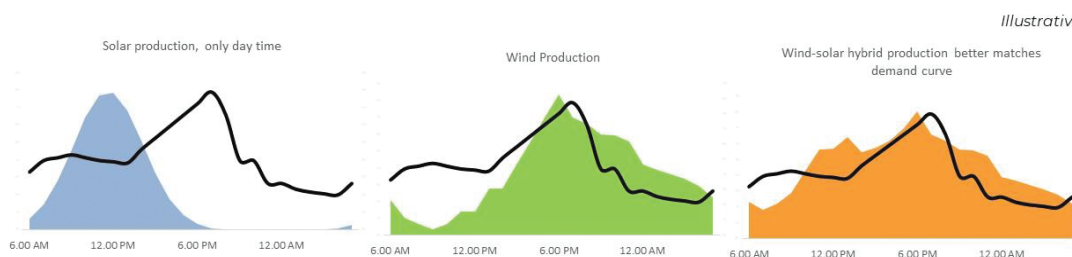
Further, several open access costs (such as transmission charges, for example) are payable on a per MW of open access basis. Since WSH projects provide more energy (kWh) per MW of open access than wind projects followed by solar projects, the per kWh cost of such open access costs is lower for purchase of WSH energy on open access than for wind energy followed by solar energy.

Unlike solar energy generation profile, wind energy generation profile matches more closely with the demand curve for electricity in Indian grid. In India, the peak demand for electricity occurs during morning hours (6 am to 10 am) and evening hours (6 pm to 10 pm) when solar projects produce nil to a small percentage of their overall output.

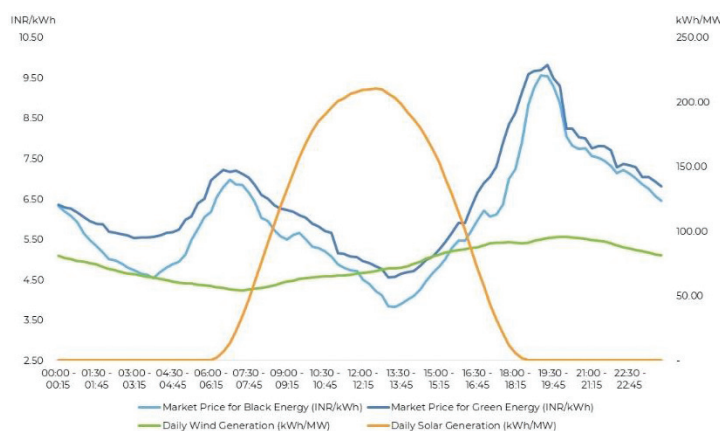


Source: CEA Report

Therefore, increasing solar energy generation in the grid is leading to downward pressure on electricity prices during the solar generation hours. Standalone solar provides lower value electricity to the grid compared to wind. WSH production better matches the demand curve.



Wind energy generation realizes higher value than solar energy generation. The chart below presents the solar and wind generation curve during an average day in FY 2023 versus the electricity price on Indian Electricity Exchange (for black power) and GDAM (for green power).



Source: IEX

It can be seen from the above graph that the spike in exchange prices is during morning and evening hours when solar is absent. When solar generation is at its peak, the tariff in the exchange is the lowest. Solar alone is not a competition for wind assets in the C&I space, but the combination of wind and solar can help provide stable power supply and at the same time provide higher margin.

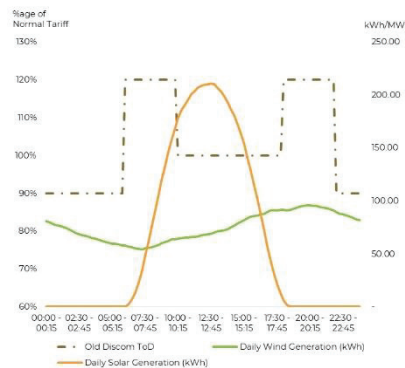
On June 14, 2023, Ministry of Power announced Amendment to the Electricity Rules, through which new Time of the Day (ToD) tariff regulations were introduced. As per the regulation:

- During the peak demand hours of the day, the tariff charged shall be $\geq 1.20x$ of the normal hours tariff

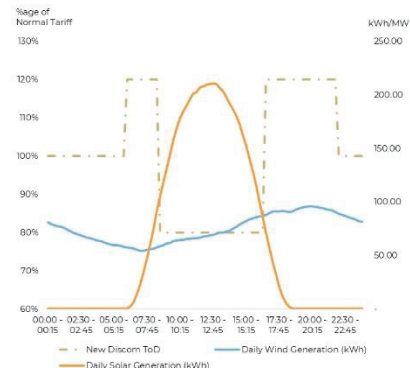
- During the solar hours of the day, the tariff charged shall be $\leq 0.80\times$ less than the normal hours tariff
- Number of solar hours in a day = 8 hours

Since wind projects produce significant portion of their energy during the morning and evening peak demand hours, the consumer is able to offset higher cost energy from discoms during these hours by buying from wind projects compared to solar projects.

Wind and solar generation vis-à-vis previous regulation



Wind and solar generation vis-à-vis revised regulation

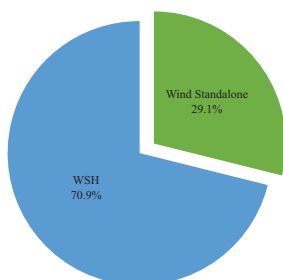


For our Dayapar project selling wind power in exchange (post receipt of permission (Standing Clearance) from WRLDC to sell power), we are realising a tariff of INR 4 – 7 per kWh.

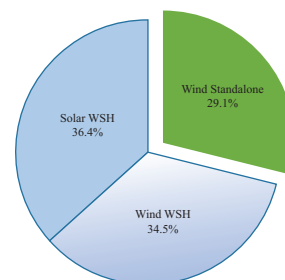
Attractiveness of sale to C&I continues with focus on wind-solar hybrid (WSH)

The benefits to a consumer are further increased if the supplier is a WSH project than a standalone wind or standalone solar project. This is because a WSH project produces higher energy (kWh) per MW of grid open access capacity or has a higher PLF than a standalone wind or standalone solar project. In addition, WSH projects have lower transmission cost which is charged on the higher of the wind or solar AC capacity and lower capital expenditure on account of sharing of common infrastructure.

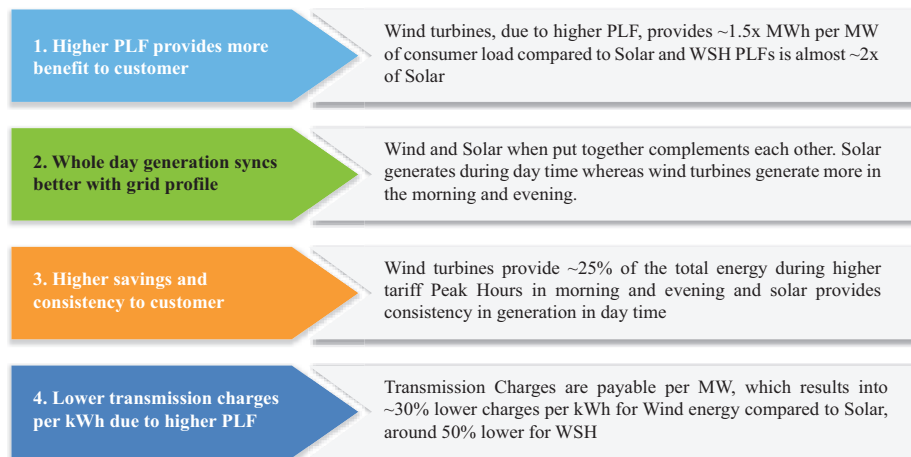
WSH capacity representing 70.9% of the proposed 2.3 GW portfolio



70.9% WSH capacity is almost equally split between wind and solar (DC)

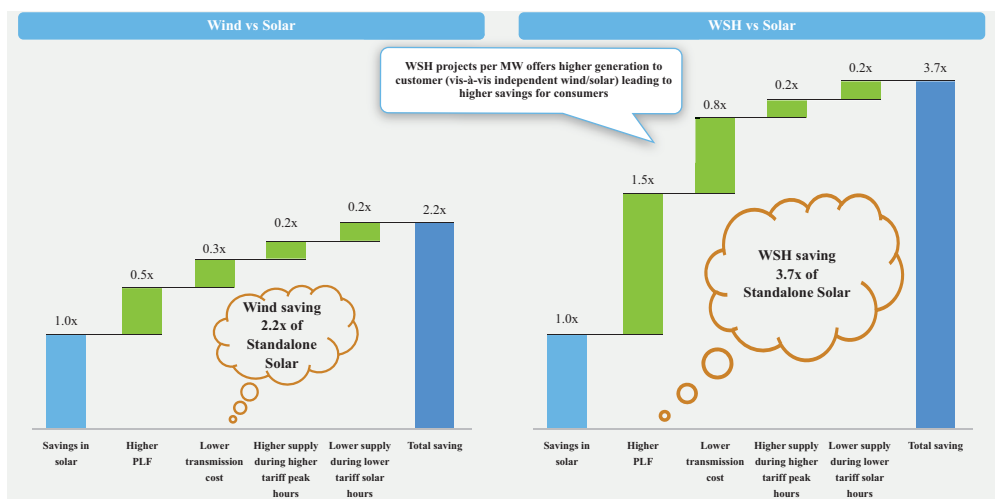


In our operations and shortly operational capacity of 2.3 GW, WSH project constitutes almost 71% of entire project capacity, which provides higher annual savings to industrial consumer compared to standalone solar, due to intrinsic characteristics:



The below chart illustrates a sample annual savings calculation for an industrial consumer.

*Annual savings calculation for Industrial consumer (at same delivered energy tariff)
with connection to Gujarat Grid*



Note:

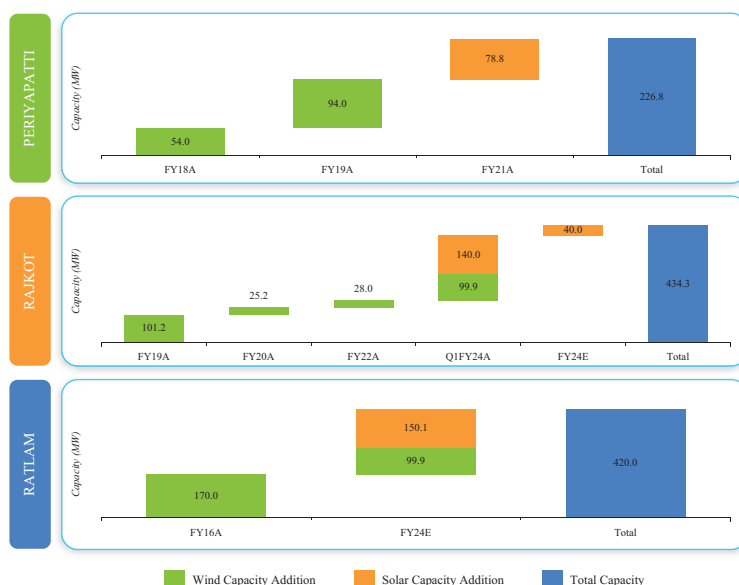
- (1) Time of Day tariff as per amendment to Electricity (Rights of Consumers) Rules, 2020 dated June 14, 2023.

As can be seen from the chart above, wind project provides 2.2 times more saving to a customer as compared to solar alone. This is largely on account of higher PLF or higher generation per MW of open access, generation available during peak hours and lower transmission cost per kWh. This saving increase to 3.7 times with WSH capacity which has even higher PLF, generation per MW of open access and lower transmission cost per kWh.

Ability to hybridize wind projects

Our wind projects are designed to be able to add solar and solar-storage hybrid capacity because we own all the wind turbines in our project and have exclusive dedicated interconnection facilities (such as pooling substation and EHV transmission lines), except in our 34.5 MW Surajbari assets and 126 MW Dayapar asset. For example, Periyapatti project capacity was increased from 148.0 MW wind to 226.8 MW WSH; similarly Rajkot 1, which is a 101.2 MW project, was expanded by adding 25.2 MW of wind capacity from Rajkot 2A and was further expanded with Rajkot 2B adding 28 MW of wind capacity and Rajkot 3 adding

239.9 MW of WSH capacity. A further 40 MW solar capacity is expected to be added to the Rajkot 1, 2A and 2B wind projects and covert them to WSH projects from wind projects by Q3 FY 2024. We are already expanding our existing Ratlam 1 — 170 MW selling power to MPPMCL project by adding 250 MW Ratlam 2 WSH project selling power to C&I consumers via the same pooling sub-station (Brown field expansion), which is expected to be commissioned in Q3 FY 2024E.



Our wind projects are designed to be able to add solar and solar-storage hybrid capacity because we own all the wind turbines in our project and have exclusive dedicated interconnection facilities (such as pooling substation and EHV transmission lines), except in our 34.5 MW Surajbari assets and 126 MW Dayapar asset. For example, Periyapatti project capacity was increased from 148.0 MW wind to 226.8 MW WSH; similarly Rajkot 1, which is a 101.2 MW project, was expanded by adding 25.2 MW of wind capacity from Rajkot 2A and was further expanded with Rajkot 2B adding 28 MW of wind capacity and Rajkot 3 adding 239.9 MW of WSH capacity. A further 40 MW solar capacity is expected to be added to the Rajkot 1, 2A and 2B wind projects and covert them to WSH projects from wind projects by Q3 FY 2024. We are already expanding our existing Ratlam 1 — 170 MW selling power to MPPMCL project by adding 250 MW Ratlam 2 WSH project selling power to C&I consumers via the same pooling sub-station (Brown field expansion), which is expected to be commissioned in Q3 FY 2024E.

Similarly, in our Bothe project, since we own all of the wind turbines along with dedicated interconnection infrastructure, we have the ability to add solar and solar-storage hybrid capacity, as discussed above, to enhance their attractiveness to the C&I consumers post expiry of MSEDCL PPA period which is expected to be between FY 2027 and FY 2028.

Further, our projects are connected to higher voltage grids (220kV or higher) except for a part of Surajbari (132 kV) and Bhavnagar (66 kV), which are generally higher capacity grids. The hybrid project helps increase the generation over the same connected load with significantly lower variability across a day or year, due to complementary pattern of generation of wind and solar. Additionally, sharing the common infrastructure in a hybrid project helps realize savings in capital expenditure as well as operational expenditure per kWh on evacuation infrastructure, internal roads, internal 33KV transmission feeders, operating costs and security costs. WSH projects do not require grid expansion as they produce power at different intervals and during complementary seasons.

Therefore, we plan to continue to add solar and solar-storage capacity to our existing wind projects over time and increase the value to our consumers as well as to ourselves.

We believe that our advantages of being able to convert our wind projects into WSH projects, in addition to other project specific competitive advantages, provide us competitive advantages in the C&I market. Over a period of time, we can increase the attractiveness of our wind-solar hybrid projects by adding electricity storage, once the same is economically viable.

Key MOATs for our projects

Our projects in Periyapatti and Rajkot operate at among the highest PLFs compared to other projects in the respective states engaged in open access sales. Our Bothe project has had history of higher generation compared to other projects in same area as our project.

All our projects are connected to the transmission grids at 220kV — 230kV network (Extra High Voltage or “EHV”) except for part of Surajbari (132 kV) and Bhavnagar (66 kV), ensuring lower transmission loss compared to most other projects which are connected to lower voltage levels.

Our projects enjoy some long-standing regulatory benefits under the state and central policies, for example

- (1) In our Gujarat C&I projects, we enjoy a 50% waiver on cross subsidy surcharge and additional surcharge for 25 years (which amounts to a waiver of greater than INR 1/kWh at current levels of these charges), which is not available for wind or WSH projects commissioned after June 2023 (as may be extended) and solar projects commissioned after December 2020 for sale to third party. Further, though banking charge for new wind and wind solar hybrid projects is yet to be announced, banking charge for new solar projects commissioned after December 2020 has been set at INR 1.50/kWh (for daily banking between 6 am to 7 pm), against banking charge of 2% (for monthly banking facility) in kind on total generated units applicable for wind projects commissioned before March 2023 and nil charge for WSH projects commissioned before June 2023 or till any extension period for existing policy. Our capacity of 409 MW (operational till June 2023) in Gujarat, prior to expiry of the said policy benefits, shall be able to lock-in these significant benefits of more than INR 2.00/kWh on electricity generated for 25 years, which will increase if the policy is extended;
- (2) Our 148 MW wind power project at Periyapatti is entitled to annual (on fiscal year basis) energy banking arrangement with the discom, an arrangement not available to any wind projects commissioned after March 31, 2020. We can bundle the electricity supply from Periyapatti project with annual banking facility with the production from new projects being constructed in the state. Given that banking required by consumers is less than about 20% of total energy supply in a year, with banking available for 148 MW, we are in a position to create approximately 600 MW of additional wind by utilizing the advantage created by this banking arrangement in place (making 148 MW as 20% of approximately 750 MW of wind capacity). On top of this additional approximately 600 MW wind capacity, additional approximately 900 MW solar capacity can be added to offer WSH production to consumers. Of this additional capacity, the first 272.4 MW of WSH capacity is already under construction at our Dalavaipuram project, which is expected to be operational by Q3 FY2024E;
- (3) In Periyapatti, Dalavaipuram, Ratlam 2 and Kalvad 1 projects, as per the Electricity Rules 2005, cross subsidy surcharge and additional surcharge is not applicable to captive/group captive sales; and

- (4) Further, in Periyapatti project, we enjoy 40% concession on wheeling and transmission charges for our wind capacity and 30% concession in case of solar capacity (which amounts to a waiver of INR 0.25/kWh). These concessions on wheeling and transmission charges are planned to be reduced at the rate of 10% per year.

Some of these above policy benefits act as barrier to entry to new competition and gives us permanent advantage over our peers. Additionally, the lack of high wind speed sites, expensive land, higher equipment costs due to commodity inflation, higher construction and right of way costs are likely to make newer projects less competitive.

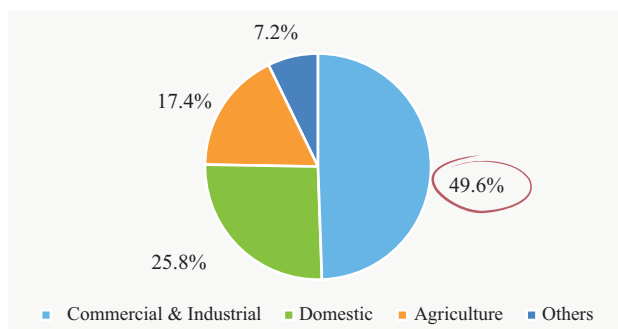
	TAMIL NADU: Periyapatti & Dalavaipuram	GUJARAT: Rajkot 1, 2A, 2B, 3, and Surajbari 2	MADHYA PRADESH: Ratlam 1 & 2 & MAHARASHTRA: Bothe (post FY 2027)
Competitive position & high exit barriers	• Periyapatti only wind-solar hybrid in the state • Strongest PLF amongst all renewable projects in the state • One of the few projects connected to 220 kV grid — lowest grid charges • GC consumers must hold minimum 26% equity in the entity and OA approval has been taken for the period of 20 years by the entity • No annual electricity banking facility available to wind projects commissioned after March 2020 (Available for Periyapatti wind project commissioned before March 2020)	• Sustained advantage of approximately 2.0/kWh due to policy certainty for projects commissioned by June 2023 ✓ 50% waiver of cross subsidy surcharge and additional surcharge — not available for new wind/solar projects commissioned after June 2023 ✓ Banking charge of only 2% — banking charge of INR 1.50/kWh for new solar projects, yet to be determined for new wind and hybrid projects • Strong PLF amongst all open access renewable projects • Only OA project connected to 220 kV grid — lowest grid charges • Ability to add solar hybrid and storage • OA approval for the consumer for 3 years — consumers are bound by the approval for the period to the generator	• Strong PLF amongst all renewable projects in the state • One of the few projects connected to dedicated 220 kV grid — ability to add solar/storage hybrid • High project design optimization ability due to existing high-capacity grid connection for Continuum's operating wind project connected to 220 kV grid

	TAMIL NADU: Periyapatti & Dalavaipuram	GUJARAT: Rajkot 1, 2A, 2B, 3, and Surajbari 2	MADHYA PRADESH: Ratlam 1 & 2 & MAHARASHTRA: Bothe (post FY 2027)
High entry barriers	- Other existing wind/solar projects unable to hybridise - Very expensive land and right of way to build new capacity 148.0 MW wind has annual banking which can sustain ~750MW as consumers need ~20% annual banking - Projects post 2020 don't have banking available • - Prior projects not connected to high voltage grids so have to pay an additional wheeling charge of INR 0.96 (FY2023) plus additional losses of up to 1.95%. So, consumers connected to high voltage grids gravitating to Continuum	- Policy benefits only accrue to solar projects commissioned by December 2020, wind projects and WSH projects which commission by June 2023 (or as may be extended) - Other existing projects unable to hybridise due to shared evacuation infra - Solar project commissioned after Dec 2020 do not enjoy 50% rebate on CSS/AS (~INR 1/kWh) and will also have to pay banking charge of INR 1.50 per kWh - Wind projects commissioned after June 2023 (or as may be extended) do not enjoy the 50% waiver and will have to pay banking charge (yet to be determined) - Hybrid projects commissioned after June 2023 (or as may be extended) do not enjoy the 50% waiver and will have to pay banking charge (yet to be determined)	- Remaining windy sites require larger turbines to achieve target PLF - Expensive land & right of way to build new capacity - Other existing wind/solar projects unable to hybridise as only Continuum farm owns dedicated evacuation infra
Policy outlook	100% CSS and AS waiver for GC projects as per Electricity Act — settled by recent Supreme Court Judgment - Intense Policy Advocacy as ~4,000 MW is Captive/GC model - CSS at 20% of Average cost of Supply (ACoS). Can increase only with increase in industrial tariff charged by discom	50% rebate in CSS & AS and low banking charge of 2% for 25 years for capacity commissioned by dates stated above (100% waiver on CSS and AS for Surajbari-II) - No other concession in wheeling / transmission charge - CSS at 20% of Average cost of Supply (ACoS). Can increase only with increase in industrial tariff charged by discom	100% CSS and AS waiver for GC projects as per Electricity Act - No other concessions/ incentives in state policies - CSS at 20% of Average cost of Supply (ACoS). Can increase only with increase in industrial tariff charged by discom

Sustainable and Increasing Commercial and Industrial (C&I) Tariff

C&I consumers accounts for the largest share of the total electricity consumption in India, with only less than 10% penetration by open access. As per 20th Electric Power Survey of India, the commercial and industrial energy consumption is expected to experience highest growth at a CAGR of 6.28% and 7.57% from FY 2022 to FY 2032 respectively.

India Electricity Consumption Pattern FY 2022 (% of total)

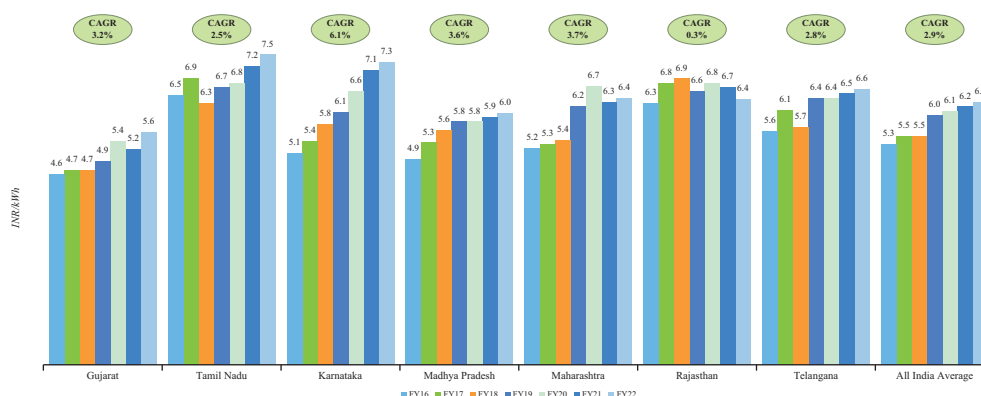


Source: All India Energy Statistics Report, Ministry of Power, June 2023

Discom tariffs are expected to increase going forward providing sustained opportunity to service C&I consumers with renewable energy at lower than grid prices, on account of following reasons:

- rising average power purchasing cost of utilities due to increasing cost of environmental compliance for thermal projects and cost of coal;
- higher transmission and distribution costs to provide 24x7 “Power to All”;
- higher per unit transmission and distribution cost on account of thrust for renewables which have lower plant load factors than base load thermal projects;
- higher fixed cost of backed-down thermal power due to increasing renewable penetration;
- grid balancing and storage costs due to increasing share of renewable energy;
- utilities continuing to make losses at current tariffs; and
- agriculture and residences continue to be cross-subsidized by higher commercial and industrial tariffs.

Over FY 2016 to FY 2022, we have seen average increase in cost of supply of electricity at a CAGR of approximately 3.0% at an All-India level with majority of industrial states accounting for rate higher than the All-India average.



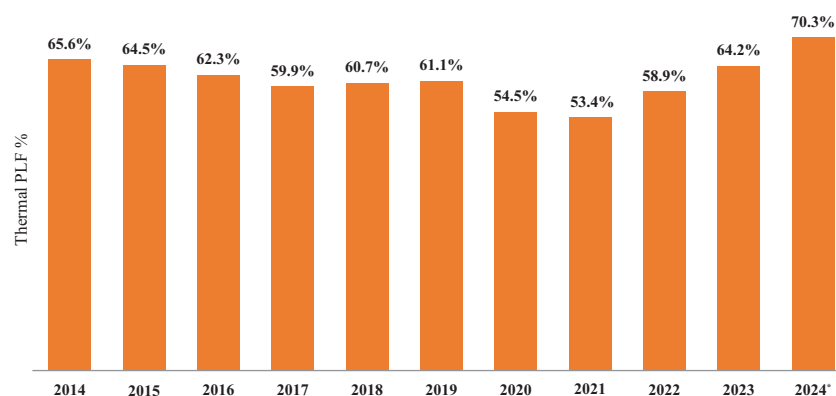
Note: Input energy based ACOS

Source: Power Finance Corporation's Reports on Performance of Power utilities

Coal is the largest source of electricity in India. Coal-fired plants generate 72.7% of India's electricity. The increased demand of coal due to emphasis on energy security following recent geopolitical tensions between Russia and Ukraine has caused an increase in coal demand and international coal prices in the medium term. Additionally, new environmental compliance obligations on coal-based power plants are estimated to lead to an increase in fixed and variable cost of thermal power at INR 0.25-0.35/kWh. Coal costs are expected to rise due to increased environmental compliance costs in mining.

The Ministry of Power had taken up a joint initiative during 2014 to 2017 with all states for providing 24x7 power supply to all households, industrial & commercial consumers and adequate supply of power to agricultural consumers as per state policy. This initiative was aimed at ensuring uninterrupted supply of quality power to existing consumers and providing access to electricity to all unconnected consumers by 2019 in a phased manner. With this increased access we have brought a large number of low volume, lower voltage, lower paying residential users into the grid, thereby increasing the requirement of cross subsidization of tariffs.

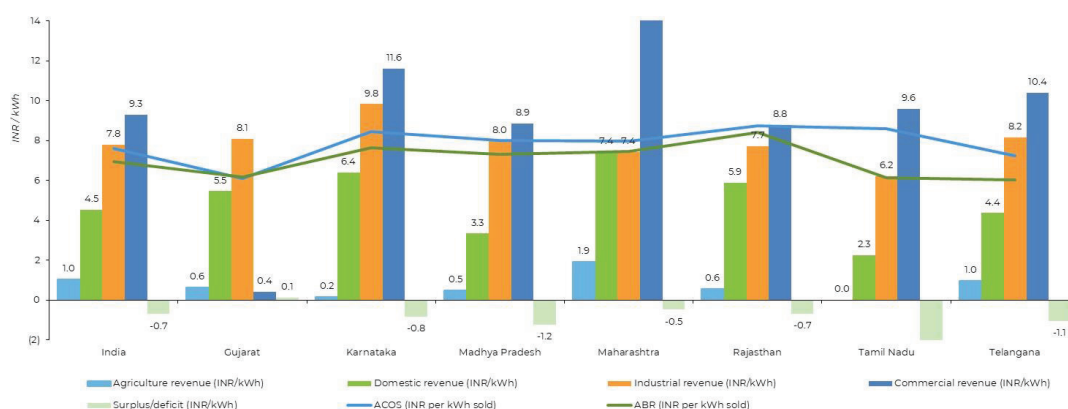
Additionally, grid would also require incurrence of grid balancing or storage cost due to intermittency of wind and solar. In addition, with higher penetration of must-run renewable we are seeing reducing utilization factor of the existing thermal power plants. This will lead to higher effective cost/kWh of thermal plants amortizing the fixed capacity charges payable by the discom to the generators over lower PLFs.



* Up to May 2023 (Provisional), Source: CEA

The disparity of low or nil tariffs charged to agricultural and residences also results in the inflation in cost of supply of electricity being disproportionately passed on to the C&I consumers. Despite the current levels of cross-subsidisation, most discoms in India currently do not cover their costs of supply.

Following charts presents the tariffs and revenue surplus/deficit of discom in FY 2021.



Notes:

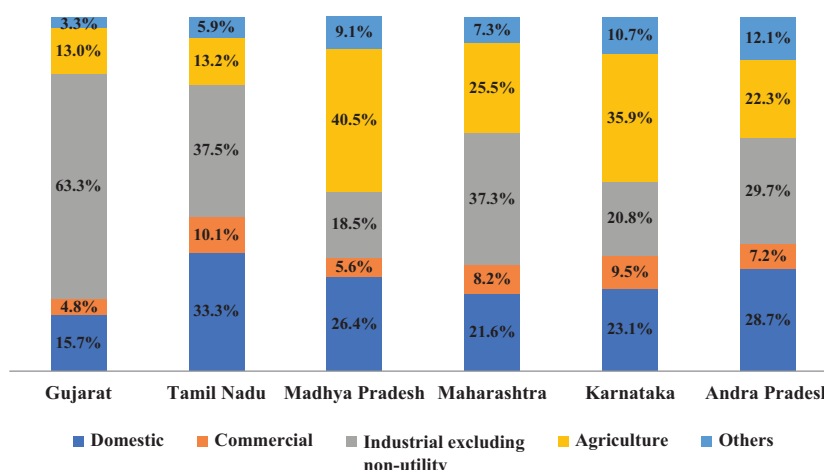
- (1) AOCs (INR/kWh): Average Cost of Supply per kWh sold.
- (2) ABR (INR/kWh): Average Billing Rate.
- (3) Source: Power Finance Corporation's Reports on Performance of Power utilities FY2020-21.

The GoI has launched Discoms Reform 3.0 program, with the objective to resolve revenue deficit problem being faced by discoms instead of one-time balance sheet management. Guidelines for Revamped Distribution Sector Scheme ("RDSS") released in December 2021 clearly identify that discoms need to focus on improving their operational efficiencies and financial sustainability and improve consumer services, to be able to meet the desired consumer service standards.

The discoms now need to be financially viable since the GoI has removed the ability of banks and financial institutions (including private and public institutions) to provide credit support to discoms which do not undertake reforms and return to financial viability.

The factors cited above and the imperative to be financially viable will necessitate that the discoms rationalize their tariffs to meet costs. It is politically unpalatable to increase agricultural tariff (very low or nil) and residential tariffs and political parties regularly promise lower tariffs/free electricity. For example, in 2022 and 2023, residential consumers consuming less than 300 kWh/month were assured free electricity in states of Punjab, Delhi and Karnataka. As a result, tariffs charged C&I consumers are increased to offset the increase in costs of supply. Agricultural and residential consumers account for approximately 28% to 67% of consumption of electricity supplied by utilities:

**Electrical Energy Sales to Ultimate Consumers
Categorywise/Statewise Utilities
2021-2022**



Tariffs charged by utilities to industries have risen at a CAGR of approximately 3% on all India average basis from FY 2016 to FY 2021. The chart below sets out historical trend of increase in industrial tariff in various states.



Source: Power Finance Corporation's Reports on Performance of Power utilities FY2020-21.

We believe that the tariffs for industrial consumers will increase at a faster pace than historical trends. In 2022, 23 out of 28 states signed up under the Discom Reforms 3.0 program and tariff increases undertaken by certain states in recent periods are as outlined below:

- March 2022: Telangana discom has announced 9-33% increase in tariff for industrial consumers.
- April 2022: Andhra Pradesh discom has announced 11-30% increase in tariff for industrial consumers.

- July 2022: Kerala discom has announced 6-10% increase in tariff for industrial consumers.
- September 2022: Tamil Nadu regulatory commission has made a one-time increase of 6% and further set increase in tariffs for industrial consumers at lower of 6% p.a. or consumer price inflation (CPI) index for the next 5 years.
- January 2023: Gujarat FAC charges increased from INR 2.60 per kWh to INR 2.85 per kWh.
- April 2023: Maharashtra regulator approved 18% hike in C&I tariff for FY 2024.
- June 2023: MP power management company decided to effect a 6.16% hike in tariff from June 24.
- July 2023: Tamil Nadu approved 2.18% tariff escalation for 2023-24 for both energy charges and fixed charges.

We continue to scale up our C&I portfolio by adding additional consumers and through the increase in consumption by our existing customers. By taking a higher share of consumption of existing customers and with multiple PPA and tariff options for example, our repeat customers account for greater than 50%.

Our Projects

Details of our projects are as follows:

Project	Status	State	Capacity (MW)	Brownfield/ Greenfield			COD FY ^(a)	Equipment	Dedicated		Grid Voltage(kV)	PPA
				Type	Purchaser	Greenfield			PSS	Voltage(kV)		
Surajbari I	Operational	Gujarat	16.5	GJ DISCOM	Wind	Acquired	2008	Vestas	No		220 kV & 400 kV	20 year PPA until FY2028 with GJ discom
Surajbari II	Operational	Gujarat	18.0	C&I	Wind	Brownfield	2013	Vestas	No		220 kV & 400 kV	C&I PPAs
Bothe ^(b)	Operational	Maharashtra	199.7	MH DISCOM	Wind	Greenfield	2015	Vestas, Suzlon	Yes		400 kV	13 year PPAs until FY 2028 with MH discom
Ratlam 1	Operational	Madhya Pradesh	170.0	MP DISCOM	Wind	Greenfield	2016	Inox Wind	Yes		400 kV	25 year PPA until FY2041 with MP discom
Periyapatti ^(c)	Operational	Tamil Nadu	226.8	C&I	WSH	Greenfield	2018-20	Vestas, Adani Solar	Yes		400 kV	C&I PPAs
Rajkot 1 ^(d)	Operational	Gujarat	101.2	C&I	WSH	Greenfield	2020	Vestas	Yes		400 kV	C&I PPAs
Rajkot 2A ^(d)	Operational	Gujarat	25.2	C&I	WSH	Brownfield	2021	Siemens Gamesa	Yes		400 kV	C&I PPAs
Rajkot 2B ^(d)	Operational	Gujarat	28.0	C&I	WSH	Brownfield	2022	Inox Wind	Yes		400 kV	C&I PPAs
Dayapar ^(e)	Operational	Gujarat	126.0	Exchange	Wind	Brownfield	Q1FY24	Inox Wind	No		765 kV	N/A
Morjar 1	Operational	Gujarat	148.5	SECI	Wind	Greenfield	Q1FY24	GE	Yes		765 kV	25 year PPA until FY2048 with SECI
Rajkot 3	Operational	Gujarat	239.9	C&I	WSH	Brownfield	Q1FY24	GE, Waaree Energies	Yes		400 kV	C&I PPAs
Rajkot 4 ^(d)	Shortly Operational	Gujarat	40.0	C&I	WSH	Brownfield	Q3FY24E	Waaree Energies	Yes		400 kV	C&I PPAs ^(f)
Ratlam 2	Shortly Operational	Madhya Pradesh	250.0	C&I	WSH	Brownfield	Q3FY24E	GE, Waaree Energies & Premier Energies	Yes		400 kV	C&I PPAs
Dalvaipuram	Shortly Operational	Tamil Nadu	272.4	C&I	WSH	Greenfield	Q3FY24E	GE, Longi	Yes		400 kV	C&I PPAs
Bhavnagar	Shortly Operational	Gujarat	300.8	C&I	WSH	Greenfield	Q3FY24E	Senvion, Waaree Energies & Premier Energies	Yes		220 kV	C&I PPAs
Kalvad	Shortly Operational	Gujarat	170.0	C&I	WSH	Greenfield	Q3FY24E	Senvion, Waaree Energies, TBD	Yes		400 kV	C&I PPAs ^(f)

2,333.0

Notes:-

- (a) COD: Commissioning Date.
- (b) PPAs are pending for 6.3 MW capacity.
- (c) Periyapatti wind 148 MW was commissioned in FY 2018 — FY 2019 and Periyapatti Solar 78.8 MW was commissioned in FY 2021.
- (d) Rajkot 1, 2A & 2B are proposed to be converted into WSH by Q3FY24E by adding Rajkot-4: 40.0 MW solar project at the same location connecting to same pooling sub-station and interconnection point.
- (e) For our Dayapar Project; SECI vide letter dated 14 Apr 23 terminated entire PPA in line with terms & conditions of RfS/ PPA. SECI may consider offtake of 88 MW subject to MNRE approval. The Company has accepted above mentioned letter and started selling power on exchange from 20th Apr 23 at prevailing GTAM prices (currently ~INR 5-7 per kWh). Further, the Company is evaluating option of selling power to exchange or C&I consumer under medium/ long term open access route.
- (f) PPA for only 40 MW Rajkot 4 and 138.5 MW Kalvad project is pending.

Except for the Surajbari and the Dayapar projects, our Parent Guarantor controls the entirety of our windfarm/ solar park (however, Surajbari and Dayapar being the only exceptions wherein we own the turbines and not windfarm; we share the windfarm with other developers. Surajbari was our first project which we acquired from Vestas and in case of Dayapar, our contract with OEM supplier included locations which were part of a larger windfarm) and have exclusive grid connections to evacuate power from them, which gives us the flexibility to choose the wind turbine technology, partner with multiple suppliers and O&M contractors, manage our regulatory risks and maintain the flexibility to deploy the latest technology (including solar hybrid and electricity storage solutions) at our projects. The projects are developed on owned or revenue/private leased land.

Unlike companies that purchase wind turbines on a turnkey basis from wind turbine manufacturers where they own a portion of the turbines in a wind farm, we own the entirety of the wind farms and have exclusive grid connections to evacuate power from them, which gives us the flexibility to choose the wind turbine technology, partner with multiple suppliers and O&M contractors, manage our regulatory risks and maintain the flexibility to deploy the latest technology (including solar hybrid and electricity storage solutions) at our wind farms. As a result, we believe that we demonstrate superior operating performance in comparison to our competitors. We have exercised, and intend to continue to exercise, control over designing, sizing, engineering, developing, constructing and operating our wind farms.

OEMs prefer to supply equipment to sites where the development is largely completed and compete aggressively for such projects. We seek quotations from the OEMs only when it reaches such a state and, hence, are able to obtain attractive commercial terms for capital expenditure.

The following table sets forth certain financial information for the Group for the periods indicated:

	For the fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions).			(U.S.\$ in millions) ⁽¹⁾
Total income	8,257	10,209	12,065	146.7
EBITDA	5,876	7,501	8,522	103.7
Loss after tax	(2,577)	(1,161)	(5,467)	(66.5)

Note:

- (1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of INR 82.2169 per U.S.\$1.00, being the closing exchange rate published by the FBIL as of March 31, 2023.

Our operational and shortly operational projects

Our portfolio consists of wind and WSH energy projects located in the states of Maharashtra, Madhya Pradesh, Gujarat and Tamil Nadu. We have a total operating/shortly operating capacity of 2.3 GW comprising 534.7 MW of wind energy project for sale of power to Utilities, 144.0 MW of wind energy project for sale of power to C&I customers or on electricity exchange and 1,654.3 MW of WSH project for sale of power to C&I customers. 140.5 MW of our projects commenced operations between April and June of 2023. We had incurred a total capital expenditure of INR 96,789 million as of March 31, 2023. The following table sets forth a summary description of our projects as of March 31, 2023.

State	India Subsidiary	Project	Capacity	Installed Capacity	Commercial Operation Date	Off-taker	PPA Tenor	Tariff
Gujarat	Continuum Green Energy (India) Pvt. Ltd	Surajbari 1	16.5 MW	16.5 MW (Wind)	Jul-2007	GUVNL	20 years from COD	Rs. 3.37 per kWh
Gujarat	Continuum Green Energy (India) Pvt. Ltd	Surajbari 2	18.0 MW	18.0 MW (Wind)	Aug-2012	C&I Customers	Generally 5-15 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Maharashtra	Bothe Windfarm Development Private Limited	Bothe	199.7 MW	199.7 MW (Wind)	Dec-2014	MSEDCL.	13 years	101.0 MW – Rs. 5.81 per kWh + GBI 92.4 MW – Rs. 5.70 + GBI
Madhya Pradesh ...	DJ Energy Private Limited and Uttar Urja Projects Private Limited	Ratlam 1	170.0 MW	170.0 MW (Wind)	Dec-2015	MPPMCL.	25 years	Tariff of Rs. 5.92 per kWh + GBI
Tamil Nadu	Watsun Infrabuild Private Limited	Periyapatti	226.8 MW	148.0 MW (Wind) 78.8 MWp (Solar)	Dec-2017 for 54 MW Wind Dec-2018 for 94 MW Wind Jun-2020 for 78.8 MWp Solar	C&I Consumers	Generally 5-20 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Gujarat	Trinethra Wind and Hydro Power Private Limited	Rajkot 1	101.2 MW	101.2 MW (Wind)	Dec-2019	C&I Consumers	Generally 5-15 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Gujarat	Renewables Trinethra Private Limited	Rajkot 2A	25.2 MW	25.2 MW (Wind)	Jun-2020	C&I Consumers	Generally 5-15 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities

State	India Subsidiary	Project	Capacity	Installed Capacity	Commercial		PPA	
					Operation Date	Off-taker	Tenor	Tariff
Gujarat	Kutch Windfarm Development Private Limited	Rajkot 2B	28.0 MW	28 MW (Wind)	Mar-2022	C&I Customers	Generally 5-15 years	(Rs/kWh) Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Gujarat	Continuum Power Trading (TN) Private Limited	Dayapar ^(a)	126.0 MW	126.0 MW (Wind)	May-2023	Power Exchange	N/A	Power is being sold in exchange. Proposed to sign PPA with C&I customer on long term basis.
Gujarat	Morjar Wind Farms Development Private Limited	Morjar I	148.5 MW	148.5 MW (Wind)	Jun-2023	SECI	25 years	Rs. 2.82 per kWh
Gujarat	Continuum Trinethra Renewables Private Limited	Rajkot 3	239.9 MW	99.9 MW (Wind) 140.0 MWp(Solar)	Jun-2023	C&I Customers	Generally, 5-25 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Gujarat	TBD	Rajkot 4	40.0 MW	40 MWp (Solar)	Dec-2023	C&I Customers	Generally 5-15 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Madhya Pradesh ...	Continuum MP Windfarm Development Private Limited	Ratlam 2	250.0 MW	99.9 MW (Wind) 150.1 MWp (Solar)	Dec-2023	C&I Customers	Generally 5-15 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Tamil Nadu	Dalavaipuram Renewables Private Limited	Dalavaipuram	272.4 MW	118.8 MW (Wind) 153.6 MWp (Solar)	Dec-2023	C&I Customers	Generally 5-15 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Gujarat	'CGE Hybrid Energy Private Limited' & 'CGE Shree Digvijay Cement Green Energy Private Limited'	Bhavnagar	300.8 MW	118.8 MW (Wind) 182.0 MWp (Solar)	Dec-2023	C&I Customers	Generally 5-15 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Gujarat	Morjar Renewables Private Limited	Kalvad	170.0 MW	64.8 MW (Wind) 105.2 MWp (Solar)	Dec-2023	C&I Customers	Generally 5-15 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
TOTAL :			2,333.0 MW	2,333.0 MW				

Note:

- (a) For our Dayapar Project; SECI vide letter dated 14 Apr 23 terminated entire PPA in line with terms & conditions of RfS/ PPA. SECI may consider offtake of 88 MW subject to MNRE approval. The Company has accepted above mentioned letter and started selling power on exchange from 20th Apr 23 at prevailing GTAM prices (currently ~INR 4-7 per kWh). Further, the Company is evaluating option of selling power to exchange or C&I consumer under medium/ long term open access route.

Surajbari

The Surajbari project located in Gujarat comprises 16.5 MW (Surajbai 1: 10 WTGs of 1.65 MW each) and 18.0 MW (Surajbari 2: 10 WTGs of 1.80 MW each) wind energy projects at Surajbari, Kutch, Gujarat. The power generated by 16.5 MW Surajbari 1 project is sold to GUVNL under a 20-year long-term fixed-price PPA and the power generated from the 18 MW project is being sold to C&I consumers. The operations and maintenance of wind farms is outsourced to Vestas.

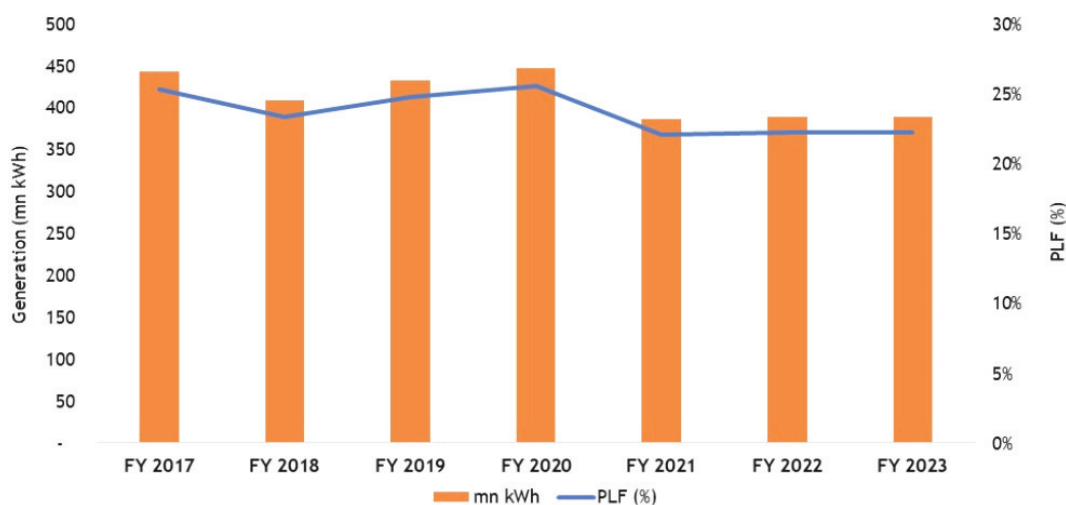
This was the first project implemented/owned by us. The project site is located in and around Vandhiya and Jangi villages in Bachau taluka of Kutch District in Gujarat. Vandhiya is about 120 kilometers away from district headquarter Bhuj in East direction, about 72 kilometers from Gandhidham in southeast direction and around 55 kilometers from Morbi in the north direction. The site is situated near national highway between Maliya Miyana Bridge and Smakhayali. As of March 31, 2023, we had incurred capital expenditure of INR 2,290 million on this project.

The Surajbari project debt was initially financed by a consortium of lenders led by State Bank of India and IREDA. Subsequently, the project was refinanced by India Infradebt Limited and in December 2022 we prepaid the entire the debt obligation. As of the date of this Offering Memorandum, the project stands debt free.

Bothe

The Bothe project is a wind energy project located in the Satara district of Maharashtra. As of March 31, 2023, the Bothe project had an operating capacity of 199.7 MW. The project is owned and operated by Bothe Windfarm Development Private Limited, which is a wholly owned subsidiary of our Parent Guarantor and was commissioned in December 2014. The project was developed on land purchased or leased from private owners. As of March 31, 2023, we had incurred capital expenditure of INR 13,959 million on this project.

The generation history of the project on an annual basis since FY 2017 is as follows:



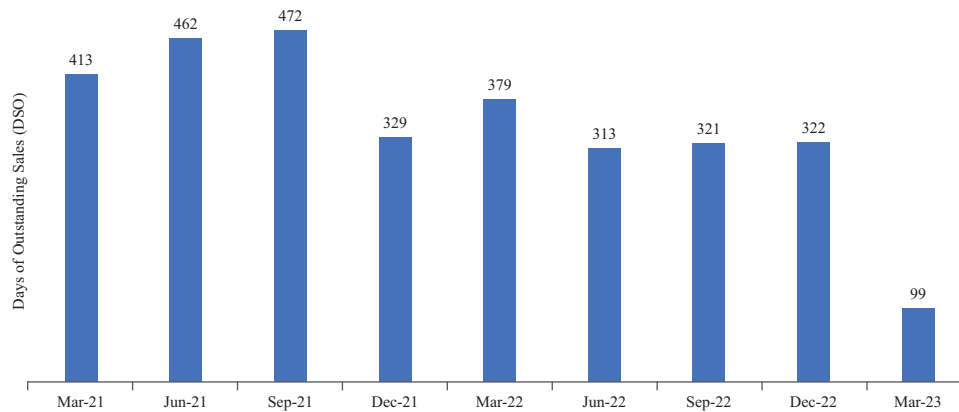
The Bothe project was selected after analyzing eight years of wind data from 11 wind masts having a height of 78 to 100 meters, and its equipment suppliers include Vestas and Suzlon. When built, the project was one of India's largest single site wind farms developed by an independent power provider. It has two turbine makes connected to the same pooling station. In 2016, the Bothe project carried out aerodynamic upgrades by installing vortex generators and gurney flaps on its existing Vestas V100 wind turbine generators. For more details on our supplier arrangements, see *"Our Business — Suppliers."*

Bothe Windfarm Development Private Limited entered into energy purchase agreements with MSEDCL for a period of 13 years each from the date of commissioning of the project, for the sale and purchase of power generated by the project. We receive a tariff of INR 5.81 per kWh for 101.0 MW and INR 5.70 per kWh for 92.4 MW of electricity generated at the Bothe project, fixed for the entire duration of the PPAs. Additionally, the project has also benefited from the GBI scheme promoted by the GoI. Under this scheme we receive INR 0.50 per unit from IREDA up to a total cap of INR 10 million per MW for a minimum period of four years, subject to a maximum time period of 10 years.

Capacity (MW)	Average Start Date	Tenure	Fiscal 2023 tariff (per kWh)
Bothe project — PPAs with MSEDCL			
101.0	FY 2014	13 years — until FY 2027	INR 5.81
92.4	FY 2015	13 years — until FY 2028	INR 5.70

We have entered into energy purchase agreements with MSEDCL for 193.4 MW of our capacity at the Bothe project and receive contracted tariffs under these agreements. For the balance 6.3 MW wind capacity (comprising three wind turbines of 2.1 MW capacity each) at the Bothe plant, we have not executed the energy purchase agreements with MSEDCL. MSEDCL has contested its obligation of entering into the PPAs for this capacity and in January 2020 we filed a petition with the Maharashtra Electricity Regulatory Commission (MERC) seeking directions to MSEDCL for, inter alia, entering into PPAs for this capacity and making payments for this capacity since the date of commissioning of this capacity. While the MERC upheld the view of MSEDCL, it ordered MSEDCL to pay for the electricity generated from this capacity and utilized by MSEDCL until March 31, 2017 at a price equal to the average power purchase cost ("APPC") of MSEDCL and allowed MSEDCL determine whether it would execute PPAs on prospective basis at the tariff discovered in the most recent competitive bid. The APPC as well as the tariff discovered in the most recent competitive bid are significantly lower than the INR 5.70/kWh that we expected for the EPA. We appealed against the order and APTEL has granted a favorable order and directed MSEDCL to, among others, immediately sign the PPA with respect to the remaining 6.3 MW and pay tariff at APPC for the power supplied from the date of commissioning till application date for MEDA registration. In November 2022, MSEDCL has been granted an interim stay by the Supreme Court against the APTEL judgment. However, the Supreme Court has directed MSEDCL to, among others, pay for the electricity supplied to MSEDCL at the rate of INR 3.5/kWh and to deposit the differential amount with the Supreme Court on a bi-monthly basis. For details of the litigation pertaining to signing of PPAs for 6.3 MW capacity, see *"— Governmental, Legal and Arbitration Proceedings"*.

DSOs with MSEDCL has been ranging between 83 to 150 days from FY 2019 to FY 2020; however, during COVID-19, the DSOs from MSEDCL extended to 472 days and subsequently dropped to 99 days as of March 31, 2023. As a result of various measures including GoI's liquidity package of INR 1.2 million and the implementation of the LPS Rules, receivables situation of discoms has significantly improved.



In FY 2022, MSEDCL (Maharashtra discom) made payments equivalent to approximately 13 months of outstanding receivables. In FY 2023, MSEDCL made payments equivalent to approximately 19 months, which has resulted in substantial improvement in our DSO.

All invoices raised till generation month of January 2023 have been paid by MSEDCL till June 30, 2023. The current receivable cycle for MSEDCL stands at four months from the invoicing date (i.e. two months from the due date). Payments from MSEDCL are being collected at frequent intervals within 3-4 months of invoicing date along with LPS at frequent intervals. As of the date of this Offering Memorandum, LPS has been paid for invoices submitted till November 2022.

Our O&M arrangements at the Bothe project include in-house expertise for balance of plant and long-term O&M contracts for WTGs for a period of 10 to 12 years with Vestas and Suzlon with renewal clause post expiry. We have entered into O&M agreements for services as well as parts and consumables for wind turbine generators with Vestas and Suzlon. We use our in-house resources as well as engage third party contractors for the remaining of plant maintenance including that of the electrical collection systems, roads and pooling substation and for providing safety and housekeeping services at our project sites. For more details on our O&M arrangements, see “*Our Business — O&M.*”

Under the terms of the connection agreement with Maharashtra State Electricity Transmission Company Limited (“MSETCL”) and Vestas Wind Technology (India) Private Limited, we have developed and continue to operate and maintain the evacuation infrastructure at our wind farm. Our evacuation infrastructure includes a dedicated 220/33kV substation near the Kulakjai village and the sub-station is connected to MSETCL’s 400kV substation located at Lonand through a dedicated double circuit, 200 kV and 43-kilometer transmission line.

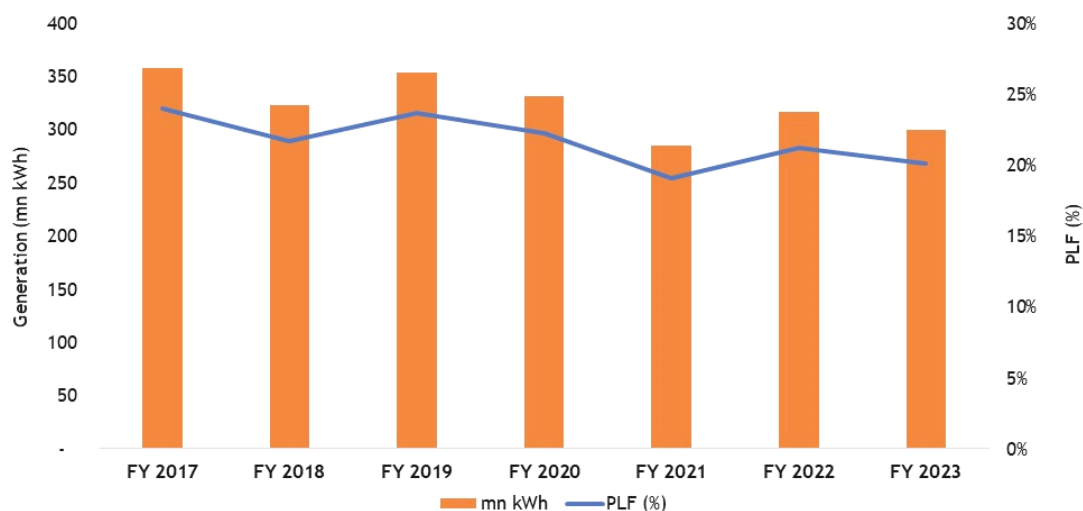
The Bothe project debt was initially financed by a consortium of lenders led by the State Bank of India and refinanced through Power Finance Corporation and L&T Finance in 2017 and later refinanced by proceeds of the 2027 Notes. As at March 31, 2023, loan outstanding against this facility was INR 8,621 million. We meet our working capital requirements through working capital loans from IndusInd Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

Ratlam 1

The Ratlam 1 project is a 170.0 MW wind power project located in the Ratlam and Mandsaur districts of Madhya Pradesh. As of March 31, 2023, the Ratlam 1 project had an operating capacity of 170.0 MW. The project is owned and operated by DJ Energy Private Limited (94 MW) and Uttar Urja Projects Private Limited (76 MW), which are wholly owned subsidiaries of CGEIP and the project was commissioned in December 2015. The project was developed largely on government owned land for which right to use has been granted by Government

of Madhya Pradesh and some parcels of land purchased from private owners. As of March 31, 2023, we had incurred capital expenditure of INR 11,509 million on this project.

The annual generation history of the project since FY 2017 is as follows:



The Ratlam 1 project was selected after analyzing approximately four years of wind data from five onsite wind masts having a height of 20 to 85 meters, and its equipment supplier is Inox Wind. Ratlam 1 has installed 85 Inox DF2000 wind turbines with a 100-meter rotor diameter and a hub-height of 92 meters with LVRT capabilities. In fiscal years 2019 and 2020, we installed booster upgrades on the turbines including overpower integrator and yaw calibration — a self-optimizing solution correcting any yaw miss alignment. For more details on our supplier arrangements, see “*Our Business — Suppliers.*”

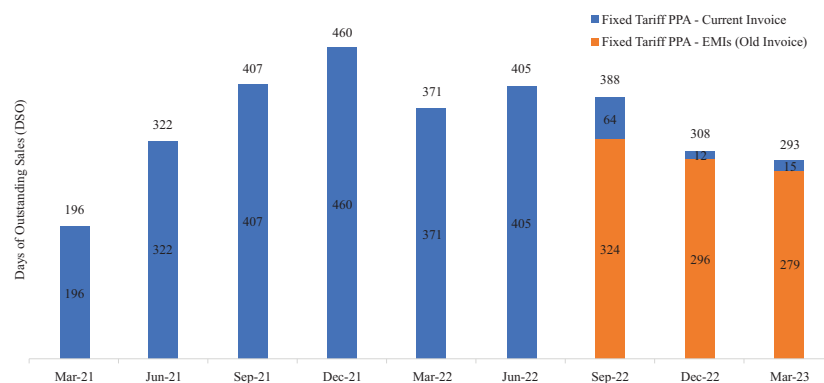
We have entered into two PPAs with MPPMCL for a period of 25 years from the date of commissioning of the project, for the sale and purchase of power generated by the project at an average tariff of INR 5.92 per unit.

Additionally, the project has also benefitted from the GBI scheme promoted by IREDA. Under this scheme we receive INR 0.50 per kWh from IREDA up to a total cap of INR 10 million per MW for a minimum period of four years up to a maximum period of 10 years. Details of the PPAs are as follows:

Capacity (MW)	Average Start Date	Tenure	Fiscal 2023 tariff
94.0	FY 2016	25 years —until fiscal 2041	INR 5.92 per kWh
76.0	FY 2016	25 years —until fiscal 2041	INR 5.92 per kWh

For more details on the PPAs with MPPMCL, see “*Our Business — PPA.*”

DSOs from MPPMCL ranged 19 to 144 days from fiscal 2019 to fiscal 2020. During COVID-19, DSOs from MPPMCL had extended to 461 days and subsequently dropped to 293 days (15 days excluding EMI invoices DSO of 279 days) as of March 31, 2023. As a result of various measures including GoI’s liquidity package of INR 1.2 million and the implementation of the LPS Rules, receivables situation of discoms has significantly improved.



MPPMCL has opted for EMI scheme as per LPS Rules 2022 and has converted receivable obligations from the generation month of May 2021 till March 2022 into 40 equal monthly instalments to be paid from August 2022. Payments have been received on time for the months from August 2022 for the said instalments. Till June 30, 2023, we have already collected 11 instalments. As of March 2023, 279 days of DSOs out of 293 days were represented by the receivables to be collected by way of 32 remaining monthly instalments and 15 days of DSOs were represented by the current invoices. Currently, receivables from MPPMCL stands at just one month from the invoice submission date.

Our O&M arrangements at the Ratlam 1 project include in-house expertise, long-term contracts for a period of 12 years with Inox Wind for WTGs and other third-party contractors. For more details on our O&M arrangements, see “*Our Business — O&M.*”

Under the terms of the connection agreement with Madhya Pradesh Power Transmission Company Limited (“MPPTCL”), we have developed and continue to operate and maintain the evacuation infrastructure at our wind farm. Our evacuation infrastructure includes a dedicated double-circuit 220kV 20 kilometer line from our dedicated 220/33kV pooling substation at Bathkheda village to the MPPTCL’s 400 kV substation at Daloda, Madhya Pradesh, 33 kV transmission lines from individual turbines located in nearby villages to our pooling substation, access roads to the individual turbines and other related facilities.

DJ Energy Private Limited and Uttar Urja Projects Private Limited entered into a common facilities agreement to jointly develop, operate and maintain the common facilities, including the 220 kV pooling substation, 220 kV and 33kV transmission lines and SCADA infrastructure to facilitate power evacuation from the Ratlam 1 substation to the MPPTCL substation. The agreement will be valid until the conclusion of the operating life of the project. As part of their obligations under the agreement, both parties have agreed to develop, operate and maintain the common facilities; procure the required government approvals and permissions, as may be required during the term of this agreement; engage the services of all necessary, skilled and experienced supervisors, engineers, designers and other personnel in setting up the common facilities and in performing its obligations under the agreement; comply with applicable laws and take steps to cause minimum damage to the environment and local communities; deploy its employees at the project site from time to time to maintain the common facilities; ensure that the common facilities are kept in good condition and free from any defect during the term of the agreement; and have marketable title and absolute ownership over the common facilities during the term of the agreement, except for any encumbrance created in favor of lenders. The agreement may be terminated by mutual agreement between the parties or by a party if effective resolutions are passed or petitions are filed for winding up, bankruptcy or dissolution against the other party. In case of the latter, the terminating party has a right of first refusal over the other party’s assets forming part of the common facilities and is entitled to purchase all or part of such assets at the prevailing market price at the time of termination.

The Ratlam 1 project debt was initially financed by the International Finance Corporation, Yes Bank Ltd and IIFCL. It was later refinanced through International Finance Corporation, Indian Infrastructure Finance Company Limited, L&T Finance, IREDA and India Infradebt Limited and subsequently refinanced by proceeds of the 2027 Notes. As at March 31, 2023, loan outstanding against this facility was INR 11,727 million. We meet our working capital requirements through working capital loans from IndusInd Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

Periyapatti

The Periyapatti wind-solar co-located hybrid farm is a 148.0 MW wind power and 78.8 MWp solar power hybrid project located in the districts of Coimbatore and Tirupur in Tamil Nadu. As of March 31, 2023, the Periyapatti WSH farm had an operating capacity of 226.8 MW. The project is owned and operated by Watsun Infrabuild Private Limited. As of March 31, 2023, CGEIPPL owns 72.3% voting equity in Watsun Infrabuild Private Limited and the rest is owned by 42 C&I consumers of electricity from the project. This ownership of more than 26% voting equity by consumers entitles the project the status of Group Captive generating plant. Under the Electricity Act, 2003 and the rules and policies made thereunder, electricity can be supplied to a group of consumers in a “group captive structure” with 100% waiver of the cross subsidy surcharge and additional surcharge for power projects. In order to be eligible for the structure, a group captive project must have the following characteristics:

- At least 26% of the voting equity of the project company (pro-rata to the generating capacity sold under group captive mechanism) must be owned by consumers of electricity; and
- At least 51% of net electricity generation must be consumed by such consumers in a financial year.

Consumption of energy from group captive projects that meet the above two criteria in any financial year are exempt from cross subsidy surcharges and additional surcharges.

We have entered into share purchase and shareholding agreements with the consumers to ensure the compliance with the above two norms. The key terms of the agreements are as follows:

- (a) WIPL has a right to issue a notice to the relevant captive consumer(s), (a) to make changes in the shareholding of the captive consumers to ensure that the power plant is in compliance with the Electricity Act and rules enacted thereto; and (b) in the event the shareholding of the captive consumers in the aggregate exceed 26%, it may direct all or some of the captive consumers to transfer such portion of their shareholding in WIPL to CGEIPPL or its nominee to ensure that the aggregate shareholding of such captive consumers is brought down to 26% of the share capital of WIPL.
- (b) The consumer has undertaken to subscribe to securities issued by WIPL, comply with every captive conditions notice served by WIPL and ensure that the status of the power plant remains as a captive generating plant.
- (c) The consumer has undertaken not to create any encumbrance on the share capital of WIPL, except as otherwise agreed in writing by CGEIPPL and WIPL.
- (d) The consumer is not entitled to directly or indirectly transfer any of the equity shares of WIPL held by it without the prior written approval of WIPL and the CGEIPPL, and any transfer of equity shares shall be made to those persons as are identified or approved by WIPL.

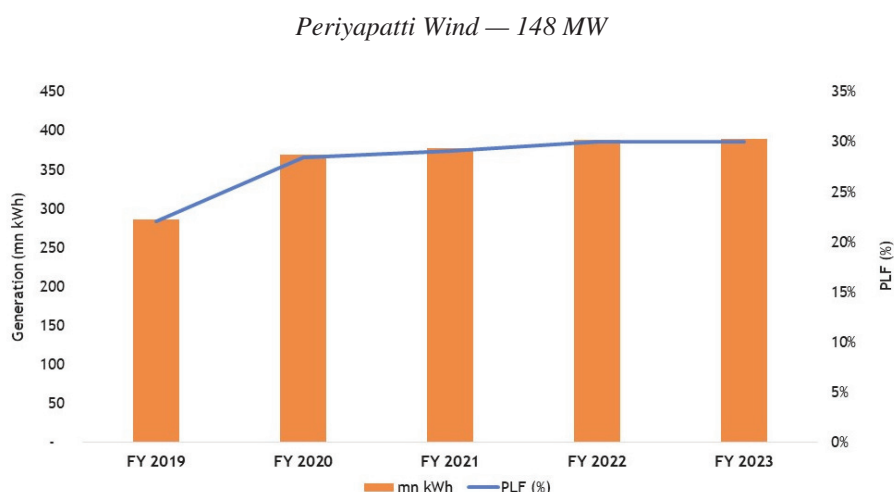
- (e) Upon termination of the PPA, promoters of WIPL will have a right to acquire the shares held by the consumer at the cost paid by the consumer for said shares.
- (f) The agreement may be terminated upon the happening any of the following events:
 - a. by parties mutually consenting to terminate the same; and
 - b. with respect to the consumer, (a) upon termination of the PPA; or (b) upon the consumer ceasing to be a shareholder of WIPL; or (c) upon breach of any covenants, undertakings and representations and warranties provided by the consumer under the agreement.

As per the National Tariff Policy 2016, wheeling charges and other terms and conditions for implementation of captive power projects should be determined in advance by the respective state electricity regulatory commission, duly ensuring that the charges are reasonable and fair.

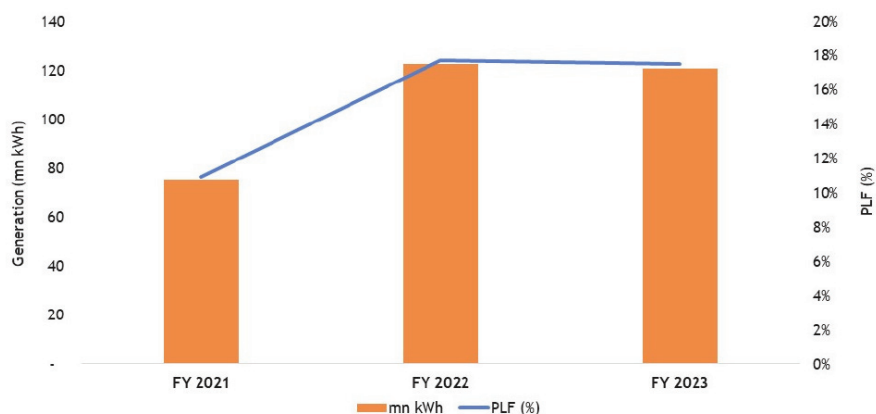
In addition, as per the current regulations in Tamil Nadu, all wind capacity commissioned up to March 31, 2020 is entitled to banking facility wherein electricity generated by such plant but not consumed by the consumers when generated can be banked with the distribution utility and withdrawn later for consumption by the consumers during the same financial year, subject to levy of a banking charge of 14% of the energy banked.

The 54 MW wind capacity was commissioned in December 2017, the 94 MW wind capacity was commissioned in December 2018 and the 78.8 MW solar capacity was commissioned in June 2020. The entire 148 MW enjoys banking facility for a fiscal year (April to March). Under such banking facility, energy produced by the project but not consumed by the open access consumer(s) can be banked with Tangedco and utilized later within the applicable banking period (subject to payment of banking charges and conditions under the regulations relating to banking). As of March 31, 2023, we had incurred capital expenditure of INR 13,931 million on this project.

The annual generation history of the 148 MW windfarm and solar project is as follows:



Periyapatti Solar 78.8 MWp

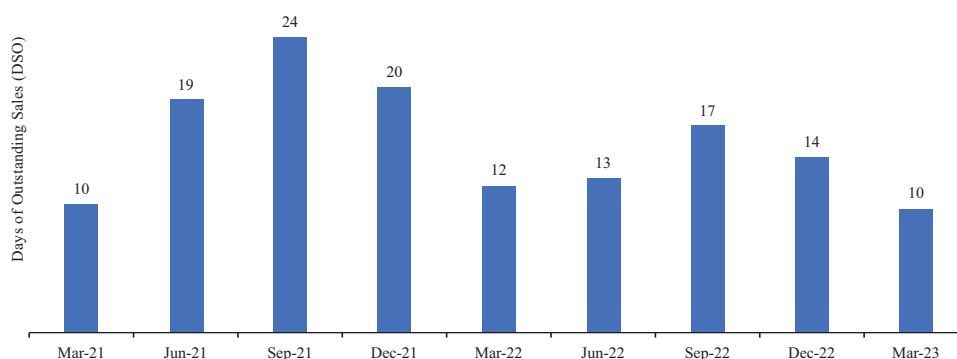


The Periyapatti wind-solar co-located farm was selected after relying on up to seven years of wind data from 10 onsite wind masts with a height of 78 to 95 meters and its equipment supplier is Vestas. Periyapatti has installed (i) 60 Vestas V100 wind turbines with a hub-height of 95 meter and 14 Vestas V110 wind turbines with a hub-height of 95 meter for its wind power generation; and (ii) poly crystalline modules of Adani Solar make for its solar park. The wind turbines are pre equipped with aerodynamic upgrades and overpower integrator. For more details on our supplier arrangements, see “*Our Business — Suppliers.*”

We have entered into PPAs with multiple C&I consumers (for sale on group captive basis) and one energy trading company (for sale of 10 MW capacity under non-group captive) for the sale and purchase of power generated by the project for a period ranging generally between 5 to 20 years with an average tenure of 10 years from the date of first supply of power to the consumer. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity discoms and are set lower than the then prevailing tariffs charged by the discoms to these consumers for black energy. In order to sell electricity to these C&I consumers, we need to utilize the transmission and distribution electricity grids owned and operated by respective transmission and discoms. Such use, referred to as grant of “open access” to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalized by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and distribution grids (referred to as “open access losses” and charged in terms of percentage of electricity generated from our projects). These open access charges and losses, as per the rates/ levels prevailing on the date of execution of the respective PPAs with C&I consumers are, in most cases, to the account of the project companies (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us. In most cases, the net variation in tariffs charged by discoms and open access charges/losses is to be shared between the consumer and the company in varying ratios. For more details on the PPAs with C&I consumers, see “*Our Business — PPA.*”

In the case of our solar project in Periyapatti, we faced a delay of approximately six months in obtaining group captive open access and wheeling permission from Tamil Nadu Generation and Distribution Corporation Limited (“TANGEDCO”) due to the review of the rules and expectation of revised rules to be promulgated by the electricity regulatory commission — which were announced in February 2021. As a result, we were unable to sell and bill electricity from this project to our group captive consumers until the approval was granted. While we have been operating the project since July 2020, we received the said group captive open access and wheeling permission from TANGEDCO in February 2021 and commenced sales to our C&I consumers from March 2021.

DSOs with C&I consumers have been improving consistently from 24 days in September 2021 to 10 days in March 2023. Even during COVID-19, the DSOs have remained at approximately 24 days.



In addition, during COVID-19 lockdown period from March 2020 to July 2020, we did not face any adverse impact of the lockdown and 98.8% of the energy allocated to C&I consumers was offtaken by our consumers. Under the regulations in the state of Tamil Nadu for an open access project, any unsold energy from:

- (a) 148.0 MW wind project may be sold to the discom at 75% of the feed-in tariff for wind capacity determined by the regulatory commission for wind turbines commissioned in that same financial year. Therefore, for 44 MW capacity commissioned in fiscal year 2018, the applicable rate is 75% of INR 4.16/kWh. In respect of balance capacity of 94 MW commissioned in fiscal year 2019, the applicable rate is 75% of INR 2.86/kWh.
- (b) 78.8 MW solar project may be sold to the discom at 75% of tariff discovered in a competitive auction for solar projects. Given that this project was commissioned in fiscal year 2021, the applicable discovered tariff is INR 2.37/kWh.

Our O&M arrangements at the Periyapatti wind-solar co-located farm include in-house expertise and long-term O&M contracts for a period of fifteen years with Vestas for wind turbines and for a period of 10 years with Larsen & Toubro for Solar Park. We also engage third party contractors to provide manpower for the maintenance of the 230 kV pooling substation, 230 kV and 33kV transmission lines and SCADA infrastructure, along with security/safety and housekeeping services at our project sites. For more details on our O&M arrangements, see “*Our Business — O&M.*”

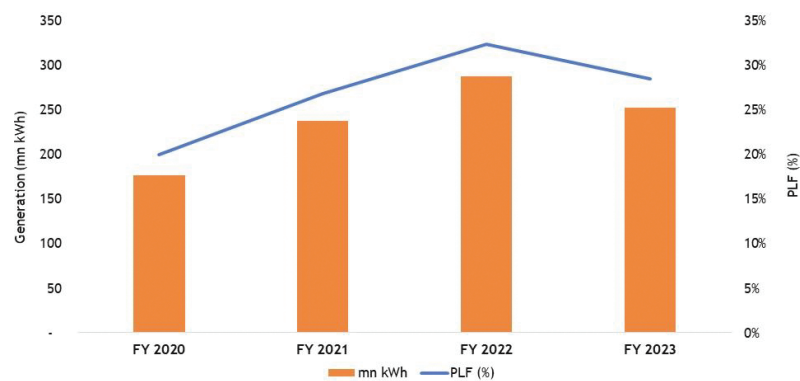
Under the terms of the evacuation approval from Tamil Nadu Transmission Company Limited (“TANTRANSCO”) to Vestas, we have developed and continue to operate and maintain the evacuation infrastructure at our wind farm. Our evacuation infrastructure includes a dedicated 230/33kV substation near the Poolavadi village and the sub-station is connected to the TANTRANSCO’s 400 kV substation located at Anaikadavu (part of green corridor) through a dedicated single circuit, 230 kV and 16.6 kilometer transmission line.

The Periyapatti project debt was initially financed by the State Bank of India, PTC India Financial Services Ltd. and IREDA and later refinanced by proceeds of the 2027 Notes in fiscal year 2021. As at March 31, 2023, loan outstanding against this facility was INR 9,133 million. We meet our working capital requirements through working capital loans from IndusInd Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

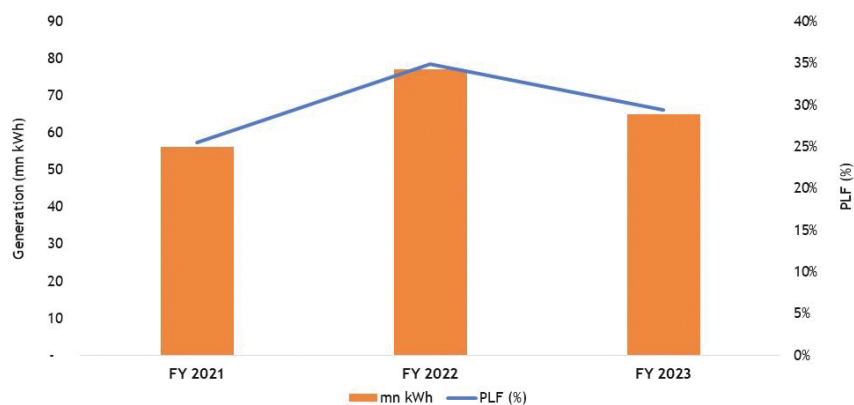
Rajkot 1, 2A and 2B

Rajkot 1, 2A and 2B wind farms comprise a 154.4 MW wind power project located in Rajkot and Korbi districts of Gujarat. As of March 31, 2023, Rajkot 1, 2A and 2B wind farms had a total operating capacity of 154.4 MW. The project is owned and operated by Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited and Kutch Windfarm Development Private Limited, which are wholly owned subsidiaries of CGE IPL. The 101.2W project owned and operated by Trinethra Wind and Hydro Power Private Limited was fully commissioned in December 2019, the 25.2 MW project housed under Renewables Trinethra Private Limited was fully commissioned in June 2020 and the 28 MW project housed under Kutch Windfarm Development Private Limited was fully commissioned in March 2022. The project was developed on government owned land leased to these companies. As of March 31, 2023, we had incurred capital expenditure of INR 8,224 million on Rajkot 1 and 2A projects and INR 1,594 million on the Rajkot 2B project.

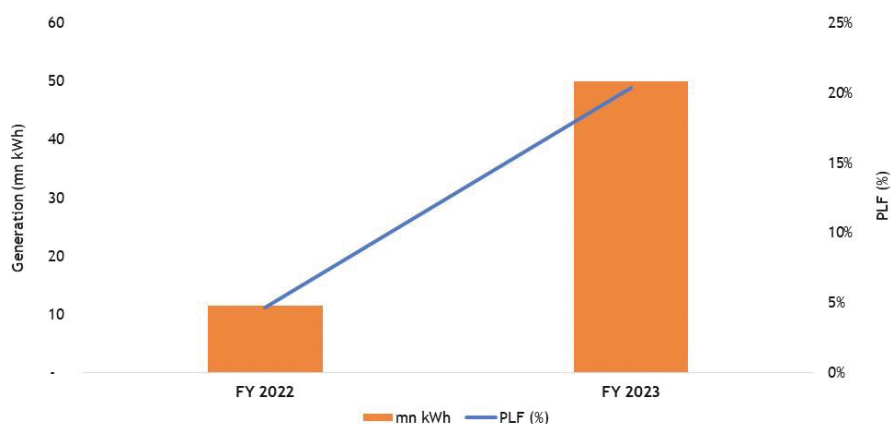
The annual generation history of the Rajkot 1 project is as follows:



The annual generation history of the Rajkot 2A project is as follows:



The annual generation history of the Rajkot 2B project is as follows:

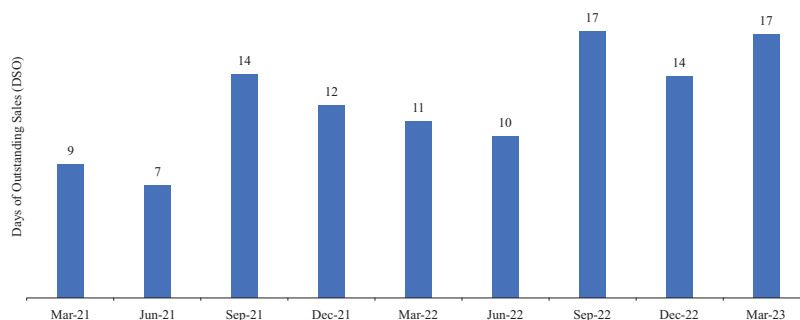


Rajkot 1, 2A and 2B wind farms were selected after analyzing three years of wind data from five onsite wind masts having a height of 80 to 120 meters, and its equipment suppliers are Vestas, Siemens Gamesa and Inox. Rajkot 1 has installed 46 Vestas V120 wind turbines with a hub-height of 120 meters, Rajkot 2A has installed 12 Siemens Gamesa SG122 with a hub-height of 127 meters and Rajkot 2B has installed 14 Inox make 2.0 MW WTGs (model INOX/DF/2000 2.0-113) with a rotor diameter of 113 meters and a hub height of 92 meters. For more details on our supplier arrangements, see “*Our Business — Suppliers.*”

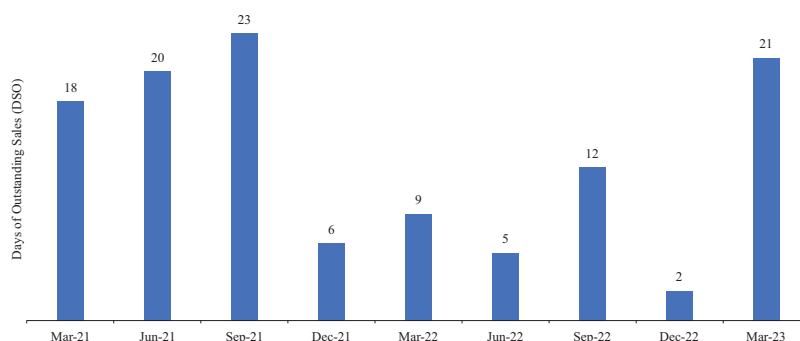
We have entered into PPAs with multiple C&I consumers for the sale and purchase of power generated by the project with an average tenure of around 12 years from the date of first supply of power to the consumer. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity discoms and are set lower than the then prevailing tariffs charged by the discoms to these consumers for black energy. In order to sell electricity to these C&I consumers, we need to utilize the transmission and distribution electricity grids owned and operated by respective transmission and discoms. Such use, referred to as grant of “open access” to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalised by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and distribution grids (referred to as “open access losses” and charged in terms of percentage of electricity generated from our projects). These open access charges and losses, as per the rates/levels prevailing on the date of execution of the respective PPAs with C&I consumers are, in most cases, to the account of the project companies (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us. The net variation in tariffs charged by discoms and open access charges/losses is to be shared between the consumer and the Company in varying ratios. For more details on the PPAs with C&I consumers, see “*Our Business — PPA.*”

DSOs from C&I consumers has been ranging less than 30 days since March 2019, and even during COVID-19, DSOs remained at a similar level.

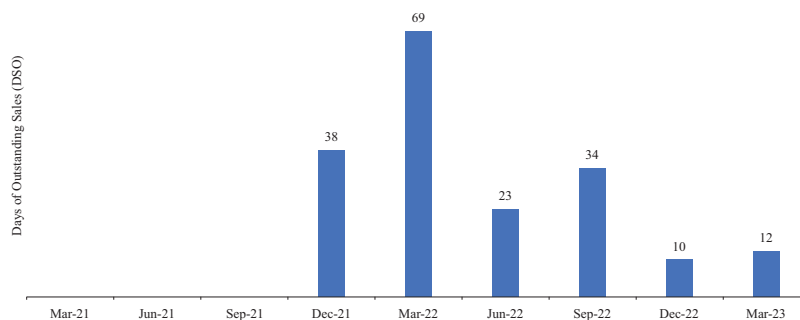
Rajkot 1 – 101.2 MW



Rajkot 2A – 25.2 MW



Rajkot 2B – 28 MW



In addition, during the COVID-19 lockdown period from March 2020 to July 2020, we did not face any significant adverse impact of the lockdown and more than 90% of the energy allocated to C&I consumers was offtaken by our consumers. Under the regulations in state of Gujarat for open access project, any unsold energy from:

- (a) 111.7 MW project commissioned in fiscal year 2020 may be sold to discom at APPC of the discom in fiscal 2020. APPC in fiscal year 2020 was INR 3.78/kWh. Further, in the case of surplus energy from wind turbines selling to consumers who utilize such energy to fulfil their RPO, the applicable rate will be 85% of APPC. The Company's consumers are almost evenly split between those buying for RPO and otherwise and, hence average APPC applicable will be close to INR 3.49/kWh.

- (b) 14.7 MW project commissioned in fiscal year 2021: the applicable rate of sale of unsold energy to discoms is INR 1.75/kWh.
- (c) 28.0 MW project commissioned in fiscal year 2022: the applicable rate of sale of unsold energy to discoms is INR 1.75/kWh.

In fiscal year 2020, we had insignificant amount of unsold energy and almost all the energy was sold to C&I consumers at the tariffs prevailing in the respective PPAs. In fiscal year 2021, other than approximately 13% of energy sold to discoms (out of total billed units) during April to July 2020, when lockdowns prevailed due to COVID-19, almost all of the energy was sold to C&I consumers at the tariffs prevailing in the respective PPAs. Our O&M arrangements at the Rajkot 1, 2A and 2B wind farms include in-house expertise as well as long-term contracts including for a period of 15 years with Vestas, 10 years with Siemens Gamesa Renewables Power Private Limited and 20 years with Inox Wind respectively. The O&M contracts with Vestas, Siemens Gamesa and Inox include the wind turbine as well as the balance of the plant including the 220 kV pooling substation, 220 kV and 33kV transmission lines and SCADA infrastructure. For more details on our O&M arrangements, see “*Our Business — O&M.*”

Under the terms of the connection agreement with Gujarat Electricity Transmission Company Limited (“GETCO”), we have developed and continue to operate and maintain the evacuation infrastructure at our wind farm. Our evacuation infrastructure includes a dedicated 220/33kV pooling substation near the Virav village and the sub-station is connected to GETCO’s 400kV substation located at Hadala through a dedicated double circuit, 220 kV and 19-kilometer transmission line.

The Rajkot 1 and 2A projects were financed by Power Finance Corporation and later refinanced by proceeds of the 2027 Notes in fiscal year 2021. As at March 31, 2023, loan outstanding against this facility was INR 8,287 million. We meet our working capital requirements through working capital loans from IndusInd Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

The Rajkot 2B project is financed by Power Finance Corporation. We meet our working capital requirements through a working capital facility from ICICI Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

The amount sanctioned for the Rajkot 2B project was INR 1,153 million. As at March 31, 2023, loan outstanding against this facility was INR 1,108 million.

Dayapar

Dayapar is 126 MW wind power project located at Dayapar, Dist Kutch in the state of Gujarat. The project is housed under Continuum Power Trading (TN) Private Limited (CTN), which is a wholly owned subsidiary of our Parent Guarantor. The project was originally planned for 250 MW capacity and we have received approvals for both a reduction in capacity (entitled under the PPA to set up a minimum of 50% of the PPA capacity) to 126 MW and an extension of the scheduled commissioning date from SECI until June 2022. The said project was fully commissioned in May 2023. The project was developed on government-owned land sub-leased to the company. Total capital expenditure for development of said 126 MW wind power project was INR 7,290 million and INR 6,827 million was incurred as of March 31, 2023.

The Dayapar project site was selected after analyzing wind data from five wind masts having a height of 75 to 120 meters and its equipment supplier is Inox Wind. The Dayapar project executed contracts with Inox Wind Limited and its subsidiaries for the supply, installation and commissioning of 63 nos. of Inox make 2.0 MW WTGs (model INOX/DF/2000 2.0-113) with rotor diameter of 113 meters and hub height of 92 meters.

The Company had entered into PPAs with SECI for 250 MW for 25 years with a fixed price of INR 2.51/kWh. The capacity was reduced subsequently to 126 MW which is the minimum requirement under the PPA and a payment of INR 2,000,000/MW for the reduced capacity to 126 MW has been paid to SECI as per the terms of the PPA. In April 2023, SECI terminated the PPA due to delay in commissioning of 50% of contracted capacity as per the requirement of the PPA within scheduled commercial date and the decision to purchase the partial commissioned capacity of 88 MW has been referred to MNRE by SECI. SECI terminated the PPA despite representation made by the company to SECI for extension of the scheduled commissioning date on account of force majeure and change in law in technical specifications of connectivity.

Subsequent to the said PPA termination event, the Company has taken Short Term Open Access (“STOA”) from WRLDC for the entire commissioned capacity of 126 MW and power is being sold on the Indian Energy Exchange (“IEX”) at mercantile basis. Average price is in the range of INR 4-7 per kWh and Company is also in discussions for sale of power on long term basis to C&I consumers. The average price on the electricity exchange rose 35% from INR 4.39/kWh in FY2022 to INR 5.94/kWh in FY2023, which was much more than realization of INR 2.51/kWh under the PPA. SECI may consider offtake of 88 MW subject to MNRE approval. the Company believes that the terms of the PPA do not provide for any such arrangement for SECI to continue purchasing offtake of 88 MW. Until then, we will continue to sell power on GTAM/IEX. Any decision regarding long term sales under PPAs can be taken only after SECI reverts with its decision.

Turbine supplier Inox Wind Limited’s subsidiary Inox Green Energy Services Limited will provide O&M services under long-term O&M contracts. We also have dedicated in-house teams that provide O&M services at various projects of the Group. The robust O&M services at our plants provide us access to unfiltered generation data to monitor real-time turbine performance, conduct predictive maintenance, and undertake detailed analyses that help us establish accountability over our suppliers.

The power generated from the project is evacuated from already commissioned and operating 220 kV double circuit line from Inox 33/220 kV pooling station at Dayapar Village to the 765/400/220kV PGCIL Bhuj pooling station by utilizing a special conductor named “AL 59” (equivalent to moose conductor) which can carry 375 MW per circuit i.e., the said PSS can evacuate power up to 750 MW. The Bhuj Grid Substation has a 4000 MVA (2x500 MVA 220kV/400 kV plus 2x1500 MVA 400kV/765 kV) transformer capacity.

The Dayapar project is financed by Power Finance Corporation. We meet our working capital requirements through working capital facility from ICICI Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*” The amount sanctioned for Dayapar project was INR 5,040 million. As at March 31, 2023, loan outstanding against this facility was INR 4,530 million.

Morjar 1

Morjar 1 is a 148.5 MW wind power project located in and around village Amara, Dist. Kutch in the state of Gujarat. The project is being implemented by Morjar Windfarm Development Private Limited (“MWDPL”), an SPV established for developing the 148.5 MW greenfield wind power project at Bhuj, Gujarat awarded under bid called by SECI. MWDPL is a wholly owned subsidiary of Srijan Energy Systems Private Limited (“SESPL”) which in turn is 100% owned by CGEIPL.

SECI has extended the project completion timelines several times for external reasons including force majeure events like supply chain issues post the COVID-19 lockdown and monsoon related disruptions. The company was required to commission the project by December 1, 2022. While the project slipped past the revised deadline, the cumulative capacity commissioned as on December 2022 stood at 91.8 MW and the balance 56.7 MW was commissioned in phases in June 2023.

The project was developed on government-owned land sub-leased to the Company. Total capital expenditure estimated for development of this wind project was INR 11,306 million and INR 10,347 million was incurred as on March 31, 2023.

The project site was selected after analyzing wind data from five wind masts having a height of 75 to 120 meters and its equipment supplier is GE India. Morjar 1 executed contracts with GE India Industrial Private Limited for supply, installation and commissioning of 55 nos. of GE make 2.7 MW WTGs (model GE 2.7-132) with rotor diameter of 132 meters and hub height of 130 meters.

The Company has entered into PPA for the entire capacity with SECI for a period of 25 years. The PPA shall be valid for 25 years from the scheduled commissioning date or from the date of full commissioning of the project whichever is earlier.

Turbine supplier GE India Industrial Private Limited will provide O&M services under long-term O&M contracts. We also have dedicated in-house teams that provide O&M services at various projects of the Group. The robust O&M services at our plants provide us access to unfiltered generation data to monitor real-time turbine performance, conduct predictive maintenance, and undertake detailed analyses that help us establish accountability over our suppliers.

The power generated from the project is evacuated from already commissioned and operating 220 kV dedicated single circuit line from our dedicated 33/220 kV 180 MVA pooling station at Morjar Village to 765/400/220kV PGCIL Bhuj – II pooling station.

The Morjar 1 project was financed by consortium of 2 lenders namely IREDA and IIFCL. We meet our working capital requirements through working capital facilities from Indusind Bank Limited and HDFC Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

The amount sanctioned for Morjar 1 project was INR 7,730 million. As at March 31, 2023, loan outstanding against this facility was INR 7,277 million.

Investment by GEEFS in MWDPL

MWDPL, GE EFS India Energy Investments B.V. (“GEEFS”), Srijan Energy Systems Private Limited (“SESPL”), CGEIP and CGEL (SESPL, CGEIP and CGEL collectively the, “Promoters”) have entered into a CCD subscription agreement dated March 30, 2022 (“CCD SA”) and an investor rights agreement dated March 30, 2022 (“IRA”). Pursuant to the terms of the IRA, GEEFS has agreed to subscribe to fully and compulsorily convertible debentures constituting minority share capital of MWDPL determined on a fully diluted basis, in accordance with the terms and conditions set out in the CCD SA. GEEFS may seek to convert the said debentures into equity shares (i.e. the equity shares of MWDPL having such terms and conditions as set out the IRA) in accordance with the terms as specified in the IRA.

The IRA provides for a put option to GEEFS wherein GEEFS has the right to require any of the Promoters or MWDPL to purchase all of the securities held by GEEFS in accordance with the specified conditions summarized below.

In case the said put option is exercised within a period of 2 years after the effective date (i.e. the date on which the debentures are subscribed by GEEFS pursuant to the terms of the CCD SA), the said securities of t GEEFS shall be purchased only by CGEL or any other nominee of the Promoters who is a “person resident outside India” as defined in the relevant statutes as stated in the IRA.

Further, the said put option can be exercised at any time after:

- (i) the occurrence of an event of default, as more particularly specified in the IRA; and/ or
- (ii) the exit date (i.e. the date falling 7 (seven) years after the earlier of (a) commercial operation date (*as defined in the 'power purchase agreement', which is more particularly stated in the CCD SA*), and (b) September 1, 2022).

The put option will be exercised at a price in accordance with the conditions as more particularly described in the IRA.

IRA also provides GEEFS to require the Promoters to purchase all of the securities held by GEEFS in case of an indirect change of control (as defined in the IRA) to a buyer: (i) other than qualified investors; (ii) wherein GEEFS is dissatisfied with the reputation of such buyer, such that it violates GEEFS's corporate policies in this respect; or (iii) such that the proposed indirect change of control (as defined in the IRA) will not result in any one or more persons acquiring control of MWDPL and/or any Promoter.

Further, the IRA provides for a call option to the Promoters, wherein the Promoters have the right to require GEEFS to sell all of the securities held by GEEFS in MWDPL, to any of the Promoters or its affiliates or nominees in accordance with the specified conditions. The said call option is exercisable within (i) a period of 90 days starting on and from the date falling 13 months after commercial operation date (as defined in the PPA, which is more particularly stated in the CCD SA); (ii) a period of 90 days starting on the date falling 57 months after the commercial operation date (as defined in the PPA, which is more particularly stated in the CCD SA); (iii) subject to a specified condition, a period of 90 days before and 90 days after the occurrence of an indirect change of control (as defined in the IRA); and (iv) a period of 60 days prior to, and a period of 60 days after, the issuance of any bonds or notes by MWDPL and/or the Promoters and/ or their affiliates.

In case the said call option is exercised within a period of 2 years after the effective date (i.e. the date on which the debentures are subscribed by GEEFS pursuant to the terms of the CCD SA), the said securities of GEEFS shall be purchased only by a purchaser who is a "person resident outside India" as defined in the relevant statutes as stated in the IRA.

The call option will be exercised at a price in accordance with the conditions as more particularly described in the IRA.

The call option shall expire on the exit date (i.e. the date falling 7 (seven) years after the earlier of (a) commercial operation date (as defined in the PPA, which is more particularly stated in the CCD SA), and (b) September 1, 2022).

Rajkot 3

The Rajkot 3 WSH project comprises a 99.9 MW wind power project and a 140.0 MW DC (100.0 MW AC) solar power project located in Rajkot and Morbi districts of Gujarat.

The project is housed under the Continuum Trinethra Renewables Private Limited, which is wholly owned subsidiary of CGEIP. This 239.9 MW WSH project was commissioned in phases. In May 2022, the project had commissioned 55.3 MW (37.8 MW wind and 17.5 MWp solar) and started supplying power to certain of its C&I consumers and the project was fully commissioned in June 2023. The majority of the wind portion of project was

developed on government-owned land leased/sub-leased to the Company and the remaining wind project was developed on private leased land. Solar project was developed on private leased land. Total capital expenditure for development of the 239.9 MW WSH project was INR 13,556 million and INR 13,227 million had been incurred as of March 31, 2023.

Rajkot 3 project site was selected after analyzing 3 years of wind data from five wind masts having a height of 80 to 120 meters, and its equipment supplier is GE India. The project has installed 37 nos. of GE make 2.7 MW WTGs (model GE 2.7-132) with rotor diameter of 132 meters and hub height of 130 meters. Rajkot 3 has also installed Waaree make 540Wp solar modules with Sineng 3.125 MW Inverters for entire 140.0 MW DC (100.0 MW AC) solar capacity.

We have entered into multiple PPAs with C&I consumers for the sale and purchase of power generated by the project for a period ranging between 5 to 25 years with an average tenure of 15 years from the date of first supply of power to the consumer. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity discoms and are set lower than the then prevailing tariffs charged by the discoms to these consumers for black energy. In order to sell electricity to these C&I consumers, we need to utilize the transmission and distribution electricity grids owned and operated by respective transmission and discoms. Such use, referred to as grant of “open access” to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalized by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and distribution grids (referred to as “open access losses” and charged in terms of percentage of electricity generated from our projects). These open access charges and losses, as per the rates/levels prevailing on the date of execution of the respective PPAs with C&I consumers are to the account of the project company (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us. In most of the PPAs, the net variation in tariffs charged by discoms and open access charges/losses is to be shared between the consumer and the company in varying ratios. For more details on the PPAs with C&I consumers, see “*Our Business — PPAs.*”

The consumers of Continuum Trinethra Renewables Private Limited have a minimum off-take and supply guarantee, respectively under the PPA ranging between 85% to 90%. We cater to only to 50% of the electricity demand of the C&I consumers. The C&I consumers represent a diversified range of industries. This diversity and our supply catering to only 50% to 60% of demand of the consumers provide higher certainty of off-take of power even amid economic ups and downs.

GE India Industrial Private Limited and Waaree Renewable Technologies Limited shall provide O&M services under long-term O&M contracts. We also have dedicated in-house teams that provide O&M services at various projects of the Group. The robust O&M services at our plants provide us access to unfiltered generation data to monitor real-time turbine performance, conduct predictive maintenance, and undertake detailed analyses that help us establish accountability over our suppliers.

Under the terms of the connection agreement with GETCO, we have developed and continue to operate and maintain the evacuation infrastructure at our project. Our evacuation infrastructure includes a dedicated 220/33kV pooling substation near the Virav village and the sub-station is connected to the GETCO’s 400kV substation located at Hadala through a dedicated double circuit, 220 kV and 19-kilometer transmission line.

The Rajkot 3 project was financed by Power Finance Corporation. We meet our working capital requirements through a working capital facility from HDFC Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*” The amount sanctioned for Rajkot 3 project was INR 8,783 million. As at March 31, 2023, loan outstanding against this facility was INR 8,615 million.

Ratlam 2

The Ratlam 2 WSH project envisages a 99.9 MW wind power project and a 150.1 MWp DC solar power project located in Ratlam and Mandsaur districts of Madhya Pradesh.

The project is housed under Continuum MP Windfarm Development Private Limited, which is a subsidiary of CGEIPPL. This 250.0 MW WSH project is under construction phase and is expected to be fully commissioned by Q3 FY 2024E. Since the pooling substation and EHV line works are completed, the project can now be commissioned in parts as turbines and solar modules and associated balance of plant works are ready for commissioning. For the wind energy project, the turbines (2.7 MW capacity each) will be commissioned, and for the solar project, the inverters (3.125 MW_{AC} inverter capacity) will be commissioned. The wind project will be located on owned private land for all 44 locations. Land for solar power project is a combination of private land on leasehold for a period of approximately 29.5 years and owned basis.

The proposed project is brownfield expansion of existing 170 MW Ratlam 1 project. Ratlam 2 project shall share evacuation infrastructure with existing Ratlam 1 project and shall be connected to the existing Pooling substation at Bhatkheda. Spare transformer of 100 MVA has already been installed as part of Ratlam 1 project, which shall be sufficient to cater to the evacuation infrastructure requirement of Ratlam 2 project. The project shall be connected to existing Grid Substation of MPPTCL at Daloda through 220 kV Extra High Voltage (EHV) line, connectivity approval for which has been received. In order to evacuate the enhanced capacity, the existing zebra conductors have been replaced with High Rating conductors on the existing 220 kV DCDS line between Bhatkheda pooling substation and Daloda 220 kV substation, as part of the evacuation arrangement for the new project. This replacement of conductors was achieved without any shutdown of the existing Ratlam 1 project in a process known as “hot line reconductoring” — one of the few such instances in the renewable sector in India.

The project site has eight onsite wind masts with height of 80 to 120 meters and its location was carefully selected based on internal resource assessment and experience from the Ratlam 1 project. Ratlam 2 will have 37 nos of GE make 2.7 MW WTGs (model GE 2.7-132) with rotor diameter of 132 meters and hub height of 130 meters. All 37 nos of turbines have been delivered to project site. Turbine supplier GE shall also provide comprehensive O&M services for a period of 17 years at an agreed fixed fee per turbine post free O&M period of three years and escalation at certain agreed percentage per year. Solar module contract has been signed with Waaree and Premier for supply of modules. All required solar modules have been manufactured and either delivered to site or to warehouses pending delivery to site after the rainy season subsides.

Ratlam 2 will sell power to 25 C&I consumers, over 80% of whom have credit rating higher than A or are debt free, in group captive mode. Group of consumers shall own at least 26% voting equity contribution in the SPV and shall consume 100% of the electricity produced by the project. PPAs are for a period ranging between 15 to 25 years, with lock-in period of 3 to 5 years from the date of start of power supply to the consumer. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity discoms and are set lower than the then prevailing tariffs charged by the discoms to these consumers for black energy. In order to sell electricity to these C&I consumers, we need to utilize the transmission and distribution electricity grids owned and operated by respective transmission and discoms. Such use, referred to as grant of “open access” to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalised by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and distribution grids (referred to as “open access losses” and charged in terms of percentage of electricity generated from our projects). These open access charges and losses, as per the rates/levels prevailing on the date of execution of the respective PPAs with C&I consumers

are to the account of the project company (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us. In most of the PPAs, the net variation in tariffs charged by discoms and open access charges/losses is to be shared between the consumer and the company in varying ratios. For more details on the PPAs with C&I consumers, see “*Our Business — PPAs.*”

Ratlam 2 project is being financed by IREDA and working capital facilities are being availed from HDFC Bank. The total capital expenditure estimated for the project is INR 14,862 million and INR 4,583 million of capital expenditure had been incurred as at March 31, 2023. Project debt financing availed from IREDA is INR 10,400 million with first drawdown on December 30, 2022. As at March 31, 2023, INR 7,584 million was outstanding. For more details on our project financings, see “*Description of Other Indebtedness.*”

Dalavaipuram

The Dalavaipuram WSH greenfield project envisages 118.8 MW of wind power project and 153.6 MWp solar power project located in Tuticorin district in the state of Tamil Nadu.

The project is housed under Dalavaipuram Renewables Private Limited (“**DRPL**”), which is a subsidiary of CEGIPL. This 272.4 MW WSH project is under construction and is expected to be fully commissioned, in parts, by Q3 FY 2024E. Since the pooling substation and EHV line works are completed, the project can now be commissioned in parts as turbines and solar modules and associated balance of plant works are ready for commissioning. For the wind energy project, the turbines (2.7 MW capacity each) will be commissioned, and for the solar project, the inverters (3.125 MW_{AC} inverter capacity) will be commissioned. The wind project will be located on owned private land for all 44 locations. Land for solar power project is a combination of private land on leasehold and owned basis.

Land for pooling substation has already been acquired and registered in the name of the Company. DRPL has entered into development agreement with Kshema Power and Infrastructure Company Private Limited (“**Kshema**”) on September 2, 2021 for initiating development activities for the project. Connectivity approval has already been obtained for up to 200 MW at Ottapidaram TANGEDCO 400/230/110/ KV grid substation. Connectivity application for an additional 10 MW capacity has been submitted. The connectivity between pooling substation and grid substation has been established through an overhead 230/33 kV transmission line of only 0.85 km. The pooling substation construction activities and the 230kV transmission line construction activities are completed and ready for commissioning.

The project site has one onsite wind mast, having height of 95 meters and its location was carefully selected based on internal resource assessment and experience from our Periyapatti project. Dalavaipuram project will install 44 nos of GE make 2.7 MW WTGs (model GE 2.7-132) with rotor diameter of 132 meters and hub height of 130 meters. All 44 nos of turbines have been delivered to project site. Turbine supplier GE shall also provide comprehensive O&M services for a period of 17 years at an agreed fixed fee per turbine post free O&M period of three years and escalation at certain agreed percentage per year. Solar module supply contract has been finalised with Zetwerk Manufacturing Businesses Private Limited, which have in turn sourced solar modules from LONGi (Vietnam). All solar modules required for the project have been delivered to project site.

DRPL will sell power to 33 C&I consumers, over 75% of whom have credit rating higher than A or are debt free, in group captive mode. Group of consumers shall own at least 26% voting equity contribution in the SPV and shall consume 100% of the electricity produced by the project. PPAs are for a period ranging between 10 to 20 years, with lock-in period of 3 to 10 years from the date of start of power supply to the consumer. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity discoms and are set

lower than the then prevailing tariffs charged by the discoms to these consumers for black energy. In order to sell electricity to these C&I consumers, we need to utilize the transcos and distribution electricity grids owned and operated by respective transmission and discoms. Such use, referred to as “open access” to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalised by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and distribution grids (referred to as “open access losses” and charged in terms of percentage of electricity generated from our projects). These open access charges and losses, as per the rates/levels prevailing on the date of execution of the respective PPAs with C&I consumers are to the account of the project company (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us. In most of the PPAs, the net variation in tariffs charged by discoms and open access charges/losses is to be shared between the consumer and the company in varying ratios. For more details on the PPAs with C&I consumers, see “*Our Business — PPAs.*”

Dalavaipuram project is being financed by PFC and the working capital facility has been sanctioned by HDFC Bank Limited for INR 210 million. The total capital expenditure estimated for the project is INR 16,929 and INR 6,576 million had been incurred as at March 31, 2023. PFC has sanctioned debt of INR 11,850 million. First drawdown date was December 30, 2022. As at March 31, 2023, INR 8,741 million was outstanding.

Bhavnagar

The Bhavnagar WSH project envisaged 118.8 MW of wind power project and 182.0 MW DC solar power project located in Bhavnagar district in the state of Gujarat.

The project is housed under two SPVs — CGE Hybrid Energy Private Limited (“**CGEH**”) for 280.7 MW which is wholly owned subsidiary of CGEIPIL and CGE Shree Digvijay Cement Green Energy Private Limited (“**CSDC**”) for 20.1 MW, which shall be a subsidiary of CGEIPIL, 26.9% owned by dedicated Captive Consumer as per group captive regulations. This 300.8 MW WSH project is under construction and is expected to be fully commissioned, in parts, by Q3 FY 2024E. Since the pooling substation and EHV line works are completed, the project can now be commissioned in parts as turbines and solar modules and associated balance of plant works are ready for commissioning. For the wind energy project, the turbines (2.7 MW capacity each) will be commissioned, and for the solar project, the inverters (3.125 MW_{AC} inverter capacity) will be commissioned. Partial capacity of 2.7 MW of wind project and 7.5 MW_{AC} / 12.0 MW_{DC} of solar project got commissioned in June 2023. The wind and solar projects will be located on private land obtained in a combination of leased basis for a period of approximately 29.5 years and ownership basis.

The power generated from the proposed 300.8 MW WSH project will be stepped up at dedicated 66kV pooling substation which was already constructed by us and will be evacuated further to 220/66kV, Otha substation of GETCO at 66kV level. The Otha grid substation is already operational and connectivity approval has been received from GETCO on 66kV to transmit 140 MW to 220kV/66kV Otha grid substation, to evacuate up to 140 MW_{AC} WSH power plant in Bhavnagar. The connectivity between pooling station and grid substation is established through short overhead transmission line of approximately 8 km which has already been constructed by us. The pooling substation will have a capacity of 2 x 60 MVA 66/33kV. Additional 2x10 MW have been granted on 66kV. EHV line between grid substation and pooling station has already been commissioned and pooling station has been charged. CSDC is sharing the common evacuation infrastructure being set up by CGEH.

The project site has one onsite wind mast, having height of 80 meters and its location was carefully selected based on internal resource assessment and based on experience from our other projects in Gujarat. Bhavnagar

project will install 44 nos of Senvion make 2.7 MW WTGs (model M130-2.7 MW) with rotor diameter of 130 meters and hub height of 130 meters. 39 out of 44 wind turbines have been delivered to the site. Turbine supplier Senvion shall also provide comprehensive O&M services for a period of 20 years at an agreed fixed fee per kWh post free O&M period of two years and escalation at certain agreed percentage per year. Solar module contract has been signed with Waaree Energies Limited and Premier Energies Photovoltaic Private Limited for supply of solar PV modules. All required solar modules have been manufactured and either delivered to site or to warehouses pending delivery to site after the rainy season subsides.

CGEH will sell power to 41 C&I consumers, over 85% of whom have credit rating over A or are debt free, under third party mode and CSDC is selling power to CSDC under dedicated captive mode. As part of dedicated captive arrangement, CSDC owns 26.9% equity contribution in the SPV and is consuming 100% of the electricity produced by the project. PPAs have been signed with for entire capacity of the CGEH project. As part of third-party C&I sale, PPAs shall be for a period ranging between 10 to 15 years, with lock-in period of 1 to 5 years from the date of start of power supply to the consumer. PPA has been entered with CSDC for a period of 25 years with lock-in period of 15 years at a fixed busbar tariff for CSDC project. For CGEH, tariffs charged to individual C&I consumers for third party sale are dependent on the tariff charged to them by the electricity discoms and are set lower than the then prevailing tariffs charged by the discoms to these consumers for black energy. For some of the PPAs, power shall be sold at busbar at fixed tariff arrangement and no revision in tariff shall be applicable for such PPAs. In order to sell electricity to these C&I consumers, we need to utilize the transmission and distribution electricity grids owned and operated by respective transcos and discoms. Such use, referred to as grant of “open access” to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalised by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and distribution grids (referred to as “open access losses” and charged in terms of percentage of electricity generated from our projects). These open access charges and losses, as per the rates/levels prevailing on the date of execution of the respective PPAs with C&I consumers are to the account of the project company (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us. In most of the PPAs, the net variation in tariffs charged by discoms and open access charges/losses is to be shared between the consumer and the company in varying ratios. For more details on the PPAs with C&I consumers, see “*Our Business — PPAs.*”

Bhavnagar CGEH project of 280.7 MW is being financed by PFC and working capital facility shall be availed from HDFC Bank Limited. The total capital expenditure estimated for the project is INR 15,682 million and INR 3,277 million had been incurred as at March 31, 2023. Debt financing availed from PFC is INR 10,977 million and INR 3,980 million was outstanding as at March 31, 2023.

Bhavnagar CSDC project is being financed by PFC and working capital facility shall be availed from HDFC Bank Limited. The total capital expenditure estimated for the project is INR 1,100 million and INR 156 million had been incurred as at March 31, 2023. Debt financing availed for this project is approximately INR 804 million with first drawdown on March 23, 2022. As at March 31, 2023, INR 780 million was outstanding.

For more details on our project financings, see “*Description of Other Indebtedness.*”

Rajkot 4

The Rajkot 4 solar project envisages 40.0 MWp DC of solar project located at Rajkot district of Gujarat. The project is expected to hybridize the existing windfarm capacities as part of Rajkot 1, 2A and 2B projects. The

project is under construction phase and is expected to be commissioned by Q3 FY 2024E. Since the pooling substation and EHV line works are completed, the project can now be commissioned in parts as solar modules and associated balance of plant works are ready for commissioning. The inverters (3.125 MW_{AC} inverter capacity) will be commissioned. Construction commenced in January 2023.

The solar project will be located on private land obtained on a combination of leased and ownership basis. Our evacuation infrastructure includes a dedicated 220/33kV pooling substation near the Virav village and the sub-station is connected to the GETCO's 400kV substation located at Hadala through a dedicated double circuit, 220 kV and 19-kilometer transmission line. Connectivity approval is already in place for 254.4 MW ($\pm 5\%$) wind capacity and 200 MW_{AC} ($\pm 5\%$) of solar capacity as part of existing Rajkot projects, with overriding clause that power injection into the grid at any point of time should not exceed 350 MW, which is sufficient to cater to the requirement for Rajkot 4. Solar module shall be procured from Waaree. All required solar modules have been manufactured and either delivered to site or to warehouses pending delivery to site after the rainy season subsides.

Rajkot 4 project is expected to sell power to existing C&I consumer base as part of Rajkot 1, 2A and 2B projects, under existing PPAs (as amended) signed for these projects within the existing contracted MW capacity but with higher energy supply per MW of open access, thereby generating higher value to the consumers. We have entered into PPAs with multiple C&I consumers for the sale and purchase of power generated by the project with an average tenure of around 12 years from the date of first supply of power to the consumer. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity discoms and are set lower than the then prevailing tariffs charged by the discoms to these consumers for black energy. In order to sell electricity to these C&I consumers, we need to utilize the transcos and distribution electricity grids owned and operated by respective transmission and discoms. Such use, referred to as grant of "open access" to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalised by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and distribution grids (referred to as "open access losses" and charged in terms of percentage of electricity generated from our projects). These open access charges and losses, as per the rates/levels prevailing on the date of execution of the respective PPAs with C&I consumers are to the account of the project companies (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us. The net variation in tariffs charged by discoms and open access charges/losses is to be shared between the consumer and the Company in varying ratios. For more details on the PPAs with C&I consumers see "*Our Business — PPA.*"

The capital expenditure for the project is estimated at approximately INR 1,800 million.

Kalvad 1

The 170 MW Kalvad 1 WSH project comprises 64.8 MW of wind power project and 105.2 MW DC solar power project located at Kalvad taluka of Jamnagar district in the state of Gujarat. The project is being planned as Phase I of the 500 MW project proposed to be developed over phases at a single location at villages around Kalvad. Kalvad 1 project of 170 MW is under construction and is expected to be commissioned by Q3 FY 2024E. Project location has been identified based on evaluation of wind resource based on two onsite wind masts and internal resource assessment studies.

The wind and solar projects will be located on private land obtained in a combination of leased and ownership basis and shall be connected to 220/400 kV grid substation. The approval has already been received for grid

connectivity and evacuation of up to 200 MW_{AC} hybrid power at 400/220 kV Kalvad substation of GETCO. The dedicated 33/220kV pooling substation is in advanced stages of construction. The approximately 23 km of the dedicated 220kV transmission line from pooling substation to grid substation is also in advanced stages of construction (69 of 77 towers already erected). Transformer has been delivered at site. Once the pooling substation and EHV line works are completed, the project can be commissioned in parts as turbines and solar modules and associated balance of plant works are ready for commissioning. For the wind energy project, the turbines (2.7 MW capacity each) will be commissioned, and for the solar project, the inverters (3.125 MW_{AC} inverter capacity) will be commissioned.

Term sheet for supply, installation and commissioning of 24 nos of wind turbines of Senvion make 2.7 MW WTGs (model M130-2.7 MW) with rotor diameter of 130 meters and hub height of 130 meters has been executed with Senvion and an advance of INR 419 million has been paid. Part of the solar module requirement has been contracted. None of the wind turbines or solar modules for the project have been delivered as of the date of this Offering Memorandum.

Kalvad 1 will sell power to C&I consumers in group captive mode. Group of consumers shall own at least 26% equity contribution in the SPV and shall consume 100% of the electricity produced by the project. PPAs shall be for a period ranging between 10 to 20 years, with lock-in period of 3 to 10 years from the date of start of power supply to the consumer. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity discoms and are set lower than the then prevailing tariffs charged by the discoms to these consumers for black energy. In order to sell electricity to these C&I consumers, we need to utilize the transmission and distribution electricity grids owned and operated by respective transmission and discoms. Such use, referred to as grant of “open access” to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalised by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and distribution grids (referred to as “open access losses” and charged in terms of percentage of electricity generated from our projects). These open access charges and losses, as per the rates/levels prevailing on the date of execution of the respective PPAs with C&I consumers are to the account of the project company (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us. In most of the PPAs, the net variation in tariffs charged by discoms and open access charges/losses is to be shared between the consumer and the company in varying ratios. For more details on the PPAs with C&I consumers, see “*Our Business — PPAs.*”

The capital expenditure for the project is estimated at approximately INR 10,200 million and INR 292 million had been incurred as at March 31, 2023. Debt financing proposed to be availed is approximately INR 7,140 million. PFC has sanctioned the grant of the entire proposed debt financing but definitive agreements are yet to be executed.

Suppliers

Operating equipment for wind energy projects primarily consists of turbines. Turbine costs represent the majority of our investment costs. Our turbine supply strategy is largely based on developing strong relationships with leading turbine suppliers to secure our supply needs. We have purchased wind turbines from leading suppliers such as Vestas, Suzlon, Inox Wind, GE, Senvion and Siemens Gamesa. Full farm ownership allows us the flexibility to choose our equipment supplier, BOP equipment and O&M providers.

When we purchase turbines, we enter into supply, erection and commissioning and long-term O&M agreements with our suppliers. As part of these agreements, the manufacturer provides performance guarantees and

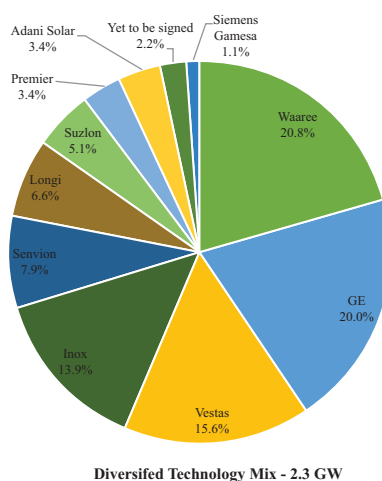
warranties. Warranties in respect of turbines are typically for two years in duration from the earlier of the date of commissioning or the date of supply. Our contracts with suppliers typically include a power curve guarantee, which requires the manufacturer to pay liquidated damages if turbine output falls below the guaranteed power curve and an availability guarantee, which ensures the availability (or up-time) of the turbines for electrical production. All liquidated damages payable under these warranties are subject to aggregate maximum caps. Finally, we receive a standard warranty with respect to the workmanship and fitness for purpose of the turbine equipment.

Our turbines also include lifts and other climbing assistance equipment to make them staff-friendly.

Operating equipment for solar energy projects primarily consists of solar modules and invertors. Our solar modules comply with strict industry quality standards and go through the quality control process under the supervision of our representatives and third-party consultants. The performance of our solar modules is further supported by warranties for 25 years. We have procured solar modules from Adani Solar, Waaree, Premier and LONGi (Vietnam). Similarly, our inverters are sourced from the suppliers who are willing to provide committed after-sales support, including product warranties for an initial period of five to six years. We generally enter into EPC contractual arrangements with prominent contractors such as Larsen & Toubro, Waaree and Gensol for the solar park construction that define the general terms and conditions of our purchases, including warranties, performance ratio guarantees, product specifications, indemnities, delivery and other customary terms. We have also entered into long term operations and maintenance contract with Larsen & Toubro in relation to the Periyapatti solar park, Waaree for Rajkot 3, Ratlam 2 Dalavaipuram solar park and with Gensol for Bhavnagar solar park.

Other important suppliers include the engineering and construction companies with whom we contract to perform civil engineering, electrical work and other infrastructure construction for our projects. We believe there are a sufficient number of capable engineering and construction companies available to meet our needs.

The following chart shows exposure from each vendor for our projects:



Our PPAs

For the various projects, we have entered in a fixed tariff PPAs with the state distribution utilities and SECI and PPAs with C&I consumers based on C&I tariffs. The respective broad terms are described below:

- (a) For the Bothe project, Bothe Windfarm Development Private Limited has entered into energy purchase agreements with MSEDCL. Under the terms of the energy purchase agreements, we are required to

develop, design, construct and operate the Bothe project and supply power to MSEDCL for a period of 13 years from the date of commissioning of the project. The energy purchase agreements are renewable with mutual consent. We have agreed to supply all the energy generated at the Bothe project to MSEDCL (other than 6.3 MW for which matter is under consideration by Supreme Court. See “— *Governmental, Legal and Arbitration Proceedings*” for further details.) on an exclusive basis at tariffs of INR 5.81/kWh for 101.0 MW and INR 5.70/kWh for 92.4 MW as determined by MERC, fixed for entire duration of PPAs. In addition to constructing and maintaining the energy supply infrastructure from our wind farm to the MSEDCL substation, we are also responsible for the operation and maintenance of the project under each PPA. Events of default include failure or refusal by Bothe Windfarm Development Private Limited or MSEDCL to perform their material obligations under the PPA, and abandonment by MSEDCL of its interconnection facilities or discontinuance by MSEDCL of services under the PPA, in each case other than under an occurrence of force majeure. Other events of default include bankruptcy and insolvency.

- (b) For the Ratlam 1 project, DJ Energy Private Limited and Uttar Urja Projects Private Limited have each entered one PPA with MPPMCL in August 2014. Under the terms of the PPAs, we are required to develop, construct, operate and maintain the Ratlam 1 project and supply power to MPPMCL for a period of 25 years from the date of commissioning of the project. The PPAs are renewable with mutual consent. We furnished a performance bank guarantee under the two PPAs to MPPMCL in order to adhere to the scheduled commission date, which was returned to us once Ratlam 1 was fully commissioned in December 2015. MPPMCL has undertaken to purchase all the energy generated at the Ratlam 1 project at a tariff of INR 5.92/kWh as determined by MPERC, fixed for the entire duration of the PPAs. In addition to constructing and maintaining the energy supply infrastructure from our wind farm to the MPPMCL substation, we are also responsible for the operation and maintenance of the project under each PPA. Events of default include the failure of DJ Energy Private Limited or Uttar Urja Projects Private Limited to supply the contracted capacity of electricity to MPPMCL under the terms of the PPAs, and failure of MPPMCL to purchase the entire wind power generated at the Ratlam 1 project, in each case other than under an occurrence of force majeure. Other events of default include non-payment of electricity bills, bankruptcy and insolvency.
- (c) For Morjar 1 project, Morjar Windfarm Development Private Limited has entered into a PPA with Solar Energy Corporation of India (SECI) for 25 years with a fixed price of INR 2.82/kWh. Further, we have also filed a petition with CERC on April 01, 2023 for eligibility for change in tariff due to change in law to the extent of Rs 0.12/kWh basis calculation for a control period of 15 years, leading to increase in project cost due to changes in GST rate on the wind turbines from 5% to 12%. SECI is ICRA AAA rated Government of India undertaking. Key features of SECI PPA are long term 25-year PPA (Sovereign entity) and fixed tariff. SECI has entered into back to back Power Sale Arrangements (PSAs) and 3-layer payment security mechanism (letter of credit by buying entity, State Govt Guarantee including Tri-Partite Agreement (TPA) & Payment Security Fund (PSF) for three months billing).
- (d) For Dayapar project, Continuum Power Trading (TN) Private Limited has entered into a PPA with Solar Energy Corporation of India (SECI) for 250 MW for 25 years with a fixed price of INR 2.51/kWh. The capacity was reduced subsequently to 126 MW which is the minimum requirement under the PPA. In April 2023, SECI has terminated the PPA in view of delay in commissioning of the entire 126 MW capacity despite representation made by the company to SECI for extension of the scheduled commissioning date on account of force majeure and change in law. At present, Continuum Power Trading (TN) Private Limited has acknowledged the termination letter from SECI and has received permission (standing clearance) from WRLDC to sell power (the commissioned capacity 126 MW) on power exchange. It is pertinent to note that WRLDC provides its permission for 3 months or less upto the end of a calendar quarter on a standard

basis and before expiry of earlier permission, extends the same for a further period of 3 months – the first permission valid until June 30, 2023 was renewed for the July-Aug-Sep 2023 quarter.

Subject to decision of MNRE for acceptance of power offtake from 88 MW capacity as stated in SECI letter dated April 14, 2023, we are in discussions with certain C&I consumers to sell power on a long term physical or virtual PPA basis. Until then, Continuum Power Trading (TN) Private Limited will continue selling power on GTAM/IEX and any decision regarding long term sales under PPAs can be taken only after SECI/MNRE reverts with their decision. Continuum Power Trading (TN) Private Limited is selling power generated from the said project at the IEX. It is pertinent to note that the average price/unit since April 2023 on an average is in the range of INR 4-7 per kWh. The average price on the electricity exchange rose 35% from INR 4.39/kWh in FY 2022 to INR 5.94/kWh in FY 2023, which is much more than realisation of INR 2.51/kWh under the PPA.

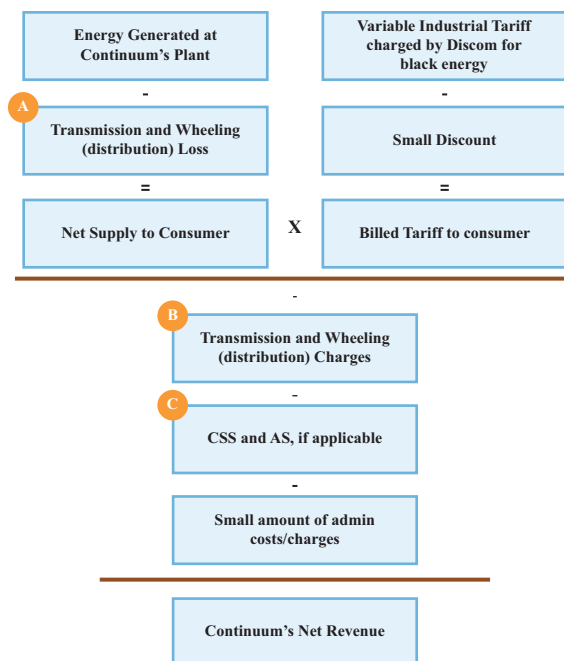
- (e) For Bhavnagar 1 project, CGE Hybrid Energy Private Limited has entered into power purchase agreements with multiple C&I consumers for 280.7 MW DC. Under the terms of the PPAs, the tariff charged to individual C&I customers are dependent on the tariff charged to them by the electricity distribution utilities and are set lower than the then prevailing tariffs charged by the distribution utilities to these consumers. The consumers and CGE Hybrid Energy Private Limited have a minimum off-take and supply guarantee, respectively, under the PPA ranging between 80% to 90% of the generated energy. The PPA provides for security deposit/bank guarantee from several consumers.
- (f) For Bhavnagar 2 project, CGE Shree Digvijay Cement Green Energy Private Limited entered into power purchase agreements with Shree Digvijay Cement Company Limited for 8.10 MW wind (AC) capacity and 8.10 MW solar (AC) capacity. The consumer and CGE Shree Digvijay Cement Private Limited have a minimum off-take and supply guarantee, respectively, under the PPA of 90% of the generated energy. The PPA provides for security deposit/bank guarantee from several consumers.
- (g) For Ratlam 2 wind solar hybrid project, Continuum MP Windfarm Development Private Limited has entered into power purchase agreements with multiple C&I consumers for 100 MW_{AC}/ 250 MW_{DC}. Under the terms of the PPAs, the tariff charged to individual customers are dependent on the tariff charged to them by the electricity distribution utilities. The net variation in tariffs charged by distribution utilities and open access charges/losses is to be shared between the consumer and Continuum MP Windfarm Development Private Limited. The consumers and Continuum MP Windfarm Development Private Limited have a minimum off-take and supply guarantee, respectively, under the PPA ranging between 80% to 90%. The PPA provides for security deposit/bank guarantee from several consumers.
- (h) For Dalvaipuram project, Dalvaipuram Renewables Private Limited entered into power purchase agreements with multiple C&I consumers for 272.4 MW WSH project. Under the terms of the PPAs, the tariff charged to individual customers are dependent on the tariff charged to them by the electricity distribution utilities. The net variation in tariffs charged by distribution utilities and open access charges/losses is to be shared between the consumer and the Company. The consumers and Dalvaipuram Renewables Private Limited have a minimum off-take and supply guarantee, respectively, under the PPA ranging between 70% to 90%. The PPA provides for security deposit/bank guarantee from several consumers.
- (i) In addition to projects mentioned above, project companies selling power to C&I customers, these companies have entered into power purchase agreements with multiple C&I consumers/traders. The PPAs provide for termination without cause by either party, post expiry of lock-in period, but with termination

notice of 3-6 months. Under the term of the PPAs, the tariff charged to individual C&I customers are dependent on the tariff charged to them by the electricity distribution utilities and are set lower than the then prevailing tariffs charged by the distribution utilities to these consumers for black energy. In order to sell electricity to these C&I consumers, we need to utilize the transmission and distribution electricity grids owned and operated by respective transmission and distribution utilities. Such use, referred to as grant of “open access” to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalised by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and distribution grids (referred to as “open access losses” and charged in terms of percentage of electricity generated from our projects). These open access charges and losses, as per the rates/levels prevailing on the date of execution of the respective PPAs with C&I consumers are to the account of the project companies (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us). The net variation in tariffs charged by distribution utilities and open access charges/losses is to be shared at an agreed percentage as per PPA terms between the consumer and the company.

The consumers and respective company selling power to C&I customers have a minimum off-take and supply guarantee, respectively under the PPA ranging between 85% to 90%. We cater up to only 50% to 60% of the electricity demand of the C&I consumers. The C&I consumers represent a diversified range of industries. This diversity and our supply catering to only 50% to 60% of demand of the consumers, provides higher certainty of off-take of power resulting from economic ups and downs.

The PPAs provide for termination upon default, occurrence of prolonged force majeure conditions and otherwise upon prior notice. Events of default include the failure of company to supply minimum guaranteed electricity to consumers under the terms of the PPAs for a continuous period of 30 days, and failure of consumer to offtake the minimum guaranteed electricity generated for a continuous period of 30 days, in each case other than under an occurrence of force majeure. Other events of default include bankruptcy and insolvency. We have also received security deposit/bank guarantee equivalent to one to 1.5 months of billing amount from several consumers.

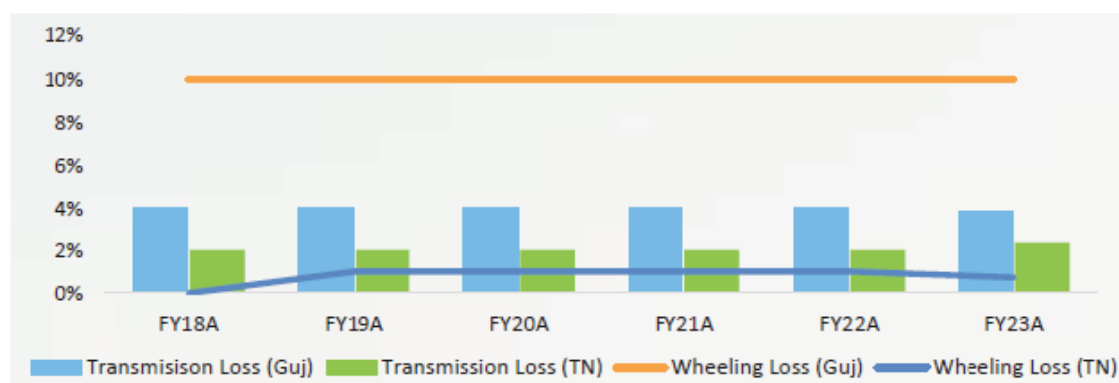
While the tariffs under the PPAs for Surajbari 1, Bothe and Ratlam 1 project with Utilities and Morjar 1 with SECI are fixed for the term of the PPAs, the net revenue realization in most PPAs in all other projects accumulating to approximately 71% of the 2.3 GW portfolio having PPAs with C&I consumers are as illustrated below:



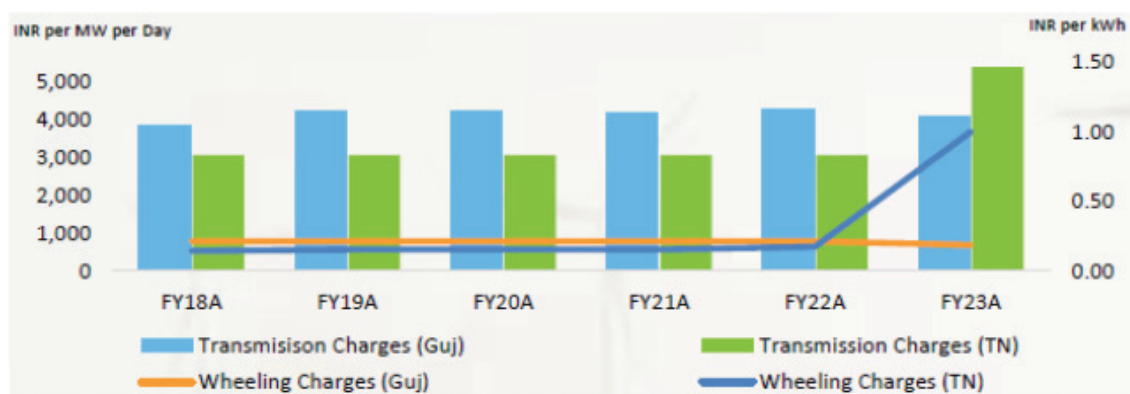
Our PPAs can be categorized into three types:

- **Fixed Busbar PPA Tariff:** We have a limited number of C&I PPAs where the tariff is defined at our interconnection point and is fixed for the duration of the PPA. In such cases, 100% of the variation in open access costs and losses is to the account of the consumer.
- **Fixed discount PPAs:** We have certain C&I PPAs where the tariff is defined at consumer bus bar at a fixed INR/kWh discount to the tariff charged by the discom to such industrial user for black energy from time to time. In such cases, 100% of the variation in open access costs and losses is to our account, but we also retain 100% upside and downside for any variation in variable tariff charged by the discom to the consumer.
- **Variable discount PPAs:** We have certain C&I PPAs where the tariff is defined at consumer bus bar as a variable INR/kWh discount to the tariff charged by the discom to such industrial user for black energy at the time of execution of the PPA. In such cases, variable discount varies with the variation in variable tariff charged by the discom and in open access costs & losses. In general, the variation is shared in the ratio of 50:50 between consumer and us. The ratio for sharing of variation is as per terms agreed as part of the PPA.

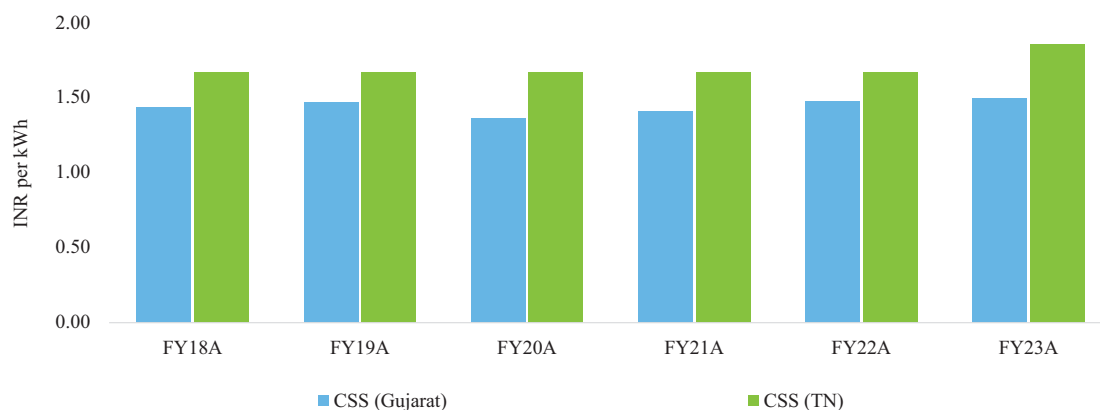
Transmission losses and wheeling (distribution) losses are determined and specified by the state electricity regulatory commissions based on the expected energy flowing through the network and the technical design of the network since transmission utility is a regulated business. Transmission losses incurred by us/our consumers are also identically incurred by the discoms while using the network of the transmission utilities. The historical figures below show low variability in transmission and wheeling losses.



Transmission and wheeling (distribution) are regulated businesses and charges leviable are determined by electricity regulatory commissions which use a cost-based approach for capital expenditure incurred by the utilities or the operating expenditure as per the normative parameters prescribed by electricity regulatory commissions. Transmission charges incurred by us/our consumers are also identically incurred by the discoms while using the network of the transmission utilities. The historical figures below show low variability in transmission and wheeling charges.



Cross Subsidy Surcharge (“CSS”) and Additional Surcharge (“AS”) are not applicable to captive/group captive sales and is applicable only to third party non-captive sales. In addition, as per electricity rules notified in December 2022 under the Electricity Act, 2003, CSS applicable to a consumer is capped at 20% of the average cost of supply of the discom. This cap was earlier provided by the National Tariff Policy at 20% of the average billing rate charged by the respective distribution utility to industrial and commercial consumers, as the case may be. Since C&I billing rates are generally higher than average cost of supply of discoms, the CSS prescribed in December 2022 will be lower than the CSS earlier specified by the National Tariff Policy. Since CSS is already at 20% of average billing rate, it is expected to decrease.



Additional surcharge is determined by each state regulatory commission based on “stranded capacity” i.e. capacity (normally thermal), where a fixed capacity charge is being paid by the utility to a power producer. Any material increase in this surcharge over time may be limited due to:

- growing total electricity demand at the utilities; and
- very limited new thermal capacity being contracted for long term PPAs by such utilities.

Further, Government has notified Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 on June 6, 2022. As per these rules, the consumers with sanctioned load of 100 kW and above can procure power through green energy open access instead of threshold of 1 MW. It states that CSS for green energy procurement should not be increased by more than 50% for a period of 12 year from the date of project commissioning and full waiver on additional surcharge for green energy procurement in case fixed charges are being paid. While some state electricity commissions have aligned their open access regulations with these rules, several others are in the process of aligning.

The rules provide long-term certainty to the open access charges for the stakeholders which will help in determining their returns from the projects. Further, if open access application is not approved within 15 days, it will be deemed approved and it also mentions establishment of central agency for routing of open access applications. This will ensure timely execution of projects by minimizing any risk of cost escalations.

As per the Electricity Act, there is 100% waiver on the CSS and AS on the group captive capacity in the Periyapatti project (216.8 MW out of 226.8 MW), Ratlam 2 project of 250 MW, Dalavaipuram project of 272.4 MW and Kalvad 1 project of 170 MW.

O&M Contracts

Our turbine suppliers, GE, Inox Wind, Suzlon, Vestas, Senvion and Siemens Gamesa, and contractors Larsen & Toubro, Waaree and Gensol, for our solar projects, provide O&M services under long-term O&M contracts. We also have dedicated in-house team of 66 employees that provide O&M services at multiple sites. The robust O&M services at our plants provide us access to unfiltered generation data to monitor real-time turbine performance, conduct predictive maintenance and undertake detailed analyses that help us establish accountability over our suppliers.

As we own large wind farms and solar parks, we are able to negotiate favorable terms with turbine manufacturers and other O&M contractors. Our O&M contracts typically include comprehensive O&M services generally for a period of 10 to 20 years with a renewal option over the operational life of the project (with free services in some cases for the first two to three years). Under these contracts, contractors undertake to ensure smooth operations of

the turbines and solar panels as well as to provide competent and skilled manpower, spares and consumables for comprehensive preventive and curative maintenance.

In several of our O&M contracts for our wind farms and in the O&M contract for one of our solar farms, we pay the O&M fee on per kWh of electricity generated and billed from the plant (subject to a base minimum fee per MW per year) thereby aligning our and operator's interest in maximizing generation. Contractors provide maximum reactive consumption power guarantees over a specified 12-month period. If the reactive power guarantee is not met, the contractor is liable to reimburse the amount charged for the extra power imported along with a percentage of the O&M charges payable to the contractor under the various O&M contracts. The O&M contractor assures optimum operational performance of the turbines as well as a guaranteed performance commitment in the form of a minimum availability guarantee of 95% to 97% including seasonal availability guarantee, which assures the turbines' availability to generate electricity for a specified percentage of the time with liquidated damages calculated by way of revenue loss. In addition, serial defect warranties, access to unfiltered turbine data, blade cleaning services and seasonal availability guarantees also help improve the performance.

Our contracts for our solar farm includes a warranty for two years, performance ratio guarantees for up to five to eight years, starting at 80% to 82% and a comprehensive O&M contract for 5 years (with an option to renew on mutual agreement) to 10 years.

While the turbine manufacturer and EPC solar contractor are on-site operating and maintaining the turbines and solar park, our in-house team manages BOP, pooling substations at wind farms and EHV lines and oversees the project, including managing turbine suppliers and ensuring compliance with state regulations.

Since 2017, our operational wind power plants and solar power plant are monitored using real-time, artificial intelligence based, state-of-the-art monitoring systems, providing continuous, real-time alerts and reports to our operations teams. Our analytics solutions help us track the health of our turbines, trigger maintenance alerts, conduct detailed root cause analysis of alarms to enable us to better understand the equipment issues, create fault patterns and run probabilistic models to help us estimate on a real time basis the likelihood of faults. Our AOMS for both wind and solar assets collects over 65 gigabytes of data every day and along with over 50 terra bytes of data already collected, continuously benchmarks the wind turbines against other wind turbines in the same wind farm as well as across our fleet to identify deviation in performance of components and various indicators such as temperature, pressure, power curve performance, etc., raises alerts in case of deviations and suggests probable causes for such deviation for further investigation. This helps our operations teams, in many cases, to identify potential problems before an equipment failure occurs so that proactive actions can be taken to preserve equipment health, procure spare parts and schedule maintenance. Several times, these problems are not identified by our O&M contractors and, therefore, this system helps improve the quality of our operations and maintenance than if we relied solely on our O&M contractors. More than 2,991 intelligent predictive alerts, not identified by OEM operators, have been raised since April 2017. The solution is scalable to different turbine models and solar power projects. For examples illustrating the benefits of such intelligent predictive alerts, see “— *Competitive Strengths — Real time monitoring through AOMS solution*” for examples illustrating the benefits of such intelligent predictive alerts.”

Environmental, Health and Safety Management

As a large-scale producer of energy, we draw on scarce resources, including land and water and run operations that may impact the environment and communities in which we operate. Therefore, we have a dedicated focus on incorporating best-of-breed environment protection measures to reduce our carbon footprint, mitigate risks and operate responsibly. Our projects have undergone an independent environmental and social impact assessment

(“ESIA”) for both environmental and social issues that arise for each project, including engaging in dialogue with local stakeholders and communities to mitigate environmental and social impacts.

The risks and environmental impacts are deliberated by using objective tool of Aspect Impact Analysis. We run through aspect impact register, wherein the impact is identified and mitigated with some control measure, achieving reduction of impact. Water consumption, air emission, hazardous waste generation and noise generation risk factors are used in identifying environmental impacts. To ensure day to-day involvement of our people, we have established an integrated Management System IMS with quality, environment, health and safety.

Our Environmental Management Plan (“EMP”) covers assessment and monitoring procedures for relevant environmental factors such as noise, water, ecological environment, soil and soil contamination, air pollution, land use, as well as social factors including community engagement, local employment opportunities, laborer rights and welfare, occupational and community health and safety. The EMP informs the ESIAs undertaken for each project.

Since we started operations, 9.7 million tons of CO₂ emissions have been avoided till March 2023. We recycle approximately 99.5% of the materials we use. In FY 2023, we produced 1,911 GWh of renewable energy, which is equivalent to avoiding 1.8 million tons of CO₂ over the same period. This is equivalent to annual greenhouse gas emissions from 399,027 passenger cars driven for one year, approximately 4.2 million barrels of oil consumed, or approximately 3.2 million average annual carbon footprint of Indian citizens. Further, we have set a target of Net Zero Scope 1/Scope 2 emission by 2027E; water neutral by 2025E and zero waste to landfill by 2025E.

We have planted more than 5,500 trees since inception across all of our projects, of which approximately 3,700 trees provide carbon sequestration. To protect birds from getting injured by our equipment, we have painted the blade tips of our turbines and installed bird guards and diverters on our electric lines. We have also started an initiative to make our workplace greener. For example, in our Ratlam site, we have developed a garden along the pathway leading to the substation. The first step was to plant lawn grass alongside the pathways and plant flowering plants on the opposite shoulder. We deployed a drip irrigation system to optimise water use, improve groundwater levels and avoid wastage.

As majorly wind energy producer, we use considerably less water than what is used for traditional coal-based power generation. India is a water-stressed country. More than 88% of the water needed for industrial use is consumed by coal-based power plants. Through the clean energy we have supplied, we have saved 110 billion litres of water by replacing coal-based power as of the date of this Offering Memorandum, equivalent to the average water needs of 2 million people in India. Wind energy is the only renewable source which does not consume high volumes of water. We have also taken to steps to save water:

- Conserving rainwater through Continuous Contour Trenches: In our Bothe site, we have dug trenches of 18,524 feet in length, 3 feet in width and 2.5 feet deep were dug around 24 Wind Turbine Generators (WTG), to act as speed breakers to stop the water from flowing downhill and increased percolation has raised the groundwater levels and improved the green cover and soil quality. The installation can conserve up to 3.9 Mn litres of rainwater.
- Conserving excess water from RO Plant: Built a water conservation pit by the borewell and filled it with stones and sand, leading excess water from the RO plant directly goes into the pit to recharge groundwater levels.
- Drip irrigation for Landscaping: In Rajkot site, we installed drip irrigation facilities to water the plants and avoid water wastage and ensures regular watering of garden.

We are committed to practicing safe working methods to prevent occupational health and safety risks. We have accumulated 13.8 million continuous safe man hours until FY 2023. Our aim is to achieve zero accidents at every project site. To achieve this, we have developed comprehensive Environmental, Health and Safety (“EHS”) processes which have been implemented across the organization at every operational and project site. The EHS processes include detailed safety training with regular assessments, and we have a dedicated safety team located at each project site to ensure a safe work environment. We also utilize lifts and other climbing assistance equipment in wind turbines to make them staff-friendly. We are also a permanent and full-time member of the National Safety Council, set up by the GoI’s Ministry of Labor. Under the terms of our agreements with offtakers, suppliers, O&M contractors, third-party vendors and financiers, we and our counterparties are required to ensure safety of our wind and solar equipment, project site and staff.

We focus on building and developing local community with as many a majority of our new hires being locals to the assigned site. Additionally, we offer our employees a free and fair workplace that is inclusive and designed to encourage learning so they can develop fruitful careers with us. We provided an average of 17 person hours of training to each employee in FY 2023. We do not discriminate at the workplace based on gender or any other categories. Opportunities for new responsibilities and enhanced roles are provided to the person showing the most potential.

Corporate governance framework is interwoven within business operations and value chain of Continuum. Our corporate governance principles define our business conduct and disclosure practices and are critical to earning and retaining stakeholder trust. We periodically review the corporate governance structures with regular changes made to meet the needs of changing external environment and business realities. Our key features of our governance structure:

- We maintain diversity of age and gender in our committees to get a balanced view of all issues.
- Comprehensive set of policies including Vendor’s Code of Conduct, Buyer’s Code of Conduct, Contractor’s Code of Conduct, Whistle blower policy, Quality Occupational Health, Safety and Environmental Policy, Supplier Code of Conduct, Human Rights and ESG Policy.
- Frequent dissemination of information to large group.
- Annual audit by “Big 4” firms.
- Majority representation on board by Morgan Stanley at the Parent Guarantor level.

We have received ISO Certifications for all operational and under construction sites under ISO 9001-2015 (Quality), ISO 14001-2015 (Environment), ISO 45001-2018 (Safety) and our sustainability report for FY 2023 is planned to be published in Q2 FY 2024.

Corporate Social Responsibility

We are committed to inclusive growth and local stakeholder involvement as a fundamental value. To this end, we:

- build and maintain roads and have the rainwater harvesting infrastructure at our sites;
- contribute to local schools in the form of school uniforms, books and furniture;

- create awareness programs regarding agriculture and nutrition security to educate the locals at the local panchayat office;
- encourage our employees to participate in different outreach programs;
- build water borewells and water storage tanks for mitigating water scarcity for local communities;
- donate farm equipment to local communities to improve farm productivity;
- provide health awareness training for village women;
- conduct community training programs through agriculturists on best practices in sowing, tilling, fertilizers, disease control and harvesting;
- upgrade village community centers; and
- set up health check-up and blood donation camps.

Employees

As of March 31, 2023, we employed 216 people (excluding consultants). Most of our employees are graduates, post-graduates or technical professionals qualified with relevant engineering or technology degrees or diplomas. We consider our relations with our employees to be amicable. We have not experienced any labor disruptions in the past and do not have any unionized employees.

Insurance

We believe our insurance is on terms generally carried by companies engaged in similar businesses in India. We maintain operation and transportation insurance, casualty insurance (including windstorm and flood coverage), business interruption insurance, primary and excess liability insurance and worker's compensation, fire policies, automobile and directors' and officers' insurance policies. We also maintain "all risk" property insurance coverage in amounts based on the full replacement value of our projects and business interruption/delayed start-up insurance that varies from project to project based on the revenue generation potential of each project. Subject to applicable deductibles, our business interruption and property insurance covers, among other things, breakdowns and casualty losses. We generally do not maintain insurance for certain environmental risks, such as environmental contamination.

Research and Development

We have not incurred any material amounts of research and development costs.

Intellectual Property

Our success depends, at least in part, on our ability to obtain license of intellectual property from wind turbine and solar equipment producers and providers of software such as SCADA systems. AOMS, etc. We rely on a combination of confidentiality agreements and license agreements to establish and protect our confidential information intellectual property rights as well as to utilise such intellectual property owned by others.

Properties

In addition to the properties we own on which we operate our projects, we have also leased from third parties some properties. In Bothe project, we have taken some land parcels on long term leases of up to 99 years, In case of Ratlam project, we have taken some land parcels on lease of 3 to 10 year periods. In case of Ratlam project, in case of several land parcels on which our wind turbines are installed and on which our pooling substation is located, Government of Madhya Pradesh has provided us with land use rights for operational life. In case of Rajkot 1 and Rajkot 2A & 2B and Rajkot 3 (Wind), Dayapar and Morjar 1 projects, the land on which our wind turbines are installed have been taken on lease from Government of Gujarat for a period of 20 years and to be renewed thereafter. For our shortly operational projects , i.e. Ratlam 2, Dalavaipuram, Bhavnagar and Kalvad 1 projects, we have procured the private land either by outright purchase or on a long term lease basis. In case of wind energy projects, we also take some land parcels on lease or easement rights basis along the roads and pathways. We also obtain easement rights on several land parcels in all our projects for roads/pathways and transmission lines.

Additionally, we have seven office premises located across India, including corporate offices in Mumbai. The lease rentals payable for these office premises, collectively, are not material at around INR 2.5 million per month.

Governmental, Legal and Arbitration Proceedings

We are occasionally named as a party in various claims and legal proceedings which arise during the normal course of our business. We review each of these claims, including the nature of the claim, the amount in dispute and the availability of insurance coverage. Although there can be no assurance on the outcome of any particular claim, we do not believe that the outcome of any claims or potential claims of which we are currently aware will have a material adverse effect on us.

Summarized below are the material governmental or legal proceedings at this time. We are not involved in any arbitration proceedings.

Criminal Proceedings instituted against employees of Bothe Windfarm Development Private Limited

On January 9, 2015, a fatal explosion occurred at premises used for operating a concrete mixing and batching plant, which was under control of a civil works sub-contractor of Bothe Windfarm Development Private Limited, situated near the site of the Bothe project. This explosion led to the death of three people and injured five others. After this incident, the local police filed a complaint and a first information report against the said sub-contractor, certain of the sub-contractor's employees and certain employees of Bothe Windfarm Development Private Limited under Sections 304, 337, 338, 286, 427 and 34 of the Indian Penal Code, 1860 read with Sections 3 and 5 of the Explosives Substances Act, 1908. After the investigation, the investigation officer filed a charge sheet against two employees of Bothe Windfarm Development Private Limited, namely, Arun Phule (who is no longer our employee) and Rajendra Vatkar, among others. The Judicial Magistrate First Class had referred the matter to the Sessions Court where the accused employees had filed discharge applications. The matter is still pending before the Sessions Court and the pleadings are yet to be completed. In addition, the District Magistrate (Collector) at Satara has also initiated proceedings under Section 7 of the Explosives Substances Act, 1908 against the abovementioned accused, among others.

Tax Proceedings instituted against Bothe Windfarm Development Private Limited

There is a tax matter involving Bothe Windfarm Development Private Limited in relation to certain disallowances for the assessment year 2013-14. The aggregate amount involved is INR 5 million. Bothe

Windfarm Development Private Limited has filed an appeal with the Commissioner of Income Tax — Appeals (“**CIT-(A)**”) contesting this tax demand and this matter is still pending for disposal. An amount equivalent to 20% i.e. INR 1 million has been deposited with Commissioner of Income Tax and the balance is being indicated as contingent liability in the books as per accounting provisions.

Tax Proceedings instituted against Continuum Green Energy India Private Limited

There is a service tax matter involving Continuum Green Energy India Private Limited (“**CGEIPL**”) in relation to refund of service tax of INR 12.75 million for the accounting year 2018-19. We had paid service tax in advance towards probable service tax liability against management/business consultancy services. However, since CGEIPL did not provide such service, it applied for refund, which was granted. Subsequently, the department filed an appeal against the said order, which was rejected by Commissioner (Appeals). The department has further preferred an appeal against the Commissioner (Appeals) Order before Customs Excise & Service Tax Appellate Tribunal (“**Tribunal**”). The said appeal is presently pending for hearing before the Tribunal.

Civil proceedings pertaining to various land parcels owned by Bothe Windfarm Development Private Limited, Trinethra Wind & Hydropower Private Ltd, Bhuj Wind Energy Private Limited and Continuum M.P Windfarm Pvt Ltd

There are seven pending civil proceedings involving Bothe Windfarm Development Private Limited, one matter pending with Revenue Commissioner, three civil proceedings involving Trinethra Wind & Hydropower Private Limited, three civil proceedings involving Bhuj Wind Energy Private Limited, one civil proceeding involving Trinethra Wind & Hydropower Private Limited and Continuum Trinethra Renewables Private Limited and sixteen civil proceedings involving Continuum MP Windfarm Private Limited and two civil proceedings involving Watsun Infrabuild Private Limited (WIPL). These proceedings pertain to the land parcels owned or leased by them for their operations including parcels on which our wind turbine generators/solar parks have been built or are going to be built.

The aggregate amount involved in these cases, wherever quantifiable, is approximately INR 5 million.

All of these cases are currently pending at various stages of adjudication.

Proceedings instituted by Bothe Windfarm Development Private Limited against MSEDCL

Following the non-execution of energy purchase agreements by MSEDCL upon its issuance of disconnection notices thereon denying its obligation to enter into energy purchase agreements in respect of 6.3 MW capacity of our Bothe windfarm located at Satara, Maharashtra, Bothe Windfarm Development Private Limited, in January 2020, approached the MERC seeking directions to the MSEDCL to execute the said energy purchase agreements, pay an amount of INR 414 million as a compensation for the supply of power from December 2014 to January 23, 2020 and other reliefs. While the MERC by its order dated July 1, 2020 upheld the MSEDCL’s option to not execute the energy purchase agreements, it ordered MSEDCL to pay for the electricity generated and utilised by MSEDCL between April 1, 2014 and March 31, 2017 at a price equal to the average power purchase cost of MSEDCL plus floor price of renewable energy certificates (“**REC**”) of the respective year, and allowed MSEDCL to determine whether it would execute energy purchase agreements on prospective basis at the tariff discovered in most recent competitive bid as such project capacity is below the threshold limit specified for the competitive bid. Bothe Windfarm Development Private Limited appealed this order before APTEL. APTEL levied a stay on the aforesaid disconnection notice issued by the MSEDCL.

The direction regarding payment for the electricity generated and utilized by MSEDCL between April 1, 2014 and March 31, 2017 given by the MERC in the order dated July 1, 2020 has been complied by the MSEDCL by paying amount for the energy utilized by MSEDCL from 6.3 WTGs between April 1, 2014 and March 31, 2017 at a price equal to the average power purchase cost of MSEDCL after we filed the petition before the MERC for compliance of the order dated July 1, 2020. However this petition for compliance with the order dated July 1, 2020 is without prejudice to our contention in the aforesaid appeal before APTEL and to its right in law and equity.

The judgment in our appeal was pronounced, and APTEL held that MSEDCL to forthwith execute energy purchase agreements with Bothe Windfarm Development Private Limited for 13 years for three WTGs aggregating 6.3 MW with effect from the date of application to Maharashtra Energy Development Agency (“MEDA”) for registration of WTGs i.e., December 7, 2015 at a price of INR 5.70/kWh as per the then applicable preferential tariff.

MSEDCL has been further directed to compensate Bothe Windfarm Development Private Limited for electricity generated and supplied from date of commissioning of three WTGs till December 6, 2015 at the average power purchase cost. Further, on and from December 7, 2015, MSEDCL was directed to pay generic/ feed in tariff determined by MERC as applicable on the said date.

We have sent letter dated August 26, 2022 to MSEDCL for signing the energy purchase agreements and comply with the APTEL judgment along with invoices and draft energy purchase agreements. Further we have sent reminder Letter dated September 19, 2022.

MSEDCL has filed an appeal before the Supreme Court against the aforesaid judgments of APTEL. The hearing was held on October 10, 2022 and the order from APTEL has been stayed.

After hearing the arguments from the parties, the Supreme Court has stayed the APTEL order and the bench noted that MSEDCL’s conduct is prima facie erroneous considering that projects commissioned afterwards / applied afterwards got energy purchase agreements merely because MEDA granted registration to them earlier and further the following direction has been given in the interim until disposal of the civil appeals:

The Supreme Court granted BWDPL an option to continue supplying power to MSEDCL, which will be paid by MSEDCL to BWDPL as per the order passed by the MERC. Further there shall be stay of the directions given in the impugned order, subject to the appellant -Maharashtra State Electricity Distribution Company Limited depositing a sum of Rupees Three Hundred Million within a period of four weeks from the date of daily order with the registry of the Supreme Court. The said deposit would be converted into an interest-bearing fixed deposit receipt for a period of six months with auto renewal clause. MSEDCL has filed a clarification application regarding the tariff rate (APPC + REC or recent auctioned discovered competitive bidding rate which is at approximately INR 2.70/kWh) at which we will be paid for future generation.

The hearing was held on November 21, 2022 wherein the Supreme Court modified the above direction and directed that MSEDCL is required to make payment of current charges for the electricity uploaded/injected into the system by Bothe Windfarm Development Private Limited at the rate of INR 3.50 per unit. The balance amount to be paid in terms of the order passed by the MERC dated July 1, 2020, is required to be deposited in the Supreme Court and converted into interest bearing fixed deposit receipt for a period of 12 months, which would be renewed periodically. The deposit in the court is required to be made bi-monthly.

The matter is listed for further hearing in the month of August 2023.

Proceedings instituted by Bothe Windfarm Development Private Limited, DJ Energy Private Limited, and Uttar Urja Projects Private Limited in respect of forecasting and deviation settlement mechanism

Bothe Windfarm Development Private Limited has instituted proceedings challenging the validity of certain provisions of the forecasting regulations and aspects of the implementation of the deviation settlement mechanism and filed Writ Petition under Article 226 of the Constitution of India before the High Court of Bombay challenging the legal validity of certain provisions of the forecasting regulations and the procedure for forecasting and deviation settlement. The matter is pending before the High Court of Bombay. The MERC vide its order has suspended the contentious provisions. The hearing before the High Court of Bombay was scheduled on November 21, 2022.

As per the direction of the Bombay High Court during the hearing, the petition has been withdrawn with liberty to approach the Bombay High Court in case, additional DSM charges will be levied. Presently the additional DSM charges has been suspended by the MERC and it is under the consideration of the MERC.

DJ Energy Private Limited and Uttar Urja Projects Private Limited have filed petitions before the Madhya Pradesh Electricity Regulatory Commission seeking, among other things, clarity and removal of difficulty in implementing the deviation settlement mechanism, sought stay on the notice issued seeking payment of DSM charges from August 2018 to August 2020 and also seeking to disconnect the projects upon failure to make such payment (the “**DSM Notice**”). The MPERC by its order at the hearing February 9, 2021 rejected our prayer following which we have preferred an appeal before the APTEL against this order and have also sought a stay on the DSM Notice. An effective stay on taking any precipitative action in respect of the order has been in place since the order of APTEL dated July 9, 2021 and the matter is currently pending and transferred to final hearing list.

Proceedings for annual banking facility of Watsun Infrabuild Private Limited (WIPL): Matter with respect to Wind Tariff order for 2018:

The Tamil Nadu Electricity Regulatory Commission (“**TNERC**”) has issued Wind Tariff Order in April 2018, wherein the TNERC abolished the banking provisions for all machines commissioned after March 2018. In view of the same, WIPL approached APTEL to challenge the said order. WIPL has got 12 months banking to Phase II project (commissioned after March 2018) as interim measure as per the APTEL till adjudication of the appeal. TANGEDCO filed a petition before the Supreme Court wherein they had challenged the interim order. However, Supreme Court had refused to interfere with APTEL’s order and asked TANGEDCO to withdraw the petition. Accordingly, the TANGEDCO had withdrawn the petition and the petition has been disposed off as withdrawn.

APTEL has issued final judgment on January 28, 2021 in this appeal wherein WIPL got 12 months banking for the WTGs commissioned after March-18 effective from April 1, 2020. However, TANGEDCO and TNERC have filed civil appeal against the APTEL aforesaid judgment before the Supreme Court. Upon hearing the submissions of the counsels for all the party, the bench issued notice and has adjourned the matter for further hearing on issue including maintainability of TNERC appeal. Further, no stay was granted with respect to banking provision. The hearing was held on April 26, 2022, wherein appellants in TANGEDCO appeal were present. However, appellants in TNERC appeal sought an adjournment. The matter is currently pending.

Matter with respect to Wind Tariff order for 2020

WIPL has filed an appeal against TNERC Wind Tariff Order dated October 7, 2020 along with stay application and urgent listing before APTEL.

APTEL has stated that as per the submission of TANGEDCO, the banking rights will be regulated as per this court judgment dated January 28, 2021 until it is not modified/ vacated/ set aside by the Supreme Court.

The matter was heard by the Register on January 12, 2022, wherein the pleading is completed and listed the matter before APTEL. APTEL after hearing our submissions, has now moved the matter in the list of final hearing for final disposal.

Matter pertaining to billing of power drawn by DJ Energy Private Limited (DJEPL) under two categories:

The matter pertains to the billing of power drawn by DJEPL under two categories (first, under synchronisation category HV 7 for power drawn for less than 2 (two) hours and second under HT industrial tariff (HV3.1) for power drawn for more than 2 (two) hours {1.25 times of Energy Charges of HV3.1 plus fixed charges of HV 3.1}). DJEPL has filed petition to bill the power drawn under only one category i.e., HV-7.

M.P. Paschim Kshetra Vidyut Vitran Co. Ltd. has issued notices to DJEPL for the payment of fixed charges for a retrospective period from April 1, 2017 to August 31, 2019 for Line 1 and Line 2. DJEPL has filed a stay application for a stay against those notices and mentioned the matter before the Madhya Pradesh Electricity Regulatory Commission (“MPERC”). MPERC issued an order on December 23, 2020, wherein they have stated that the respondent discom is directed to bill the generators, in accordance with the provisions under MPERC (Cogeneration and Generation of Electricity from Renewable Source of Energy) Regulations 2010 and hence for the past bill discoms are eligible for recovery of the charges under HV -7 as well as under HV 3.1 categories. MPERC issued tariff order of FY 2020-21 wherein for the future period discoms cannot raise bill under HV 3.1 and also removed the 2-hour drawl limit under HV-7 tariff category.

Hence, DJEPL has filed an appeal along with stay application on HV 3.1 billing for the past period. While this matter is still being decided, an appeal has been filed against the MPERC order in petition no. 14 of 2020. The hearing in such matter was held, and the matter was admitted and the interim order which we got in the hearing was continued till “further orders”. Thereafter the interim order was made final until the final disposal of the matter.

The hearing was held on November 3, 2022, wherein the APTEL held that another appeal being DFR No.248 of 2020 which is included in the “List of Finals” will have to be heard alongside this appeal as the issues involved are about the same matter.

In the view of the above, the APTEL shifted this batch of appeal to the bottom of the “List of Short Matters” and directed the inclusion of DFR No.248 of 2020 in this batch in the category of short matters. The matter will be heard as per turn of the short matter list.

Matter pertaining to wind zone classification for Bothe Windfarm Development Pvt Ltd (BWDPL)

MSEDCL in coordination with MEDA carried out an analysis on the Capacity Utilisation Factor (CUF) being achieved by operational projects and accordingly shortlisted 42 Generators who are generating consistently higher CUF to ultimately align CUF with respect to appropriate wind zone which is currently divided into 4 wind zones and accordingly the tariff has been determined.

MSEDCL has filed the petition on the above basis before the MERC for redetermination of wind zone which was rejected by the MERC vide its order dated April 3, 2018.

Aggrieved by aforesaid MERC's order dated April 3, 2018, MSEDCL filed Case No. 152 of 2018 before MERC seeking a review of MERC's order dated April 3, 2018.

MERC has passed an order in MSEDCL's review petition ("**Review Order dated July 9, 2018**"), wherein it has been stated that the Commission allows the present Review Petition and hereby directs MEDA to review the Wind Zone classification of the instant 42 Wind Generators and review the Wind Zone classification for all the remaining such Wind Generators at the end of the current financial year based on the actual generation data submitted by MSEDCL /Generators. If the generation is more than the allotted Wind Zones and CUF, then MEDA will make a recommendation about change in wind zone classification after taking into consideration, the wind power density and the technology employed by the generator.

BWDPL had approached the Bombay High Court under the ground that; natural justice has not been followed and, MERC has passed the order without involving BWDPL even though it is a matter relating to company's contract. The Bombay High Court passed an order that MSEDCL has to approach MERC with a fresh petition in case of any tariff impact. MSEDCL filed a fresh petition before the MERC in which they filed an application for seeking interim relief. Public notice was issued by MSEDCL on June 19, 2021 in the aforesaid petition as per the direction of MERC, wherein the suggestions and objections were sought on the aforesaid petition on or before July 16, 2021.

BWDPL, along with other wind developer(s), filed an application before MERC seeking directions on the maintainability of the petition as per the Bombay High Court's earlier judgment dated August 30, 2018. Hence the same has to be decided prior to the public hearing in the aforesaid matter.

BWDPL filed application before MERC on July 8, 2021, challenging the maintainability of the petition. BWDPL sought the matter for urgent hearing on July 9, 2021 for hearing on the maintainability of the petition prior to the public hearing. However, MERC stated that they will hear the maintainability issue first during the public hearing scheduled instead of scheduling the hearing on the maintainability separately. The public hearing was complete. BWDPL and the other wind developer argued that MSEDCL is seeking to amend the regulation, tariff order which have already attained finality and modify power purchase agreements which have already been executed. However, there is no order of MERC for allowing or admitting of such prayer.

APTEL vide its daily order has held that maintainability of the present aforesaid public hearing needs to be heard as preliminary issue. MSEDCL later filed letter for withdrawal of this petition with liberty to file new petition. BWDPL has filed an application wherein BWDPL has objected the liberty sought by the MSEDCL to file a new petition.

The Wind Zone Reclassification matter was listed for hearing on November 15, 2022 before MERC. The counsel of MSEDCL explained the chronology of events starting from filing of the original petition in 2017 till the conclusion of the hearing on the maintainability of the petition. It was stated that, after the passing of the order dated July 19, 2021 by APTEL in OP No. 11 of 2021, senior officials of MSEDCL had decided that the subject petition is defective since:

- (a) the generators were not made party to the present petition; and
- (b) the directions of MERC in its earlier order dated July 10, 2019 (to make all stakeholders party, to consider details of individual energy purchase agreements, impact of regulations while filing petition, etc.) have not been adhered to by MSEDCL.

Accordingly, MSEDCL has filed a withdrawal application seeking withdrawal of the petition. BWDPL is objecting to grant of any liberty to MSEDCL to refile the petition.

MERC has issued an order dated February 13, 2023 on application for withdrawal of petition filed by MSEDCL in Case No. 338/ 2019 wherein MERC stated that as per their opinion, granting liberty to file a fresh petition or otherwise would not serve any purpose. Hence, while allowing withdrawal of petition, MERC is not granting liberty to file afresh. Further they have stated that this does not restrict MSEDCL to initiate any suit/case as per applicable laws and the directions of APTEL in its order dated January 19, 2023.

The MSEDCL has filed a fresh petition (Case No 114/MP/2023) for Wind Zone Classification on March 31, 2023 wherein BWDPL has also been made a respondent. The notice has been issued by the MERC wherein respondents are directed to file reply to aforesaid petition.

The Petition is filed by the MWDPL for claiming the amount incurred due to change in law events (Change in GST Rate) in relation to MWDPL Wind Project of 150 MW

A petition is filed by MWDPL for claiming the amount incurred due to change in law event on account of an increase in goods and service tax rate (GST rate) in terms of the provisions of the power purchase agreement executed with Solar Energy Corporation of India Limited for its wind power project of 150 MW.

MWDPL has prayed that to compensate MWDPL for the additional non-recurring capital cost incurred/ to be incurred by it to the tune of INR 42,49,66,160 on account of issuance of notification No. 8/2021- Central Tax (Rate) dated September 30, 2021.

The petition is yet to be listed for admission.

The Petition filed by CGEIPL and its subsidiaries before the Gujarat High Court for extension of WSH Policy 2018

The Wind Solar Hybrid Policy 2018 of government of Gujarat has expired as of June 19, 2023. A petition has been filed by CGEIPL and its subsidiaries before the Gujarat High Court seeking extension of WSH Policy 2018.

The matter has been admitted and preliminary arguments have been concluded on June 15, 2023. The next date for hearing is August 11, 2023.

Petition (SCA 9921 of 2023) filed by CGEIPL and its subsidiary before the Hon'ble GERC for seeking clarification relating to extension of WSH Tariff Order No. 04 of 2021

CGEIPL has filed the clarificatory petition before the Hon'ble GERC for clarifying whether the WSH Tariff order being Order No. 04 of 2021 passed by this Hon'ble Commission on April 3, 2021 can be extended beyond June 19, 2023 and if the decision of this Hon'ble Commission is in affirmative, then to pass appropriate order/ direction extending the validity of the WSH Tariff Order beyond June 19, 2023 for the intervening period till the new tariff order is formulated and passed by this Hon'ble commission.

Srijan Energy Systems Private Limited (“SESPL”) filed a petition before the CERC wherein relinquishment charges of INR 42,62,00,000 computed by the Central Transmission Utility (CTU) vide its letter dated 24.12.2021 have been challenged.

SESPL filed a petition before the CERC wherein relinquishment charges of INR 42,62,00,000 computed by the CTU vide its letter dated December 24, 2021 has been challenged on the following grounds:

- a) Imposition of relinquishment charges for 300 MW 2017 Long Term Access (“LTA”) by the CTU is in contravention to the principles laid down by CERC in its order passed in an earlier petition No. 92/MP/2015.
- b) There is no stranded capacity in the transmission system on which the said 300 MW 2017 LTA was granted, the 50 MW firm LTA stood frustrated due to termination of power purchase agreement with NTPC Limited and 125 MW target LTA was realigned to be utilized by the sister concern of SESPL viz. Continuum Power Trading (TN) Private Limited. There is no stranded capacity following the non-utilization of the said LTA’s.

CERC has admitted the matter on May 15, 2023 and has directed CTU to file an affidavit regarding the LTA being obtained for the same project. The matter is still pending before CERC and the next date of hearing is September 20, 2023.

REGULATION

Set forth below is a brief overview of the principal laws and regulations currently governing the businesses of the Indian Restricted Subsidiaries. The information set out below has been obtained from sources available in the public domain and is based on the current provisions of Indian laws, as amended, and which are subject to amendments, changes and modifications. The laws and regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. Prospective investors should seek independent legal advice on the laws and regulations application to the businesses of the Group.

The Electricity Act, 2003

The Electricity Act is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution and trade of electricity are regulated activities that require licenses from the CERC, the State Electricity Regulatory Commissions (“SERCs”) or a joint commission (constituted by an agreement entered into by two or more state governments or the central government in relation to one or more state governments, as the case may be).

Under the Electricity Act, the appropriate commission, guided by, *inter alia*, the principles and methodologies specified by the CERC, promotion of co-generation and generation of electricity from renewable sources of energy, principles rewarding efficiency in performance, objective of safeguarding consumers’ interest and at the same time, recovery of the cost of electricity in reasonable manner, shall stipulate the terms and conditions for the determination of tariff. The Electricity Act currently requires the Central Government to, from time to time, prepare the national electricity policy and tariff policy, in consultation with the state governments and CEA.

The Draft Electricity (Amendment) Bill, 2022 which include, among other things, (i) introducing a framework which would allow more than one distribution company to supply power in a given area; (ii) requiring energy regulatory commissions to include at least one member with experience and qualifications in law and also increasing the number of members of the APTEL; (iii) empowering the National Load Despatch Centers to oversee the national grid; (iv) requiring any contract for scheduling or dispatch of power to provide for an adequate payment security mechanism, as per contracts; and (v) introduction of penalties for failure to meet RPO; (vi) removing requirement of more than one distribution licensee (discom) to operate in the same area and supply electricity through their own network; (vii) requiring the network-owning discoms to provide open and non-discriminatory access to its network to other discoms; (viii) sharing of the power and associated costs from existing power purchase agreements (PPAs) among all discoms in an area; (ix) determination of the floor and ceiling tariffs for retail supply by the State Commission, if there is more than one discom in an area; (x) setting up a cross-subsidy balancing fund by the state government to deposit surplus of cross-subsidy with one discom, and to provide for any deficit with another discom in the same or any other area; (xi) providing for a payment security mechanism to ensure timely payment to generation companies; and (xii) amending the qualification for chairpersons and other members of the Central and State Commissions. The Electricity (Amendment) Bill, 2022 was introduced in Lok Sabha in August 2022. It has been referred to the Standing Committee on Energy for detailed examination.

The Electricity Rules, 2005 along with subsequent amendments *inter alia* provides for: (a) minimum fifty-one percent offtake of energy generated in the captive power plant by the captive user; (b) minimum of twenty-six percent ownership of the captive user; (c) accounting of subsidy provided to certain consumers; (d) compliance with directions by transmission licensee; (e) surcharge payable by consumers seeking open access; (f) energy storage systems; (g) development of hydro power; and (h) implementation of uniform renewable energy tariff for central pool.

The Ministry of Power (“**MoP**”) has recently released a notification on June 30, 2023, introducing additional amendments to the Electricity Rules, 2005. Prior to the first amendment, a power plant could qualify as a captive generating plant if the captive user held at least twenty-six percent ownership. However, the present amendment modifies this provision by introducing an additional criterion. If the captive generating plant is established by an affiliate company, the captive user must hold no less than fifty-one percent of the ownership in that affiliate company.

National Electricity Policy

The Central Government notified the National Electricity Policy on February 12, 2005, in accordance with the provisions of the Electricity Act. The National Electricity Policy provides guidelines for accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders keeping in view availability of energy resources, technology available to exploit these resources, economics of generation using different resources, and energy security issues.

The National Electricity Policy provides that the SERCs should specify appropriate tariffs in order to promote renewable energy, up until renewable energy power producers relying on non-conventional technologies can compete with conventional sources of energy. The SERCs are required to ensure progressive increase in the share of generation of electricity from non-conventional sources and provide suitable measures for connectivity with grid and sale of electricity to any person. Further, the SERCs are required to specify, for the purchase of electricity from renewable energy sources, a percentage of the total consumption of electricity in the area of a distribution licensee. Furthermore, the National Electricity Policy provides that such purchase of electricity by distribution companies should be through a competitive bidding process. The National Electricity Policy permits the SERCs to determine appropriate differential prices for the purchase of electricity from renewable energy power producers, in order to promote renewable sources of energy.

National Tariff Policy, 2016 (“National Tariff Policy”)

The GoI notified the revised National Tariff Policy effective from January 28, 2016. Among others, the National Tariff Policy seeks to, *inter alia*, ensure availability of electricity to consumers at reasonable and competitive rates, ensure financial viability of the sector and attract investments, promote competition, efficiency in operations and improvement in quality of supply, promote generation of electricity from renewable sources and evolve a dynamic and robust electricity infrastructure for better consumer services. The National Tariff Policy provides that SERCs shall reserve a minimum percentage for purchase of solar energy from the date of notification of the policy which shall be such that it reaches 8% of total consumption, excluding hydro power, of energy by March 2022.

Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2020

CERC has announced the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2020 (the “**Tariff Regulations**”) which supersede the regulations issued in 2017. The Tariff Regulations govern the determination of tariff, for a generating station or a unit commissioned during the ‘Control Period’ (being from July 1, 2020 until September 30, 2023). The Tariff Regulations provide for a generic tariff determined annually for specified types of renewable energy projects and project specific tariff to be determined for solar, wind and other specified types of projects. The Tariff Regulations require return on equity, interest on loan, depreciation, interest on working capital and operation and maintenance expenses to be considered in determination of tariff, with a single part tariff with two components, fixed cost component and fuel cost component required to be additionally considered for renewable energy projects with a fuel cost component.

Renewable Purchase Obligations

The Electricity Act and the National Tariff Policy require the SERCs to specify, for the purchase of electricity from renewable sources, a percentage of the total consumption of electricity within the area of a distribution licensee, which are known as renewable purchase obligations (“**RPOs**”). RPOs are required to be met by obligated entities (distribution licensees, captive power plants and open access consumers) by purchasing renewable energy, either by renewable energy power producers such as our Indian Restricted Subsidiaries, or by purchasing renewable energy certificates. In the event of default by an obligated entity in any fiscal, the SERCs may direct the obligated entity to pay a penalty or to deposit an amount determined by the relevant SERC, into a fund to be utilized for, among others, the purchase of renewable energy certificates.

Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 (“Grid Code”)

The Grid Code specified by the CERC contains the provisions regarding the roles, functions and responsibilities of the concerned statutory bodies, generating companies, licensees, and any other person connected with the operation of the power systems within the statutory framework envisaged in the Electricity Act and the rules, regulations, notifications issued thereunder. The Grid Code apart from the provisions relating to the role of various statutory bodies and organizations and functional linkages among them, contains extensive provisions pertaining to (a) reliability and adequacy of resources; (b) technical and design criteria for connectivity to the grid including integration of new elements, trial operation and declaration of commercial operation of generating stations and inter-state transmission systems; (c) protection setting and performance monitoring of the protection systems including protection audit; (d) operational requirements and technical capabilities for secure and reliable grid operation including load generation balance, outage planning and system operation; (e) unit commitment, scheduling and dispatch criteria for physical delivery of electricity; (f) integration of renewables; (g) ancillary services and reserves; and (h) cyber security.

Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) Regulations, 2008 (the “CERC Open Access Regulations”)

The CERC Open Access Regulations apply to the applications made for grant of open access for energy transfer schedules commencing on or after April 1, 2008 for use of the transmission lines or associated facilities with such lines on the inter-state transmission system. CERC Open Access Regulations clarifies that, subject to other regulations, the long-term customer shall have first priority for using the inter-state transmission system for the designated use. CERC Open Access Regulations apply for utilization of surplus capacity available thereafter on the inter-state transmission system by virtue of (a) inherent design margins; (b) margins available due to variation in power flows; and (c) margins available due to in-built spare transmission capacity created to cater to future load growth or generation addition. It provides for a structure which facilitates both bilateral transaction (transaction for exchange of energy between a specified buyer and a specified seller, directly or through a trading licensee), and collective transactions (set of transactions discovered in power exchange through anonymous, simultaneous competitive bidding by buyers and sellers). Additionally, the CERC Open Access Regulations provides for congestion management wherein the grant of all applications at a particular stage of advance scheduling is likely to cause congestion in one or more of the transmission corridors to be used, nodal agency shall conduct electronic bidding for grant of open access for the available surplus transmission capacity among the applicants at that stage.

Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2023 (“CEA Safety Regulations”)

CEA Safety Regulations framed by CEA of India under the Electricity Act to regulate measures relating to safety and electric supply in India. CEA Safety Regulations apply to electrical installations, including electrical plants and electric lines, as well as persons engaged in electricity generation, transmission, distribution, trading, supply, or usage. CEA Safety Regulations encompass general safety guidelines for the construction, installation, protection, operation, and maintenance of electric supply lines and apparatus. Additionally, the CEA Safety Regulations outline general conditions related to the supply and use of electricity. Furthermore, CEA Safety Regulations include safety provisions for electrical installations and apparatus with voltages both above and below 650 V, covering overhead lines and underground cables, renewable generating stations, electric vehicle charging stations, high voltage direct current, and other related aspects.

Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022.

These regulations seek to ensure, through a commercial mechanism that users of the grid do not deviate from and adhere to their schedule of drawal and injection of electricity in the interest of security and stability of the grid. These regulations are applicable to all grid connected regional entities and other entities engaged in inter-state purchase and sale of electricity.

Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2022.

These regulations provide for a mechanism for deployment and payment of ancillary services including service necessary to support the grid operation in maintaining power quality, reliability and security of the grid, for: (a) maintaining the grid frequency close to 50 Hz; (b) restoring the grid frequency within the allowable band; and (c) relieving congestion in the transmission network.

Generation-Based Incentive Scheme

The Ministry of New and Renewable Energy (“MNRE”) introduced the generation-based incentive scheme (“GBI Scheme”) which provides incentives based on generation instead of capacity addition for grid connected wind power projects. Initially the GBI Scheme was available to projects commissioned after December 17, 2009 and provided developers with an incentive payment of Rs. 0.50 per kWh of electricity fed into the grid with an overall cap of Rs. 10 million per MW for a minimum period of four years and a maximum period of ten years. This period of availability continued through extended versions of the GBI Scheme with the last revision dated April 22, 2015 extending the GBI Scheme until the end of the 12th plan period i.e. until 2017. For wind power projects commissioned on or before March 31, 2012, the maximum GBI payable is Rs. 6.2 million per MW with the total disbursement per year capped at one-fourth of the maximum limit of the incentive during the first four years. For wind projects commissioned on or after April 1, 2012, the maximum GBI payable is Rs. 10 million per MW with the total disbursement per year capped at one-fourth of the maximum limit of the incentive during the first four years.

National Wind-Solar Hybrid Policy (“Hybrid Policy”)

MNRE announced the Hybrid Policy on May 14, 2018, with an aim to encourage renewable power generation and promote new projects as well as hybridization of the existing wind and solar projects. The main objective of the Hybrid Policy is to provide a framework for promotion of large grid connected wind-solar photovoltaic

hybrid system for optimal and efficient utilization of transmission infrastructure and land, reducing the variability in renewable power generation and achieving better grid stability. The Hybrid Policy aims to encourage new technologies, methods and way-outs involving operation of wind and solar photovoltaic plants.

The implementation of wind solar hybrid systems will depend on different configurations and use of technology. The Hybrid Policy mandates the CEA and the CERC to formulate necessary standards and regulations for wind-solar hybrid systems.

Guidelines for Tariff Based Competitive Bidding Process for Procurement of Wind, Solar Power and Wind-Solar Hybrid Power

The MNRE has issued guidelines on October 14, 2020 and amendment to the same on July 23, 2021. As a step toward ensuring availability of renewable energy to Discoms at competitive rates, through ‘tariff based competitive bidding process’. The objective is (a) to provide a framework for procurement of electricity from Inter-State Transmission System (“ISTS”) grid connected wind-solar hybrid power projects through a transparent process of bidding; (b) to promote competitive procurement of electricity from grid connected wind solar hybrid power projects; (c) to facilitate transparency and fairness in procurement processes and to provide for a framework for an intermediary procurer as an aggregator/trader for the inter-state sale-purchase of long term power; and (d) to provide a risk-sharing framework between various stakeholders, involved in the wind solar hybrid power procurement, thereby encouraging investments, enhanced bankability of the projects and profitability for the investors.

Guidelines for development of onshore wind power projects (“Wind Projects Guidelines”)

The MNRE issued Wind Projects Guidelines to ensure healthy and orderly growth of wind power sector in the country with the objective of facilitation of development of wind power projects in an efficient, cost effective and environmentally sustainable manner. The Wind Projects Guidelines enumerate the MNRE advisories for project developers in relation to establishing and operating a wind power project. The Wind Projects Guidelines also require manufacturers of wind turbines and components to acquire type and quality certification by an internationally accredited certification body.

Ministry of Power Order dated November 23, 2021 regarding waiver of Inter-State Transmission Charges

For solar, wind, hydro pumped storage projects and battery energy storage systems projects commissioned up to June 30, 2025, the waiver of interstate transmission charges shall be applicable. The power generated from such sources can be self-consumed or sold to any entity either through competitive bidding, power exchange or through bilateral agreement. The order was further amended on June 9, 2023 to state that for any solar, wind and sources mentioned under the order dated November 23, 2021, which is eligible for waiver of inter-state transmission charges and is having its scheduled date of commissioning on or before June 30, 2025 is granted extension of time from the commissioning by Ministry of New and Renewable Energy after careful consideration, on account of force majeure or for delay on the part of the transmission provider in providing the transmission even after having taken the requisite steps in time; or on account of delays on the part of any government agency.

Electricity (Rights of Consumers) Amendment Rules, 2023

The MoP has notified Electricity (Rights of Consumers) Amendment Rules, 2023. As per the amendment, smart meters of all types must be remotely read at least once daily, while other pre-payment meters should be read by

an authorized representative of the distribution licensee at least once every three months. The data on energy consumption will be accessible to consumers through a website, mobile application, or short message service. Consumers with smart pre-payment meters will also have daily access to their consumption data and balance amount. Additionally, the time of day (“**ToD**”) tariff will be implemented for commercial and industrial consumers with a maximum demand exceeding 10 kW from a date no later than April 1, 2024, and for all other consumers except agricultural consumers, it shall be implemented no later than April 1, 2025. For consumers with smart meters, ToD tariff will be made effective immediately after installation. Under the ToD tariff system, tariff during solar hours (duration of eight hours in a day as specified by the SERC) of the day will be 10 to 20 percent less than the normal tariff, while the tariff during peak hours will be 10 to 20 percent higher than the normal tariff.

Electricity (Late Payment Surcharge and Related Matters) Rules 2022

On June 3, 2022, the MoP notified the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, replacing the Electricity (Late Payment Surcharge) Rules, 2021. According to these new rules, a late payment surcharge will be applied at the base rate for the first month of delay on outstanding payments after the due date. For each successive month of delay, the surcharge will increase by 0.5%, capped at a maximum of 3% above the base rate. Additionally, any payments made by a distribution licensee to a generating company or a trading licensee for power procured from it, or by a user of a transmission system to a transmission licensee, will be first allocated towards the late payment surcharge and then towards monthly charges, starting with the longest overdue bill.

Ministry of Power notification dated October 22, 2021 regarding Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021.

As per this notification, the cost incurred due to change in law has to be adjusted in monthly tariff so that the affected party is not burdened due to the said cost and the said cost is in a timely manner.

Ministry of Power notification dated October 22, 2021 regarding Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021.

The following are the key salient features of this rules,

A wind, solar, wind-solar hybrid or hydro power plant (in case of excess water leading to spillage) or a power plant from any other sources, as may be notified by the Appropriate Government, which has entered into an agreement to sell the electricity to any person, shall be treated as a must-run power plant.

A must-run power plant shall not be subjected to curtailment or regulation of generation or supply of electricity on account of merit order dispatch or any other commercial consideration: Provided that electricity generated from a must-run power plant may be curtailed or regulated in the event of any technical constraint in the electricity grid or for reasons of security of the electricity grid: Provided further that for curtailment or regulation of power, the provisions of the Grid Code shall be followed.

In the event of a curtailment of supply from a must-run power plant, compensation shall be payable by the procurer to the must-run power plant at the rates specified in the agreement for purchase or supply of electricity.

Where, in the event of any technical constraint in the electricity grid or for reasons of security of the electricity grid, procurer gives the notice for curtailment to the must-run power plant in advance, prior to the start of the day ahead market or real time market or any other product introduced from time to time in the power exchange, the must-run power plant shall sell the electricity not scheduled by the procurer in the power exchange.

The amount realised by such must-run power plant from such sale of electricity in a power exchange, after deducting actual expenses paid for the sale in the power exchange, if any, shall be adjusted against the compensation payable by the procurer under sub-rule (3).

Any deficit in realisation of amount, with respect to the compensation shall be paid by the procurer on monthly basis.

Any excess realisation of amount during a month from sale of electricity in a power exchange, if any, shall be carried forward and adjusted in the next month or months.

The final adjustment of excess realisation of amount, if any, shall be paid by the must-run power plant to the procurer within one month of the close of the financial year.

Notification of Draft CEA Regulations for Great Indian Bustard Area

On February 3, 2023, the CEA has issued Draft Central Electricity Authority (Construction of Electric Lines in Great Indian Bustard Area) Regulations, 2023, (“**Draft GIB Regulations**”) in light of a case before the Supreme Court on the issue of threat to the endangered species, making mandatory for electric lines to be underground or overhead through the ‘Great Indian Bustard (GIB) Area’. In this regard, the Supreme Court vide its orders dated April 22, 2022 had held that no new overhead power lines to be laid in potential habitats of the GIB unless approved by the court-appointed committee (“**SC Orders**”). As per the Draft GIB Regulations, electric lines of 33 kV and below voltage level passing through GIB area will require undergrounding, and electric lines of above 33 kV voltage level passing through GIB area will be overhead lines installed with bird flight diverters. While the low voltage power lines were earlier interpreted to be in lines with voltage of 66kV or below, this has been changed in the Draft GIB Regulation to 33kV or below. The Draft GIB Regulations have not been notified yet, and comments / suggestions were awaited from the public before March 3, 2023.

Ministry of New and Renewable Energy to blacklist developers for delay in projects

The MNRE released an order on February 15, 2023, wherein it directed that if any renewable project developer fails to comply with the scheduled commercial operation date with respect to its project, it will result in that project developer to be blacklisted for a period of 3 to 5 years. Additionally, the bank guarantee provided by the project developers will also be encashed by the MNRE. The provision of the circular which provides the powers to public sector undertakings to blacklist developers will be applicable to all tenders/ bids and contracts as well, in accordance with the General Financial Rules, 2017.

Amendments to CERC (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022 (“GNA Regulations”) for drawal of power from renewable sources

On June 7, 2022, the CERC had issued the GNA Regulations to facilitate General Network Access (“**GNA**”) by allowing generators to connect and evacuate power through the ISTS without designating the location of the offtaker. Unlike the erstwhile ISTS open access system where the generators were required to identify a consumer prior to grant of open access, GNA provides flexibility to the generators by providing them with open access rights without having to specify the injection point and drawal point.

Recently, on April 1, 2023, the CERC issued the (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022 (First Amendment) Regulations, 2023, amending the GNA Regulations (effective from April 5, 2023) by inter-alia, inserting a new provision which defined general network access

renewable energy (GNARE) as the open access to the ISTS granted under these regulations for drawal of power exclusively from renewable sources. It also defined temporary general network access-renewable energy (T-GNARE) as the T-GNA open access to the ISTS granted under the GNA Regulations for drawal of power exclusively from the renewable sources.

Amendments to Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 (“Green Energy Rules”) in relation to banking settlement period

On January 27, 2023, the MoP notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Amendment Rules, 2023, which inter-alia amended the Green Energy Rules with respect to power produced from waste-to-energy plants, by inter-alia changing the banking settlement period from monthly to a banking cycle, thereby providing flexibility to states with different banking settlement periods, and providing for exemption for offshore wind projects from paying additional surcharge. Further, it was also clarified that the credit for banked energy will not be allowed to be carried forward and is required to be adjusted during the same banking cycle. In the event there is any surplus banked energy, the same will not be considered. The renewable energy generator will be entitled to Renewable Energy Certificates (“RECs”) for the lapsed banked energy.

Under the Electricity (Promoting Renewable Energy Through Green Energy Open Access) (Second Amendment) Rules, 2023, in case electricity produced from offshore wind projects which are commissioned upto December 2025 and supplied to the open access consumer, have been exempted from additional surcharges.

Waiver of Inter-State Transmission Charges and Losses for Renewable Energy Projects

CERC has issued the CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023 (“**Amendment Regulations**”) waiving interstate transmission system charges for renewable energy generating stations, renewable hybrid generating stations and pumped hydroelectric stations beginning commercial operations by June 30, 2025. This waiver will remain in effect for 25 years. Set out below are some of the applicable waiver periods, as notified by the Amendment Regulations: — Battery storage systems (charged using renewable energy or renewable hybrid generating stations, operating before June 30, 2025) will be eligible for a waiver of transmission charges for 12 years. — Solar power projects selling power to entities with renewable purchase obligations will be eligible for a waiver of transmission charges for 25 years from the commercial operation date. — Hydro-generating stations with power purchase agreements signed between December 1, 2022, and June 30, 2025 (where construction work is awarded by June 30, 2025), will be eligible for a waiver of transmission charges for 18 years from commercial operation date. The abovementioned projects that go into commercial operation after June 30, 2025, but prior to June 30, 2028, or new hydro projects where construction work is awarded and the power purchase agreement is signed after June 30, 2025, will be also eligible for a waiver of transmission charges.

Further, CERC has issued the draft CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023 (“**Draft Second Amendment**”). According to the Draft Second Amendment, the inter-state transmission licensee will receive 20% of the yearly transmission charges (YTC) for its inter-state transmission system (ISTS) for the first six months from the deemed date of commercial operation (COD) or until the actual power flow begins, whichever occurs earlier. If the actual power flow does not commence within six months from the deemed COD, the licensee will be paid 100% of the YTC for its ISTS from the seventh month until the commencement of actual power flow. These payments will be disbursed from the charges collected under the third bill. The Draft Second Amendment is yet to become effective.

Permission from Municipal Authorities/Zila Parishad/Gram Panchayat/ any other local authority

In many states in India, local laws require obtaining “no objection certificates” and approval for changing land use from relevant local authorities, such as municipal authorities, zila parishad, or gram panchayat, before setting up infrastructure. For example, in Maharashtra, Section 44 of the Maharashtra Regional and Town Planning Act, 1966, states that anyone intending to develop land must seek permission from the planning authority through a written application. The planning authority can grant permission unconditionally or with conditions, subject to the State Government’s prior consent, in the form of a commencement certificate. Similar restrictions on land development are outlined in Sections 12 and 13 of the Delhi Development Act, 1957, as amended.

Foreign Direct Investments

The Consolidated FDI Policy, 2020 issued by the Department for Promotion of Industry and Internal Trade (formerly, Department of Industrial Policy and Promotion), permits foreign direct investment, upto 100%, under the automatic route in renewable energy sector. However, such investment is subject to provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder.

Environmental Laws

The major legislations in India which protect the environment against pollution and also regulate the related activities include the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment (Protection) Act, 1986 (“**Environment Act**”). The primary purpose of these legislations is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCBs**”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities issue consent to establish and consent to operate which are to be required to be renewed periodically. These authorities also have the power of search, seizure and investigation in case they find any alleged violation of the regulations.

Further, the Ministry of Environment and Forests (“**MoEF**”) mandates that Environment Impact Assessment (“**EIA**”) must be conducted for specified projects. In the process, the MoEF receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects. Such clearances must be obtained in accordance with the procedure specified in the EIA Notification S.O. 1533, issued on September 14, 2006 and amended from time to time, under the provisions of the Environment Act.

The Central Pollution Control Board of India (“**CPCB**”), under the MoEF has classified industrial sectors under the red, orange, green or white categories. The white category relates to those industrial sectors which are practically non-polluting, including solar power generation through photovoltaic cells, wind power projects of all capacities and mini hydroelectric power. In relation to the white category of industries, only intimation to the relevant PCB is required, and there is no requirement to obtain a consent to operate for this category.

State Level Policies

The various states in India, from time to time, have announced specific policies relating to renewable energy power projects and the matters relating thereto. These policies provide for, among others, fiscal incentives and procedural relaxations for setting up of renewable energy power projects in the relevant states for promoting renewable energy and its adoption. The Indian Restricted Subsidiaries operations are also subject to the renewable energy policies formulated in the states in which it undertake/may undertake projects.

Maharashtra

Unconventional Energy Generation Policy-2020

The Unconventional Energy Generation Policy-2020 issued by the Government of Maharashtra, comprises the 'New and Renewable (Unconventional) Energy of the State Transmission of power generation from sources for attached projects Integrated Policy-2020' and the 'New and Renewable State Transmission of power generation from (unconventional) energy sources Integrated Policy for Projects – 2020'. The policy, which is applicable until March 31, 2025, is aimed towards commissioning non-conventional power projects with a capacity of 25,000 MW by 2025. While the policy supersedes previous policies, including the Comprehensive Policy for Grid-connected Power Projects based on New and Renewable (Nonconventional) Energy Sources — 2015, benefits of the incentives mentioned in the previous policies relating to such projects continue to be admissible if the project is implemented within one year from the date of promulgation of the new policy.

The new policy provides for various support systems including but not limited to setting up a single window web system for approvals and permits, promoting land availability, re-energization of existing projects, rural electrification and decentralization of micro grids.

Tamil Nadu

Tamil Nadu Electricity Regulatory Commission's Power Procurement from New and Renewable Sources of Energy Regulations, 2008

The Power Procurement from New and Renewable Sources of Energy Regulations, 2008 ("**TN Power Procurement Regulations**") aim to promote new and renewable forms of energy. It prescribes that there shall be a minimum percentage of electrical energy which each distribution licensee shall purchase from new and renewable sources-based generators as stipulated in the orders issued by the Tamil Nadu Electricity Regulatory Commission from time to time, subject to the availability of such power. It also provides a process for the determination of tariffs for the power from new and renewable sources-based generators.

Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) Regulations, 2010

The Tamil Nadu Electricity Regulatory Commission in 2010 made regulations for the renewable energy purchase obligation. The Renewable Purchase Obligation ("**RPO**") is applicable for the distribution licensee, open access consumers and consumers owning grid connected captive generating plants. They are required to purchase a minimum percentage of its consumption of energy from renewable energy sources under the RPO during various financial years as specified in the Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) Regulations, 2010 ("**RPO Regulations**"). Pursuant to an amendment in 2016, a separate minimum solar renewable purchase obligation as a percentage of aggregate the RPO has been imposed.

Tamil Nadu Solar Energy Policy, 2019

The Government of Tamil Nadu introduced the Tamil Nadu Solar Energy Policy, 2019 with a target to have installed solar energy generation capacity of 9,000 MW by 2023. The policy creates a framework that would enable accelerated development of solar energy in the state, with an overall strategy that aims at including demand side management, energy conservation, energy efficiency initiatives, distributed renewable energy generation, electric mobility and smart grids. The policy is applicable to projects, programs and installations relating to solar photovoltaic energy and solar thermal energy and to both utility and consumer category systems.

Gujarat

Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010

The Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010 aim to promote the sale of power from renewable energy sources and for procurement of energy from renewable sources. It requires each distribution licensee to purchase electricity from renewable energy sources, at a predetermined minimum percentage of the total consumption of its consumers during a year. It also prescribes minimum percentages of total consumption in a year which captive and open access users/ consumers are required to source from renewable energy sources.

Gujarat Wind Power Policy, 2016

In the State of Gujarat, the authority responsible for the development and promotion of renewable energy is the Gujarat Energy Developer Agency. It plays an active role in the development of renewable energy by implementing various guidelines issued by the MNRE and the Government of Gujarat. Several concessional benefits were provided under the Gujarat Wind Power Policy, such as electricity duty exemption on electricity generated and consumed for self-consumption or third-party sales within the State of Gujarat, and exemption from demand cut to the extent of 50% of installed capacity of wind power project in case of captive consumption or third-party sales within the State of Gujarat. The Gujarat Wind Power Policy had been extended up to March 2023.

Gujarat Wind-Solar Hybrid Power Policy 2018

This policy aims to scale up installation of wind and solar hybrid power projects (the hybrid projects) in order to minimize the variability apart from optimally utilizing the required infrastructure including land and transmission system and thus strengthening the energy security of the Country.

Further it provides the framework for promotion of large grid connected wind-solar PV hybrid system for optimal and efficient utilization of the transmission infrastructure and land and reducing the variability in renewable power generation thus achieving better grid-stability.

This policy encourages new technologies, method and solution to facilities the combined operation of wind and solar PV plants and to promote the integration with emerging technologies like energy storage system.

Gujarat Electricity Regulatory Commission (“GERC”) has also come up with tariff framework for procurement of power by from wind-solar hybrid projects. Several concessional benefits have been provided under the policy, such as concession of 50% of cross subsidy surcharge and additional surcharge, as applicable to normal open access customers. The control period for the tariff framework approved in this tariff order shall be effective from the date of this order to September 30, 2023. The ‘Useful Life’ for the wind solar hybrid power projects to be commissioned during control period of this order shall be considered as 25 years from date of commissioning.

Gujarat Solar Power Policy 2021

The “Gujarat Solar Power Policy 2021” aims to rapidly increase solar energy capacity, reduce reliance on fossil fuels, promote sustainable development goals, generate employment, foster innovation, raise awareness, and create an investment-friendly environment in the power sector. The policy is valid till 2025 and provides various incentives and benefits to solar power systems installed and commissioned during the operative period, for a period of 25 years from their date of commissioning.

Madhya Pradesh

Madhya Pradesh Renewable Energy Policy, 2022

The Government of Madhya Pradesh aims to transform the state into a renewable energy hub by attracting investments in renewable energy equipment manufacturing and providing incentives to create a manufacturing ecosystem. They also plan to promote large-scale adoption of renewable energy, aiming for a 50% RE mix by 2030 and meeting annual RPO targets. The government seeks to supply renewable energy to other states, make government departments green energy compliant, and develop 'Model RE Cities and Green Zones'. Additionally, they aim to encourage the use of clean energy solutions in the mobility sector and support research and development in renewable energy technologies through collaborations with premier institutes and technology companies. The 2022 policy provides for incentives for projects registered under the policy such as exemption in electricity duty and energy development cess, reimbursement of 50% stamp duty paid on purchase of private land for the project, government land to be provided at concession rate, waiver of wheeling charges, carbon credits and other similar incentives.

Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-I) Regulations, 2021 ("MP Procurement Regulations")

The MP Procurement Regulations was introduced with an objective to promote solar power and other nonconventional sources of energy within the state and also to oversee the mechanism for banking of un-used power. The MP Procurement Regulations also prescribe a minimum quantity of electricity to be procured by obligated entities (comprising distribution licensees, captive consumers and open access consumers) from renewable energy sources.

Karnataka

Karnataka Renewable Energy Policy 2022-27

The "Karnataka Renewable Energy Policy 2022-2027" aims to achieve various objectives, including developing 10 GW of additional renewable energy projects, attracting investments in the renewable energy sector to boost the state's economy, meeting the RPO targets, establishing renewable energy parks and encouraging private sector participation in transmission and Green Energy Corridor projects. The policy also seeks to promote distributed generation through solarization of agriculture feeders and pumps, adoption of electric vehicles to decarbonize transportation, and the development of energy storage projects. Furthermore, it supports wind-solar hybrid projects, floating solar projects, biomass and waste-to-energy projects, and encourages the adoption of new and emerging energy technologies in the state.

MANAGEMENT

Board of Directors of the Parent Guarantor

The following table sets forth certain information with respect to the Parent Guarantor's Board of Directors.

Name	Age	Nationality	Position/s	Date appointed
Arvind Bansal	53	Indian	Director	May 18, 2012
Simon Luke Walker	44	British	Director	June 20, 2016
Marc Maria van't Noordende	65	Dutch	Director	June 20, 2016
Pan Peiwen	64	Singaporean	Director	January 3, 2017
Peter Farley Mitchell	74	Australian	Director	February 9, 2017
Vikash Saraf	54	Indian	Director	April 5, 2018
Arno Kikkert	49	Dutch	Director	May 27, 2021
Margaux Louies Lekkerkerker	43	Dutch	Alternate Director	May 27, 2021
Nitish Nirbhaya Agarwal	52	Singaporean	Director	May 27, 2021

Brief profile of our Parent Guarantor's Board of Directors

Arvind Bansal, is the founder and CEO of Continuum. Mr. Bansal holds a B.Tech in civil engineering from the Indian Institute of Technology, New Delhi and an MBA from IIM Ahmedabad. He has over 29 years of experience across the investment banking, finance and renewable energy sectors. He is a non-executive director of Daiwik Hotels Private Limited in India in addition to being a director in various Continuum companies.

Simon Luke Walker, is an Executive Director with a focus on real estate and infrastructure asset classes. He sits on the board of Jersey and Luxemburg companies in addition to holding directorships in Guernsey, Singapore, Finland, Sweden Poland, Cyprus and Mauritius companies. Mr. Walker has been acting as a director of special purpose vehicles for more than eight years. He is a fellow of the Association of Chartered Certified Accountants and is a Certified Internal Auditor (CIA).

Pan Peiwen, is a professionally trained Company Director in Australia and Singapore since 2001. He has over 10 years of experience and is presently Nominee Director of QIC Asian Investment Services Pte. Ltd. in Singapore; Nominee Director of Continuum Energy Aura Pte. Ltd. in Singapore; Nominee Director of Continuum Energy Levanter Pte. Ltd. in Singapore; Nominee Director of CGEL in Singapore; Nominee Director of Clean Energy Investing Ltd in Singapore; Executive Advisor of EastWestWorld Private Equity Pty Ltd in Australia. He holds Degree of Doctor of Philosophy (PhD) in Corporate Governance and Strategic Planning from Greenleaf University, USA; Degree of Master of Business in Information Technology from Royal Melbourne Institute of Technology (RMIT University), Australia; Company Directors Course Diploma from Australian Institute of Company Directors (AICD); Company Directors Course Certificate from Singapore Institute of Directors (SID); Advanced Diploma in Data Protection from Singapore Management University — SMU Academy; Parts I and II complete from Chartered British Computer Society (BCS), UK. He is also Graduate (GAICD) of Australian Institute of Company Directors (AICD); Ordinary Member (MSID) of Singapore Institute of Directors (SID); Fellow (FIPA) of Australian Institute of Public Accountants (IPA); Fellow (FFA) of UK's Institute of Financial Accountants (IFA); Member (MISCA) of Institute of Singapore Chartered Accountants (ISCA); Certified Chief Security Officer (CSO) and Certified Security Agency Licensee Director approved by Singapore Police Licensing and Regulatory Department (PLRD).

Marc Maria van 't Noordende, is the Operating Partner, Infrastructure Partners of NHIP and a director of the Parent Guarantor. Prior to joining NHIP, he was the CEO of NKT Cables and had an international career in

different sectors, including energy, chemicals and management consulting and worked for Essent and AkzoNobel. He has worked both for publicly and privately-owned companies and has worked and lived in a number of different countries, including United States, France, Italy and Germany. Mr. van 't Noordende has a law degree from the University of Leiden, the Netherlands and an MBA from INSEAD in Fontainebleau, France.

Arno Kikkert, is an Executive Director focused on European and Asia-Pacific investments. He sits on the board of multiple Dutch companies in addition to holding directorships in Germany, France, Italy, Finland, India, Singapore, Jersey and Mauritius. Prior to this appointment, Mr. Kikkert worked for 10 years as an auditor at BDO. Mr. Kikkert holds a Bachelor's degree in Economics and has significant experience in managing the accounts of companies.

Peter Farley Mitchell, was a partner at one of Australia's largest law firms and went on to become the CEO at Asia Pacific Real Estate Association ("APREA"). APREA is now recognized as one of the most important pan-Asian networking associations in the region. His experience at APREA also included developing a number of initiatives to encourage greater investment in the Asia Pacific region, spearheading the development of a best practice handbook for real estate companies in the Asia Pacific region (covering corporate governance, accounting and financial reporting standards, market disclosure, valuation and portfolio performance reporting) and driving many regulatory improvements. He is an independent non-executive director of Alpha REIT Managers Sdn Bhd. He was involved in Singapore's first REIT IPO. He graduated from the Australian Institute of Company Directors and has a Bachelor's degree in Economics and Law from Monash University, Australia. He also possesses the Graduate of the Australian Institute of Company Directors (GAICD) qualification.

Vikash Saraf is a co-founder and director of Continuum Green Energy Limited, Daiwik Hotels Pvt Ltd and Calcutta Cine Pvt Ltd. Vikash also worked as a Director — Investments, Strategy and M&A for Essar Group which is a diversified conglomerate in India. At Essar Group he was looking the above function for a variety of Group's businesses including power, oil & gas, petrochemicals, ports, telecom, steel, etc.

Nitish Nirbhaya Agarwal is a director of Continuum. He holds a degree in electronics engineering and an MBA from Indian Institute of Management, Ahmedabad, India. Mr. Agarwal has more than 26 years of experience in private debt markets across Asia, and a successful track record of building businesses at Orion Capital, Barclays and ING. Last year, he concluded two back-to-back strategic transactions by completing management buyout of the credit platform that he had set up, and then securing an equity investment from OMERS, one of the largest Canadian pension plans. Nitish joined the board in May 2021.

Margaux Louise Lekkerkerker is a Vice President and Asset Manager focused on European and Asia-Pacific investments. She sits on the board of multiple Dutch companies in addition to holding directorships in Portugal, India and Singapore. Prior to joining MSIP, Margaux was at Price Waterhouse Coopers in Amsterdam where she was working as auditor in the financial services industry. Margaux is registered as a chartered accountant in the Netherlands, holds a Post-graduate degree in Accounting, a Masters in Accounting and Control from the Vrije Universiteit van Amsterdam and a Bachelor in Business Administration from the Erasmus University of Rotterdam.

Boards of Directors of CGEIP

The board comprises three directors as follows:

Name	Age	Nationality	Position/s	Date appointed
Arvind Bansal	53	Indian	Director	April 28, 2010
Arno Kikkert	49	Dutch	Director	September 13, 2016
Raja Parthasarathy	53	Indian	Director	November 12, 2014

Board of Directors of CGEIPL's Subsidiaries with operating and under construction assets

The following table sets forth certain information with respect to CGEIPL's Subsidiaries' Boards of Directors. The following directors are the directors on the board of each of the step down Subsidiaries.

Bothe Windfarm Development Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert	49	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	48	Indian	Director	March 2, 2022
Raja Parthasarathy	53	Indian	Director	May 8, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

DJ Energy Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert	49	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	48	Indian	Director	March 2, 2022
Raja Parthasarathy	53	Indian	Director	May 8, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

Uttar Urja Projects Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert	49	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	48	Indian	Director	March 2, 2022
Raja Parthasarathy	53	Indian	Director	May 8, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

Watsun Infrabuild Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert	49	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	48	Indian	Director	March 2, 2022
Raja Parthasarathy	53	Indian	Director	May 29, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

Trinethra Wind and Hydro Power Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert	49	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	48	Indian	Director	March 2, 2022
Raja Parthasarathy	53	Indian	Director	May 7, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

Renewables Trinethra Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert	49	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	48	Indian	Director	March 2, 2022
Raja Parthasarathy	53	Indian	Director	June 13, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

Continuum Power Trading (TN) Private Limited

Name	Age	Nationality	Position/s	Date appointed
Margaux Lekkerkerker	43	Dutch	Director	November 30, 2022
N.V. Venkataramanan	62	Indian	Director	October 16, 2017
Raja Parthasarathy	53	Indian	Director	May 7, 2019

Morjar Windfarm Development Private Limited

Name	Age	Nationality	Position/s	Date appointed
Margaux Lekkerkerker	43	Dutch	Director	November 29, 2022
N.V. Venkataramanan	62	Indian	Director	June 7, 2017
Raja Parthasarathy	53	Indian	Director	June 7, 2019

Dalavaipuram Renewables Private Limited

Name	Age	Nationality	Position/s	Date appointed
Gautam Chopra	53	Indian	Director	May 22, 2023
Raja Parthasarathy	53	Indian	Director	September 14, 2023
Margaux Lekkerkerker	43	Dutch	Director	January 10, 2023

Continuum MP Windfarm Development Private Limited

Name	Age	Nationality	Position/s	Date appointed
Gautam Chopra	53	Indian	Director	May 22, 2023
Raja Parthasarathy	53	Indian	Director	May 7, 2019
Margaux Lekkerkerker	43	Dutch	Director	January 10, 2023

Continuum Trinethra Renewables Private Limited

Name	Age	Nationality	Position/s	Date appointed
N.V. Venkataramanan	62	Indian	Director	July 17, 2020
Raja Parthasarathy	53	Indian	Director	July 17, 2020
Margaux Lekkerkerker	43	Dutch	Director	November 29, 2022

Morjar Renewables Private Limited

Name	Age	Nationality	Position/s	Date appointed
Gautam Chopra	53	Indian	Director	May 19, 2023
Neha Saraf	38	Indian	Director	December 2, 2021
Margaux Lekkerkerker	43	Dutch	Director	January 10, 2023

Kutch Windfarm Development Private Limited

Name	Age	Nationality	Position/s	Date appointed
N.V. Venkataramanan	62	Indian	Director	October 24, 2018
Bhashmang Vidyutrai Mankodi	38	Indian	Director	December 14, 2022
Margaux Lekkerkerker	43	Dutch	Director	November 29, 2022

CGE Shree Digvijay Cement Green Energy Private Limited

Name	Age	Nationality	Position/s	Date appointed
Gautam Chopra	53	Indian	Director	May 22, 2023
Raja Parthasarathy	53	Indian	Director	September 12, 2022
Rajeev Kurumthattil Kuttiyattu House	51	Indian	Director	June 26, 2023
Margaux Lekkerkerker	43	Dutch	Director	May 29, 2023

CGE Hybrid Energy Private Limited

Name	Age	Nationality	Position/s	Date appointed
Gautam Chopra	53	Indian	Director	May 22, 2023
Raja Parthasarathy	53	Indian	Director	September 12, 2022
Margaux Lekkerkerker	43	Dutch	Director	June 26, 2023

Brief profile of the Indian Subsidiaries' directors:

Margaux Lekkerkerker. For a description of Margaux Lekkerkerker's experience, see “— *Board of Directors of CGEL*”.

Arno Kikkert. For a description of Arno Kikkert's experience, see “— *Board of Directors of CGEL*”.

N. V. Venkataramanan, is the COO and a director of several subsidiaries of CGEL. Mr. Venkataramanan is a mechanical engineer with over 41 years of experience in projects, operations and business development in the power industry. He was instrumental in developing a pipeline of 3,000 MW of wind energy projects and commissioning of 500 MW wind energy projects in Gamesa Wind Turbine Private Limited. He also headed the O&M operations of an entire fleet of wind energy farms for Vestas Wind Technology India Private Limited. Mr. Venkataramanan previously headed the business development of Sri Maruti Solar Private Ltd, a solar energy company.

Raja Parthasarathy, serves as a Managing Director and Co-Head, India Infrastructure Advisory at Morgan Stanley Infrastructure Inc. since 2014. Mr. Parthasarathy served as a Senior Partner, Partner, and Managing Director at IDFC Private Equity. He was at IDFC Private Equity since 2007. He served as an Executive Vice President of Finance at Jet Airways (India) Ltd. (alternate name, Jet Airways (India) Private Limited) since June 2005. He was primarily responsible for investor relations and financial reporting. Mr. Parthasarathy joined Jet Airways from UBS Investment Bank where he was an Executive Director and led the Asian transport investment banking team and advised companies across Asia, including Jet Airways, on their financing and strategic initiatives. He previously worked with Goldman Sachs and with Lehman Brothers. He serves as on the boards of Manipal Universal Learning, International Recreation Parks, Moser Baer Solar and Emergent Ventures India. He served as a Director of Green Infra Limited. He previously served on the board of Manipal Health Systems.

Mr. Parthasarathy has over 21 years of experience in corporate finance. Mr. Parthasarathy also completed two years of Ph.D. coursework in Economics at Duke University. He holds an M.B.A. from INSEAD, an M.A. in Economics from Tufts University, and a B.A. in Economics from Hamilton College.

Shruti Anup Shah, is serving as an Independent Director on the Board of several subsidiaries of the Parent Guarantor. She is a member of the Institute of Chartered Accountants of India and holds degrees of B.Com and LLB as well from Mumbai University and she is a practising Chartered Accountant having more than fifteen years of experience in the field of accounts, finance and taxation.

Nilesh Patil, is the Finance Controller and is responsible for internal controls, compliances, accounts and finances. He is a Chartered Accountant and a Cost Accountant and has over 21 years of experience in accounting & financial planning including more than nine years of experience at Raymond Group and other leading companies. Nilesh is adept at handling accounts, taxation, audit and internal control systems.

Neha Saraf, is an Executive Director at Morgan Stanley India Infrastructure. She has 15 years of experience across private investing and investment Banking. At Morgan Stanley, Neha focuses on investments in the infrastructure and allied sectors in India. Before joining Morgan Stanley, she spent 9 years as a senior member of the investment team at Aavishkaar Capital, an India-based impact-focused fund, where she deployed, managed and exited investments across multiple sectors. Prior to Aavishkaar, she spent 5 years with Goldman Sachs in their investment banking division in Mumbai and Bangalore. She obtained her Bachelors in Economics from Lady Shri Ram College, Delhi and MBA from SIBM, Pune.

Bhashmang Vidyutrai Mankodi, is an Executive Director at Morgan Stanley India Infrastructure. He has more than 13 years of infrastructure sector experience across private equity, investment banking and project finance. Prior to joining Morgan Stanley's infrastructure investing team in 2018, he was part of the M&A advisory team at Ernst & Young. Prior to that, he worked with the project finance group at SBI Capital Markets Ltd., responsible for debt syndication of large infrastructure projects. He received his PGDM from the Indian Institute of Management, Shillong, and a B.E. in Mechanical Engineering with a Gold Medal from Gujarat University, Ahmedabad. He has also passed Level II of the CFA Program.

Rajeev Kurumthattil Kuttiyattu House, is CEO and Managing Director of Shree Digvijay Cement Company Limited. He has rich experience of over 29 years in the cement industry. He was Director Plant of ACC Limited at its Jamul unit and was associated with ACC for about 20 years. He is B.E. (Mechanical Engineering) from the National Institute of Technology, Suratkal. He has also done Executive leadership and transformational leadership programmes from IIMA and IMD Luzane Switzerland.

Gautam Chopra, is a Vice President of Project Development and is responsible for project development, approvals and CSR initiatives. Mr. Chopra holds a B.Tech from Indian Institute of Technology, Roorkee and an MBA from IIM Ahmedabad. Mr. Chopra has over 27 years of experience in commercial banking, covering corporate banking, trade services and retail banking in international banks including HSBC and ABN AMRO in India, with a biofuels business in Mission Biofuels India Pvt Limited and at Continuum since 2010.

For details on the board of directors of the Issuer, see “*Description of the Issuer.*”

Key Management

The following table sets forth certain details of Continuum's key management:

Name	Age	Position/s	Date appointed
Arvind Bansal ⁽¹⁾	53	CEO	May 1, 2010
N.V. Venkataramanan ⁽¹⁾	62	COO	June 29, 2015
Ravishankar Srinivasan ⁽¹⁾	48	Vice President — Projects	August 16, 2021
Gautam Chopra ⁽¹⁾	53	Vice President — Project Development	May 1, 2010
Nilesh Patil ⁽¹⁾	48	Finance Controller	September 16, 2013
Soumya Ranjan Parida ⁽¹⁾	43	Assistant Vice President — Regulatory and Sales	July 20, 2017
Anjali Bansal ⁽¹⁾	50	Vice President — Human Resources	January 10, 2011
Dhananjay Joshi ⁽¹⁾	55	VP Assets Management & QHSE	November 8, 2021

Note:

- (1) Mr. Bansal, Mr. Venkataramanan, Mr. Srinivasan, Mr. Chopra, Mr. Patil, Mr. Joshi, Mr. Parida and Ms. Bansal are employees of CGEIPPL.

Brief profile of Continuum's Key Management

Arvind Bansal. For a description of Arvind Bansal's experience, see “— *Board of Directors of CGEL*”.

N. V. Venkataramanan. For a description of N. V. Venkataramanan's experience, see “— *Board of Directors of CGEIPPL's Subsidiaries with operating and under construction assets — Brief profile of the Indian Subsidiaries' directors*”.

Ravishankar Srinivasan, is a Vice President — Projects and is an MBA and an Electrical and Electronics engineer by education. He has over 22 years of experience in project management of windfarms, power evacuation systems and contract negotiations having worked in GE Renewables and Vestas.

Gautam Chopra. For a description of Gautam Chopra's experience, see “— *Brief profile of the Indian Subsidiaries' directors*.”

Nilesh Patil. For a description of Nilesh Patil's experience, see “— *Brief profile of the Indian Subsidiaries' directors*.”

Dhananjay Joshi, is VP Assets Management & QHSE, is an MBA and a Mechanical Engineer by education. He has an experience of over 36 years in asset performance monitoring, QHSE and implementation of integrated management systems.

Soumya Ranjan Parida, is the General Manager for Regulatory and Sales. Mr. Parida holds an MBA from IIM, Indore. He gathered over 17 years of experience in power sales, bidding and regulatory matters including spending time with BALCO and Essar Power before joining Continuum in 2017.

Anjali Bansal, is the Vice President for Human Resources. Ms. Bansal holds an MBA from IMT, Ghaziabad and a Doctor of Medicine from SMS Medical College, Jaipur. She has over 23 years of experience in medicine and human resources.

Compensation of the Board

Our Parent Guarantor, the Issuer and the Indian subsidiaries provide directors' and officers' insurance to members of the Board of Directors and the management.

Shareholding of Directors

Mr. Arvind Bansal is the only equity shareholder of Clean Joules Pte Limited, which is shareholder of Continuum Energy Pte Ltd. ("CEPL") and CEPL is one of the shareholders of CGEL. He holds 100,000 ordinary shares of Clean Joules Pte Limited which has 1.49% indirect shareholding in CGEL.

Mr. Vikash Saraf is the only equity shareholder of Starlight Pacific Ventures Pte Limited, which is a shareholder of CEPL and CEPL is one of the shareholders of CGEL. He holds 2,700,000 ordinary shares of Starlight Pacific Ventures Pte Limited which has a 6.20% indirect shareholding in CGEL.

PRINCIPAL SHAREHOLDERS

Set forth below are the principal shareholders of our Parent Guarantor as of March 31, 2023.

Principal Shareholders ⁽¹⁾	Number of shares issued	Class	% shareholding ⁽²⁾
Continuum Energy Pte Ltd ⁽³⁾	7,941,939	Ordinary shares	7.69%
Clean Energy Investing Limited ⁽⁴⁾	180,060,995	Compulsorily convertible participating preferred shares	92.31%

Notes:

- (1) The Parent Guarantor does not have control over any sale of shares by the shareholders, nor the timing and/or manner of any such sales. The Parent Guarantor has no obligation to purchase or buyback any or all of the shares from any of the shareholders.
- (2) The compulsorily convertible participating preferred shares held by Clean Energy Investing Limited in our Parent Guarantor are subject to conversion rate of U.S.\$1.8887 for every ordinary share. On the occurrence of certain specified events, the shareholdings of Clean Energy Investing Limited and Continuum Energy Pte. Limited will change to 83.04% and 16.96%, respectively, on a fully diluted basis.
- (3) Starlight Pacific Ventures Pte. Ltd and Clean Joules Pte. Ltd are the shareholders of Continuum Energy Pte. Limited. Vikash Saraf and Arvind Bansal hold 100% of the shares of Starlight Pacific Ventures Pte. Ltd and Clean Joules Pte. Limited, respectively.
- (4) Clean Energy Investing Limited is a fund entity of NT-LIP. MSI is the manager and advisor of NT-LIP.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We enter into transactions with related parties in the ordinary course of our business. The following is a summary of our material loan agreements with related parties, sharing of common infrastructure facilities as well as our recoverable common overheads. See “*Use of Proceeds*” for further details.

Loan agreement between Continuum Green Energy Limited (“CGEL”) and Clean Energy Investing Limited (“CEIL”) dated March 22, 2018

CGEL had taken an unsecured loan from CEIL amounting U.S.\$18 million and carries an interest rate of 13.5% per annum or a specific predefined return whichever is greater and repayable on March 21, 2023 as specified in the agreement. The due date for repayment is extended up to March 21, 2027. Interest shall be accrued on a monthly basis and paid along with loan repayment.

Common Facility Agreement between DJEPL and UUPPL dated October 1, 2014

DJEPL and UUPPL have developed 94 MW and 76 MW windfarm project, respectively, in Ratlam and Mandsaur district of Madhya Pradesh. It has been agreed between both companies to procure /develop certain infrastructure facilities (apart from Wind turbines) jointly and cost of such infrastructure facilities & operational cost of such infrastructure facilities to be shared between both the companies in proportion to their capacities.

Common Facility Agreement between Trinethra and RTPL dated December 18, 2019

RTPL has set up and implemented a 25.2 MW project in Rajkot district, Gujarat. The project is being developed in the location near to a village where Trinethra has constructed pooling substation with 160 MVA transformer, 17 KM 220Kv EHV transmission lines connecting pooling substation to Grid Substation at Hadala, Trinethra has agreed to share common infrastructure comprising of private land, transformer, 220 Kv Transmission line and other items as detailed in the agreement. RTPL would pay to Trinethra a sum of Rs. 5 million for using the shared infrastructure for each fiscal starting from fiscal 2021 till end of the term. The term period of the agreement is either conclusion of operation life of the project, or termination of the agreement, whichever is earlier.

Common Facility Agreement between Trinethra and Kutch dated June 9, 2021

Kutch is in process of setting up and implementing a 28 MW project in Rajkot district, Gujarat. It has already successfully achieved commercial operation for 26 MW. The project is being developed at the location near to a village where Trinethra has constructed pooling substation with 160 MVA transformer, 17 KM 220Kv EHV transmission lines connecting pooling substation to Grid Substation at Hadala, Trinethra has agreed to share common infrastructure comprising of private land, 220 Kv Transmission line and other items as detailed in the agreement. Kutch would pay to Trinethra a sum of Rs. 5.1 million for using the shared infrastructure for each fiscal starting from fiscal 2022 till end of the term. The term period of the agreement is either conclusion of operation life of the project, or termination of the agreement, whichever is earlier.

Common Facility Agreement between Trinethra and CTRPL dated November 30, 2021

CTRPL is setting up and implementing a 239.9 MW wind solar hybrid power project in Rajkot district, Gujarat. The project is being developed at the location near to a village where Trinethra has constructed pooling substation with 160 MVA transformer, 17 KM 220Kv EHV transmission lines connecting pooling substation to

Grid Substation at Hadala, Trinethra has agreed to share common infrastructure comprising of private land, transformer, 220 Kv Transformer line and other items as detailed in the agreement. CTRPL would pay to Trinethra a sum of Rs. 7.1 million for using the shared infrastructure for each fiscal starting from fiscal 2022 till end of the term. The term period of the agreement is either conclusion of operation life of the project, or termination of the agreement, whichever is earlier.

Common Facilities Agreement among DJEPL, UUPPL and Continuum MP Windfarm Development Private Limited (“Continuum MP”) dated December 26, 2022

DJEPL and UUPPL have developed a 94 MW and a 76 MW windfarm project, respectively, in district of Ratlam and Mandsaur of Madhya Pradesh whereas Continuum MP is also developing a 100 MW (99.9 MW wind and 100 MW/150 MWp solar capacity) wind solar hybrid power project in district of Ratlam and Mandsaur of Madhya Pradesh. It has been agreed amongst DJEPL, UUPPL and Continuum MP that: (a) Continuum MP will incur and pay for all expenditure required for augmentation of the pooling substation and 220kV EHV line- parts of the common facilities, as set out in the agreement; (b) DJEPL, UUPPL and Continuum MP will have the unrestricted and uninterrupted right to use the common facilities, as set out in the agreement, for their respective projects; and (c) each party shall share and pay pro-rata share of operations and maintenance costs of the common facilities, as set out in the agreement, in ratio of the capacity of their respective projects to the aggregate capacity.

Common Facilities Agreement among CGE Hybrid Energy Private Limited (“CGEH”) and CGE Shree Digvijay Cement Green Energy Private Limited (“CSDC”) dated December 30, 2022

CGEH and CSDC are developing a 280.70 MW (110.70 MW wind and 106.25 MW_{AC} / 170 MW_{DC} solar capacity) wind solar hybrid power project and a 20.10 MW (8.10 MW wind and 7.5 MW_{AC} / 12 MW_{DC} solar capacity) wind solar hybrid power project, respectively, in Bhavnagar district, Gujarat. The projects are being developed at the location near to a village where CGEH would be constructing pooling substation and installing 2 (two) 70 MVA transformer, 10 Km 66 kV EHV transmission lines connecting the Grid Substation at Otha, Gujrat to pooling substation. CGEH has agreed to share common facility system comprising of *inter alia* private land, 66 kV EHV line and other items as detailed in the agreement. CSDC will be allowed to have an unrestricted and uninterrupted right to use and share the said common facilities, as set out in the agreement, throughout operational life of CSDC’s project against the agreed sharing fee.

DESCRIPTION OF OTHER INDEBTEDNESS

The following are summaries of the material terms of the principal financing arrangements of CGEL and its subsidiaries. The following summaries do not purport to be a complete description of all the applicable terms and conditions of such arrangements and are subject to, and qualified in its entirety by reference to, the underlying documents. For further information regarding our existing indebtedness, see “Use of Proceeds,” “Capitalization,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

		Total amount outstanding as on March 31, 2023 (INR in millions, unless otherwise stated)	Total amount drawn between April 1, 2023 and June 30, 2023 (INR in millions, unless otherwise stated)	Total amount repaid between April 1, 2023 and June 30, 2023 (INR in millions, unless otherwise stated)	Total amount outstanding as on June 30, 2023 (INR in millions, unless otherwise stated)
Continuum Green Energy Limited					
Shareholders loan ⁽³⁾	A	1,480	—	—	1,477
Continuum Energy Aura Pte. Ltd.					
2026 Notes ⁽¹⁾⁽³⁾	B	32,887	—	—	32,817
Continuum Energy Levanter Pte. Ltd.					
2027 Notes ⁽²⁾⁽³⁾	B	42,895	—	—	42,804
Bothe					
Bothe Windfarm Development Private Limited					
Working capital facility availed from IndusInd Bank Limited	C	198	292	198	292
Ratlam 1					
DJ Energy Private Limited					
Working capital facility availed from IndusInd Bank Limited	C	—	378	—	378
Uttar Urja Projects Private Limited					
Working capital facility availed from IndusInd Bank Limited	C	—	305	—	305
Periyapatti					
Watsun Infrabuild Private Limited					
Working capital facility availed from IndusInd Bank Limited	C	49	50	49	50

		Total amount outstanding as on March 31, 2023 (INR in millions, unless otherwise stated)	Total amount drawn between April 1, 2023 and June 30, 2023 (INR in millions, unless otherwise stated)	Total amount repaid between April 1, 2023 and June 30, 2023 (INR in millions, unless otherwise stated)	Total amount outstanding as on June 30, 2023 (INR in millions, unless otherwise stated)
Rajkot 1, 2A & 2B					
Trinethra Wind and Hydro Power Private Limited⁽⁴⁾					
Renewables Trinethra Private Limited⁽⁴⁾					
Kutch Windfarm Development Private Limited⁽⁴⁾					
Rupee term loan availed from Power Finance Corporation Limited	B	1,108	—	23	1,085
Dayapar					
Continuum Power Trading (TN) Private Limited					
Rupee term loan availed from Power Finance Corporation Limited	B	4,530	—	—	4,530
Morjar 1					
Morjar Windfarm Development Private Limited					
Rupee term loan from India Infrastructure Finance Company Limited	B	313	1,635	—	1,947
Rupee term loan from Indian Renewable Energy Development Agency Limited	B	1,179	4,515	—	5,694
Letter of credit discounting from HDFC Bank Limited, backed by letter of comfort from rupee term loan lenders which was subsequently converted into rupee term loan	B	5,785	21	5,806	—
Rajkot 3					
Continuum Trinethra Renewables Private Limited⁽⁴⁾					
Rupee term loan availed from Power Finance Corporation Limited	B	8,615	—	—	8,615
Ratlam 2					
Continuum MP Windfarm Development Private Limited					
Rupee term loan availed from Indian Renewable Energy Development Agency Limited	B	7,584	—	—	7,584

		Total amount outstanding as on March 31, 2023 (INR in millions, unless otherwise stated)	Total amount drawn between April 1, 2023 and June 30, 2023 (INR in millions, unless otherwise stated)	Total amount repaid between April 1, 2023 and June 30, 2023 (INR in millions, unless otherwise stated)	Total amount outstanding as on June 30, 2023 (INR in millions, unless otherwise stated)
Dalavaipuram					
Dalavaipuram Renewables Private Limited					
Rupee term loan availed from Power Finance Corporation Limited					
	B	8,741	—	—	8,741
Bhavnagar					
CGE Hybrid Energy Private Limited⁽⁴⁾					
Rupee term loan availed from Power Finance Corporation Limited					
	B	3,980	2,284	—	6,264
CGE Shree Digvijay Cement Green Energy Private Limited					
Rupee term loan availed from Power Finance Corporation Limited					
	B	780	—	—	780
Total long term borrowings including current maturities of long term borrowings (A+B)					
		119,877	8,455	5,829	122,338
Short term borrowings excluding current maturities of long-term borrowings (C)					
		247	1,025	247	1,025

Notes:

- (1) In connection with the issue of 2026 Notes, Continuum Energy Aura Pte. Ltd. subscribed for non-convertible debentures aggregating Rs. 20,736 million (collectively, the “2022 NCDs”) issued by Continuum Green Energy (India) Private Limited between July 2022 to December 2022 period and Continuum Green Energy (India) Private Limited availed an external commercial borrowing of Rs. 4,043 million from Continuum Energy Aura Pte. Ltd. pursuant to the facility agreement entered into between Continuum Green Energy (India) Private Limited, Continuum Energy Aura Pte. Ltd. and Catalyst Trusteeship Limited.
- (2) In connection with the issue of 2027 Notes, Continuum Energy Levanter Pte. Ltd. subscribed for non-convertible debentures aggregating Rs. 40,610 million (collectively, the “2021 NCDs”) issued by Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited (collectively, the “2027 Notes Restricted Subsidiaries”) in February and March 2021, pursuant to various debenture trust deeds entered into between the 2027 Notes Restricted Subsidiaries with IDBI Trusteeship Services Limited as a debenture trustee.
- (3) Translations of U.S. dollars in to Indian rupees were made at the exchange rate of Rs. 82.2169 per U.S.\$1.00 as of March 31, 2023 and Rs. 82.0428 per U.S.\$1.00 as of June 30, 2023, being the closing exchange rate published by the FBIL.
- (4) In addition to the above indebtedness, there are certain non-fund based facilities that have been availed by Indian Restricted Subsidiaries, including CGE IPL, from banks in connection with their business in India.

Issue of 2026 Notes by Continuum Energy Aura Pte. Ltd.

On July 13, 2022, Continuum Energy Aura Pte. Ltd. (“CEAPL”), a wholly-owned subsidiary of the Parent Guarantor, entered into an indenture (the “**2026 Notes Indenture**”) with DB Trustees (Hong Kong) Limited, pursuant to which it issued U.S.\$400 million aggregate principal amount of senior secured floating rate notes due 2026 (the “**2026 Notes**”). As of March 31, 2023, U.S.\$400 million in principal amount of the 2026 Notes was outstanding.

The net proceeds from the issuance of the 2026 Notes were used by CEAPL to subscribe to non-convertible debentures issued by the 2026 Notes Restricted Subsidiaries. The net proceeds from the issuance of the non-convertible debentures by the 2026 Notes Restricted Subsidiaries were used to repay certain existing indebtedness, for general corporate purposes as well as investment into new projects.

Interest on the 2026 Notes is payable semi-annually in arrears in January and July of each year, and the 2026 Notes will mature on July 13, 2026. The obligations under the 2026 Notes are secured by (1) a first-priority fixed share charge by the Parent Guarantor over the capital stock of CEAPL; (2) a Debenture (as defined in the 2026 Notes Indenture) granted by CEAPL in favor of the common collateral agent, with: (a) first priority fixed security over CEAPL’s assets (including but not limited to its contractual rights, proceeds, accounts, property, equipment, investments, intellectual property, goodwill and uncalled capital); and (b) a first-priority floating charge over all assets and undertaking of CEAPL (other than (i) the Onshore Debt (as defined in the 2026 Notes Indenture), (ii) any receivables related to, proceeds of, income from, and sums arising from any Onshore Debt which is held or caused to be held on behalf of CEAPL in India, and (iii) to the extent restricted by applicable Indian regulations, CEAPL’s rights, title and interest under the documents executed by CEAPL in relation to the Onshore Debt); and (3) a first-priority fixed interest by the Parent Guarantor over the Parent Guarantor Proceeds Account (as defined in the 2026 Notes Indenture).

The 2026 Notes Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the 2026 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the 2026 Notes Indenture. If an event of default occurs and is continuing, the trustee under the 2026 Notes Indenture or the holders of at least 25% of the outstanding 2026 Notes may declare the principal of the 2026 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Upon the occurrence of certain events of change of control triggering events, each noteholder of the 2026 Notes will have the right to require CEAPL to make an offer to repurchase all or any part of that noteholder’s 2026 Notes at a purchase price equal to (a) at any time prior to July 13, 2023, 100% of the principal amount of the 2026 Notes repurchased, plus the Applicable Change of Control Premium (as defined in the 2026 Notes Indenture) as of the date of purchase, or (b) on or after July 13, 2023, 101% of the aggregate principal amount of 2026 Notes repurchased, in each case, plus accrued and unpaid interest, if any, on the 2026 Notes repurchased to (but not including) the date of purchase (subject to the rights of noteholders on the relevant Record Date (as defined in the 2026 Notes Indenture) to receive interest due on the relevant Interest Payment Date (as defined in the 2026 Notes Indenture)) 101% of their principal amount plus accrued and unpaid interest, if any, to the date of repurchase.

Issue of 2027 Notes by Continuum Energy Levanter Pte. Ltd.

On February 9, 2021, Continuum Energy Levanter Pte. Ltd. (“CELPL”), a wholly-owned subsidiary of the Parent Guarantor, entered into an indenture (the “**2027 Notes Indenture**”) with DB International Trust (Singapore) Limited, pursuant to which it issued U.S.\$561 million aggregate principal amount of 4.50% Senior

Secured Notes due 2027 (the “**2027 Notes**”). The 2027 Notes are listed on the Official List of the SGX-ST. As of March 31, 2023, U.S.\$522 million in principal amount of the 2027 Notes was outstanding.

The net proceeds from the issuance of the 2027 Notes were used by CELPL to subscribe to non-convertible debentures issued by the 2027 Notes Restricted Subsidiaries. The net proceeds from the issuance of the non-convertible debentures by the 2027 Notes Restricted Subsidiaries were used to repay certain existing indebtedness and for general corporate purposes.

Interest on the 2027 Notes is payable semi-annually in arrears in February and August of each year, and the 2027 Notes will mature on February 9, 2027. The 2027 Notes are also subject to mandatory amortization redemptions and partial mandatory cash sweep amortization redemptions. The obligations under the 2027 Notes are secured by a first priority share pledge over the ordinary shares in CELPL and a security interest in a cash account utilized by CELPL to receive funds from the 2027 Notes Restricted Subsidiaries pursuant to trust and retention account agreements entered into by the 2027 Notes Restricted Subsidiaries. The trust and retention account also requires the operating revenues of the 2027 Notes Restricted Subsidiaries to be utilized in a predetermined manner and order.

The 2027 Notes Indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the 2027 Notes, when such payments become due, default in payment of interest which continues for 30 days, breaches of covenants, insolvency and other events of default specified in the 2027 Notes Indenture. If an event of default occurs and is continuing, the trustee under the 2027 Notes Indenture or the holders of at least 25% of the outstanding 2027 Notes may declare the principal of the 2027 Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Upon the occurrence of certain events of change of control triggering events, CELPL is obligated to make an offer to repurchase all outstanding 2027 Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the date of repurchase.

Facilities availed by Continuum Green Energy (India) Private Limited

Continuum Green Energy (India) Private Limited (“**CGEIPL**”) has availed certain facilities from IndusInd Bank Limited (“**Lender**”) pursuant to the sanction letter dated March 21, 2022 and letter dated June 1, 2023 (“**Sanction Letter**”), which is in continuation/ modification to the earlier sanction letters.

Bank Guarantee – (Bid Bond/ EMD)

- *Amount:* Rs. 1,480,000,000.
- *Purpose:* Bid-bonds/ EMD relating to normal trade of CGEIPL. For participation in bidding for renewable power project by CGEIPL and/ or its subsidiaries.
- *Tenor:* (i) 22 month(s), for the existing bank guarantees: 22 months inclusive of claim period; and (ii) for new bank guarantees/ extension of existing bank guarantees: 10 month(s) inclusive of claim period.
- *Guarantee:* Corporate guarantee of Continuum Green Energy Limited and the relevant undertaking as required under the Sanction Letter.
- *Additional security:* (i) first pari passu charge on the entire project assets for which the bank guarantee is issued (except project specific assets, both present and future charged/ to be charged to project specific

lenders); (ii) pledge/ escrow of 30% shareholding of the project special purpose vehicles; (iii) pledge of the compulsory convertible debentures of CGE IPL with 0.6x cover; and (iv) cash margin.

Bank Guarantee – (Performance Bank Guarantee (Sublimit of Bank Guarantee – (Bid Bond/EMD))

- *Amount:* Rs. 1,480,000,000.
- *Purpose:* Performance bank guarantee for the following projects: (a) 250 MW to be under taken by Continuum Power Trading (TN) Private Limited 100% subsidiary of Continuum Green Energy Limited; (b) 150 MW under taken by Morjar Windfarm Development Private Limited, 100% subsidiary of Srijan Energy Systems Private Limited which in turn is a 100% subsidiary of CGE IPL; (c) any other special purpose vehicle of CGE IPL.
- *Tenor:* (i) 48 month(s), for the existing bank guarantees: 48 months inclusive of claim period; and (ii) for new bank guarantees/ extension of existing bank guarantees: 36 months inclusive of claim period.
- *Guarantee:* Same as ‘Bank Guarantee’ above.
- *Additional security:* Same as ‘Bank Guarantee’ above.

Overdraft Facility for regular business purposes

- *Amount:* Rs. 170,000,000.
- *Purpose:* To meet short term working capital requirement on account of cash flow mismatch.
- *Guarantee:* Corporate guarantee of Continuum Green Energy Limited and the relevant undertaking as required under the Sanction Letter.
- *Security:* Hypothecation of current assets of CGE IPL excluding project assets which are exclusively charged to other lenders and also excluding the investments made by CGE IPL in its subsidiaries and/ or associates.

Customary events of default and covenants which are typically included in such financing are applicable to all the above stated facilities availed from the Lender.

Working capital demand loan availed by Continuum Power Trading (TN) Private Limited

Continuum Power Trading (TN) Private Limited (“CTN”), has availed a working capital demand loan with an overall limit of Rs. 78,000,000 (“**Facility**”) from ICICI Bank Limited (the “**Lender**”) as per the terms of the credit arrangement letter dated July 19, 2021, renewal credit arrangement letter dated October 10, 2022 and working capital facility agreement dated August 17, 2021 (“**Facility Agreement**”).

- *Purpose:* The Facility will be utilised by CTN for working capital requirements.
- *Interest:* The fixed rate of interest for each drawal of the Facility will be stipulated by the Lender at the time of disbursement of each drawal, which shall be sum of I-MCLR and “Spread” per annum, subject to minimum of I-MCLR, plus applicable statutory levy, if any. I-MCLR will be based on the tenure of the individual drawals under the Facility.

- *Tenor*: Individual draw-down can be of varying maturities, subject to a minimum tenor of 7 days and; (i) maximum of 180 days post the scheduled commercial operation date (ii) for each tranche out of the Facility. The final maturity of any tranche shall be within the validity period (i.e. October 2, 2023).
- *Security*: The security comprises of a first pari passu charge: (i) by way of mortgage over all CTN's immovable properties; (ii) on CTN's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising; (iii) on the trust and retention account (excluding Debt Service Reserve Account of 2 Quarter(s) of principal & interest payment ("**DSRA**") in favour of PFC), any letter of credit and other reserves and any other bank accounts pertaining to the 126 MW wind power project in Dayapar, District Kutch, Gujarat ("**Project**"); and (iv) by way of hypothecation, over all the CTN's movable properties and assets, relating to the Project. CTN is required to maintain 1 quarter interest liability under DSRA (lien marked FD) with ICICI Bank Limited for the entire sanctioned working capital limits; A corporate guarantee from Continuum Green Energy Limited for the entire quantum and tenor of the working capital facility.
- The Facility Agreement includes customary events of default and covenants which are typically included in such financing.

Facilities availed from IndusInd Bank Limited

Facilities availed from IndusInd Bank Limited ("**Lender**") by Watsun Infrabuild Private Limited ("**WIPL**"), Bothe Windfarm Development Private Limited ("**BWDPL**"); DJ Energy Private Limited ("**DJEPL**"); Renewables Trinethra Private Limited ("**RTPL**"); Trinethra Wind and Hydro Power Private Limited ("**TWHPPL**"); and Uttar Urja Projects Private Limited ("**UUPPL**") (collectively as "**Restricted Group Entities**"), as detailed below:

Bothe Windfarm Development Private Limited

BWDPL has availed working capital facilities from the Lender including: (i) cash credit commitment—Rs. 1,350,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment)—Rs. 1,350,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment)—Rs. 1,350,000,000 (collectively as, "**Facility-1**"), with the overall limit of Rs. 1,350,000,000, in terms of the Lender's letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2790 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2790/Addendum and read with letter dated February 1, 2023 issued by the Lender and the working capital facility agreement dated March 31, 2021 ("**Facility Agreement-1**").

The Facility-1 has been availed by BWDPL for its business purposes and to meet working capital requirements.

- *Interest*: (i) *Cash credit commitment*: indicative rate- floating rate of MCLR – one year + 0.30%. The interest will be payable in arrears on the 1st day of each calendar month falling after the date of disbursement of the facility; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing*: sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of disbursement.
- *Security and guarantee*: the Facility-1 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of BWDPL; (ii) a second charge by way of mortgage over the

moveable (other than current assets) and immovable assets (both present and future) of BWDPL in connection with the 199.70 MW project situated in and around village Bothe in Satara District, Maharashtra, owned and operated by BWDPL (“**Project-1**”); (iii) a second charge on the 30% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL; (b) and 21% of the issued and fully paid up equity shares in the share capital of WIPL; (v) a second ranking charge over the power purchase agreements entered into by BWDPL, insurance contracts and other project documents entered into by BWDPL in relation to the Project-1, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms of the deed of hypothecation, over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by DJEPL, UUPPL, TWHPPPL, RTPL and WIPL.

- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.

DJ Energy Private Limited

DJEPL has availed working capital facilities from the Lender including: (i) cash credit commitment—Rs. 500,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment)—Rs. 500,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment)—Rs. 500,000,000 (collectively as, “**Facility-2**”), with the overall limit of Rs. 500,000,000, in terms of the Lender’s letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2791 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2791/Addendum and read with letters dated February 1, 2023 and June 6, 2023 issued by the Lender and the terms of the working capital facility agreement dated March 31, 2021 (“**Facility Agreement-2**”).

The Facility-2 has been availed by DJEPL for its business purposes and to meet working capital requirements.

- *Interest:* (i) *Cash credit commitment:* indicative rate- floating rate of MCLR – one year + 0.30%; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing:* sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of drawdown.
- *Security and guarantee:* The Facility-2 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of DJEPL; (ii) a second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of DJEPL in connection with the 94 MW project situated in Ratlam and Mandsaur Districts of Madhya Pradesh, owned and operated by DJEPL (“**Project-2**”); (iii) a second charge on the 30% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL; (b) and 21% of the issued and fully paid up equity shares in the share capital of WIPL; (v) a second ranking charge over the power purchase agreements entered into by DJEPL, insurance contracts and other project documents entered into by DJEPL in relation to the Project-2, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms

of the deed of hypothecation, over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by BWDPL, UUPPL, TWHPPPL, RTPL and WIPL.

- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.

Renewables Trinethra Private Limited

RTPL has availed working capital facilities from the Lender including: (i) cash credit commitment—Rs. 60,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment)—Rs. 60,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment)—Rs. 6,00,00,000; (iv) revolving standby letter of credit commitment (sublimit of cash credit commitment)—Rs. 60,000,000 (collectively as, “**Facility-3**”), with the overall limit of Rs. 60,000,000, on terms of the Lender’s letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2794 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2794/Addendum and further amended by a sanction letter dated December 29, 2021 bearing no. IBL/CAD North/CCBG/2020-21/1977 and letter dated February 1, 2023 issued by the Lender and the working capital facility agreement dated March 31, 2021 (“**Facility Agreement-3**”). Further, RTPL has also availed a cash-backed revolving standby letter of credit / financial backed guarantee (domestic in INR only) – Rs. 20,000,000 pursuant to the said letter dated February 1, 2023 issued by the Lender.

The Facility-3 has been availed by RTPL for its business purposes and to meet working capital requirements.

- *Interest:* (i) *Cash credit commitment:* indicative rate- floating rate of MCLR – one year+ 0.30%; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing:* sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of drawdown.
- *Security and guarantee:* The Facility 3 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of RTPL; (ii) a second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of RTPL in connection with the 25.2 MW project situated in Rajkot and Morbi Districts of Gujarat, owned and operated by RTPL (“**Project-3**”); (iii) a second charge on the 30% (thirty percent) of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL; (b) 21% of the issued and fully paid up equity shares in the share capital of WIPL; (v) a second ranking charge over the power purchase agreements entered into by RTPL, insurance contracts and other project documents entered into by RTPL in relation to the Project-3, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms of the deed of hypothecation, over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by DJEPL, UUPPL, TWHPPPL, BWDPL and WIPL.

- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.
- Cash margin for cash-backed revolving standby letter of credit / financial backed guarantee (domestic in INR only): 100% cash margin to continue to be placed with the Lender in the form of fixed deposit receipts under lien till standby letter of credit expiry.

Trinethra Wind and Hydro Power Private Limited

TWHPPL has availed working capital facilities from the Lender including: (i) cash credit commitment—Rs. 200,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment)—Rs. 200,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment)—Rs. 200,000,000; (iv) revolving standby letter of credit commitment (sublimit of cash credit commitment)—Rs. 200,000,000 (collectively as, “**Facility-4**”), with the overall limit of Rs. 200,000,000, on terms of the Lender’s letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2793 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020- 21/2793/Addendum, as further amended by modification letter dated July 16, 2021 bearing no. Sanction letter no IBL/CAD North/CCBG/2021-22/0680 and letter dated February 1, 2023 issued by the Lender and the working capital facility agreement dated March 31, 2021 (“**Facility Agreement-4**”). Further, TWHPPL has also availed a cash-backed revolving standby letter of credit / financial backed guarantee (domestic in INR only) – Rs. 30,000,000 pursuant to the said letter dated February 1, 2023 issued by the Lender.

The Facility-4 has been availed by TWHPPL for its business purposes and to meet working capital requirements.

- *Interest:* (i) *Cash credit commitment:* indicative rate- floating rate of MCLR one year + 0.30%; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing:* sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of drawdown.
- *Security and guarantee:* The Facility 4 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of TWHPPL; (ii) a second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of TWHPPL in connection with the 101.2 MW project situated in Rajkot and Morbi Districts of Gujarat, owned and operated by TWHPPL (“**Project-4**”); (iii) a second charge on the 30% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPL, RTPL; (b) 21% of the issued and fully paid up equity shares in the share capital of WIPL; (v) a second ranking charge over the power purchase agreements entered into by TWHPPL, insurance contracts and other project documents entered into by TWHPPL in relation to the Project-4, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms of the deed of hypothecation, over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by DJEPL, UUPPL, BWDPL, RTPL and WIPL.

- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.
- Cash margin for cash-backed revolving standby letter of credit / financial backed guarantee (domestic in INR only): 100% cash margin to continue to be placed with the Lender in the form of fixed deposit receipts under lien till standby letter of credit expiry.

Uttar Urja Projects Private Limited

UUPPL has availed working capital facilities from the Lender including: (i) cash credit commitment—Rs. 400,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment)—Rs. 400,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment)—Rs. 400,000,000 (collectively as, “**Facility-5**”), with the overall limit of Rs. 400,000,000, on terms of the Lender’s letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2792 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2792/Addendum and letters dated February 1, 2023 and June 6, 2023 issued by the Lender and the working capital facility agreement dated March 31, 2021 (“**Facility Agreement-5**”).

The Facility-5 has been availed by UUPPL for its business purposes and to meet working capital requirements.

- *Interest:* (i) *Cash credit commitment:* indicative rate- floating rate of MCLR – one year + 0.30%; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing:* sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of drawdown.
- *Security and guarantee:* The Facility – 5 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of UUPPL; (ii) a second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of UUPPL in connection with the 76 MW project situated in Ratlam and Mandsaur Districts of Madhya Pradesh, owned and operated by UUPPL (“**Project-5**”); (iii) a second charge on the 30% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL; (b) 21% of the issued and fully paid up equity shares in the share capital of WIPL; (v) a second ranking charge over the power purchase agreements entered into by UUPPL, insurance contracts and other project documents entered into by UUPPL in relation to the Project-5, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms of the deed of hypothecation, over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by DJEPL, BWDPL, TWHPPPL, RTPL and WIPL.
- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.

Watsun Infrabuild Private Limited

WIPL has availed working capital facilities from the Lender including: (i) cash credit commitment—Rs. 50,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment)—Rs. 50,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment)—Rs. 50,000,000 (collectively as, “**Facility-6**”), with the overall limit of Rs. 50,000,000, on terms of the Lender’s letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2795 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2795/Addendum and letter dated February 1, 2023 and the working capital facility agreement dated March 31, 2021 (“**Facility Agreement-6**”).

The Facility-6 has been availed by WIPL for its business purposes and to meet working capital requirements.

- *Interest:* (i) *Cash credit commitment:* indicative rate- floating rate of MCLR – one year + 0.30% at yearly reset; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing:* sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of drawdown.
- *Security and guarantee:* The Facility – 6 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of WIPL; (ii) a second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of WIPL in connection with the 148 MW project situated in Coimbatore and Tirupur Districts of Tamil Nadu and 78.8 MW solar power project situated in Coimbatore and Tirupur Districts of Tamil Nadu, owned and operated by WIPL (“Project-6”); (iii) a second charge on the 30% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL; (b) 21% of the issued and fully paid up equity shares in the share capital of WIPL; (v) a second ranking charge over the power purchase agreements entered into by WIPL, insurance contracts and other project documents entered into by WIPL in relation to the Project-6, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms of the deed of hypothecation, over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by DJEPL, UUPPL, TWHPPPL, RTPL and BWDPL.
- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.

(Facility-1, Facility-2, Facility-3, Facility-4, Facility-5 and Facility-6, be individually referred to as “**Facility**” and Facility Agreement-1, Facility Agreement-2, Facility Agreement-3, Facility Agreement-4, Facility Agreement-5 and Facility Agreement-6, be individually referred to as “**Facility Agreement**”)

The following terms and conditions are applicable to the respective Facilities described above and the reference to 'Borrower' will mean the relevant Subsidiary, which has executed the relevant Facility Agreement to avail the relevant Facility.

Other Covenants: Borrower has made customary representations and warranties to the Lender and has agreed to deliver standard information. The Borrower undertakes with the Lender that until the final settlement date the Borrower shall inform the Lender in writing within 30 days of making any material change in its management. Any material change in the shareholding pattern of the Borrower which may lead to change of control (as defined in the Facility Agreement) (except change of control pursuant to the continuum group reorganization (as defined in the Facility Agreement)) of the Borrower shall be effected with prior written approval of the Lender and the Lender reserves the right to recall the Facility in case such change is not acceptable to the Lender.

- *Negative Covenants:* Borrower must not except with the prior written approval of the Lender or except as expressly permitted under any provision of the Facility Agreement: (i) enter into any borrowing arrangement except the term loans proposed to be obtained from financial institutions and/or banks for completion of the replacement-cum-modernization program, refinancing of existing indebtedness and except for the indebtedness as permitted under the Facility Agreement; (ii) undertake any new project or scheme save and except for the capital expenditure which is permitted; (iii) except the security interest as permitted: (a) create any further pledge over its equity Shares for securitizing any loans or advances availed/to be availed by it from any banks and/or financial institutions and/or any other person; (b) create, incur, assume or suffer to exist any security interest on or in respect of any of its property, revenue or assets; (iv) take and/or agree to take or consent to any action or permit or formulate or participate in any scheme of merger, consolidation or similar arrangements save and except a continuum group reorganization (as defined in the Facility Agreement); (v) permit any undertake a change of control (as defined in the Facility Agreement) of the Borrower except any change of control (as defined in the Facility Agreement) pursuant to the continuum group reorganization (as defined in the Facility Agreement); (vi) undertake any voluntary proceeding for winding up, insolvency or liquidation or propose any resolution seeking approval of board of directors for filing application under the Insolvency and Bankruptcy Code, 2016; (vii) invest by way of share capital in or lend or advance funds to or place deposits with any other concern other than in group companies provided that nothing in this clause shall restrict the Borrower to undertake investment as permitted under the Facility Agreement, where such permitted investment is made out of the proceeds in the distribution account; (viii) permit the affecting of any change in the shareholding structure except for a change of control (as defined in the Facility Agreement) or pursuant to a continuum group reorganisation (as defined in the Facility Agreement); (ix) except for normal trade credit or security deposits in the usual course of business or advances to employees, to make any investment or transfer funds by way of deposits, loans, bonds, share capital, or in any other form with any other concern other than in group companies except (i) investments made out of the distribution account, and (ii) investments made in accordance with TRA Agreement (i.e. the agreement executed between the Restricted Group Entities and the account bank); (x) undertake guarantee and/ or indemnity and/ or other similar obligations on behalf of any person or issue any guarantee or letter of credit or provide any security (except as required in connection with the indebtedness as permitted under the Facility Agreement); (xi) carry out any modification, amendments or alterations to the memorandum and articles of association; (xii) enter into any contractual obligation of a long term nature which may adversely affect the Borrower's financial condition or prejudice the interests of the Lender; (xiii) create any escrow or other similar arrangements over any of its receivables for the benefit of any person save and except required pursuant to the documents governing the debentures (issued pursuant to the debenture trust deed dated February 24, 2021) and the TRA Agreement (i.e. the agreement executed between the Restricted Group Entities and the account bank); (xiv) except for any litigation, arbitration or other dispute with any person not having a material adverse effect (as defined in the Facility Agreement), agree, authorize or otherwise give its

consent to any proposed settlement, resolution or compromise of any litigation, arbitration or other dispute with any person; and (xv) pay any dividend for any year except out of the profits relating to that year save and except a distribution as permitted under the Facility Agreement.

- *Financial Covenants:* Borrower undertakes and agrees that until the final settlement date its debt service coverage ratio shall not be less than 1.10 (one point one zero).
- *Maintenance of Property and Insurance covenant:* The Borrower shall maintain title to or its interest in all of its material assets, other than any assets disposed of pursuant to a disposal permitted under the Facility Agreement and shall take all actions necessary to create, perfect at all times the security interest created or to be created for securing the Facility. Borrower shall keep insured all other assets of the Borrower over which a security interest has been or is proposed to be created for the benefit of the Lender.
- *Events of Default:* Subject to agreed cure periods and carve outs, the events of default include if, inter alia, (i) payment default; (ii) the Facility Agreement or any of the other financing documents becomes invalid, illegal or unenforceable or Borrower or any other Obligor (under any of the financing documents to which it is a party) repudiates the validity or enforceability of such financing documents; (iii) breach or default in performance or observance, by the Borrower or any Restricted Group Entity and the persons creating security for the benefit of the Lender (“**Obligor**”), of any covenants; (iv) failure by the Borrower to satisfy the financial covenants; (v) any expropriation, attachment or distress being enforced against the whole or any part of the Borrower’s asset and/or property; (vi) cessation of business; (vii) receiver, liquidator, assignee appointed in respect of the whole or any substantial part (in the opinion of the Lender) of the property of the Obligors; (viii) security to be created and perfected has not been created or perfected or security expressed to be created is not effect with the expressed ranking and priority or event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lender except if such event or circumstance is caused due to a continuum group reorganization (as defined in the Facility Agreement); (ix) inability to pay debts or commences negotiations with one or more of its creditors (excluding the Lender in its capacity as such) or a moratorium is declared, any application insolvency resolution is admitted and not vacated within 14 days from the date of admission or any order relating thereto is not discharged or stayed; (x) any event (other than any event of default howsoever defined in relation to a material adverse effect (as defined in the Facility Agreement), in any other provision of any financing document) occurs which may lead to a material adverse effect (as defined in the Facility Agreement); (xi) litigation or other investigations, proceedings or disputes are commenced or threatened in relation to financing documents or against the Borrower would have a material adverse effect (as defined in the Facility Agreement) if adversely determined; (xii) obligation(s) of the Obligors under any financing document is or are not or cease or ceases to be legal, valid, binding or enforceable; (xiii) other than as provided in the financing documents, a change of control (as defined in the Facility Agreement) occurs; (xiv) assets of the Borrower is nationalised and/or compulsorily acquired by or by the order of any government entity; (xv) cross default in other indebtedness of the Borrower or payment not made under the debentures (issued pursuant to the debenture trust deed dated February 24, 2021) or if any of it is declared to become due or any creditor of the Borrower sends a notice informing that such creditor has become entitled to exercise its rights of conversion in relation to any RCF Facility (as defined in the Facility Agreement); (xvi) any amendments in its constitutional documents including conversion of the nature of the Borrower without taking prior written approval of the Lender if such amendments would prejudice the rights and interest of the Lender; (xvii) all or material part of the assets of the Borrower are seized by any of its creditors; (xviii) Borrower commences a voluntary proceeding under any applicable bankruptcy or similar law or consent to the entry of an order for relief in an involuntary proceeding or appoint of receiver or similar official for any or a substantial part of its property; (xix) Borrower has taken or suffered to be

taken any action towards its re-organization save and except a continuum group reorganization (as defined in the Facility Agreement) without the prior written consent of the Lenders or liquidation or dissolution.

Rupee term loans availed by Continuum Power Trading (TN) Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited from Power Finance Corporation Limited

Continuum Power Trading (TN) Private Limited

In order to implement the 250 MW (Phase-I: 140 MW and Phase-II: 110 MW) Wind Power Project at Dayapar, Kutch District, Gujarat (“**Project-1**”), Continuum Power Trading (TN) Pvt. Ltd (“**CTN**”) has availed financial assistance from the PFC and PFC has vide its sanction letter no. No: 03/02/WR II/Guj/CPTPL/Wind/Vol-1/068526 dated March 12, 2020, agreed to make available to CTN a rupee term loan, for an aggregate principal amount not exceeding Rs. 10,000,000,000 (“**Rupee Term Loan-1**”), upon the terms and conditions of the facility agreement dated June 15, 2020 (“**Facility Agreement-1**”) and other financing documents executed in respect of the Rupee Term Loan-1.

Subsequently, on request of the CTN the project capacity has been downsize to 126 MW from 250 MW and accordingly the Rupee Term Loan facility has been reduced to Rs 504,00,00,000 from Rs 1000,00,00,000 vide PFC amendment letter no 03/02/WR II/GuJ/CPTPL/Wind/Vol-1/074630 dated November 26, 2021.

CTN shall apply the proceeds of each drawdown (including letter of comfort) under the Rupee Term Loan-1 solely for the implementation of 126 MW wind power project at Dayapar, Kutch District, Gujarat of part financing the estimated project cost, in such manner and in such priority as stipulated in the trust and retention account agreement, other financing documents and under applicable law.

- *Security:* (i) a pari passu first charge by way of mortgage, over all the CTN’s immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future; (ii) a pari passu first charge by way of hypothecation, over all the CTN’s movable properties and assets, including plant & machinery, machinery spares, and all other movable assets, both present and future; (iii) a pari passu first charge by way of hypothecation, over all CTN’s intangible, goodwill, uncalled capital, both present and future; (iv) a pari passu first charge on CTN’s operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of CTN, both present and future; (v) a pari passu first charge on the trust & retention account (including debt service reserve account of 2 quarter(s) of principal & interest payment-exclusive to PFC), any letter of credit and other reserves and any other bank accounts of CTN wherever maintained, both present & future; and (vi) assignment in favour of PFC, all the rights, titles, interests, benefits, claims and demands of CTN on the project documents/ contracts, clearances, in any letter of credit, guarantee provided by any party to the project documents, insurance contracts and insurance proceeds and guarantees from EPC contractor (if any) relating to the Project-1. The collateral security includes pledge of equity shares, quasi equity (i.e. the compulsory convertible debentures issued by CTN; and non-convertible debentures inter alia as per the terms mentioned herein and acceptable to PFC), both present and future, held by the pledgor, to the extent of the specified percentage i.e. 51% equity shares, 51% compulsory convertible debentures and 51% non-convertible debentures, of CTN. The interim collateral security includes the pledge of equity shares and quasi equity (i.e. the compulsory convertible debentures issued by CTN; and non-convertible debentures inter alia as per the terms mentioned herein and acceptable to PFC) to the extent of the specified percentage i.e. 26% equity shares, 26% compulsory convertible debentures and 26% non-convertible debentures; and an irrevocable and unconditional corporate guarantee from Continuum Green Energy (India) Private Limited. The interim collaterals may be considered for release on the interim collateral release date.

- *Financial Covenants:* (i) the debt service coverage ratio shall be not less than 1.10; (ii) the debt to equity ratio on each drawdown date shall not be more than 73.40:26.60.
- *Applicable interest rate:* 10.65% p.a., 10.55% p.a., 10.00% p.a. and 9.25% p.a. on different disbursement payable monthly.

Kutch Windfarm Development Private Limited

In order to implement the 28 MW wind power project at district Morbi in the state of Gujarat (“**Project-2**”), Kutch Windfarm Development Private Limited (“**KWDPL**”) has availed financial assistance from PFC and PFC has vide its sanction letter no. No: 03/22/WRI/GJ/KWDPL/Vol-I/072404 dated June 21, 2021, agreed to make available to KWDPL a rupee term loan, for an aggregate principal amount not exceeding Rs. 1,152,900,000 (“**Rupee Term Loan-2**”), upon the terms and conditions of the facility agreement dated October 28, 2021 (“**Facility Agreement-2**”) and other financing documents executed in respect of the Rupee Term Loan-2. KWDPL shall apply the proceeds of each drawdown (including letter of comfort) under the Rupee Term Loan-2 solely towards part financing the estimated project cost for implementation of the Project-2, in such manner and in such priority as stipulated in the trust and retention account agreement, other financing documents and under applicable law.

- *Security:* (i) a pari passu first charge by way of mortgage, over all the KWDPL’s immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future; (ii) a pari passu first charge by way of hypothecation, over all the KWDPL’s movable properties and assets, including plant & machinery, machinery spares, and all other movable assets, both present and future; (iii) a pari passu first charge by way of hypothecation, over all KWDPL’s intangible, goodwill, uncalled capital, both present and future; (iv) a pari passu first charge on KWDPL’s operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of KWDPL, both present and future; (v) a pari passu first charge on the trust & retention account (including debt service reserve account of peak 3 (three) months of principal & interest payment-exclusive to PFC), any letter of credit and other reserves and any other bank accounts of KWDPL wherever maintained, both present & future; and (vi) assignment in favour of the PFC, all the rights, titles, interests, benefits, claims and demands of KWDPL on the project documents/ contracts, clearances, in any letter of credit, guarantee provided by any party to the project documents, insurance contracts and insurance proceeds and guarantees from EPC contractor (if any) relating to the Project-2. The collateral security includes pledge of equity shares, quasi equity (i.e. the compulsory convertible debentures issued by KWDPL; and non-convertible debentures inter alia as per the terms mentioned herein and acceptable to PFC), both present and future, held by the pledgor, to the extent of the specified percentage i.e. 51% equity shares, 51% compulsory convertible debentures and 51% non-convertible debentures, of KWDPL. The interim collateral security includes an irrevocable and unconditional corporate guarantee from Continuum Green Energy Ltd. The interim collaterals may be considered for release on the interim collateral release date.

Continuum Trinethra Renewables Private Limited

In order to implement the 199.90 MW Wind Solar Hybrid Project at Dist. Rajkot/Morbi in the state of Gujarat (“**Project-3**”), Continuum Trinethra Renewables Private Limited (“**CTRPL**”) has availed financial assistance from PFC and PFC has vide its sanction letter no. 03/22/WRI/GJ/CTRPL/Vol-I/074503 dated November 16, 2021, agreed to make available to CTRPL a rupee term loan, for an aggregate principal amount not exceeding Rs. 8,782,500,000 (“**Rupee Term Loan-3**”), upon the terms and conditions of the facility agreement dated December 07, 2021 (“**Facility Agreement-3**”) and other financing documents executed in respect of the Rupee Term Loan-3.

- **Security:** (i) a pari passu first charge by way of mortgage over all immovable properties (including over the freehold interest, leasehold interest or sub-leasehold interest of CTRPL in such properties immovable) together with all appurtenances thereon, both present and future; (ii) a pari passu first charge by way of hypothecation, on all CTRPL's movable properties and assets, including plant and machinery, machinery spares, equipment, tools and accessories, furniture, fixtures, vehicles and all other movable assets wherever situated, both present and future; (iii) a pari passu first charge on all CTRPL's current assets (as defined in Facility Agreement-3), including but not limited to, book debts, operating cash flows, uncalled capital, receivables, commissions, revenue of whatsoever nature and wherever arising, both present and future; (iv) a pari passu first charge over all accounts of CTRPL, including, the trust and retention account and the sub-account(s), (including the debt service reserve account of peak 3 (three) months of principal and repayment exclusive to PFC), letter of credit, or any account created for any reserve(s) to be created and maintained (or any account in substitution thereof) that may be opened in accordance with the trust and retention account agreement and the financing documents, or any of the other project documents and all funds from time to time deposited therein, the receivables and all investments permitted under the Facility Agreement or other securities representing all amounts credited to the trust and retention account, any letter of credit and other reserves of CTRPL present and future wherever maintained; and (v) assignment in favour of the PFC, all the rights, titles, interests, benefits, claims and demands of CTRPL on the project documents/ contracts, in any letter of credit, guarantee provided by any project participant, insurance contracts and insurance proceeds and guarantees and indemnities provided by project participant. Further, assignment in favour of PFC on all intangible assets of CTRPL, including but not limited to, goodwill, intellectual property rights, undertaking, present and future, in a form and manner acceptable to PFC. Pledge of equity shares, quasi equity (i.e. the optionally convertible debentures issued, to be by CTRPL in relation to the promoter contributions, as acceptable and approved by PFC), both present and future, held by the pledgor, aggregating to the specified percentage i.e. 51% equity shares and 51% quasi equity, of CTRPL. An irrevocable and unconditional corporate guarantee from Continuum Green Energy Ltd till the expiry of guarantee cover period (as defined in the Facility Agreement).

The following terms and conditions will be applicable to the respective Rupee Term Loan-1 and Rupee Term Loan-2 (individually referred to as 'Rupee Term Loan' below) and the reference to 'Borrower' will mean the relevant entity i.e. CTN and KWDPL, which has executed the relevant Facility Agreement-1 and Facility Agreement-2 (referred to as 'Facility Agreement' below) to avail the relevant Rupee Term Loan. The reference to 'Project' will mean the reference to the relevant Project – 1 and Project – 2 of the relevant entity i.e. CTN and KWDPL.

- **Other Covenants:** The Borrower has made customary representations and warranties to PFC and has agreed to deliver standard information. Until the final settlement date, the Borrower shall, at all times, comply with the following covenants: (i) any proposed change in the nature or scope of the Project shall not be implemented and no funds shall be committed therefore without the prior written approval of PFC, and PFC shall have the right to stipulate any additional conditions. The Borrower to seek prior written approval of PFC, for any modification or cancellation of the project documents; (ii) use the proceeds of the Rupee Term Loan for the specified purpose, maintain the trust and retention account, carry out the Project as per industry standards; (iii) enter into the trust and retention account agreement and establish the trust and retention account and comply with the requirements and procedures therein; (iv) compliance with financial covenants; (v) permit and make arrangement for inspection by representatives of PFC; (vi) maintenance of existence and books and records; (vii) comply with the applicable laws including in relation to the conduct of its business and the construction, operation and maintenance of the Project and with all directions/ guidelines by government authorities, with regard to the Rupee Term Loan; (viii) adopt a comprehensive insurance program for ensuring the successful management of risks for the Project and shall obtain and maintain the insurances; (ix) construct, maintain, preserve and operate the Project, including plant and

machinery, necessary in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and in accordance with prudent operating practices and its business plan; (x) take prior consent of PFC for the execution of any new project documents; (xi) take all actions necessary to maintain the Borrower's good and marketable title/interest to the secured property and to the project documents, free and clear of any charge, lien, encumbrance or third party interest, other than the interest created in favour of PFC under the security documents; (xii) establish safety protections/environmental protections and procedures relating Project; (xiii) the Borrower shall ensure that the entity as specified in the Facility Agreement shall own at least 51% of the outstanding equity shares of the Borrower and have the management control (as defined in the Facility Agreement) of the Borrower; (xiv) the Borrower shall not effectuate any change in its capital structure and/or shareholding pattern without the prior approval of PFC, except as, and to the extent, permitted under the financing documents; and (xv) PFC shall have the right to appoint and remove from time to time such observer on the board of the Borrower as specified in the Facility Agreement.

- *Negative Covenants:* Until the final settlement date, the Borrower shall not, at all times, without the prior approval of PFC in writing, undertake the following covenants: (i) shall not issue equity share, effect or agree to effect any change in its capital structure, including any change in the shareholding pattern, or financing structure, or take or agree to take any action/formulate any scheme of merger, consolidation, reorganisation, reconstruction or amalgamation scheme of arrangement or compromise with its creditors or shareholders, except as otherwise provided in the financing documents, acquire all or part of the assets of any person, on lease or otherwise, or any class of shares or debentures or partnership interest or similar interest of any person, issue any debentures, raise any loans, make investments in, grant loans, accept any deposits from public and/or invest by way of subscription to share capital of or otherwise, or give guarantee, other than as envisaged under the financing documents and/or Project or in the ordinary course of business; (ii) shall not convey, sell, lease, assign, transfer or otherwise dispose of or mortgage or otherwise charge all or any part of its property(ies) and fixed assets pertaining to the Project or create any security interest over the Borrower's assets/ properties and contracts in favor of any other person/ organization except as permitted and in compliance with the conditions stated in the Facility Agreement; (iii) shall not, and shall neither agree to, nor during the Facility Agreement, create any charge, encumbrance or third party interest or security interest on or in any of its assets/the secured property and contracts; including escrowing of future cash flows receivables or create any lien or charging the receivables/future cash flows of whatsoever nature or assignment of project documents, in favour of any person, without prior approval PFC, except the security interest permitted under the Facility Agreement; (iv) shall not alter the scope of the Project, augment, modernise, make any expansions or diversifications or make any modification to the Project/scope of project or make substantial expansion of the Project or undertake any new project; (v) shall not terminate any project document(s) and/or sell, assign or otherwise dispose of any part of its interest in such project document(s) and/or waive any default under or breach of any provision in relation to the Project or any project document(s) and/or waive, fail to enforce any provision in relation to the Project or any project document(s) and/or vary or agree to the variation of a provision in relation to the Project or any project document(s) and/or amend, supplement or modify of any project document(s) and/or petition, request or take any other legal action that seeks, or may be expected, to rescind, terminate or suspend any project document(s) or make any other material modifications to any project documents, make any material adverse modifications to any of the project documents; (vi) shall not, directly or indirectly, create, incur, contract, assume or suffer or otherwise become or be liable for any debt, whether secured or unsecured, with any person, except the indebtedness as permitted under the Facility Agreement; (vii) not incur any contractual obligation, including guarantee obligation, on behalf of any other person or any other company, including group companies, not undertake any obligation prejudicial to the interest of PFC, not enter into any contractual obligations of a long term nature affecting its financial condition; (viii) not undertake any new project or expansion of any existing Project or make

any investment or take any asset on the lease except the Project Site without prior approval of PFC until the final settlement date; (ix) shall not make any restricted payment (as defined in the Facility Agreement) without the compliance of restricted payment conditions (as defined in the Facility Agreement); (x) shall not make any capital expenditure, other than the capital expenditure: (a) provided for in the financing plan (as defined in the Facility Agreement); (b) for replacement of the assets of the Borrower; or (c) incurred in the normal course of business; (xi) not declare or make any restricted payment (as defined in the Facility Agreement), unless on the date of declaring or paying the proposed restricted payment (as defined in the Facility Agreement), the restricted payment conditions (as defined in the Facility Agreement) have been satisfied; (xii) shall not engage in any business other than the Project in India, create any subsidiaries or permit any company to become its subsidiary; (xiii) shall not change its name the location of its office, without prior intimation to PFC; (xiv) shall not abandon or agree to abandon the Project; (xv) shall not use, maintain or operate, or allow the use, maintenance or operation of the Project for any purpose which may constitute a public or private nuisance or give rise to a claim or environmental claim; violate any provision of any applicable law; and result in increase in the premium of any insurance then in force with respect to the Project or any part thereof; (xvi) except for the transaction documents in effect on the date of Facility Agreement or the additional project documents, the Borrower will not enter into any partnership, profit-sharing or other similar arrangement whereby the Borrower's income or profits are, or might be, shared with any other person; (xvii) shall not enter into any contract, agreement, commitment or arrangement with any of its affiliate/ subsidiaries/group companies, which is not on an "arm's length" basis as determined by PFC; (xviii) shall not amend, modify or supplement its memorandum of association and articles of association in any manner, which would make the Borrower ineligible for undertaking the Project or with any of the financing document including security document or which may be detrimental to the interest of PFC; (xix) subject to prepayment of the loan under the Facility Agreement, the Borrower shall not prepay any financial assistance or debt availed of by it from any other party for the Project without meeting the requirements as stated in the Facility Agreement; (xx) shall not pay any commission to its promoter, directors, managers, or other person(s) having substantial interest in the Borrower for furnishing guarantees; (xxi) unless permitted in the financing documents, the Borrower shall not receive any funding from the promoter(s) and/or any of the directors/associate companies and/or their friends or relatives; (xxii) shall not repay the money brought in by the promoters/directors/affiliates/associated companies as loans/share application money pending allotment towards the funding of the project, till the final settlement date other than as restricted payments (as defined in the Facility Agreement); (xxiii) shall not recognise or register any transfer of its shares (except permitted under the Facility Agreement) till the final settlement date; (xxiv) shall not do any act which may result in unequal treatment; (xxv) no appointment of wilful defaulter on the board of the Borrower; (xxvi) shall not make any change in the management structure or its board of directors; (xxvii) not change its fiscal year without the approval of PFC; (xxviii) not open any other bank account and shall not operate such other bank account for any purpose other than the purpose approved by PFC; (xxix) shall not enter into any agreement with any lender or any person relating to utilisation of the receivables, monies in the trust and retention account and all monies received or to be received through any mechanism including securitisation; (xxx) shall not utilise the proceeds of the drawdowns for any purpose other than for the Project and proceeds shall not be utilised for the purposes prohibited in the Facility Agreement; (xxxi) shall not undertake any trading activity; (xxxii) shall not revalue its assets; and (xxxiii) shall not have different classes of equity shares, including its classes of equity shares with differential voting and dividend rights.

- *Events of Default:* Subject to agreed cure periods and carve outs, the events of default include if, inter alia, (i) payment default by the Borrower; (ii) default by any of the promoters, guarantor, pledgors and other security provider in relation to the Rupee Term Loan ("**Obligors**") in the payment of any other amount due and payable pursuant to the Facility Agreement or any other financing documents on the respective due dates. (iii) failure by any material project participant (as defined in the Facility Agreement) in the payment

when due, of any amount under the project documents unless agreed to by the recipient; (iv) breach or default in performance of covenants: (a) by the Borrower under the Facility Agreement or transaction document; (b) the part of any contractor under any project document; (v) any default has occurred in the performance or observance of any covenant, condition, warranties or provision, on the part of the Obligors, contained in any provision of the financing documents; (vi) financial indebtedness of any Obligor is not paid when due or the Borrower is unable or has admitted in writing its inability to pay any of its indebtedness as they mature or when due; (vii) any financial indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); (viii) breach by a party under the project documents which impairs the obligations of the Borrower under the transaction documents; (ix) any actual or potential default or event of default, credit review event or similar event (however described) occurs under or in relation to any financial indebtedness of any Obligor; (x) any security interest created over the assets of the Borrower becomes enforceable; (xi) failure by any material project participant (as defined in the Facility Agreement) in the payment when due, of any amount under the project documents unless agreed to by the recipient; (xii) any commitment for any financial indebtedness of any Obligor is cancelled or suspended by its creditor as a result of an event of default (however described); (xiii) security interest proposed to be created under the Facility Agreement has not been created and/ or perfected within the specified timelines; (xiv) any event occurs which is or is likely to be prejudicial to or imperils or depreciates the security; (xv) any of the security documents once executed and delivered shall fail to provide the security interests, rights and title intended to be created thereby; (xvi) creation or any attempt to create any security interest over the secured property or any part in violation of the provisions of the financing documents; (xvii) the Borrower has sold, disposed of, charged or encumbered or alienated or otherwise rendered unusable any assets of the Borrower or the Project except as otherwise permitted under the financing documents; (xviii) Obligors have sold, disposed of, charged or encumbered or alienated or otherwise rendered unusable any assets in relation to which security is created; (xix) validity or applicability of the security documents or the security interest purported to be created thereby, is jeopardised or endangered or any other obligations purported to be secured or guaranteed thereby shall be disaffirmed; (xx) the Borrower/promoters shall have acted or allowed any act to be committed, which is prejudicial to or impairs or imperils or depreciates the security created in favour of PFC; (xxi) any Obligor is unable (or is deemed by any law or court to be) or admits inability to pay its debts, stops or suspends, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; (xxii) a moratorium is agreed or declared by government of India in respect of any indebtedness of any Obligor; (xxiii) any corporate action, legal proceeding or other procedure or step is taken or any order is obtained in relation to the suspension of payments, moratorium of any indebtedness, winding up, bankruptcy, insolvency, dissolution, administration, provisional supervision or reorganization, appointment of a liquidator, receiver etc. of any material project participant (as defined in the Facility Agreement); (xxiv) a receiver, trustee, or other similar officer has been appointed in relation to the Borrower or in relation to all or part of any assets of the Obligor or in relation to all or part of the assets of the Project; (xxv) attachment, execution, commencement of proceeding for recovery of any dues, distress or restraint has been offered or levied on the whole or any part of the assets of any Obligor or the assets of the Project or any part thereof; (xxvi) any material project participant (as defined in the Facility Agreement) ceases to have title to or interest in any assets or properties required for the Project or ceases to have the right to possess and use all or any portion of any assets or properties required for the Project; (xxvii) the Borrower has taken action for its re-organization without the prior written approval of PFC or there is any change in ownership structure of the Borrower in contravention of the financing documents; (xxviii) any person acting singularly or with any other Person (either directly or indirectly) acquires management control (as defined in the Facility Agreement) of Borrower other than as envisaged under the Facility Agreement; (xxix) the relevant entities as specified in the Facility Agreement, fail to hold at least

51% of the equity shareholding and majority of the board over Borrower; (xxx) expropriation, condemnation, nationalization or seizure of the Project/ or any part or whole of the assets of the Borrower or the assets of the Project; (xxxi) any one or more events occur or circumstance arises which PFC determines has or could be expected to have a material adverse effect (as defined in the Facility Agreement); (xxxii) failure to deposit all project proceeds in the trust and retention account or diversion of the same or the failure to maintain the required reserves in the trust and retention account in accordance with the terms of the trust and retention account agreement; (xxxiii) obligation under the transaction document becomes unenforceable or is not or ceases to be valid and binding obligations of any person party to it or becomes void or illegal; (xxxiv) any transaction document is required to be amended, waived or repudiated on account under applicable laws; (xxxv) the Borrower fails to maintain insurance cover; fails to endorse PFC as loss payee; any insurance contract is not, or ceases to be, in full force and effect at any time when it is required to be in effect; (xxxvi) any representation, warranty, declaration or statement made or deemed to be made by the Borrower or any other Obligor is or proves to have been incorrect or misleading in any respect when made or deemed to be made; (xxxvii) except as otherwise expressly provided under the Facility Agreement, the Borrower has sold, disposed off, charged or encumbered or created security interest or alienated or otherwise rendered unusable any assets of the Borrower or the assets of the Project; (xxxviii) except as otherwise expressly provided under the Facility Agreement, any person has sold, disposed off, charged or encumbered or alienated or otherwise rendered unusable any assets in relation to which security is created; (xxxix) failure of promoter(s) to perform their obligations towards the Borrower and/ or Project including default of its obligations under the promoter support agreement or the pledge agreement; (xl) any serious dispute has arisen between the Borrower and the promoters as to the contribution/ support to the Borrower and the Project; (xli) (a) the Project is abandoned or threatened to be abandoned by the Borrower, or the Borrower ceases to have actual possession and management control (as defined in the Facility Agreement) of the Project; (b) the whole or any part of the Project is damaged or destroyed; and other events with respect to the Project and Obligors as set out in the Facility Agreement; (xlii) any material project participant (as defined in the Facility Agreement) fails to obtain, renew, maintain or comply in all respects with any approval in relation to the Project or the terms of any clearances are amended; (xliii) repudiation, termination, unenforceability or invalidity of any clearance; (xliv) proceeding by any government authority for the purpose of revoking, terminating, withdrawing, suspending or withholding any clearances; (xlv) admittance of proceedings under any bankruptcy or insolvency laws including for the liquidation of any Obligor, or a petition for the reorganization, arrangement, adjustment against an Obligor; (xlvi) any judgments or decrees having material adverse effect (as defined in the Facility Agreement), if passed against an Obligor; (xlvii) any adverse judgment or decision issued in relation to any legal proceedings with respect to the Borrower, the Project, the project documents or the Borrower's title to any part of the Project or the project site or the assets of the Project; (xlviii) breach by the Borrower of any applicable law; (xlix) environmental claims pending against the Borrower; (l) proceedings of winding of the Borrower; (li) proceedings of winding of promoters; (lii) if extra-ordinary circumstances have occurred which make it improbable for the Project to be carried out and for the Borrower to fulfill its obligations under any of the transaction documents; and/or one or more of the events, conditions or circumstances shall have occurred or existed, having an impact on the viability of the Project; (liii) any event of force majeure affecting the Project and/or any contracting parties (other than PFC) to the project documents (liv) the Borrower fails to achieve actual commercial operations date; (lv) payment made other than electronic mode except permitted under the trust and retention account agreement or receives any payment through any mode other than electronic transfer, except where such payment was received through cheques drawn on banks which are not on NEFT/RTGS or where such payments are permitted under the trust and retention account agreement; (lvi) the Borrower utilizes the loan proceeds for any purpose other than the purpose as stated in the Facility Agreement; (lvii) the Borrower is in violation /breach of the environmental, health, safety and social requirements;

(lviii) repudiation, termination, unenforceability or invalidity of any license/ clearance or insurance contract or any other transaction document; (lix) any Obligor rescinds or purports to rescind or repudiates or purports to repudiate any contract to which it is a party; and (lx) occurrence of any event or circumstance, which in PFC's sole opinion, gives ground for believing that it would affect the capacity of the Borrower to repay the Rupee Term Loan.

The following terms and conditions will be applicable to the Rupee Term Loan-3 (referred to as 'Rupee Term Loan' below) and the reference to 'Borrower' will mean the entity i.e. CTRPL, which has executed the Facility Agreement-3 (referred to as 'Facility Agreement' below) to avail the Rupee Term Loan-3. The reference to 'Project' will mean the reference to the Project – 3 of entity i.e. CTRPL

- *Other Covenants:* The Borrower has made customary representations and warranties to PFC and has agreed to deliver standard information. Until the final settlement date, the Borrower shall, at all times, comply with the following covenants: (i) any proposed change in the nature or scope of the Project shall not be implemented and no funds shall be committed therefore without the prior written approval of PFC, and PFC shall have the right to stipulate any additional conditions; (ii) enter into the trust and retention account agreement and establish the trust and retention account and comply with the requirements and procedures therein; (iii) compliance with financial covenants; (iv) permit and make arrangement for inspection by representatives of PFC; (v) maintenance of books and records; (vi) comply with the applicable laws including in relation to the conduct of its business and the construction, operation and maintenance of the Project and with all directions/guidelines by government authorities, with regard to the Rupee Term Loan; (vii) ensure that, all assets of the Borrower including in relation to the Project, are insured in a manner as stated in the Facility Agreement; (viii) construct, maintain, preserve and operate the Project, including plant and machinery, necessary in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and in accordance with prudent operating practices and its business plan; (ix) take prior consent of PFC for the execution of any new project documents;; (x) establish safety protections/environmental protections and procedures relating Project; (xi) the Borrower shall ensure that the entity as specified in the Facility Agreement shall at all times till final settlement date, hold and control 51 % (fifty one percent) of the paid share capital (i.e. issued, subscribed, paid up and voting share capital of the Borrower, preference share capital) of the Borrower, management control (as defined in the Facility Agreement) in the Borrower and majority board representation in the Borrower; (xii) PFC shall have the right to appoint such observer as specified in the Facility Agreement; (xiii) power evacuation arrangements; and (xiv) hedging and unhedged foreign currency exposure declaration.
- *Negative Covenants:* Until the final settlement date, the Borrower shall not, at all times, without the prior approval of PFC in writing, undertake the following covenants: (i) shall not issue equity share, effect or agree to effect any change in its capital structure, including any change in the shareholding pattern, take or agree to take any action/formulate any scheme of merger, demerger, consolidation, reorganisation, reconstruction or amalgamation scheme of arrangement or compromise with its creditors or shareholders, or acquire all or part of the assets of any person, on lease or otherwise, or any class of shares or debentures or partnership interest or similar interest of any person, issue any debentures, raise any loans, except the indebtedness permitted under the Facility Agreement, make investments in, grant loans, accept any deposits from public and/or invest by way of subscription to share capital of or otherwise, or give guarantee, except if such guarantees are given in normal course of business; (ii) shall not agree during the Facility Agreement, create any charge, encumbrance or third party interest or security interest on or in any of its assets/the secured property and contracts; including escrowing of future cash flows receivables or create any lien or charging the receivables/future cash flows of whatsoever nature or assignment of project documents, in favour of any person, without prior approval PFC, except the security interest permitted under the Facility Agreement; (iii) shall not alter the scope of the Project, augment, modernise, make any

expansions or diversifications or make any material modification to the Project/scope of the Project or make substantial expansion of the Project or undertake any new project; (iv) shall and shall not agree to, take any action to: (a) suspend, rescind, cancel or terminate any project document(s); (b) transfer, encumber, sell, assign or otherwise dispose of any part of its interest in such project documents; (c) waive any default under or breach of any provision in relation to the Project or any project document(s); (d) waive, fail to enforce any provision in relation to the Project or any project document(s); (e) amend, supplement or make material modification to any provision of any project documents; and (f) petition, request or take any other legal action that seeks, or may be expected, to rescind, terminate or suspend any project documents; (v) shall not, directly or indirectly, create, incur, contract, assume or suffer or otherwise become or be liable for any debt, whether secured or unsecured, with any person, except the indebtedness as permitted under the Facility Agreement. The Borrower shall not create any mortgage or otherwise create any security interest on (or agree to do any of the foregoing at any future time) whole or any part of the Project assets, except the security interest as permitted under the Facility Agreement; (vi) except for the ordinary course of business, the Borrower shall not incur any contractual obligation, including guarantee obligation, on behalf of any other person or any other company, including group companies; (vii) shall not make any capital expenditure, other than the capital expenditure provided for in the financing plan (as defined in the Facility Agreement); (viii) (a) shall not, without the prior written approval of PFC, declare or make any restricted payment (as defined in the Facility Agreement) and provided that on the date of declaring or paying the proposed restricted payment (as defined in the Facility Agreement), the restricted payment conditions (as defined in the Facility Agreement) have been satisfied. All restricted payment (as defined in the Facility Agreement) shall be made only as permitted under the trust and retention account agreement (as defined in the Facility Agreement). PFC shall not unreasonably withhold the request for making the restricted payment (as defined in the Facility Agreement) and endeavor to respond to request from the Borrower for making restricted payment (as defined in the Facility Agreement) within the timeline as stipulated in the Facility Agreement. (b) Except as permitted in sub clause (a), the Borrower shall not pay, repay, prepay, refund or redeem any money brought in by the promoters/directors/affiliates/ associated companies, till the final settlement date, including but not limited to the quasi equity (as defined in the Facility Agreement); (ix) shall not engage in any business other than the Project in India, create any subsidiaries or permit any company to become its subsidiary; (x) shall not change the location of its office, without prior intimation to PFC; (xi) shall not abandon or agree to abandon the Project; (xii) shall not use, maintain or operate, or allow the use, maintenance or operation of the Project for any purpose which may constitute a public or private nuisance or give rise to a claim or environmental claim; violate any provision of any applicable law; and result in increase in the premium of any insurance then in force with respect to the Project or any part thereof; (xiii) the Borrower will not enter into any partnership, profit-sharing or other similar arrangement whereby the Borrower's income or profits are, or might be, shared with any other person; (xiv) shall not enter into any contract, agreement, commitment or arrangement with any of its affiliate/ subsidiaries/group companies, which is not on an "arm's length" basis; (xv) shall not amend, modify or supplement its memorandum of association and articles of association in any manner, which would make the Borrower ineligible for undertaking the Project or with any of the financing document including security document or which may be detrimental to the interest of PFC; (xvi) shall not pay any commission to its promoter, directors, managers, or other person(s) having substantial interest in the Borrower for furnishing guarantees; (xvii) shall not do any act which may result in unequal treatment; (xviii) not change its fiscal year without the approval of PFC; (xix) not open any other bank account without the prior written consent of PFC and shall not operate such other bank account for any purpose other than the purpose approved by PFC; (xx) shall not utilise the proceeds of the drawdowns for any purpose other than for the Project and proceeds shall not be utilised for the purposes prohibited in the Facility Agreement; (xxi) shall not have different classes of equity shares, including its classes of equity shares with differential voting and dividend rights; and (xxii) The Borrower shall not except with the prior

written approval of PFC or except as expressly permitted under any provision of the Facility Agreement: (a) permit any change in management control (as defined in the Facility Agreement) of the Borrower; (b) convey, sell, lease, transfer or otherwise dispose of (in one or a series of related transactions and whether voluntary or involuntary) any of its assets or properties except the disposals as permitted under the Facility Agreement; (c) undertake any voluntary proceeding for winding up, insolvency or liquidation or propose any resolution seeking approval of board for filing application under the Insolvency and Bankruptcy Code, 2016; (d) purchase or otherwise acquire all or part of the assets of any person or any class of shares or debentures or other securities or partnership interest or similar interest of any person; (e) amend the approved construction budget (as defined in the Facility Agreement), project implementation schedule (as defined in the Facility Agreement), banking base case (as defined in the Facility Agreement), financing plan (as defined in the Facility Agreement) and/or approved operational budget (as defined in the Facility Agreement); (f) change the practice with regard to remuneration of its directors or commission, scale of sitting fees, etc.; and (g) shall not create any lien/ pledge (other than in favor of/ for the benefit of the account bank (as defined in the Facility Agreement)/ PFC) on the investments as permitted under the Facility Agreement.

- *Events of Default:* Subject to agreed cure periods and carve outs, the events of default include if, inter alia, (i) payment default by the Borrower; (ii) default by any of the promoter, guarantor, pledgor and other security provider in relation to the Rupee Term Loan (“**Obligors**”) in the payment of any other amount due and payable pursuant to the Facility Agreement or any other financing documents; (iii) breach or default in performance of covenants obligation or undertaking on the part of any Obligor under the Facility Agreement or any other financing documents; (iv) a default or failure by the Borrower to fulfil its obligations under any of the material project documents (as defined in the Facility Agreement) or occurrence of an event of default (howsoever described) under any material project documents (as defined in the Facility Agreement); (v) breach or default has occurred in the performance or observance of any covenant, obligation or undertaking on the part of any Obligor under the facility agreement or any other financing document (as defined in the Facility Agreement); (vi) a default or failure by the Borrower to fulfil its obligations under any of the material project documents (as defined in the Facility Agreement) or occurrence of an event of default (howsoever described) under any material project document (as defined in the Facility Agreement); (vii) non adherence by the Borrower of the financial covenants as stated in the Facility Agreement; (viii) any default (not being a default specifically set out in the specified clause of the Facility Agreement) has occurred in the performance or observance of any covenant, condition, warranties or provision, on the part of the Obligors, contained in any provision of the Financing Documents; (ix) committing of cross default by the Borrower of more than the amount as specified in the Facility Agreement; (x) Borrower is unable or has admitted in writing its inability to pay any of its indebtedness as they mature or when due; (xi) an event of default or a potential event of default howsoever described occurs under any agreement or document relating to any indebtedness of the Borrower other than indebtedness incurred under financing documents (as defined in the Facility Agreement); (xii) if any other lenders of the Borrower including financial institution or banks with whom the Borrower has entered into agreements for financial assistance have refused to disburse, extend or have cancelled or recalled or accelerated repayment of its/their assistance of any part thereof; (xiii) if any group/subsidiary/associate/ parent company of the promoter has committed an event of default or a potential event of default under any agreement entered into with PFC; (xiv) if the Borrower’s subsidiary has defaulted over and above the amount as specified in the Facility Agreement; (xv) security interest proposed to be created under the Facility Agreement has not been created and/ or perfected within the specified timelines; (xvi) any event occurs which is or is likely to be prejudicial to or imperils or depreciates the security including in the event the security is in jeopardy and/or in the event of inadequacy of insurance; (xvii) any of the security documents once executed and delivered fails to provide the security interests, rights and title intended to be created thereby; (xviii) creation or any attempt to create any security interest over the secured property or any part

in violation of the provisions of the financing documents, except the security as permitted under the Facility Agreement; (xix) Obligors have sold, disposed of, charged or encumbered or alienated or otherwise rendered unusable the secured property (as defined in the Facility Agreement) or any part thereof (except security interest permitted under the Facility Agreement); (xx) event of invocation of security by any other lender to the Borrower; (xxi) any Obligor is unable (or is deemed by any law or court to be) or admits inability to pay any of its debts, stops or suspends, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; (xxii) a moratorium is agreed or declared by government of India in respect of any indebtedness of any Obligor; (xxiii) attachment, execution, commencement of proceeding for recovery of any dues, distress or restraint has been offered or levied on the whole or any part of the assets of the Borrower or the assets of the Project or any part thereof; (xxiv) the Borrower ceases to have title to or interest in any assets or properties required for the Project or ceases to have the right to possess and use all or any portion of any assets or properties required for the Project; (xxv) the Borrower has taken action for its re-organization without the prior written approval of PFC or there is any change in ownership structure of the Borrower in contravention of the financing documents; (xxvi) any person acting singularly or with any other Person (either directly or indirectly) acquires management control (as defined in the Facility Agreement) of Borrower other than as envisaged under the Facility Agreement; (xxvii) the relevant entity fails to hold minimum 51% of the total equity shares (as defined in the Facility Agreement); (xxviii) expropriation, condemnation, nationalization or seizure of the Project/ or any part or whole of the assets of the Borrower or the assets of the Project; (xxix) termination and invalidity of the transaction documents (as defined in the Facility Agreement) (xxx) any one or more events occur or circumstance arises which PFC determines has or could be expected to have a material adverse effect (as defined in the Facility Agreement); (xxxi) failure to deposit all project proceeds in the trust and retention account or diversion of the same or the failure to maintain the required balances in the trust and retention account in accordance with the terms of the trust and retention account agreement; (xxxii) obligation under the transaction document becomes unenforceable or is not or ceases to be valid and binding obligations of any person party to it or becomes void or illegal; (xxxiii) the Borrower fails to maintain insurance as required under the Facility Agreement; fails to endorse PFC as loss payee; any insurance contract is not, or ceases to be, in full force and effect at any time when it is required to be in effect; (xxxiv) any representation, warranty, declaration or statement made or deemed to be made by the Borrower or any other Obligor is incorrect, untrue and/or misleading in any respect when made or deemed to be made; (xxxv) the Borrower pays, repays or redeems any amounts (including in respect of any debt, equity shares, preference shares, share application money, compulsorily convertible debentures, non-convertible debentures or financial support in any other form) or pays any dividends, interest on any such amounts received from any person, prior to the final settlement date, in contravention of the terms of the Facility Agreement; (xxxvi) any assets of the Borrower are seized or sold, encumbered, charged, removed or otherwise transferred (except security interest or disposal as permitted under the Facility Agreement); (xxxvii) failure of promoter to perform its obligations towards the Borrower and/ or Project including default of its obligations under the promoter support agreement or the deed of pledge; (xxxviii) any serious dispute has arisen between the Borrower and the promoter as to the contribution/ support to the Borrower and the Project; (xxxix) (a) the Project is abandoned or threatened to be abandoned by the Borrower or the Borrower ceases to have actual possession of the Project; (b) the whole or material part of the Project is damaged or destroyed in any manner; and other events with respect to the Project and Obligors as set out in the Facility Agreement; (xl) any Obligor or the project participant (as defined in the Facility Agreement) fails to obtain, renew, maintain or comply with any clearances for the execution, delivery, performance or enforcement of the transaction documents (as defined in the Facility Agreement) or in respect of the Project; (xli) any such clearance is rescinded, terminated, suspended, modified or withheld or is determined to be invalid or ceases to be in full force and effect; (xlii) the Borrower or the Project becomes subject to a legal proceeding which may restrain the

Borrower from developing the Project in the manner as agreed with PFC and/or would impose additional cost, whether as damages, compensation, fees, penalties, or on account of additional expenditure or otherwise, on the Borrower; (xliii) failure by the Obligor to pay any or more amounts due to any creditor under any non-appealable judgments or decrees or to comply with the terms thereof which shall have been executed against such Obligor; (xliv) any legal proceeding is commenced against any Obligor (other than the Borrower) or any order (interim, ad-interim or otherwise), judgment or decree is made or passed therein, which, by itself or together with any other such proceeding or claim, could have material adverse effect (as defined in the Facility Agreement); (xlv) if an Obligor takes any step to initiate a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law (including the Insolvency and Bankruptcy Code, 2016); (xlvi) If an involuntary proceeding against an Obligor has been commenced; (xlvii) an Obligor has taken or suffered to be taken any action towards its reconstruction, reorganisation (except where such reconstruction or reorganisation of an Obligor (other than the Borrower) is on a solvent basis, where the resulting entity/entities assume all the obligations of such Obligor under the financing documents (as defined in the Facility Agreement)); (xlviii) an application is filed by an operational creditor (as defined under Insolvency and Bankruptcy Code, 2016) or financial creditor (as defined under Insolvency and Bankruptcy Code, 2016) against any material project participant (as defined in the Facility Agreement) for initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016; (xlix) the appointment of a liquidator (provisional or otherwise), receiver, administrative receiver, administrator, trustee, custodian, compulsory manager or other similar officer been appointed in relation to any Obligor or in relation to all or part of any assets of their assets or in relation to all or part of the Project; (l) any equivalent or analogous proceedings as mentioned above are commenced under the laws of any jurisdiction against an Obligor, in which such Obligor is incorporated or resident or any jurisdiction in which such Obligor carries on business (including the seeking of liquidation, winding-up, reconstruction, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors, insolvency and suspension of payments); (li) breach by the Borrower of any applicable law; (lii) any event of force majeure affecting the Project; (liii) the Borrower fails to achieve actual commercial operations date; and (liv) the Borrower utilizes the loan proceeds for any purpose other than the purpose as stated in the Facility Agreement.

Rupee term loan facility availed by Morjar Windfarm Development Private Limited

Morjar Windfarm Development Private Limited (“**MWDPL**”) has availed a rupee term loan of Rs. 7,411,000,000 including letter of credit/ letter of comfort facility of up to 83% of the sanctioned rupee term loan limit, being a sub-limit thereof (“**Rupee Term Loan**”), from Indian Renewable Energy Development Agency Limited (“**IREDA**”) pursuant to the common facility agreement dated July 12, 2021 executed between, *inter alia*, MWDPL, IREDA, IDBI Trusteeship Services Limited (“**Security Trustee**”). Further, pursuant to the said common facility agreement, an assignment cum novation agreement dated September 29, 2021 (“**CAN Agreement**”) has been executed between MWDPL, IREDA and India Infrastructure Finance Company Limited (“**IIFCL**”) by which IREDA has: (i) transferred and assigned the assigned loan (as defined in the CAN Agreement) together with pro-rata right, title, interest and benefits of IREDA and on pari passu basis, its beneficial interest in the underlying security interest (as defined in the CAN Agreement) to IIFCL; and (ii) transferred and novated the novated loan (as defined in the CAN Agreement) out of its undisbursed commitment of the Rupee Term Loan, together with pro-rata right, title, interest, benefits and obligations of the IREDA as a lender and on pari passu basis its beneficial interest in the underlying security interest (as defined in the CAN Agreement) to IIFCL.

Further, due to an increase in the estimated cost of the Project (*defined below*) on account of the Indian goods and services tax, MWDPL availed an additional facility of Rs. 318,700,000 (“**Additional RTL**”) from IREDA pursuant to the letter dated March 25, 2022 issued by IREDA to MWDPL and thereafter executed the first

addendum to the common facility agreement dated June 20, 2022 entered into between *inter alia* MWDPL, IREDA, Security Trustee and IIFCL.

The details of lenders' commitment as per the amendment to the facility agreement dated July 12, 2021, made pursuant to the lender's deed of accession cum amendment to the common facility agreement dated September 29, 2021 and the first addendum to the common facility agreement dated June 20, 2022 ("**Facility Agreement**"), is as follows:

Name of the Lenders	Commitment	LC Sublimit
	(Rs. in millions)	
IREDA (Rupee Term Loan)	5,441.0	4,514.9
IREDA (Additional RTL)	318.7	0
IIFCL	<u>1,970.0</u>	<u>1,634.6</u>
	7,729.7	

- *Purpose:* (i) part financing the estimated project cost (as defined in the Facility Agreement) for setting up the 148.50 MW wind power plant at Kutch, Gujarat ("**Project**"); and (ii) for part repayment of the unsecured loans brought in by the promoter/sponsor over and above the promoter's contribution (as defined in the Facility Agreement) for meeting any shortfall in accordance with the terms of the financing documents (as defined in the Facility Agreement).
- *Tenor:* 72 quarterly structured instalments for IREDA and IIFCL commencing from September 30, 2024.
- *Security and guarantee:* the security includes (i) a first ranking *pari passu* charge by way of mortgage over all immovable properties of the Project/ MWDPL, pertaining to the Project; (ii) a first ranking *pari passu* charge by way of hypothecation, on all MWDPL's movable properties and assets pertaining to the Project; (iii) a first ranking *pari passu* charge on all MWDPL's current assets pertaining to the Project; (iv) a first charge over all bank accounts of MWDPL relating to the Project; (v) a first ranking *pari passu* charge by way of hypothecation on all intangible assets of the MWDPL relating to the Project; (vi) a first ranking *pari passu* assignment/charge (by way of hypothecation) (to the extent permitted under the applicable laws) of all the right, title, interest, benefits, claims and demands whatsoever of MWDPL in the Project documents/contracts, clearances and as more particularly stated in the Facility Agreement; (vii) first ranking *pari passu* charge by way of pledge of 51% of the total promoter's contribution (as defined in the Facility Agreement), such that *inter alia* 100% equity shares, 100% of the preference shares, if any, 100% of the compulsory convertible debentures held by promoters (as defined in the Facility Agreement); and (viii) a non-disposal undertaking compulsory convertible debentures issued by MWDPL to GE EFS India Energy Investments B.V. Further, an irrevocable and unconditional corporate guarantee from the Continuum Green Energy Limited for securing the Rupee Term Loan and the Additional RTL in accordance with the terms of the Facility Agreement.
- The Facility Agreement includes customary events of default and covenants which are typically included in such financing.

Facilities availed by Morjar Windfarm Development Private Limited

MWDPL has availed certain facilities from HDFC Bank Limited ("**Lender**") pursuant to the sanction letter dated July 8, 2021 ("**Sanction Letter**") read with the letter dated September 22, 2022 issued by the Lender to MWDPL.

Cash credit

- *Limit:* Rs. 400,000,000.
- *Tenor:* 12 months.
- *Security and guarantee:* (i) Corporate guarantee from Continuum Green Energy Limited valid till creation of security and the commercial operation date whichever is later; (ii) *Book debt, plant and machinery, immovable property, stock and receivables, intangibles and pledge of shares:* first pari passu charge on entire security as created/ proposed to be created for IREDA, except for the debt service reserve account and other reserve, as more particularly stated in the Sanction Letter.

Among other documents, MWDPL has executed a continuing master indemnity deed in favour of the Lender dated July 14, 2021. A deed of corporate guarantee dated September 1, 2022 has been executed by CGEL in favour of IDBI Trusteeship Services Limited (acting as the security trustee for the Lender) for securing this facility. As on June 30, 2023, MWDPL has availed the sanction and signed all definitive agreements but has not made any draw down under the facility.

Letter of credit (capex letter of credit)

- *Limit:* Rs. 6,160,000,000.
- *Tenor:* 3 years usance period from the date of invoice.
- *Security:* Letter of undertaking (“LOU”) issued by the term lender of Rs. 6160 million. in case of any shortfall, MWDPL to provide lien marked FDR for the shortfall amount.

MWDPL has executed a continuing master indemnity deed (“**Indemnity Deed**”) in favour of the Lender dated July 14, 2021. The Sanction Letter and Indemnity Deed include the customary events of default and covenants which are typically included in such financing.

The pricing letter dated July 15, 2021 from the Lender to MWDPL sets out the commission for letter of credit, along with the letter of credit discounting interest rate and interest and fee for working capital.

Note regarding the facilitates availed by MWDPL from IndusInd Bank Limited and HDFC Bank Limited: As on June 30, 2023, the letter of credit opened in favor of GE India Industrial Private Limited for Rs. 4,095 million from HDFC Bank Limited and for Rs. 2,055 million from IndusInd Bank Limited which is backed by letter of comfort/letter of undertaking of IREDA and IIFCL has now been converted into term loan from IREDA and IIFCL for Rs. 4,515 million and Rs. 1,635 million, respectively.

Working capital demand loan availed by Kutch Windfarm Development Private Limited

ICICI Bank Limited (the “**Lender**”) has agreed to offer Kutch Windfarm Development Private Limited (“**KWDPL**”), (i) a working capital demand loan with a limit of Rs. 40,000,000; (ii) stand by letter of credit/ revolving stand by letter of credit with a limit of Rs. 45,000,000; and (iii) stand by letter of credit/ revolving stand by letter of credit (sublimit of working capital demand loan) with a limit of Rs. 20,000,000 (“**Facility**”) as per the terms of the credit arrangement letter dated September 20, 2021 and working capital facility agreement dated October 28, 2021 (“**Facility Agreement**”) read with the credit arrangement letter dated September 17, 2022 and amendatory credit arrangement letter dated April 21, 2023.

The security comprises of a first pari passu charge: (i) by way of mortgage over all KWDPL’s immovable properties; (ii) on KWDPL’s operating cash flows, book debts, receivables, commissions, revenues of

whatsoever nature and wherever arising; (iii) on the trust and retention account (excluding Debt Service Reserve Account of principal & interest payment (“**DSRA**”) in favour of PFC), any letter of credit and other reserves and any other bank accounts pertaining to the wind power project of 28 MW at Morbi District, Gujarat (“**Project**”); and (iv) by way of hypothecation, over all the KWDPL’s movable properties and assets, relating to the Project. KWDPL is required to maintain 1 quarter interest liability under DSRA or in form of FD lien marked with ICICI (on which ICICI will have an exclusive charge). A corporate guarantee from Continuum Green Energy Limited for the entire quantum and tenor of the working capital facility i.e., the Facility. The Facility Agreement includes customary events of default and covenants which are typically included in such financing.

As on June 30, 2023, the documents had been executed and KWDPL had availed the stand by letter of credit/ revolving stand by letter of credit (limit of Rs. 45,000,000) but KWDPL had not drawdown the amount under the working capital demand loan (limit of Rs. 40,000,000).

Facilities availed by Continuum Trinethra Renewables Private Limited

Continuum Trinethra Renewables Private Limited (“**CTRPL**”) has availed certain facilities from HDFC Bank Limited (“**Lender**”) pursuant to the sanction letter dated December 14, 2021 (“**Sanction Letter**”).

Capex letter of credit with a limit of Rs. 8,000,000,000. *Sub-limit-* Stand by letter of credit for buyer’s credit to be issued from Lender’s specified branch: Rs. 4,000,000,000. The security comprises of an unconditional and irrevocable letter of comfort from the PFC. Letter of comfort specifically mentioning for stand by letter of credit/ buyers credit to be provided by PFC.

Cash credit facility with the limit Rs. 150,000,000 and stand by letter of credit/ revolving stand by letter of credit with the limit Rs. 160,000,000. The security for the said two facilities comprises of: (i) a first pari passu charge by way of mortgage over all immovable properties along with the term lender; (ii) a first pari passu charge by way of hypothecation, on all CTRPL’s movable properties and assets along with the term lender; (iii) a first pari passu charge on CTRPL’s uncalled capital, receivables, commission, revenue of whatsoever nature and wherever arising, both present and future, along with the term lender; (iv) a first pari passu charge on the trust and retention account, any other letter of credit and reserve and any other bank accounts of CTRPL, both present and future, along with the term lender except for debt service reserve account. A letter of continuing guarantee from Continuum Green Energy Ltd which will fall away on certain specified events.

The customary events of default and covenants which are typically included in such financing are applicable to the said facility.

As on June 30, 2023, CTRPL had utilized the stand by letter of credit/ revolving stand by letter of credit (limit of Rs. 160,000,000) but CTRPL had not utilised the cash credit facility (limit of Rs. 150,000,000).

Issuance of debentures by Indian Subsidiaries

Issuance of debentures by Watsun Infrabuild Private Limited (“**WIPL**”), Bothe Windfarm Development Private Limited (“**BWDPL**”); DJ Energy Private Limited (“**DJEPL**”); Renewables Trinethra Private Limited (“**RTPL**”); Trinethra Wind and Hydro Power Private Limited (“**TWHPPL**”); and Uttar Urja Projects Private Limited (“**UUPPL**”) (collectively referred to as the “**Indian Subsidiaries**”), as detailed below:

- (i) WIPL has issued and allotted 982 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement

basis, aggregating to Rs. 9,820,000,000, in accordance with the debenture trust deed entered into between WIPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021;

- (ii) BWDPL has issued and allotted 927 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement basis, aggregating to Rs. 9,270,000,000, in accordance with the debenture trust deed entered into between BWDPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021;
- (iii) DJEPL has issued and allotted 698 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement basis, aggregating to Rs. 6,980,000,000, in accordance with the debenture trust deed entered into between DJEPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021;
- (iv) RTPL has issued and allotted 152 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement basis, aggregating to Rs. 1,520,000,000, in accordance with the debenture trust deed entered into between RTPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021;
- (v) TWHPPL has issued and allotted 739 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement basis, aggregating to Rs. 7,390,000,000, in accordance with the debenture trust deed entered into between TWHPPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021; and
- (vi) UUPPL has issued and allotted 563 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement basis, aggregating to not more than Rs. 5,630,000,000, in accordance with the debenture trust deed entered into between UUPPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021.

(the debentures collectively referred to as “**Onshore Debentures**”)

- *Security and Guarantee:* All of the obligations of the Indian Subsidiaries under the Debentures and the Debenture Documents including the payment of the Debt are secured by: (i) a first ranking exclusive pledge over 100% (one hundred percent) of the equity shares of the Indian Subsidiary and each other Indian Subsidiary (other than in the case of Watsun Infrabuild Private Limited where the Pledgor shall create and perfect a first ranking exclusive pledge over 51% (fifty one percent) of the equity shares of Watsun Infrabuild Private Limited); (ii) a first ranking charge over the moveable and immovable assets (both present and future) of the Indian Subsidiary in connection with the Project operated by the relevant Indian Subsidiary (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), other than the current assets of the Indian Subsidiary; (iii) second ranking charge over the current assets of the Indian Subsidiary; (iv) first ranking charge over the Indian Subsidiary PPA, insurance policies and project documents; (v) a second ranking charge over the RCF Facility Restricted Amortization Account, the RCF Facility Enforcement Proceeds Account, the Operating

Account, the Statutory Dues Account, the O&M Expenses Account, the Restricted Debt Service Account and the Distribution Account of the Indian Subsidiaries; and (vi) a first ranking charge over the Issue Proceeds Escrow Account, the Debt Service Reserve Account, the Restricted Surplus Account, the Senior Debt Enforcement Proceeds Account and the Senior Debt Restricted Amortisation Account of the Indian Subsidiary.

The Debentures are also guaranteed by each Indian Subsidiary pursuant to the Deed of Guarantee to be executed by the other Indian Subsidiary on or prior to May 9, 2021. Each Indian Subsidiary's obligations under the Deed of Guarantee are secured on a *pari passu* basis with the security created by such Indian Subsidiary for the Debentures issued by it and shall, save for such exceptions as may be provided by applicable law and subject to the covenants and undertakings set out in these Conditions and the Deed of Guarantee, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations in the event of a Continuum Group Restructuring.

- *Covenants and Undertakings:* The Indian Subsidiaries have made customary representations and warranties to the Debenture Trustee and has agreed to deliver standard information. The Indian Subsidiaries must comply with the following covenants: (i) maintain corporate existence; (ii) comply in all material respects with all laws applicable to it to which it is subject (including environmental laws); (iii) maintain in good working order and condition all assets necessary for the conduct of business; (iv) do all things necessary to enforce its rights, powers and remedies under the power purchase agreements and ensure that the power purchase agreements remain valid and enforceable; (v) maintain and comply in all material respects with all required authorizations; (vi) insure and keep insured its assets with reputable insurers for providing insurance of the relevant type against any risks and liabilities to which the Indian Subsidiary is exposed; file all tax returns required to be filed in the jurisdiction of its tax residence; (vii) permit the Debenture Trustee, any Receiver or any Delegate and any of their respective accountants or other professional advisers, free access, at all reasonable times and on reasonable notice, to the premises, assets, books, accounts and records; and (viii) ensure that it maintains a debt service cover ratio of at least 1.1:1.0.
- *Negative Covenants:* The Indian Subsidiaries must not, without the prior consent of the Debenture Trustee: (i) enter into any derivatives transactions, whether for the purposes of hedging or otherwise; (ii) create or attempt to create or permit to subsist any Security Interest over any of its assets, other than as permitted under the financing documents; (iii) sell, transfer or otherwise dispose of any asset; (iv) enter into any amalgamation, demerger, merger or reconstruction; (v) pay or make any Distribution; (vi) amend or vary its constitution, memorandum or articles of association; and (vii) incur any further indebtedness, save and except as permitted under the financing documents.
- *Events of Default:* Subject to agreed cure periods and carve outs, the events of default include, inter alia, (i) non-payment; (ii) breach of debt service cover ratio; (iii) breach of other obligations; (iv) any other present or future indebtedness (other than any indebtedness payable under a Subordinated Debt) of the Indian Subsidiary or any other Indian Subsidiary for or in respect of moneys borrowed or raised (A) becomes due and payable prior to its stated maturity by reason of any event of default, and such acceleration shall not be rescinded or annulled (by reason of a remedy, cure or waiver thereof with respect to the event of default upon which such acceleration is based) within 21 days after such acceleration; or (B) is not paid when due or, as the case may be, within any applicable grace period; (v) cross-default; (vi) a distress, attachment or execution is levied, enforced or a petition thereof is filed and admitted against the material part of the assets; (vii) any security interest, present or future, created or assumed by the Issuer becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and such step is not stayed within 60 days; (viii) insolvency or bankruptcy of any Indian Subsidiary; seizure,

compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer or all or a majority of the shares or units; (ix) it is or will become unlawful for any Indian Subsidiary to perform or comply with any one or more obligations; (x) misrepresentation; and (xi) abandonment of project.

Term loan availed by Continuum MP Windfarm Development Private Limited from Indian Renewable Energy Development Agency Limited

Continuum MP Windfarm Development Private Limited (“**CMPW**”) has availed a term loan of Rs. 10,400,000,000 (“**CMPW Term Loan**”) from IREDA pursuant to the sanction letter dated September 29, 2022 bearing reference number TS-12011/13/2022-IREDA/I/780/2022 issued by IREDA to CMPW and the loan agreement dated November 29, 2022 entered into between IREDA and CMPW (“**CMPW Loan Agreement**”) and other financing documents executed in respect of the CMPW Term Loan.

CMPW shall apply the proceeds of each drawdown under the CMPW Term Loan solely for the purpose of setting up and implementing the 100 MW (99.9 MW wind and 100 MW/ 150 MWp solar capacity) wind-solar hybrid power project in District Ratlam and Mandsaur, in the State of Madhya Pradesh (“**CMPW Project**”).

- **Security:** (i) a first ranking pari passu charge by way of registered mortgage in favour of IREDA on all CMPW’s immovable properties/assets (both freehold and leasehold), both existing and future, including and pertaining to the CMPW Project; (ii) a first ranking pari passu charge, by way of hypothecation, on all the movable properties of CMPW pertaining to the CMPW Project, both present and future, including but not limited to plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicle and other movable assets; (iii) a first ranking pari passu charge, by way of hypothecation, on the entire current assets including cashflows, receivables (as defined in the CMPW Loan Agreement), certified emission reduction credits and related revenues, book debts, commissions and revenues of the CMPW Project, of whatsoever nature and wherever arising, both present and future; (iv) a first ranking pari passu charge, by way of hypothecation, on entire intangible assets of the CMPW Project including but not limited to, goodwill and intellectual property rights, undertaking and uncalled capital, present and future pertaining to the Project, both present and future, in a form and manner acceptable to IREDA; (v) (a) a first ranking pari passu charge over all bank accounts of CMPW in accordance with the CMPW Loan Agreement and the other relevant financing documents executed thereto; and (b) a first ranking exclusive charge over the debt service reserve account; (vi) assignment, by way of indenture of mortgage, in favour of the IREDA, on all the right, title, interest, benefits, claims and demands of CMPW on the project documents, clearances pertaining to the CMPW Project (to the extent assignable), in any letter of credit, guarantee provided by any party to the project document (as defined in the CMPW Loan Agreement), claims of CMPW under the insurance contracts and insurance proceeds pertaining to the CMPW Project and all insurance contracts and insurance proceeds as described in the CMPW Loan Agreement; (vii) an irrevocable and unconditional corporate guarantee from the CGEIPIL till expiry of guarantee release date (as defined in the CMPW Loan Agreement); (viii) Pledge of equity shares, preference shares, quasi equity (i.e. the optionally convertible debentures and/ or compulsory convertible debentures and/ or non-convertible debentures and/ or any other instrument issued, to be issued by CMPW in relation to the promoter contributions, as acceptable and approved by IREDA), both present and future, held by the pledgor, aggregating to the specified percentage i.e. 51% equity shares, 51% preference shares and 51% of each of the quasi equity, of CMPW; (ix) non-disposal undertaking over 100% (hundred percent) equity shares, preference shares and quasi equity issued by CMPW excluding certain securities as specified in the CMPW Loan Agreement; and (x) specific undertaking issued by CGEIPIL.

- *Financial Covenants:* (i) the debt service coverage ratio shall be not less than 1.05; (ii) the debt to equity ratio on each drawdown date shall not be more than 70:30.
- *Other Covenants:* CMPW has made customary representations and warranties to IREDA and has agreed to deliver standard information. Until the final settlement date, CMPW shall, at all times, comply with inter alia the following covenants: (i) any proposed change in the nature or scope of the CMPW Project shall not be implemented and no funds shall be committed therefore without the prior written approval of IREDA, and IREDA shall have the right to stipulate any additional conditions. CMPW to seek prior written approval of IREDA, for any modification or cancellation of the project documents; (ii) use the proceeds of the CMPW Term Loan for the specified purpose, maintain the trust and retention account, carry out the CMPW Project as per prudent industry standards; (iii) enter into the trust and retention account agreement and establish the trust and retention account and comply with the requirements and procedures therein; (iv) compliance with financial covenants; (v) permit and make arrangement for inspection by representatives of IREDA; (vi) maintenance of existence and books and records; (vii) comply with the applicable laws including in relation to the conduct of its business and the construction, operation and maintenance of the CMPW Project and with all directions/ guidelines by government authorities, with regard to the CMPW Term Loan; (viii) adopt a comprehensive insurance program for ensuring the successful management of risks for the CMPW Project and shall obtain and maintain the insurances; (ix) construct, maintain, preserve and operate the CMPW Project, including plant and machinery, necessary in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and in accordance with prudent operating practices and its business plan; (x) take prior consent of IREDA for the execution of any new project documents; (xi) take all actions necessary to maintain CMPW's good and marketable title/interest to the secured property and to the transaction documents, free and clear of any charge, lien, encumbrance or third party interest, other than the interest created in favour of IREDA under the security documents and other permitted security interest; (xii) establish safety protections/ environmental protections and procedures relating to CMPW Project; (xiii) CMPW shall ensure that CGE IPL shall hold and control 51% of the outstanding equity shares of CMPW, have the management control (as defined in the CMPW Loan Agreement) of CMPW and majority board representation in CMPW; (xiv) CMPW shall not effectuate any change in its capital structure and/or shareholding pattern without the prior approval of IREDA, except as, and to the extent, permitted under the financing documents; (xv) IREDA shall have the right to appoint any independent chartered accountants/cost accountants as auditors for carrying out any specific assignments or other consultants; (xvi) exercise of call option by IREDA in accordance with the CMPW Loan Agreement; (xvii) promptly, pay and discharge all taxes and other statutory dues imposed on or payable by it; (xviii) take or cause to be taken, all actions required to maintain and preserve the security under the security documents executed pursuant to the CMPW Loan Agreement and the first ranking priority thereof; (xix) satisfactorily resolve the issues raised by IREDA/ IREDA's consultants in respect of the project documents, including any suggestions as to amendment to the project documents, to the satisfaction of IREDA/ IREDA's consultants; (xx) execute and deliver, from time to time as requested by IREDA at CMPW's expense, such documents as may be necessary or that IREDA may request in connection with the rights and remedies of IREDA granted or provided for by the financing documents and to consummate the transactions contemplated therein; (xxi) IREDA shall have the right to require the substitution/replacement of any party to any project document in the events as specified in CMPW Loan Agreement; (xxii) IREDA shall have the right to appoint 1 (one) nominee director on the board of CMPW in accordance with the CMPW Loan Agreement.
- *Negative Covenants:* Until the final settlement date, CMPW shall not, at all times, without the prior approval of IREDA in writing, undertake inter alia the following covenants: (i) shall not issue equity share, effect or agree to effect any change in its capital structure, including any change in the shareholding pattern, or financing structure, or take or agree to take any action/formulate any scheme of demerger,

merger, consolidation, reorganisation, reconstruction or amalgamation scheme of arrangement or compromise with its creditors or shareholders, except as otherwise provided in the financing documents, issue any debentures, raise any loans, issue guarantee, other than as envisaged under the financing documents or in the ordinary course of business; (ii) shall not convey, sell, lease, assign, transfer or otherwise dispose of or mortgage or otherwise charge all or any part of its property(ies) and fixed assets pertaining to the CMPW Project charged/ to be charged to IREDA or assignment of project documents or any part thereof in favor of any other person/organization except as permitted and in compliance with the conditions stated in the CMPW Loan Agreement; (iii) unless as permitted in the banking base case, shall not augment, modernise, make any expansions or diversifications or make any modification to the CMPW Project/scope of CMPW Project or make substantial expansion of the CMPW Project or undertake any new project either by itself or through any of its subsidiary(ies); (iv) shall not amend, supplement or modify any provision of any project document(s); (v) shall not, directly or indirectly, create, incur, contract, assume or suffer or otherwise become or be liable for any debt, whether secured or unsecured, with any person, except the indebtedness as permitted under the CMPW Loan Agreement; (vi) not incur any contractual obligation, including guarantee obligation, on behalf of any other person or any other company, including group companies, not undertake any obligation prejudicial to the interest of IREDA, not enter into any contractual obligations of a long term nature affecting its financial condition; (vii) loan or other monies brought in by any person as loans towards meeting the project cost shall be subordinated to the CMPW Term Loan in terms of the provisions of the financing documents executed pursuant to the CMPW Loan Agreement; (viii) not undertake any new project or expansion of any existing CMPW Project or make any investment or take any asset on the lease (except the CMPW Project site) if such investment results in breach of financial covenant(s) or diversion of working capital facility for financing long term assets, without prior approval of IREDA until the final settlement date; (ix) restricted payment (as defined in the CMPW Loan Agreement) shall be allowed only after compliance of restricted payment conditions (as defined in the CMPW Loan Agreement), to the satisfaction of IREDA; (x) shall not declare any dividend during construction period (as defined in the CMPW Loan Agreement) and that during the repayment period of CMPW Term Loan without obtaining prior consent of IREDA, if such payment is without being in compliance with the restricted payment conditions (as defined in the CMPW Loan Agreement); (xi) shall not engage in any business other than the CMPW Project in India, create any subsidiaries or permit any company to become its subsidiary; (xii) shall not change its name the location of its office, without prior intimation to IREDA; (xiii) shall not abandon or agree to abandon the CMPW Project; (xiv) shall not use, maintain or operate, or allow the use, maintenance or operation of the CMPW Project for any purpose which may constitute a public or private nuisance or give rise to a claim or environmental claim; violate any provision of any applicable law; and result in increase in the premium of any insurance then in force with respect to the CMPW Project or any part thereof; (xv) except for the transaction documents in effect on the date of CMPW Loan Agreement or the additional project documents, CMPW will not enter into any partnership, profit-sharing or other similar arrangement whereby CMPW's income or profits are, or might be, shared with any other person; (xvi) shall not enter into any contract, agreement, commitment or arrangement with any of its affiliate/ subsidiaries/group companies, which is not on an "arm's length" basis as determined by IREDA; (xvii) shall not amend, modify or supplement its memorandum of association and articles of association in any manner, which may be detrimental to the interest of IREDA under the financing documents; (xviii) shall not pay any commission to its promoter, directors, managers, or other person(s) having substantial interest in CMPW for furnishing guarantees; (xix) unless permitted in the financing documents, CMPW shall not receive any funding from CGEIPL and/or any of the directors/associate companies and/or their friends or relatives; (xx) shall not repay the money brought in by CGEIPL/directors/affiliates/associated companies as loans/share application money pending allotment or in any other form till the final settlement date, except as otherwise provided in the CMPW Loan Agreement; (xxi) shall not recognise or register any transfer of its shares (except permitted

under the CMPW Loan Agreement) till the final settlement date; (xxii) shall not do any act which may result in unequal treatment; (xxiii) no appointment of wilful defaulter on the board of CMPW; (xxiv) shall not make any change in the management structure or its board of directors; (xxv) not change its fiscal year without the approval of IREDA; (xxvi) not open any other bank account other than the accounts (as defined in the CMPW Loan Agreement) including account in relation to the CMPW Project site expenses; (xxvii) shall not enter into any agreement with any lender or any person relating to utilisation of the receivables, monies in the trust and retention account and all monies received or to be received through any mechanism including securitisation; (xxviii) shall not utilise the proceeds of the drawdowns for any purpose other than purposes as stated in the CMPW Loan Agreement; (xxix) shall not undertake any trading activity; and (xxx) shall not revalue its assets.

- *Events of Default:* Subject to agreed cure periods and carve outs, the events of default include, inter alia, (i) payment default by CMPW; (ii) default by any of CMPW, CGE IPL, guarantor, pledgor and other security provider in relation to the CMPW Term Loan (“**CMPW Obligors**”) in the payment of any other amount due and payable pursuant to the CMPW Loan Agreement or any other financing documents; (iii) non-adherence to the financial covenants by CMPW; (iv) financial indebtedness of CMPW is not paid when due or CMPW has admitted in writing its inability to pay any of its indebtedness as they mature or when due; (v) any financial indebtedness of CMPW is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); (vi) breach by a party under the project documents which impairs the obligations of CMPW under the transaction documents; (vii) any event of default occurs and is continuing under or in relation to any financial indebtedness of CMPW; (viii) any security interest created over the assets of CMPW/ CMPW Obligor becomes enforceable; (ix) security interest proposed to be created under the CMPW Loan Agreement has not been created and/ or perfected within the specified timelines; (x) any event occurs which is or is likely to be prejudicial to or imperils or depreciates the security; (xi) any of the security documents once executed and delivered shall fail to provide the security interests, rights and title intended to be created thereby; (xii) creation or any attempt to create any security interest over the secured property or any part in violation of the provisions of the financing documents; (xiii) CMPW has sold, disposed of, charged or encumbered or alienated or otherwise rendered unusable any assets of CMPW or the CMPW Project except as otherwise permitted under the financing documents; (xiv) CMPW Obligors have sold, disposed of, charged or encumbered or alienated or otherwise rendered unusable any assets in relation to which security is created; (xv) validity or applicability of the security documents or the security interest purported to be created thereby, is jeopardised or endangered or any other obligations purported to be secured or guaranteed thereby shall be disaffirmed; (xvi) CMPW is unable (or is deemed by any law or court to be) or admits inability to pay its debts as they fall due, stops or suspends, making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; (xvii) any corporate action, legal proceeding or other procedure or step is taken or any order is obtained in relation to the suspension of payments, moratorium of any indebtedness, winding up, bankruptcy, insolvency, dissolution, administration, provisional supervision or reorganization, appointment of a liquidator, receiver etc. of any material project participant (as defined in the CMPW Loan Agreement); (xviii) a receiver, trustee, or other similar officer has been appointed in relation to CMPW or in relation to all or part of any assets of the CMPW Project; (xix) attachment, execution, commencement of proceeding for recovery of any dues, distress or restraint has been offered or levied on the whole or any part of the assets of CMPW and/ or CGE IPL to the extent it impacts CGE IPL’s obligations arising under the financing documents or the assets of the CMPW Project or any part thereof; (xx) any material project participant (as defined in the CMPW Loan Agreement) ceases to have title to or interest in any assets or properties required for the CMPW Project or ceases to have the right to possess or use all or any portion of any assets or properties required for the CMPW Project; (xxi) CMPW fails to obtain, renew, maintain, comply or repudiation, termination, unenforceability or

invalidity of any financing document or the major project document (as defined in the CMPW Loan Agreement), or if any, of the financing documents or the major project document: (a) is or becomes invalid, illegal or unenforceable; or (b) is terminated (other than on expiration of its stated term) or is repudiated by any person; or (c) ceases to be in full force and effect, is suspended or any right, interest or obligation thereunder is suspended, which leads to material adverse effect, or shall cease to give IREDA the security interest, rights, powers and privileges purported to be created thereby; or (d) is amended so as to have an adverse impact on the CMPW Project; (xxii) expropriation, condemnation, nationalization or seizure of the CMPW Project/ or any part or whole of the assets of CMPW or the assets of the CMPW Project; (xxiii) any one or more events occur or circumstance arises which IREDA determines has a material adverse effect (as defined in the CMPW Loan Agreement); (xxiv) failure to deposit all project proceeds in the trust and retention account or diversion of the same or the failure to maintain the required reserves in the trust and retention account in accordance with the terms of the trust and retention account agreement; (xxv) it is or becomes unlawful for any party to perform any of its obligations under the transaction documents or any obligation under any transaction document becomes unenforceable or for IREDA to fund, maintain or continue any CMPW Term Loan; (xxvi) any transaction document is required to be amended, waived or repudiated on account under applicable laws; (xxvii) CMPW fails to maintain insurance cover; fails to endorse IREDA as loss payee; any insurance contract is not, or ceases to be, in full force and effect at any time when it is required to be in effect; (xxviii) any representation, warranty, declaration or statement made or deemed to be made by CMPW or any other CMPW Obligor is or proves to have been a misrepresentation or incorrect or misleading in any respect when made or deemed to be made, which may result in material adverse effect (as defined in the CMPW Loan Agreement) on the CMPW Project; (xxix) except as otherwise expressly provided under the CMPW Loan Agreement, CMPW or any other person has sold, disposed off, charged or encumbered or created security interest or alienated or otherwise rendered unusable any assets of CMPW or the assets of the CMPW Project; (xxx) failure of CGE IPL to perform its obligations under the financing documents to which they are a party; (xxxi) (a) the CMPW Project is abandoned or threatened to be abandoned by CMPW, or CMPW ceases to have actual possession and management control of the CMPW Project; (b) the whole or any part of the CMPW Project is damaged or destroyed; and other events with respect to the CMPW Project and CMPW Obligors as set out in the CMPW Loan Agreement; (xxxii) any material project participant (as defined in the CMPW Loan Agreement) and/or CMPW fails to obtain, renew, maintain or comply in all respects with any approval or the terms of any clearances are amended; (xxxiii) repudiation, termination, unenforceability or invalidity of any material clearance; (xxxiv) proceeding by any government authority for the purpose of revoking, terminating, withdrawing, suspending or withholding any clearances; (xxxv) commencement of proceedings under any bankruptcy or insolvency laws including for the liquidation of any CMPW Obligor, or a petition for the reorganization, arrangement, adjustment against a CMPW Obligor; (xxxvi) any judgments or decrees having material adverse effect (as defined in the CMPW Loan Agreement), if passed against a CMPW Obligor; (xxxvii) any adverse judgment or decision issued in relation to any legal proceedings with respect to CMPW, the CMPW Project, the project documents or CMPW's title to any part of the CMPW Project or the project site or the assets of the CMPW Project; (xxxviii) breach by CMPW of any applicable law; (xxxix) proceedings of winding of CMPW; (xl) proceedings of winding of CGE IPL; (xli) one or more of the events, conditions or circumstances shall have occurred or existed, having an impact on the viability of the CMPW Project; (xlii) any event of force majeure affecting the CMPW Project and/or any contracting parties (other than IREDA) to the project documents; (xliii) CMPW fails to achieve the commercial operations date on or before the projected commercial operations date; (xliv) CMPW utilizes the proceeds disbursements under the CMPW Term Loan for any purpose other than the purpose set out in the CMPW Loan Agreement; and (xlv) deterioration in the loan account of CMPW in any manner whatsoever having material adverse impact on CMPW's capacity to repay the aggregate disbursements under the CMPW Term Loan.

Facilities availed by CGE Hybrid Energy Private Limited

CGE Hybrid Energy Private Limited (“**CGE Hybrid**”) has availed certain facilities from HDFC Bank Limited pursuant to the sanction letter dated November 17, 2022.

Capex letter of credit with a limit of Rs. 4,500,000,000 for a tenor of 1 (one) year. The facility is backed by 100% of value of the letter of comfort from PFC or fixed deposits. Limits to be released proportionately basis the letter of comfort from PFC or fixed deposits to cover 100% of the exposure.

Cash credit facility with the limit of Rs. 180,000,000 for a tenor of 12 (twelve) months and renewable annually and a **stand-by letter of credit/ revolving stand-by letter of credit** with the limit Rs. 220,000,000 for a tenor of 4 (four) years. The security for the said two facilities comprises of: (i) a first ranking pari passu charge by way of mortgage over all of CGE Hybrid’s immovable properties along with PFC; (ii) a first ranking pari passu charge by way of hypothecation over all CGE Hybrid’s movable properties and assets and other movable assets, both present and future along with PFC; (iii) a charge ranking in accordance with the sanction letter on CGE Hybrid’s uncalled capital, operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future, along with PFC; (iv) a first ranking pari passu charge on the trust and retention account, any letter of credit and other reserve and any other bank accounts of CGE Hybrid, both present and future, along with PFC except for debt service reserve account; and (v) A corporate guarantee from CGEIPPL, which will fall away on certain events specified under the sanction letter. This corporate guarantee will be discharged in line with the discharge of corporate guarantee by PFC.

CGE Hybrid has executed a continuing master indemnity deed (“**Indemnity Deed**”) in favour of HDFC Bank Limited dated March 28, 2023. CGEIPPL has executed a letter of continuing guarantee in favour of HDFC Bank Limited dated March 28, 2023 for securing the specific facilities for which this guarantee is required to be furnished. The sanction letter and Indemnity Deed include the customary events of default and covenants which are typically included in such financing.

As on June 30, 2023, CGE Hybrid had not utilised the cash credit (limit of Rs. 180,000,000) and the capex letter of credit (limit of Rs. 4,500,000,000) but had utilised Rs. 90.2 million of the stand-by letter of credit/ revolving stand-by letter of credit (limit of Rs. 220,000,000).

Facility availed by Continuum MP Windfarm Development Private Limited

Continuum MP Windfarm Development Private Limited (“**CMPW**”) has availed the below facility from HDFC Bank Limited pursuant to the offer letters dated December 27, 2022 and May 3, 2023 (“**Sanction Letters**”).

Capex letter of credit with a limit of Rs. 5,800,000,000 for a tenor of 365 (three hundred and sixty five) days. Fixed deposits: The facility will be backed by 100% fixed deposit (105% for foreign letter of credit) in case lower amount of fixed deposit receipts is provided, proportionate letter of credit limits to be released so as to ensure that limits are backed by 100% of fixed deposit receipts at any point of time. Letter of comfort: Instead of the 100% fixed deposits, CMPW may provide for letter of comfort – LoC/ letter of undertaking- LoU from IREDA as per HDFC Bank Limited’s approved format to be provided as security for availing capex letter of credit limits upto Rs. 850.0 million. In case of lower amount of LoC/ LoU provided, proportionate amount of limits to be released however limits at any point of time will be 100% covered by either LoC/ LoU from IREDA or fixed deposits.

Margin: (a) 100% fixed deposit for in-land letter of credit; and (b) 105% fixed deposit for foreign letter of credit.

Cash credit facility with the limit of Rs. 200,000,000 for a tenor of on demand 12 (twelve) and renewable annually and a **stand-by letter of credit** with the limit Rs. 150,000,000 for a tenor of 48 (forty eight) months and revolving thereafter. The security for the said two facilities comprises of: (i) a first pari passu charge with IREDA by way of mortgage over all of project's immovable properties; (ii) a first pari passu charge with IREDA by way of hypothecation over all of the project's movable properties and assets of the project, both present and future; (iii) a first pari passu charge with IREDA on entire current assets including cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the project, both present and future; (iv) a first pari passu charge with IREDA on the trust and retention account, any letter of credit and other reserves and any other bank accounts of CMPW, both present and future, except for the debt service reserve account; (v) a first pari passu charge with IREDA by way of hypothecation on the entire intangible assets of the project, both present and future; and (vi) a corporate guarantee from CGE IPL, which will fall away on certain events specified in the Sanction Letter. This corporate guarantee will be discharged in line with the discharge of corporate guarantee by IREDA.

As on June 30, 2023, CMPW had not executed any definitive documents for these facilities and had not utilized these facilities that have been sanctioned by HDFC Bank Limited.

The Sanction Letters include the customary representations and warranties and covenants which are typically included in such financing are applicable to the said facility.

Facilities availed by Dalavaipuram Renewables Private Limited

Dalavaipuram Renewables Private Limited ("DRPL") has availed certain facilities from HDFC Bank Limited pursuant to the offer letter dated December 5, 2022.

Capex letter of credit facility with a limit of Rs. 10,000,000,000 for a tenor of 12 (twelve) months. The facility is backed by 100% of value of the letter of comfort from PFC or fixed deposits. Limits shall be released proportionately basis the letter of comfort from PFC or fixed deposits to cover 100% of the exposure. Further, HDFC Bank Limited has also provided a bank guarantee to DRPL, which has been earmarked from the capex letter of credit facility, with a limit of Rs. 600,000,000 pursuant to the offer letter dated February 14, 2023. This bank guarantee is for a tenor of 1 (one) year and is secured by 100% of the fixed deposits.

Cash credit facility with the limit of Rs. 210,000,000 for a tenor of 12 (twelve) months or on demand. The security for the cash credit facility comprises of: (i) a first pari passu charge by way of mortgage over all of DRPL's immovable properties both present and future along with PFC; (ii) a first pari passu charge by way of hypothecation, over all DRPL's movable properties and assets and all other movable assets, both present and future along with PFC; (iii) a first pari passu charge on DRPL's uncalled capital, operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future, along with PFC; (iv) a charge ranking in accordance with the offer letter on the trust and retention account, any other letter of credit and reserve and any other bank accounts of DRPL wherever maintained, both present and future, along with PFC except for debt service reserve account; and (v) a corporate guarantee from CGE IPL, which will fall away on certain specified events. This corporate guarantee will be discharged in line with the discharge of corporate guarantee by PFC.

DRPL has executed a document dated May 13, 2023, governing the terms and conditions in respect of the bank guarantee. The above offer letters (dated December 5, 2022 and February 14, 2023) and the terms and conditions document contain customary events of default and covenants which are typically included in such financing.

As on June 30, 2023, DRPL had not utilized the cash credit facility (limit of Rs. 210,000,000).

Facilities availed by CGE Shree Digvijay Cement Private Limited

CGE Shree Digvijay Cement Private Limited (“**CGE Shree Digvijay**”) has agreed to avail certain facilities from HDFC Bank Limited pursuant to the offer letter dated December 20, 2022 (“**Sanction Letter**”).

Capex letter of credit with a limit of Rs. 500,000,000 for a tenor of 12 (twelve) months. The facility is backed by 100% of value of the letter of comfort from PFC or fixed deposits. Limits to be released proportionately basis the letter of comfort from PFC or fixed deposits to cover 100% of the exposure.

Cash credit facility with the limit of Rs. 16,300,000 for a tenor of 12 (twelve) months and renewable annually and a **stand-by letter of credit** with the limit Rs. 20,000,000 for a tenor of 4 (four) years. The security for the said two facilities comprises of: (i) a first pari passu charge by way of mortgage over all of CGE Shree Digvijay’s immovable properties both present and future; (ii) a first pari passu charge by way of hypothecation over all CGE Shree Digvijay’s movable properties and assets and all other movable assets, both present and future; (iii) charge ranking in accordance with the offer letter on CGE Shree Digvijay’s uncalled capital, operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of CGE Shree Digvijay, both present and future; (iv) a charge ranking in accordance with the offer letter on the trust and retention account (except for debt service reserve account), any letter of credit and other reserve and any other bank accounts of CGE Shree Digvijay, both present and future; and (v) a corporate guarantee from CGE IPL, which will fall away on certain events specified in the Sanction Letter. This corporate guarantee will be discharged in line with the discharge of corporate guarantee by PFC.

The Sanction Letter includes the customary representations and covenants which are typically included in such financing. As on June 30, 2023, CGE Shree Digvijay had not executed the definitive documents and not drawn down on the facilities that have been sanctioned by HDFC Bank Limited.

Rupee term loans availed by CGE Hybrid Energy Private Limited, CGE Shree Digvijay Cement Green Energy Private Limited and Dalavaipuram Renewables Private Limited

CGE Hybrid Energy Private Limited

In order to implement the 280.70 MW wind-solar hybrid power project in district Bhavnagar in the state of Gujarat (“**CGE Project-1**”), CGE Hybrid has availed financial assistance from PFC and PFC has vide its sanction letter no. 03/22/GUJ/CGEH/280.7 MW Hybrid/C6221001/Vol-I dated October 7, 2022 (as modified vide the letters dated December 26, 2022, February 21, 2023, March 13, 2023 and June 26, 2023) agreed to make available to CGE Hybrid a rupee term loan, for an aggregate principal amount not exceeding Rs. 10,977,100,000 (“**PFC Rupee Term Loan-1**”), upon the terms and conditions of the facility agreement dated October 19, 2022 (“**PFC Facility Agreement-1**”) and other financing documents executed in respect of the PFC Rupee Term Loan-1.

CGE Hybrid shall apply the proceeds of each drawdown (including letter of comfort) under the PFC Rupee Term Loan-1 solely towards the purpose of part financing the estimated project cost for developing, financing, construction and implementation of the CGE Project-1, in such manner and in such priority as stipulated in the trust and retention account agreement, other financing documents and under applicable law.

- **Security:** (i) a first ranking pari passu charge by way of mortgage over all immovable properties (including over the freehold interest, leasehold interest or sub-leasehold interest of CGE Hybrid in such immovable properties) together with all appurtenances thereon, both present and future; (ii) a first ranking pari passu

charge by way of hypothecation, on all of CGE Hybrid's movable properties and assets, including plant and machinery, machinery spares, equipment, tools and accessories, furniture, fixtures, vehicles and all other movable assets wherever situated, both present and future; (iii) a first ranking pari passu charge on all of CGE Hybrid's uncalled capital, current assets (as defined in the PFC Facility Agreement-1), including but not limited to book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, both present and future; (iv) a charge ranking in accordance with the PFC Facility Agreement-1 (a) over all accounts of CGE Hybrid, including, the trust and retention account and the sub-account(s), letter of credit, or any other bank account, or any reserve(s) to be created, maintained (or any account in substitution thereof) and opened in accordance with the trust and retention account agreement and the financing documents, or any of the other project documents and all funds from time to time deposited therein, the receivables and all permitted investments or other securities representing all amounts credited to the trust and retention account, any letter of credit and other reserves of CGE Hybrid present and future wherever maintained and (b) over the debt service reserve account of peak 3 (three) months of principal and interest payment; (v) assignment in favour of the PFC relating to CGE Hybrid/the CGE Project-1 (a) on all the right, title, interest, benefits, claims and demands of CGE Hybrid in the project documents/ contracts; (b) on all the right, title and interest of CGE Hybrid under all clearances relating to CGE Project – 1; (c) on all the rights, titles, interests, benefits, claims and demands of CGE Hybrid in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any project participant; (d) on all the rights, titles, interests, benefits, claims and demands of CGE Hybrid under all insurance contracts and insurance proceeds; (e) on guarantees provided by EPC Contractor (as defined under the PFC Facility Agreement-1) / module supplier; and (f) over all intangible assets of CGE Hybrid, including but not limited to, goodwill, intellectual property rights, undertaking, present and future, in a form and manner acceptable to PFC; (vi) pledge of equity shares, quasi equity (as defined in the PFC Facility Agreement-1), both present and future, held by CGE IPL, aggregating to the specified percentage i.e. 51% equity shares of CGE Hybrid; and (vii) an irrevocable and unconditional corporate guarantee from CGE IPL for the purpose of repayment/ payment of guaranteed obligations (as defined in the PFC Facility Agreement-1) till the expiry of guarantee cover period (as defined in the PFC Facility Agreement-1).

- *Financial Covenants:* (i) the debt service coverage ratio of CGE Hybrid shall be not less than 1.10; (ii) the debt to equity ratio of CGE Hybrid shall not be more than 70:30.
- *Applicable interest rate:* The applicable interest rate (as defined in the PFC Facility Agreement-1) is payable monthly and can be reset by PFC (in accordance with the terms of the PFC Facility Agreement-1) annually from the initial drawdown date. The applicable interest rate is currently 9.79% p.a.

CGE Shree Digvijay Cement Green Energy Private Limited

In order to implement the 20.1 MW wind-solar hybrid power project in district Bhavnagar in the state of Gujarat (“**Shree Digvijay Project-2**”), CGE Shree Digvijay Cement Green Energy Private Limited (“**CGE Shree Digvijay**”) has availed financial assistance from PFC and PFC has vide its sanction letter no. 03/22/GUJ/ CSDC/ 201.1MW Hybrid/C6321001/Vol-I/0-79760 dated November 30, 2022 (as modified vide the letters dated February 21, 2023, May 16, 2023 and June 26, 2023), agreed to make available to CGE Shree Digvijay a rupee term loan, for an aggregate principal amount not exceeding Rs. 803,700,000 (“**PFC Rupee Term Loan-2**”), upon the terms and conditions of the facility agreement dated December 19, 2022 (“**PFC Facility Agreement-2**”) and other financing documents executed in respect of the PFC Rupee Term Loan-2.

CGE Shree Digvijay shall apply the proceeds of each drawdown (including letter of comfort) under the PFC Rupee Term Loan-2 solely towards the purpose of part financing the estimated project cost for developing,

financing, construction and implementation of the Shree Digvijay Project-2, in such manner and in such priority as stipulated in the trust and retention account agreement, other financing documents and under applicable law.

- *Security:* (i) a first ranking pari passu charge by way of mortgage over all immovable properties (including over the freehold interest, leasehold interest or sub-leasehold interest of CGE Shree Digvijay in such immovable properties) together with all appurtenances thereon, both present and future; (ii) a first ranking pari passu charge by way of hypothecation, on all of CGE Shree Digvijay's movable properties and assets, including plant and machinery, machinery spares, equipment, tools and accessories, furniture, fixtures, vehicles and all other movable assets wherever situated, both present and future; (iii) a first ranking pari passu charge on all of CGE Shree Digvijay's uncalled capital, current assets (as defined in the PFC Facility Agreement-2), including but not limited to book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, both present and future; (iv) a charge ranking in accordance with the PFC Facility Agreement-2 (a) over all accounts of CGE Shree Digvijay, including, the trust and retention account and the sub-account(s), letter of credit, or any other bank account, or any reserve(s) to be created, maintained (or any account in substitution thereof) and opened in accordance with the trust and retention account agreement and the financing documents, or any of the other project documents and all funds from time to time deposited therein, the receivables and all permitted investments or other securities representing all amounts credited to the trust and retention account, any letter of credit and other reserves of CGE Shree Digvijay present and future wherever maintained; and (b) over the debt service reserve account of peak 3 (three) months of principal and interest payment; (v) assignment in favour of the PFC relating to CGE Shree Digvijay/the Shree Digvijay Project-2 (a) on all the right, title, interest, benefits, claims and demands of CGE Shree Digvijay in the project documents/ contracts; (b) on all the rights, titles, interests, benefits, claims and demands of CGE Shree Digvijay in, to and under all clearances relating to Shree Digvijay Project – 2; (c) on all the rights, titles, interests, licenses, benefits, claims and demands of CGE Shree Digvijay in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any project participant; (d) on all the rights, titles, interests, benefits, claims and demands of CGE Shree Digvijay under all insurance contracts and insurance proceeds; (e) guarantees provided by EPC Contractor (as defined under the PFC Facility Agreement-2) / module supplier; and (f) over all intangible assets of CGE Shree Digvijay, including but not limited to, goodwill, intellectual property rights, undertaking, present and future, in a form and manner acceptable to PFC; (vi) pledge of equity shares (as defined in the PFC Facility Agreement-2), both present and future, held by CGE IPL, aggregating to the specified percentage i.e. 51% equity shares of CGE Shree Digvijay; and (vii) an irrevocable and unconditional corporate guarantee from CGE IPL for the purpose of repayment/ payment of guaranteed obligations (as defined in the PFC Facility Agreement-2) till the expiry of guarantee cover period (as defined in the PFC Facility Agreement-2).
- *Financial Covenants:* (i) the debt service coverage ratio of CGE Shree Digvijay shall be not less than 1.11; (ii) the debt to equity ratio of CGE Shree Digvijay shall not be more than 73.09:26.91.
- *Applicable interest rate:* The applicable interest rate (as defined in the PFC Facility Agreement-2) is payable monthly and can be reset (in accordance with the terms of the PFC Facility Agreement-2) by PFC annually from the initial drawdown date. The applicable interest rate is currently 8.85% p.a.

Dalavaipuram Renewables Private Limited

In order to implement the 272.4 MW wind-solar hybrid power project at district Tuticorin in the state of Tamil Nadu (“**DRPL Project-3**”), Dalavaipuram Renewables Private Limited (“**DRPL**”) has availed financial assistance from PFC and PFC has vide its sanction letter no. 03/22/SWPPC/DRPL/D3521001/Vol. I dated

November 21, 2022, agreed to make available to DRPL a rupee term loan, for an aggregate principal amount not exceeding Rs. 11,850,100,000 (“**PFC Rupee Term Loan-3**”), upon the terms and conditions of the facility agreement dated December 2, 2022 (“**PFC Facility Agreement-3**”) and other financing documents executed in respect of the PFC Rupee Term Loan-3.

DRPL shall apply the proceeds of each drawdown (including letter of comfort) under the PFC Rupee Term Loan-3 solely towards part financing the estimated project cost for developing, financing, construction and implementation of the DRPL Project-3, in such manner and in such priority as stipulated in the trust and retention account agreement, other financing documents and under applicable law.

- *Security:* (i) a first ranking pari passu charge by way of mortgage over all immovable properties (including over the freehold interest or leasehold interest of DRPL in such immovable properties) together with all appurtenances thereon, both present and future; (ii) a first ranking pari passu charge by way of hypothecation, on all of DRPL’s movable properties and assets, including plant and machinery, machinery spares, equipment, tools and accessories, furniture, fixtures, vehicles and all other movable assets wherever situated, both present and future; (iii) a first ranking pari passu ranking charge on all of DRPL’s uncalled capital, current assets (as defined in the PFC Facility Agreement-3), including but not limited to book debts, operating cash flows, receivables, commissions, revenue of whatsoever nature and wherever arising, both present and future; (iv) a charge ranking in accordance with the PFC Facility Agreement-3 (a) over all accounts of DRPL, including, the trust and retention account and the sub-account(s), letter of credit, or any other bank account, or any reserve(s) to be created, maintained (or any account in substitution thereof) and opened in accordance with the trust and retention account agreement and the financing documents, or any of the other project documents and all funds from time to time deposited therein, the receivables and all permitted investments or other securities representing all amounts credited to the trust and retention account, any letter of credit and other reserves of DRPL present and future wherever maintained and (b) over the debt service reserve account of peak 3 (three) months of principal and interest payment; (v) assignment in favour of the PFC relating to DRPL/the DRPL Project-3: (a) on all the right, title, interest, benefits, claims and demands of DRPL in the project documents/ contracts; (b) on all the rights, titles, interests, benefits, claims and demands of DRPL in, to and under all clearances relating to DRPL Project – 3; (c) on all the rights, titles, interests, licenses, benefits, claims and demands of DRPL in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any project participant; (d) on all the rights, titles, interests, benefits, claims and demands of DRPL under all insurance contracts and insurance proceeds; (e) guarantees provided by EPC Contractor (as defined under the PFC Facility Agreement-3) / module supplier relating to the DRPL Project-3; and (f) over all intangible assets of DRPL, including but not limited to, goodwill, intellectual property rights, undertaking, present and future, in a form and manner acceptable to PFC; (vi) pledge of equity shares (as defined in the PFC Facility Agreement-3) and quasi equity (as defined in the PFC Facility Agreement-3), both present and future, held by CGE IPL, aggregating to the specified percentage i.e. 51% equity shares and 51% quasi equity, of DRPL; and (vii) an irrevocable and unconditional corporate guarantee from CGE IPL till the expiry of guarantee cover period (as defined in the PFC Facility Agreement-3).
- *Financial Covenants:* (i) the debt service coverage ratio shall be not less than 1.13; (ii) the debt to equity ratio shall not be more than 70:30.
- *Applicable interest rate:* The applicable interest rate is payable monthly and can be reset (in accordance with the terms of the PFC Facility Agreement-3) by PFC annually from the initial drawdown date. The applicable average interest rate is currently 9.15% p.a.

The following terms and conditions will be applicable to the PFC Rupee Term Loan-1, PFC Rupee Term Loan-2 and PFC Rupee Term Loan-3 (individually referred to as 'PFC Term Loan' below) and the reference to 'PFC Borrower' will mean the relevant entity i.e. CGE Hybrid, CGE Shree Digvijay and DRPL, which has executed the relevant PFC Facility Agreement-1, PFC Facility Agreement-2 and PFC Facility Agreement-3 (referred to as 'PFC Facility Agreement' below) to avail the relevant PFC Term Loan. The reference to 'PFC Project' will mean the reference to the relevant CGE Project-1, Shree Digvijay Project-2 and DRPL Project-3 of the relevant PFC Borrower.

- *Other Covenants:* The PFC Borrower has made customary representations and warranties to PFC and has agreed to deliver standard information. Until the final settlement date, the PFC Borrower shall, at all times, comply with the covenants agreed in the PFC Facility Agreement, including *inter alia*: (i) PFC Borrower shall promptly notify PFC of any proposed change in the nature or scope of the PFC Project and of any event or condition, which might have a material adverse effect (as defined in the PFC Facility Agreement) on the PFC Project or delay the final completion of the PFC Project or result in cost overrun and any such proposed change in the nature or scope of the PFC Project shall not be implemented and no funds shall be committed therefor without the prior written approval of PFC, and PFC shall have the right to stipulate any additional conditions in this regard, which shall be binding on the PFC Borrower; (ii) enter into the trust and retention account agreement and establish the trust and retention account and comply with the requirements and procedures therein; (iii) compliance with financial covenants; (iv) allowing inspections by representatives of PFC; (v) maintaining the books and records; (vi) compliance with the applicable laws and clearances, in relation to the conduct of its business and the construction, operation and maintenance and ownership of the PFC Project and with all directions/guidelines by government authorities, with regard to the PFC Term Loan; (vii) ensuring all assets of the PFC Borrower (including in relation to the PFC Project) are insured in the manner set out in the PFC Facility Agreement; (viii) constructing, operating, preserving and maintaining the PFC Project, including plant and machinery, which are necessary for the proper conduct of business in good working order and condition, ordinary wear and tear expected, and in accordance with prudent operating practices and its business plan; (ix) taking prior consent of PFC for the execution of any new project documents; (x) establishing safety protections/environmental protections and procedures relating PFC Project; (xi) ensuring that the promoter (as defined in the PFC Facility Agreement) continues to (at all times till final settlement date) hold and control 51% (fifty one percent) of the paid share capital of the PFC Borrower, management control (as defined in the PFC Facility Agreement) in the PFC Borrower and majority board representation in the PFC Borrower; (xii) PFC shall have the right to appoint such observer as specified in the PFC Facility Agreement; (xiii) establishing power evacuation arrangements for the PFC Project; (xiv) hedging and unhedged foreign currency exposure declaration; and (xv) PFC shall have a right of substitution / replacement of any material project participant (as defined in the PFC Facility Agreement) in accordance with the terms of the PFC Facility Agreement.
- *Negative Covenants:* Until the final settlement date, the PFC Borrower covenants to not (except without the prior written approval of PFC) undertake the actions which are not permitted under the PFC Facility Agreement, including *inter alia*: (i) shall not issue any instruments to raise funds (other than as permitted under the PFC Facility Agreement) and repay funds infused towards promoter's contribution, effect or agree to effect any change in its capital structure; take or agree to take any action/ formulate any scheme of merger, demerger, consolidation, re-organization, reconstruction or amalgamation scheme of arrangement or compromise with its creditors or shareholders or acquire all or part of the assets of any person, on lease or otherwise, or any class of shares or debentures or partnership interest or similar interest of any person; issue any debentures, raise any loans, except the indebtedness permitted under the PFC Facility Agreement, make investments in, grant loans, accept any deposits from public and/or invest by way of subscription to share capital of or otherwise, or give guarantee, except if such guarantees are given in normal course of

business or lend (other than as permitted under the PFC Facility Agreement and/or normal trade credit and/or security deposits in the normal course of business advances granted to staff or contractors or suppliers in the ordinary course of business); (ii) shall not agree during the currency of the PFC Facility Agreement, create any charge, encumbrance, third party interest or security interest on or in any of its assets, the secured property and contracts; create any lien or charge on the receivables (as defined in the PFC Facility Agreement)/future cash flows; or assign any project document (except the security interest as permitted under the PFC Facility Agreement); (iii) shall not alter the scope of the PFC Project, augment, modernize, expand, diversify or materially modify the scope of the PFC Project or make substantial expansion of the PFC Project or undertake any new project; (iv) shall not and shall not agree to take any action to: (a) suspend, rescind, cancel or terminate any project document(s); (b) transfer, encumber, sell, assign or otherwise dispose of any part of its interest in such project documents (except to the extent that such assignment constitutes a permitted security interest under the PFC Facility Agreement); (c) waive any default under or breach of any provision in relation to the PFC Project or any project documents; (d) waive, fail to enforce, forgive or release any right, interest or entitlement howsoever arising, under or in respect of any provision in relation to the PFC Project or any project documents; (e) amend, supplement or make material modification to any provision of any project documents; and (f) petition, request or take any other legal or administrative action that seeks, or may be expected, to rescind, terminate or suspend any project documents; (v) shall not, directly or indirectly, create, incur, contract, assume or suffer or otherwise become or be liable for any debt, whether secured or unsecured, with any person; or create/ agree to create any mortgage or otherwise create any security interest on whole or any part of the PFC Project assets, (each, except as permitted under the PFC Facility Agreement); (vi) except for the ordinary course of business, shall not incur any contractual obligation, including guarantee obligation, on behalf of any person or any other company, including group companies; (vii) shall not make any capital expenditure, except as permitted under the PFC Facility Agreement; (viii) (a) shall not, without the prior written approval of PFC, declare or make any restricted payment (as defined in the PFC Facility Agreement) and provided that on the date of declaring or paying the proposed restricted payment (as defined in the PFC Facility Agreement), the restricted payment conditions (as defined in the PFC Facility Agreement) have been satisfied. All restricted payment (as defined in the PFC Facility Agreement) shall be made only as permitted under the trust and retention account agreement. PFC shall not unreasonably withhold the request for making the restricted payment (as defined in the PFC Facility Agreement) and endeavor to respond to request from the PFC Borrower for making restricted payment (as defined in the PFC Facility Agreement) within the timeline as stipulated in the PFC Facility Agreement; (b) Except as permitted in sub clause (a), the PFC Borrower shall not pay, repay, prepay, refund or redeem any money brought in by the promoters/directors/ affiliates/ associated companies, till the final settlement date; (ix) shall not engage in any business other than the PFC Project in India, create any subsidiaries or permit any company to become its subsidiary; (x) shall not change the location of its office, without prior intimation to PFC; (xi) shall not abandon / agree to abandon the PFC Project; (xii) shall not use, maintain or operate, or allow the use, maintenance or operation of the PFC Project for any purpose which may constitute a public or private nuisance or give rise to a claim or environmental claim, violate any provision of any applicable law, and result in increase in the premium of any insurance then in force with respect to the PFC Project or any part thereof; (xiii) shall not enter into any partnership, profit-sharing or other similar arrangement whereby the PFC Borrower's income or profits are, or might be shared with any other person; (xiv) shall not enter into any contract, agreement, commitment or arrangement with any of its affiliate/ subsidiaries/group companies, which is not on an "arm's length" basis; (xv) shall not amend, modify or supplement its memorandum of association and articles of association in any manner, which would make the PFC Borrower ineligible for undertaking the PFC Project or with any of the financing document including security document or which may be detrimental to the interest of PFC under the financing documents; (xvi) shall not pay any commission to its promoter, directors, managers, or other person(s) having substantial interest in the PFC Borrower for

furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any financial assistance obtained for or by the PFC Borrower or in connection with any other obligation undertaken for or by the PFC Borrower for the purpose of the PFC Project; (xvii) shall not do or allow to be done, any act which may result in unequal treatment, including preference of one over the other among PFC or any group thereof (such as PFC) in any regard whatsoever, including discharging the PFC Borrower of its financial obligations; (xviii) shall not change its fiscal year; (xix) not open any other bank account or operate such other bank account for any purpose other than the purpose approved by PFC; (xx) shall not utilise the proceeds of the drawdowns for any purpose other than for the PFC Project and proceeds of the drawdowns shall not be utilised for any of the purposes prohibited under the PFC Facility Agreement; (xxi) shall not have different classes of equity shares, including its classes of equity shares with differential voting and dividend rights; and (xxii) shall not (except as expressly permitted under any provision of the PFC Facility Agreement): (a) permit any change in management control (as defined in the PFC Facility Agreement) of the PFC Borrower; (b) convey, sell, lease, transfer or otherwise dispose of (in one or a series of related transactions and whether voluntary or involuntary) any of its assets or properties except the disposals as permitted under the PFC Facility Agreement; (c) undertake any voluntary proceeding for winding up, insolvency or liquidation or propose any resolution seeking approval of board of directors of the PFC Borrower for filing application under the Insolvency and Bankruptcy Code, 2016; (d) purchase or otherwise acquire all or part of the assets of any person or any class of shares or debentures or other securities or partnership interest or similar interest of any person; (e) amend the approved construction budget (as defined in the PFC Facility Agreement), project implementation schedule (as defined in the PFC Facility Agreement), banking base case (as defined in the PFC Facility Agreement), financing plan (as defined in the PFC Facility Agreement) and/or approved operational budget (as defined in the PFC Facility Agreement); (f) change the practice with regard to remuneration of its directors or commission, scale of sitting fees, etc.; and (g) shall not create any lien/ pledge (other than in favor of/ for the benefit of the account bank (as defined in the PFC Facility Agreement)/ PFC) on the investments permitted under the PFC Facility Agreement.

Events of Default: Subject to agreed cure periods and carve outs, the events of default include, *inter alia*, (i) payment default by the PFC Borrower; (ii) default by any of the promoter, guarantor, pledgor and other security provider in relation to the PFC Term Loan (“**PFC Obligors**”) in the payment of any other amount due and payable pursuant to the PFC Facility Agreement or any other financing documents; (iii) breach or default has occurred in the performance or observance of any covenant, obligation or undertaking on the part of any PFC Obligor under the facility agreement or any other financing document (as defined in the PFC Facility Agreement); (iv) a default or failure by the PFC Borrower to fulfil its obligations under any of the material project documents (as defined in the PFC Facility Agreement) or occurrence of an event of default (howsoever described) under any material project document (as defined in the PFC Facility Agreement); (v) non adherence by the PFC Borrower of the financial covenants as stated in the PFC Facility Agreement; (vi) any default (not being a default specifically set out in the specified clause of the PFC Facility Agreement) has occurred in the performance or observance of any covenant, condition, warranties or provision, on the part of the PFC Obligors, contained in any provision of the financing documents (as defined in the PFC Facility Agreement); (vii) committing of cross default by the PFC Borrower of more than the amount as specified in the PFC Facility Agreement; (viii) PFC Borrower is unable or has admitted in writing its inability to pay any of its indebtedness as they mature or when due; (ix) an event of default or a potential event of default howsoever described occurs under any agreement or document relating to any indebtedness of the PFC Borrower other than indebtedness incurred under financing documents (as defined in the PFC Facility Agreement); (x) if any other lenders of the PFC Borrower including financial institution or banks with whom the PFC Borrower has entered into agreements for financial assistance have refused to disburse, extend or have cancelled or recalled or accelerated repayment of its/their assistance of any part thereof; (xi) if any group/subsidiary/associate/parent company of the promoter has committed an event of default or a potential event of default under any agreement entered into with PFC; (xii) if

the PFC Borrower's subsidiary has defaulted over and above the amount as specified in the PFC Facility Agreement; (xiii) security interest proposed to be created under the PFC Facility Agreement has not been created and/ or perfected within the specified timelines; (xiv) any event or circumstance occurs which is or is likely to prejudicial to or imperils or depreciates the security including in the event the security is in jeopardy and/or in the event of inadequacy of insurance; (xv) any of the security documents once executed and delivered fails to provide the security interests, rights and title intended to be created thereby; (xvi) creation or any attempt to create any security interest over the secured property or any part in violation of the provisions of the financing documents, except the security as permitted under the PFC Facility Agreement; (xvii) PFC Obligors have sold, disposed of, charged or encumbered or alienated or otherwise rendered unusable the secured property or any part thereof (except security interest and disposal permitted under the PFC Facility Agreement); (xviii) any PFC Obligor is unable (or is deemed by any law or court to be) or admits inability to pay any of its debts, stops or suspends, making payment on any of its debt or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; (xix) a moratorium is agreed or declared by government of India or government authority in respect of any indebtedness of any PFC Obligor; (xx) attachment, execution, commencement of proceeding for recovery of any dues, distress or restraint has been offered or levied on the whole or any part of the assets of the PFC Borrower or the assets of the PFC Project or any part thereof; (xxi) the PFC Borrower ceases to have title to or interest in any assets or properties required for the PFC Project or ceases to have the right to possess and use all or any portion of any assets or properties required for the PFC Project; (xxii) the PFC Borrower has taken action for its re-organization without the prior written approval of PFC or there is any change in ownership structure of the PFC Borrower in contravention of the financing documents; (xxiii) any person acting singularly or with any other person (either directly or indirectly) acquires management control (as defined in the PFC Facility Agreement) of PFC Borrower other than as envisaged under the PFC Facility Agreement; (xxiv) the promoter (as defined in the PFC Facility Agreement) fails to hold minimum 51% of the total equity shares (as defined in the PFC Facility Agreement); (xxv) expropriation, condemnation, nationalization or seizure of the PFC Project/ or any part or whole of the assets of the PFC Borrower or the assets of the PFC Project; (xxvi) termination and invalidity of the transaction documents (as defined in the PFC Facility Agreement) (xxvii) any one or more events occur or circumstance arises which PFC determines has or could be expected to have a material adverse effect (as defined in the PFC Facility Agreement); (xxviii) failure to deposit all project proceeds in the trust and retention account or diversion of the same or the failure to maintain the required balances in the trust and retention account in accordance with the terms of the trust and retention account agreement; (xxix) obligation under the transaction document becomes unenforceable or is not or ceases to be valid and binding obligations of any person party to it or becomes void or illegal; (xxx) the PFC Borrower fails to maintain insurance as required in accordance with the PFC Facility Agreement and transaction documents; fails to endorse PFC as loss payee or beneficiary in the insurance contracts; any insurance contract is not, or ceases to be, in full force and effect at any time when it is required to be in effect; (xxxi) any representation, warranty, declaration or statement made or deemed to be made by the PFC Borrower or any other PFC Obligor in, or in connection with any financing document or any other document delivered by or on behalf of any PFC Obligor in connection with any financing document is incorrect, untrue and/or misleading in any respect when made or deemed to be made; (xxxii) the PFC Borrower pays, repays or redeems any amounts (including in respect of any debt, equity shares, preference shares, share application money, compulsorily convertible debentures, non-convertible debentures or financial support in any other form) or pays any dividends, interest on any such amounts received from any person, prior to the final settlement date, in contravention of the terms of the PFC Facility Agreement; (xxxiii) any assets of the PFC Borrower are seized or sold, encumbered, charged, removed or otherwise transferred (except security interest or disposal as permitted under the PFC Facility Agreement); (xxxiv) failure of promoter to perform its obligations towards the PFC Borrower and/ or PFC Project including default of its obligations under the promoter support agreement or the deed of pledge; (xxxv) any serious dispute has arisen between the PFC Borrower and the promoter as to the contribution/ support to the PFC Borrower and the PFC Project; (xxx) (a) the PFC Project is

abandoned or threatened to be abandoned by the PFC Borrower or the PFC Borrower ceases to have actual possession of the PFC Project; (b) the whole or material part of the PFC Project is damaged or destroyed in any manner; and other events with respect to the PFC Project and PFC Obligors as set out in the PFC Facility Agreement; (xxxi) any PFC Obligor or the project participant (as defined in the PFC Facility Agreement) fails to obtain, renew, maintain or comply with any clearances for the execution, delivery, performance or enforcement of the transaction documents (as defined in the PFC Facility Agreement) or in respect of the PFC Project; (xxxii) any such clearance is rescinded, terminated, suspended, modified or withheld or is determined to be invalid or ceases to be in full force and effect; (xxxiii) the PFC Borrower or the PFC Project becomes subject to a legal proceeding which may restrain the PFC Borrower from developing the PFC Project in the manner as agreed with PFC and/or would impose additional cost, whether as damages, compensation, fees, penalties, or on account of additional expenditure or otherwise, on the PFC Borrower; (xxxiv) failure by the PFC Obligor to pay any or more amounts due to any creditor under any non-appealable judgments or decrees or to comply with the terms thereof which shall have been executed against such PFC Obligor; (xxxv) any legal proceeding is commenced against any PFC Obligor (other than the PFC Borrower) or any order (interim, ad-interim or otherwise), judgment or decree is made or passed therein, which, by itself or together with any other such proceeding or claim, could have material adverse effect (as defined in the PFC Facility Agreement); (xxxvi) if a PFC Obligor takes any step to initiate a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law (including the Insolvency and Bankruptcy Code, 2016); (xxxvii) if an involuntary proceeding against a PFC Obligor has been commenced; (xxxviii) a PFC Obligor has taken or suffered to be taken any action towards its reconstruction, reorganisation (except where such reconstruction or reorganisation of an PFC Obligor (other than the PFC Borrower) is on a solvent basis, where the resulting entity/entities assume all the obligations of such PFC Obligor under the financing documents (as defined in the PFC Facility Agreement)); (xxxix) an application is filed by an operational creditor (as defined under Insolvency and Bankruptcy Code, 2016) or financial creditor (as defined under Insolvency and Bankruptcy Code, 2016) against any material project participant (as defined in the PFC Facility Agreement) for initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016; (xl) the appointment of a liquidator (provisional or otherwise), receiver, administrative receiver, administrator, trustee, custodian, compulsory manager or other similar officer been appointed in relation to any PFC Obligor or in relation to all or part of any assets of their assets or in relation to all or part of the PFC Project; (xli) any equivalent or analogous proceedings as mentioned above are commenced under the laws of any jurisdiction against a PFC Obligor, in which such PFC Obligor is incorporated or resident or any jurisdiction in which such PFC Obligor carries on business (including the seeking of liquidation, winding-up, reconstruction, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors, insolvency and suspension of payments); (xlii) breach by the PFC Borrower of any applicable law; (xliii) any event of force majeure affecting material part of the PFC Project; (xliv) the PFC Borrower fails to achieve commercial operations date on or before the date of commencement of commercial operations (as defined in the PFC Facility Agreement) or such other extended date as may be agreed to by PFC; and (xlv) the PFC Borrower utilizes the loan proceeds for any purpose other than the purposes set out in the PFC Facility Agreement.

DESCRIPTION OF THE NOTES

You can find the definitions of certain terms used in this description under the subheading “*Certain Definitions.*” In this description, the term “*Issuer*” refers only to Continuum Energy Aura Pte. Ltd. and the term “*Parent Guarantor*” refers only to Continuum Green Energy Limited and not to any of its subsidiaries, and, in each case, to any successor obligor to the Notes and the Parent Guarantee, as applicable. Each of the Parent Guarantor and the future guarantors, if any, is referred to as a “*Guarantor*,” each guarantee of the Notes by the Parent Guarantor is referred to as the “*Parent Guarantee*,” and each guarantee from a Guarantor is referred to as the “**Note Guarantee.**”

The Issuer will issue the notes (the “**Notes**”) under an indenture (the “**Indenture**”), to be dated as of August 24, 2023 (the “**Original Issue Date**”), among itself, the Parent Guarantor, DB Trustees (Hong Kong) Limited, as trustee (the “**Trustee**”) and common collateral agent (the “**Common Collateral Agent**”), in a private transaction that is not subject to the registration requirements of the Securities Act. Holders of the Notes will not be entitled to any registration rights. The terms of the Notes will include those stated in the Indenture. The Collateral Documents referred to below under the caption “— *Security*” will define the terms of the agreements that will secure the Notes.

The following description is a summary of the material provisions of the Indenture, the Notes and the Collateral Documents. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of those documents. It does not restate those documents in their entirety. We urge you to read the Indenture and the Collateral Documents in their entirety because they, and not this description, define your rights as Holders. Copies of the Indenture and the Collateral Documents will be available for inspection during regular business hours upon prior written request at the corporate trust office located at DB Trustees (Hong Kong) Limited, Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong as set forth under “*Available Information*” on or after the Original Issue Date. Defined terms used in this description but not defined under “— *Certain Definitions*” have the meanings assigned to them in the Indenture and the Collateral Documents.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

Brief Description of the Notes and the Note Guarantees

The Notes

The Notes will be:

- unsubordinated obligations of the Issuer;
- senior in right of payment to any obligations of the Issuer expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with all unsubordinated Indebtedness of the Issuer (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);
- effectively junior to any secured Indebtedness of the Issuer, to the extent of the value of assets securing such Indebtedness (other than the Collateral, to the extent applicable); and
- secured by first-priority liens on the Collateral (subject to Permitted Liens).

The Issuer is newly formed company that has no significant operations. Following the issuance of the Notes and the application of the proceeds thereof, the Issuer's only material assets will be the Onshore Debt issued by other Restricted Subsidiaries. For so long as any Onshore Debt remains outstanding, the Issuer will rely on any such amounts received under the Onshore Debt to make payments on the Notes. See *"Risk Factors — Risks Relating to the Notes, the Collateral and the Hedging Transactions."*

As of March 31, 2023, after giving effect to the application of proceeds of this offering as described under *"Use of Proceeds,"* the Restricted Group on a consolidated basis would have had US\$1,525.5 million outstanding Indebtedness (including loans and dues to related party). See *"Risk Factors — Risks Relating to the Notes, the Collateral and the Hedging Transactions — We have, on a consolidated basis, a substantial amount of debt, which could have a material adverse effect on our business, cash flows, financial condition and results of operations."*

The Note Guarantees

On the Original Issue Date, the Notes will be guaranteed only by the Parent Guarantor. The Parent Guarantor is a holding company that does not have significant operations. Under the Indenture, the Guarantors will guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable, under the Notes. The obligations of the Guarantors under the Guarantees will be limited as necessary to prevent the Note Guarantees from constituting a fraudulent conveyance under applicable law. See *"Risk Factors — Risks Relating to the Notes, the Guarantees and the Collateral — The enforceability of the Note Guarantees will be subject to the local laws of the jurisdictions in which such Guarantors are organized."*

Each Note Guarantee will be:

- a general obligation of the Guarantor;
- senior in right of payment to any existing and future obligations of the Guarantor expressly subordinated in right of payment to the Note Guarantee;
- effectively junior to any existing and future secured Indebtedness of the Guarantor, to the extent of the value of the assets securing such Indebtedness; and
- effectively junior to all existing and future obligations of any Subsidiary of the Guarantor who has not Guaranteed the Notes.

In certain circumstances, the Parent Guarantor will cause one or more Restricted Subsidiaries to execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such Restricted Subsidiary will guarantee payment of the Notes. See *"Certain Covenants — Issuances of Guarantees by Restricted Subsidiaries."* The Note Guarantees will be released upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions *"— Legal Defeasance and Covenant Defeasance"* and *"— Satisfaction and Discharge"*, upon repayment in full of the Notes and, solely in the case of a Note Guarantee created pursuant to the first paragraph of the covenant described under the caption *"Issuances of Guarantees by Restricted Subsidiaries,"* upon the release or discharge of the Guarantee that resulted in the creation of such Note Guarantee pursuant to that covenant except a discharge or release by or as a result of payment under such Guarantee.

In the event of a Qualified CGEIP Transaction, Continuum Green Energy Limited will no longer be the Parent Guarantor. See the covenant described under the caption *"Certain Covenants — Sales and Issuances of Capital Stock in Restricted Subsidiaries"*.

No release of the Parent Guarantor from its Parent Guarantee shall be effective against the Trustee or the Holders until the Issuer has delivered to the Trustee an Officers' Certificate stating that all requirements relating to such release have been complied with and such release is authorized and permitted by the terms of the Indenture.

Principal, Maturity and Interest

The Issuer will issue US\$435,000,000 in aggregate principal amount of Notes in this offering. The Issuer may issue additional notes (the “**Additional Notes**”) under the Indenture from time to time after this offering. Any issuance of Additional Notes is subject to all of the covenants in the Indenture, including the covenant described below under the caption “—*Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*”. The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase, provided that such Additional Notes will be issued under a separate ISIN/CUSIP number unless such Additional Notes will be fungible with the Notes for U.S. federal income tax purposes under the Indenture.

The Issuer will issue the Notes in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. The Notes will mature on February 24, 2027 unless earlier redeemed pursuant to the terms thereof and the Indenture. No service charge will be made for any registration of transfer or exchange of the Notes, but the Issuer or the Transfer Agent may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

Interest on the Notes will accrue at the rate of 9.50% per annum and will be payable semi-annually in arrears on February 24 and August 24 of each year (each, an “**Interest Payment Date**”), commencing on February 24, 2024. The Issuer will make each interest payment to the Holders of record at the close of business on February 9 and August 9 immediately preceding an Interest Payment Date (each, a “**Record Date**”), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. In any case in which the date of the payment of principal of, premium on or interest on the Notes is not a Business Day in the relevant place of payment, then payment of principal, premium or interest need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such Business Day will have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes will accrue for the period after such date.

Interest on the Notes issued on the Original Issue Date will accrue from the Original Issue Date or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Restricted Group

On the Original Issue Date, all of the Parent Guarantor's Subsidiaries will be Restricted Subsidiaries. None of the Parent Guarantor's subsidiaries will guarantee the Notes as of the Original Issue Date. The Parent Guarantor and the Restricted Subsidiaries will comprise the Restricted Group.

Methods of Receiving Payments on the Notes

All payments on the Notes will be made by wire transfer in U.S. dollars by the Issuer at the office or agency of the Issuer maintained for that purpose (which initially will be the specified office of the Paying Agent, currently located at Deutsche Bank Trust Company Americas, Trust and Agency Services, 1 Columbus Circle, 17th Floor, Mail Stop: NYC01-1710, New York, NY 10019, USA, and the Notes may be presented for registration of

transfer or exchange at such office or agency; *provided, however*, if the Notes are in certificated form and the Issuer acts as its own paying agent, payment of interest may be made by check mailed at the expense of the Issuer to the address of the Holders as such address appears in the Note register maintained by the Registrar or by wire transfer. Interest payable on the Notes held through The Depository Trust Company (“DTC”) will be available to DTC participants on the Business Day following payment thereof.

Paying Agent, Transfer Agent and Registrar

Deutsche Bank Trust Company Americas will initially act as paying agent, transfer agent and registrar (together, the “**Agents**”). The Issuer may change the paying agent, transfer agent or registrar with prior notice to the Trustee but without prior notice to the Holders, and the Issuer or any other Restricted Subsidiary may act as paying agent, transfer agent or registrar.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the provisions of the Indenture. The registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due on transfer. The Issuer will not be required to transfer or exchange any Note selected for redemption. Also, the Issuer will not be required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

Security

Within 10 days of the date of the Indenture, the obligations of the Issuer under the Notes and the Parent Guarantor under the Parent Guarantee and the performance of all other obligations of the Issuer under the Indenture and the Notes and the Guarantors under the Note Guarantees will be secured by the following security package (the “**Collateral**”):

- (1) a first-priority fixed share charge (the “**Share Charge**”) granted by the Parent Guarantor in favour of the Common Collateral Agent over the Capital Stock of the Issuer; and
- (2) a debenture (the “**Debenture**”) granted by the Issuer in favour of the Common Collateral Agent, with:
 - (a) a first priority fixed security (the “**Fixed Security**”) over the Issuer’s assets (including but not limited to its contractual rights, proceeds, accounts, property, equipment, investments, intellectual property, goodwill and uncalled capital); and
 - (b) a first-priority floating charge (the “**Floating Charge**”) over all assets and undertaking of the Issuer,

in each case, other than (i) any Onshore Debt, (ii) any proceeds of, income from, and sums arising from any Onshore Debt which is held or caused to be held on behalf of the Issuer in India, and (iii) to the extent restricted by applicable Indian regulations, the Issuer’s rights, title and interest under the documents executed by the Issuer in relation to any Onshore Debt.

The Parent Guarantor, the Issuer and the Common Collateral Agent (as the case may be) will enter into Collateral Documents defining the terms of the security interests that secure the Indenture and the Notes and to secure the obligations of the Parent Guarantor under the Parent Guarantee and the Issuer under the Indenture and the Notes.

So long as the Collateral Documents have not been enforced (including as a result of an acceleration of amounts due under the Notes in accordance with the provisions described under “— *Events of Default and Remedies*”), the Parent Guarantor will be entitled to receive all cash dividends and other payments made upon or with respect to the Capital Stock of the Issuer and to exercise any voting and other consensual rights pertaining to the Capital Stock of the Issuer.

Upon enforcement of the Collateral Documents (including as a result of the occurrence and during the continuance of an Event of Default and acceleration of amounts due under the Notes in accordance with the provisions described under “— *Events of Default and Remedies*”):

- (1) all rights of the Parent Guarantor to receive all or claim payment of cash dividends and other payments made upon or with respect to the Capital Stock of the Issuer will cease and such cash dividends and other payments will be paid to the Common Collateral Agent;
- (2) all voting or other consensual rights pertaining to the Capital Stock of the Issuer will become vested solely in the Common Collateral Agent and the right of the Parent Guarantor to exercise any such voting and consensual rights will cease; and
- (3) the Common Collateral Agent may distribute or sell the Collateral or any part of the Collateral in accordance with the terms of the Collateral Documents, the Indenture and if any, the Intercreditor Agreement (as defined below), subject to the provisions of applicable law. The Common Collateral Agent in accordance with the Indenture, and if any, the Intercreditor Agreement will distribute all funds collected under the Collateral Documents in connection with the Collateral.

The Indenture and/or the Collateral Documents principally provide that, at any time while the Notes are outstanding, the Common Collateral Agent has the exclusive right to manage, perform and enforce the terms of the Collateral Documents. The Common Collateral Agent has the exclusive right, with respect to the Collateral, to exercise and enforce all privileges, rights and remedies thereunder according to its direction, including to take or retake control or possession of such Collateral and to hold, prepare for sale, process, lease, dispose of or liquidate such Collateral, including, without limitation, following the occurrence of an Event of Default and acceleration of amounts due under the Notes in accordance with the provisions described under “— *Events of Default and Remedies*.”

The proceeds realizable from the Collateral are unlikely to be sufficient to satisfy the Issuer’s obligations under the Notes and the Guarantors obligations under the Note Guarantees and the Collateral may be reduced or diluted under certain circumstances, including through the Incurrence of any Permitted *Pari Passu* Secured Indebtedness permitted to be Incurred under the Indenture or the disposition of assets comprising the Collateral, subject to the terms of the Indenture and the Intercreditor Agreement. See “*Risk Factors — Risks Relating to the Notes, the Collateral and the Hedging Transactions — The value of the Collateral may not be sufficient to repay the Notes in full and other pari passu secured indebtedness.*”

The Liens created by the Collateral Documents will be released upon (1) the full and final payment and performance of the Obligations of the Issuer and the Guarantors under the Indenture and the Notes or (2) legal or covenant defeasance pursuant to the provisions set forth under the caption “— *Defeasance*” or discharge of the Indenture in accordance with the provisions set forth under the caption “— *Satisfaction and Discharge*”. In addition, the Common Collateral Agent will be authorized to release the Share Charge in connection with a Qualified CGEIP Transaction; *provided that* (a) a replacement Share Charge over all of the Capital Stock purchased by the acquiror in connection with the Qualified CGEIP Transaction on substantially similar terms as the existing Share Charge will be executed and provided to the Trustee substantially concurrently with the

consummation of such Qualified CGEIP Transaction; (b) the Trustee has been provided with an Officer's Certificate of the Issuer and an Opinion of Counsel stating that such Qualified CGEIP Transaction is not prohibited by the Indenture and that all of the conditions in the Indenture to the completion of such Qualified CGEIP Transaction have been satisfied; and (c) the Trustee has been provided an Opinion of Counsel with respect to the authorization and enforceability of the new Share Charge.

The Common Collateral Agent will also release from the Lien created by any Collateral Documents Collateral that is sold, transferred, disbursed or otherwise disposed (other than in a Qualified CGEIP Transaction) of to a Person other than the Issuer or the Parent Guarantor to the extent that such sale, transfer, disbursement or disposition is not prohibited by the provisions of the Indenture; *provided* that any products or proceeds received by the Issuer or the Parent Guarantor in respect of any such Collateral shall continue to constitute Collateral to the extent required by the Indenture and the Collateral Documents and *provided, however*, that notwithstanding any other provision of the Indenture or the Collateral Documents, Liens securing all or substantially all of the Collateral (including in connection with a Qualified CGEIP Transaction) may be released only pursuant to the terms of the previous paragraph.

No release of the Collateral shall be effective against the Common Collateral Agent, the Trustee or the Holders until the Issuer has delivered to the Common Collateral Agent and the Trustee an Officer's Certificate and an Opinion of Counsel stating that all requirements relating to such release have been complied with and that such release has been authorized by, permitted by and made in accordance with the provisions of the Indenture, the relevant Collateral Document and, if applicable, the Intercreditor Agreement.

The Parent Guarantor will issue a Singapore law governed power of attorney, to be dated as of the date of the Collateral Documents, in favor of the Common Collateral Agent under which the Common Collateral Agent will have the right, but not the obligation in the absence of written direction from the requisite number of Holders provided in accordance with the Indenture and subject to receipt of satisfactory indemnity, security and/or prefunding, upon the occurrence and during the continuance of an Event of Default, to replace the Board of Directors of the Issuer, if necessary and/or to direct the Board of Directors of the Issuer to take steps in relation to the Onshore Debt and enforce the Liens in respect of the Onshore Debt, if any, as may be permitted under the terms of the Onshore Debt, by issuing instructions to the security/ bond trustee appointed in respect of the Onshore Debt (the “**Parent Power of Attorney**”). The Issuer will issue a Singapore law governed power of attorney, to be dated as of the date of the Collateral Documents, in favor of the Common Collateral Agent under which the Common Collateral Agent will have the right, but not the obligation in the absence of written direction from the requisite number of Holders provided in accordance with the Indenture and subject to receipt of satisfactory indemnity, security and/or pre-funding, upon the occurrence and during the continuance of an Event of Default, to take steps, as the attorney of the Issuer, as may be permitted under the terms of the Onshore Debt, to accelerate and enforce the Onshore Debt and enforce the Liens in respect of the Onshore Debt, if any by issuing instructions to the security/bond trustee appointed in respect of the Onshore Debt (the “**Issuer Power of Attorney**” and, together with the Parent Power of Attorney, the “**Powers of Attorney**”). The Common Collateral Agent will be under no obligation to exercise any of its rights or powers under the Powers of Attorney, unless it is instructed in writing and offered security and/or indemnity and/or pre-funding satisfactory to it against any loss, liability or expense in accordance with the Indenture, the Collateral Documents and the Intercreditor Agreement.

In the event of a Qualified CGEIP Transaction, Continuum Green Energy Limited will no longer be the Parent Guarantor. See the covenant described under “— *Certain Covenants — Sales and Issuances of Capital Stock in Restricted Subsidiaries*”.

Permitted Pari Passu Secured Indebtedness

On or after the Original Issue Date, neither the Parent Guarantor nor the Issuer will create Liens on the Collateral other than: (i) Liens *pari passu* with the Liens created for the benefit of the Holders to secure Indebtedness of the Parent Guarantor or the Issuer (such Indebtedness, “**Permitted Pari Passu Secured Indebtedness**”); *provided that* (1) the Parent Guarantor or the Issuer was permitted to Incur such Indebtedness under the covenant described under “— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*”; (2) the holders of such Indebtedness (or their representative), other than any Additional Notes and any Indebtedness in respect of which the relevant holders or representative is already a party to the Intercreditor Agreement, become party to the Intercreditor Agreement; (3) the agreement in respect of such Indebtedness contains provisions with respect to releases of the Lien over the Collateral no more restrictive on the Parent Guarantor or the Issuer, as applicable, than the provisions of the Indenture and the Collateral Documents; and (4) the Issuer delivers to the Trustee and the Common Collateral Agent an Opinion of Counsel and an Officer’s Certificate with respect to corporate and collateral matters in connection with the Collateral Document; and (ii) certain Permitted Liens. The Trustee and the Common Collateral Agent will be permitted and authorized, without the consent of any Holder, to enter into any amendments to the Collateral Documents, the Indenture and/or the Intercreditor Agreement and take any other action necessary to permit the creation and registration of Liens on the Collateral to secure Permitted Pari Passu Secured Indebtedness in accordance with this paragraph and the terms of the Indenture (including, without limitation, the appointment of a common collateral agent under the Intercreditor Agreement referred to below to hold the Collateral on behalf of the Holders and the holders of Permitted Pari Passu Secured Indebtedness).

Except for Permitted Pari Passu Secured Indebtedness, the Parent Guarantor and the Restricted Subsidiaries will not be permitted to Incur any other Indebtedness secured by all or any portion of the Collateral without the consent of each Holder and each party to Permitted Pari Passu Secured Indebtedness.

Intercreditor Agreement and Priority

On or prior to the first Incurrence of any Permitted Pari Passu Secured Indebtedness, the Trustee and the Common Collateral Agent will enter into an intercreditor agreement (the “**Intercreditor Agreement**”), without requiring any instruction or consent from or notice to the Holders, with the Parent Guarantor, the Issuer, the Common Collateral Agent and the holders of such Permitted Pari Passu Secured Indebtedness (or their representative). The Intercreditor Agreement will provide for, among other things:

- (1) that the parties thereto shall share equal priority and pro rata entitlement in and to the Collateral, but in the event of an early termination of the relevant hedging agreement arising from any event (other than an event of default in respect of the applicable counterparty(ies)) in relation to Hedging Obligations permitted to be incurred by the Issuer under clause (2)(e) of the definition of Permitted Indebtedness, amounts recovered in respect of the Collateral are required to be turned over to the Common Collateral Agent and, subject to the payment of certain fees and expenses, paid by the Common Collateral Agent to the counterparties to such Hedging Obligations in priority to the Holders and to holders or lenders of other Permitted Pari Passu Secured Indebtedness;
- (2) the conditions that are applicable to the release of or granting of any Lien on such Collateral; and
- (3) the conditions under which the parties thereto will enforce their rights with respect to such Collateral and the Indebtedness secured thereby.

Under the Intercreditor Agreement, the holders of any Permitted Pari Passu Secured Indebtedness (or their representative) (collectively with the Trustee, the “**Pari Passu Secured Parties**”) will (subject to agreement of

the terms and provisions of such appointment) appoint DB Trustees (Hong Kong) Limited as the Common Collateral Agent (or the successor Common Collateral Agent appointed under the Collateral Document if such a successor has been appointed) to act as the Common Collateral Agent with respect to the Collateral, to exercise remedies (subject to the terms of the Indenture and any document governing Permitted Pari Passu Secured Indebtedness) in respect thereof upon the occurrence of an event of default under the Indenture and any document governing Permitted Pari Passu Secured Indebtedness, and to act as provided in the Intercreditor Agreement.

In connection with the Incurrence of any subsequent Permitted Pari Passu Secured Indebtedness (other than Indebtedness in respect of which the holders or their representative is already a party to the Intercreditor Agreement), the holders of such Permitted Pari Passu Secured Indebtedness (or their representative) will (a) accede to the Intercreditor Agreement and become a party to it or (b) enter into another intercreditor agreement on substantially similar terms.

By accepting the Notes, each Holder shall be deemed to have consented to the execution of the Intercreditor Agreement, any supplements, amendments or modifications thereto, and any future Intercreditor Agreement required under the Indenture.

Enforcement of Security

The first-priority Liens over the Collateral will be granted to the Common Collateral Agent. The Common Collateral Agent will hold such Liens and security interests in the Collateral granted pursuant to the Collateral Documents with sole authority in accordance with, and subject to, the terms of the Intercreditor Agreement, as directed by the written instruction of the Pari Passu Secured Parties to exercise remedies under the Collateral Documents. The Common Collateral Agent has agreed to act as secured party on behalf of the Pari Passu Secured Parties under the Collateral Documents, to follow the instructions provided to it under the Intercreditor Agreement and the Collateral Documents and to carry out certain other duties.

The Common Collateral Agent may decline to foreclose on the Collateral or exercise remedies available if it does not receive indemnification and/or security and/or pre-funding to its satisfaction from the Holders or the instructing Pari Passu Secured Parties. In addition, the Common Collateral Agents' ability to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties, prior Liens and practical problems associated with the realization of the Common Collateral Agents' Liens on the Collateral. Neither the Common Collateral Agent nor the Trustee, nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for the existence, genuineness, value, adequacy, title or protection of the Collateral, for the legality, enforceability, effectiveness or sufficiency of the Collateral Document, for the creation, perfection, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or the Collateral Document, as the case may be, or any delay in doing so.

Each of the Collateral Documents provide that each of the Parent Guarantor and the Issuer, respectively will indemnify the Common Collateral Agent and the Trustee for all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind (including fees and expenses of its legal counsel) imposed against the Common Collateral Agent arising out of the Collateral Documents and the Intercreditor Agreement except to the extent that any of the foregoing are finally judicially determined to have resulted from the gross negligence or wilful misconduct of the Common Collateral Agent.

Collateral Enforcement

All payments received and all amounts held by the Common Collateral Agent in respect of the Collateral under the Collateral Document will be applied as follows (and if the Intercreditor Agreement is in force then, in accordance with the Intercreditor Agreement):

- *first*, to the Common Collateral Agent, and the receivers to the extent necessary to reimburse the Common Collateral Agent and the receivers for any unpaid fees, costs and expenses (including any fees and expenses of legal counsel) incurred in connection with the Indenture, the Collateral Documents, the documents governing the Permitted Pari Passu Secured Indebtedness and, if applicable, the Intercreditor Agreement and the collection or distribution of such amounts held or realized or in connection with expenses (including any fees and expenses of legal counsel) incurred in enforcing its remedies under the Collateral Documents and preserving the Collateral and all amounts for which the Common Collateral Agent and the receivers are entitled to indemnification under the Collateral Documents, the Indenture, the documents governing the Permitted Pari Passu Secured Indebtedness and the Intercreditor Agreement;
- *second*, to the Trustee, the Agents and to the extent applicable, any representative of holders of any Permitted Pari Passu Secured Indebtedness, to the extent necessary to reimburse the Trustee, the Agents and any such representative for any unpaid fees, costs and expenses (including any fees and expenses of legal counsel) incurred in connection with the Indenture, the Collateral Documents, the documents governing the Permitted Pari Passu Secured Indebtedness and, if applicable, the Intercreditor Agreement and all amounts for which the Trustee, the Agents and any such representative are entitled to indemnification under the Collateral Documents, the Indenture, the documents governing the Permitted Pari Passu Secured Indebtedness and the Intercreditor Agreement;
- *third*, to the Trustee for the benefit of Holders and, to the extent applicable, holders of any Permitted Pari Passu Secured Indebtedness (or their representative) on a pro rata and *pari passu* basis; but in the event of an early termination of the relevant hedging agreement arising from any event (other than an event of default in respect of the applicable counterparty(ies)) in relation to Hedging Obligations permitted to be incurred by the Issuer under clause (2)(e) of the definition of Permitted Indebtedness, amounts recovered in respect of the Collateral are required to be turned over to the Common Collateral Agent and, subject to the payment of certain fees and expenses, paid by the Common Collateral Agent to the counterparties to such Hedging Obligations in priority to the Holders and to holders or lenders of other Permitted Pari Passu Secured Indebtedness; and
- *fourth*, any surplus remaining after such payments will be paid to the Issuer, the Guarantors or whomever may be lawfully entitled thereto.

Optional Redemption

At any time prior to February 24, 2025, upon not less than 10 nor more than 60 days' prior notice to the Holders, the Trustee and the Paying Agent, the Issuer may on any one or more occasions redeem (on a pro rata basis) up to 40% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 109.50%, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date, with the net cash proceeds of one or more sales of the Capital Stock in an Equity Offering; *provided that*:

- (1) at least 60% of the aggregate principal amount of Notes issued on the Original Issue Date (excluding Notes held by the Parent Guarantor or its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and
- (2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

At any time prior to February 24, 2025, upon not less than 10 nor more than 60 days' prior notice to the Holders, the Trustee and the Paying Agent, the Issuer may on any one or more occasions redeem all or redeem (on a pro rata basis) any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date. Neither the Trustee nor any of the Agents shall be responsible for monitoring, verifying or calculating the Applicable Premium and will not be responsible to the Holders for any loss or damage arising from any failure by it to do so.

On or after February 24, 2025, upon not less than 10 nor more than 60 days' prior notice to the Holders, the Trustee and the Paying Agent, the Issuer may redeem all or redeem (on a pro rata basis) any portion of the Notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed, to (but not including) the applicable redemption date, if redeemed during the periods indicated below, subject to the rights of Holders on the relevant Record Date to receive interest on the relevant Interest Payment Date:

Year	Redemption Price
From February 24, 2025 to August 23, 2025	104.75%
From August 24, 2025 to February 23, 2026	103.135%
From February 24, 2026 to August 23, 2026	102.375%
On or after August 24, 2026	100.000%

Unless the Issuer defaults in the payment of the applicable redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

In connection with any redemption of Notes conducted pursuant to the provisions of the Indenture described under this "Optional Redemptions," any such redemption or notice may, at the Issuer's and/or the Parent Guarantor's discretion, be subject to one or more conditions precedent. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Issuer's and/or the Parent Guarantor's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

Repurchase at the Option of Holders

Change of Control Triggering Event

If a Change of Control Triggering Event occurs, each Holder will have the right to require the Issuer to repurchase all or any part (equal to US\$200,000 or an integral multiple of US\$1,000) of that Holder's Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer will offer a purchase price in cash equal to 101% of the aggregate principal amount of the Notes (the "**Change of Control Payment**") repurchased, plus accrued and unpaid interest, if any, on the Notes repurchased to (but not including) the applicable date of purchase, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date. Within ten (10) days following any Change of Control Triggering Event, the Issuer will mail a notice to each Holder, the Trustee and the Paying Agent describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Triggering Event payment date (the "**Change of Control Payment Date**") specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the Paying Agent the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The Paying Agent will as soon as reasonably practicable mail to each Holder that properly tendered Notes the Change of Control Payment for such Notes, and the Registrar or an authenticating agent will as soon as reasonably practicable authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders of the Notes to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to the Indenture as described under the caption “— *Optional Redemptions*” or “— *Redemption for Taxation Reasons*,” unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of “all or substantially all” of the properties or assets of the Restricted Group, taken as a whole. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Restricted Group taken as a whole to another Person or group may be uncertain.

Neither, the Trustee nor the agents shall be required to take any steps to ascertain whether a Change of Control Triggering Event has occurred or may occur, and shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer. Neither the Trustee nor the Agents shall be required to take any steps to ascertain whether the condition for the exercise of the rights herein has occurred. Neither the Trustee nor the Agents shall be responsible for determining or verifying whether a Note is to be accepted for repurchase and will not be responsible to the Holders for any loss arising from any failure by it to do so. Neither the Trustee nor the Agents shall be under any duty to determine, calculate or verify the repurchase amount payable hereunder and will not be responsible to the Holders for any loss arising from any failure by it to do so.

Asset Sales

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

- (1) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;
- (2) the consideration received by the Parent Guarantor or such Restricted Subsidiary is at least equal to the Fair Market Value of the assets sold or disposed of; and
- (3) at least 75% of the consideration received consists of cash, Temporary Cash Equivalents and/or Replacement Assets (as defined below). For purposes of this provision, each of the following will be deemed to be cash:
 - (a) any liabilities, as shown on the Parent Guarantor’s most recent consolidated balance sheet, of the Parent Guarantor or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Parent Guarantor or such Restricted Subsidiary, as the case may be, from or indemnifies them against further liability; and

- (b) any securities, notes or other obligations received by the Parent Guarantor or any Restricted Subsidiary from such transferee that are promptly, but in any event within 90 days of closing, converted by the Parent Guarantor or such Restricted Subsidiary, as the case may be, into cash, to the extent of the cash received in that conversion.

Within 365 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Parent Guarantor or such Restricted Subsidiary, as the case may be, may apply such Net Cash Proceeds to:

- (1) permanently repay any Senior Indebtedness (and if any such Indebtedness is revolving credit Indebtedness, to correspondingly permanently reduce commitments with respect thereto), in each case owing to a Person other than the Parent Guarantor or a Restricted Subsidiary;
- (2) to make capital expenditures for a Permitted Business;
- (3) to acquire or build properties and assets (other than current assets) that are used or will be used in a Permitted Business, or to acquire all, or substantially all, of the assets of, or the Capital Stock of, a Person or a line of business which is a Permitted Business; or
- (4) any combination of the foregoing (2) and (3) (collectively, “**Replacement Assets**”),

provided that, pending the application of Net Cash Proceeds in accordance with clauses (1), (2), (3) or (4) of this paragraph, such Net Cash Proceeds may be temporarily invested only in cash or Temporary Cash Equivalents or be used to temporarily reduce revolving credit Indebtedness.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clause (4) will constitute “**Excess Proceeds**.” Excess Proceeds of less than US\$5.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceed US\$5.0 million (or the Dollar Equivalent thereof), within ten (10) Business Days thereof, the Parent Guarantor must make an Offer to Purchase Notes having a principal amount equal to:

- (a) accumulated Excess Proceeds, multiplied by
- (b) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all Senior Indebtedness, in any such case similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale, rounded down to the nearest US\$1,000 subject to a minimum denominations of US\$200,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to (but not including) the applicable date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Parent Guarantor may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Notes to be purchased will be selected in accordance with the procedures of DTC. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Additional Amounts

All payments of principal of, and premium (if any) and interest on the Notes or under any Guarantee will be made by or on behalf of the Issuer or any Guarantor without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within Singapore or any other jurisdiction in which the Issuer, a Surviving Person (as defined under “— *Certain Covenants — Merger, Consolidation and Sale of Assets*”) or any Guarantor is organized or resident for tax purposes or any political subdivision or taxing authority thereof or therein (each, as applicable, a “**Relevant Taxing Jurisdiction**”) or any jurisdiction through which payment is made by or on behalf of the Issuer, the Guarantors or a Surviving Person, or any political subdivision or taxing authority thereof or therein (together with the Relevant Taxing Jurisdictions, the “**Relevant Jurisdictions**”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Issuer, the Guarantors or a Surviving Person, as the case may be, will pay such additional amounts (the “**Additional Amounts**”) as will result in receipt by the Holder of each Note of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts will be payable:

(1) for or on account of:

(a) any tax, duty, assessment or governmental charge that would not have been imposed but for:

- (i) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Relevant Jurisdiction other than merely holding such Note or the receipt of payments thereunder or under the Guarantee, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;
- (ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;
- (iii) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere; or
- (iv) the failure of the Holder or beneficial owner to comply with a timely request of the Issuer, any Guarantor or a Surviving Person, addressed to the Holder, to provide information concerning such Holder’s or beneficial owner’s nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request is required under the statutes, regulations or official administrative guidance having a force of law of the Relevant Jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder;

- (b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
 - (c) any tax, duty, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of or interest or any premium on the Note;
 - (d) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (“**FATCA**”), any current or future Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA; or
 - (e) any combination of taxes, duties, assessments or governmental charges referred to in the preceding clauses (a), (b), (c) and (d); or
- (2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

The Issuer, the Guarantor or a Surviving Person, as the case may be, will (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Issuer, the Guarantor or a Surviving Person, as the case may be, will make reasonable efforts to obtain original tax receipts or certified copies thereof evidencing the payment of any taxes, duties, assessment or governmental charges so deducted or withheld and paid to the Relevant Jurisdiction. The Issuer, the Guarantor or a Surviving Person, as the case may be, will furnish to the Trustee and the Paying Agent, within 60 days after the date of the payment of any taxes, duties, assessment or governmental charges so deducted or withheld is due pursuant to applicable law, either original tax receipts or certified copies thereof evidencing such payment or, if such receipts are not obtainable, other evidence of such payments.

At least 30 days prior to the first date on which any payment under or with respect to the Notes is due and payable, if the Issuer, the Guarantor or a Surviving Person, as the case may be, will be obligated to pay Additional Amounts with respect to such payment, the Issuer, the Guarantor or a Surviving Person, as the case may be, will deliver to the Trustee and the Paying Agent an Officer’s Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable (unless the obligation to pay Additional Amounts arises after the 30th day prior to such date) and will set forth such other information necessary to enable the Paying Agent to pay such Additional Amounts to the Holders on such payment date. The Issuer, the Guarantor or a Surviving Person, as the case may be, will deliver to the Trustee and the Paying Agent an Officer’s Certificate 30 days prior to any subsequent payment date if there has been a change in the matters set forth in the previously furnished certification (unless the change occurred after the 30th day prior to such date).

In addition, the Issuer, the Guarantor or a Surviving Person, as the case may be, will pay any stamp, issue, registration, documentary, value added or other similar taxes and other duties (including interest and penalties) payable in any Relevant Jurisdiction in respect of the creation, issue, offering, execution or enforcement of the Notes, the Note Guarantee (other than with respect to transfers of the Notes in the secondary market following the Original Issue Date) or any documentation with respect thereto. Whenever there is mentioned in any context

the payment of principal of, and any premium or interest on, any Note or under the Note Guarantee, such mention will be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Paying Agent and the Trustee will make payments free of withholdings or deductions on account of taxes unless required by applicable law. If such a deduction or withholding is required, the Paying Agent or the Trustee will not be obligated to pay any Additional Amount to the recipient unless such an Additional Amount is received by the Paying Agent or the Trustee.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Issuer or a Surviving Person, as the case may be, as a whole but not in part, upon giving not less than 10 days' nor more than 60 days' notice to the Holders (which notice will be irrevocable) the Trustee and the Paying Agent, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Issuer or the Surviving Person, as the case may be, for redemption if, as a result of:

- (1) any change in or amendment to, to the statutes, regulations or official administrative guidance having the force of law, of a Relevant Taxing Jurisdiction (or in the case of payments on Onshore Debt, India, any treaties entered into by India, or any political subdivision or taxing authority thereof or therein) affecting taxation; or
- (2) any change in, amendment to, the existing official position regarding the application or interpretation of such statutes, regulations, rulings or official administrative guidance (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment or official position is announced and becomes effective (i) with respect to the Issuer (or a Restricted Subsidiary that has issued or borrowed Onshore Debt), on or after the Original Issue Date, or (ii) with respect to a Surviving Person organized or resident for tax purposes in a jurisdiction that is not the Issuer's or the Guarantor's Relevant Taxing Jurisdiction as of the Original Issue Date, on or after the date such Surviving Person becomes a Surviving Person, with respect to any payment due or to become due under the Notes or the Onshore Debt, as applicable, the Issuer, the Guarantor or a Surviving Person, or a Restricted Subsidiary that has issued or borrowed Onshore Debt, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts (or in the case of Onshore Debt, the Restricted Subsidiary that is the issuer or borrower of the Onshore Debt would be required to withhold or deduct any taxes, duties, assessments or government charges of whatever nature) and such requirement cannot be avoided by the taking of reasonable measures by the Issuer, the Guarantor, a Surviving Person or the applicable Restricted Subsidiary who has issued or borrowed Onshore Debt, as the case may be; *provided that* no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Issuer, the Guarantor or a Surviving Person, as the case may be, would be obligated to pay such Additional Amounts (or, in relation to a Restricted Subsidiary, withhold or deduct an amount with respect to any payment on Onshore Debt) if a payment in respect of the Notes (or on Onshore Debt) were then due; and *provided further that* where any such requirement to pay Additional Amounts (or withhold or deduct an amount with respect to any payment on Onshore Debt) is due to taxes imposed by India or any political subdivision or taxing authority thereof or therein, the Issuer, the Guarantor or the Surviving Person will be permitted to redeem the Notes in accordance with the provisions hereof only if the rate of withholding or deduction in respect of which Additional Amounts are required (or in respect of which withholding is required on Onshore Debt) is in excess of the rate in effect as of the Original Issue Date (plus applicable surcharge and cess).

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer, the Guarantor or a Surviving Person, as the case may be, will deliver to the Trustee and the Paying Agent at least 10 days but not more than 60 days before a redemption date:

- (1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Issuer, the Guarantor, a Surviving Person or the applicable Restricted Subsidiary, as the case may be, taking reasonable measures; and
- (2) an Opinion of Counsel or an opinion of a tax consultant of recognized standing with respect to tax matters of the Issuer, the Guarantor's or a Surviving Person's Relevant Taxing Jurisdiction, or tax matters of India, with respect to the Restricted Subsidiaries, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee and the Paying Agent are and shall be entitled to conclusively rely on and accept such Officer's Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent described above without further verification, in which event it will be conclusive and binding on the Holders, and the Trustee and the Paying Agent will not be responsible for any loss occasioned by acting in reliance on such certificate and opinion.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Notes for redemption will be selected as follows:

- (1) if the Notes are listed on any securities exchange and/or are held through a clearing system, in compliance with the requirements of the principal national securities exchange on which the Notes are listed and/or the requirements of the clearing system; or in the case of a partial redemption held through DTC, selection of the notes will be made on a pro rata pass through distribution of principal basis; or
- (2) if the Notes are not listed on any securities exchange and are not held through clearing systems, on a pro rata basis, by lot or by such method as the Trustee in its sole and absolute discretion deems fair and appropriate, unless otherwise required by law or provided in the Indenture.

No Notes of US\$200,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address and to the Trustee and the Paying Agent, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or the satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder of Notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

Open Market Purchases and Cancellation of Notes

The Issuer and/or Parent Guarantor may purchase Notes in the open market or by tender or by any other means at any price, so long as such acquisition does not otherwise violate the terms of the Indenture. All Notes that are purchased, acquired or otherwise redeemed by the Issuer or the Parent Guarantor will be cancelled.

Certain Covenants

Restricted Payments

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly:

- (1) declare or pay any dividend or make any distribution on or with respect to the Parent Guarantor's or any Restricted Subsidiary's Capital Stock (other than dividends or distributions payable solely in shares of the Parent Guarantor's or any Restricted Subsidiary's Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Parent Guarantor or any Restricted Subsidiary;
- (2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock (including options, warrants or other rights to acquire such shares of Capital Stock) of the Parent Guarantor, any Restricted Subsidiary or any direct or indirect parent of the Parent Guarantor held by any Persons other than the Parent Guarantor or any Restricted Subsidiary;
- (3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or the Guarantee ("*Subordinated Indebtedness*"), excluding any intercompany Indebtedness between or among the Parent Guarantor and any Restricted Subsidiary or between or among any Restricted Subsidiaries;
- (4) make any principal or interest payment on, or repurchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than the payment of interest thereon in the form of additional Subordinated Shareholder Debt); or
- (5) make any Investment, other than a Permitted Investment;

if (the payments or any other actions described in clauses (1) through (5) above being collectively referred to as "Restricted Payments"), at the time of and after giving effect to such Restricted Payment:

- (a) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;
- (b) the Parent Guarantor could not Incur at least US\$1.00 of Indebtedness under the proviso in clause (1) of the covenant described under the caption "*—Incurrence of Indebtedness and Issuance of Preferred Stock*"; or
- (c) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Parent Guarantor and the Restricted Subsidiaries on or after the Original Issue Date (excluding Restricted Payments permitted by clause (2), (3) and (9) of the next succeeding paragraph, shall exceed the sum (without duplication) of:
 - (i) 50% of the aggregate amount of the Consolidated Net Income (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal quarter commencing in which the Original Issue Date occurs and ending on the last day of the Parent Guarantor's most recently ended semi-annual fiscal period for which consolidated financial statements of the Parent Guarantor are available (which financial statements may be internal management accounts) at the time of such Restricted Payment; plus

- (ii) 100% of the aggregate net cash proceeds received by the Parent Guarantor after the Original Issue Date as a capital contribution to its common equity or from the issuance and sale of (i) Equity Interests of the Parent Guarantor (other than Disqualified Stock), (ii) convertible or exchangeable Disqualified Stock of the Parent Guarantor or convertible or exchangeable debt securities of the Parent Guarantor, in each case that have been converted into or exchanged for Equity Interests of the Parent Guarantor (other than Equity Interests and convertible or exchangeable Disqualified Stock or debt securities sold to a Subsidiary of the Parent Guarantor) or (iii) Subordinated Shareholder Debt (other than an issuance or sale to a Subsidiary of the Parent Guarantor); plus
- (iii) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made on or after the Original Issue Date in any Person resulting from (w) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case, to the Parent Guarantor or a Restricted Subsidiary (except, in each case, to the extent that any such payment or proceeds are included in the calculation of Consolidated Net Income), (x) the net cash proceeds from the sale of any such Investment (except to the extent that such proceeds are included in the calculation of Consolidated Net Income), (y) the unconditional release of a Guarantee provided by a Restricted Subsidiary after the Original Issue Date of an obligation of another Person, or (z) redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments made by the Parent Guarantor or a Restricted Subsidiary, as the case may be, after the Original Issue Date in any such Person; plus
- (iv) the amount by which Indebtedness of the Parent Guarantor or any of the Restricted Subsidiaries, as the case may be, is reduced on the Parent Guarantor's consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Parent Guarantor) subsequent to the Original Issue Date of any Indebtedness of the Parent Guarantor or any of the Restricted Subsidiaries, as the case may be, convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Parent Guarantor or any of the Restricted Subsidiaries (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Parent Guarantor or Restricted Subsidiary, as the case may be, upon such conversion or exchange).

The foregoing provision shall not be violated by reason of:

- (1) the payment of any dividend or redemption of any Capital Stock within 90 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;
- (2) (i) the redemption, repurchase, defeasance or other acquisition or retirement for value of subordinated Indebtedness of the Issuer or any Guarantor with the net cash proceeds of, or in exchange for, a substantially concurrent Incurrence of Indebtedness issued in exchange for, or the net proceeds of which are used to, refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend, such subordinated Indebtedness; *provided that* such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or the Note Guarantee, as applicable, at least to the extent that the subordinated Indebtedness to be refinanced is subordinated to the Notes or the Note Guarantee, as applicable and (ii) any redemption, purchase or other acquisition or retirement for value of Disqualified Stock of the Parent Guarantor or preferred stock of a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Stock of the Parent Guarantor or Preferred Stock of a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be

incurred pursuant to the covenant described under the caption “— *Incurrence of Indebtedness and Issuance of Preferred Stock*;”

- (3) any Restricted Payment made in exchange for, or out of the net cash proceeds of a substantially concurrent capital contribution or sale (other than to a Restricted Subsidiary) of, shares of Capital Stock (other than through the issuance of Disqualified Stock) of the Parent Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided* that to the extent so applied, the net cash proceeds from such sale of Capital Stock or such contribution will be excluded from clause (c) of the preceding paragraph;
- (4) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable on a pro rata basis (or on a basis more favorable to the Parent Guarantor and the Restricted Subsidiaries) to all holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Parent Guarantor;
- (5) the purchase, repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Parent Guarantor or any of the Restricted Subsidiaries held by any current or former officer, director or employee of the Parent Guarantor or any of the Restricted Subsidiaries (or permitted transferees of such persons) or their authorized representatives pursuant to any equity subscription agreement, stock option agreement, shareholders’ agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed US\$2.0 million in any twelve-month period (with unused amounts rolled-over and available in subsequent periods);
- (6) payments of cash, dividends, distributions, advances or other Restricted Payments to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants, (ii) the conversion or exchange of capital stock of any such Person or (iii) stock dividends, splits or business combinations;
- (7) (i) the repurchase of Capital Stock of the Parent Guarantor or any Restricted Subsidiary deemed to occur upon the exercise of equity stock options, warrants or other rights to purchase Capital Stock of such Person if such Capital Stock represents all or a portion of the exercise price thereof and (ii) repurchases of Capital Stock of the Parent Guarantor or any Restricted Subsidiary deemed to occur upon the withholding of a portion of such Capital Stock granted or awarded to a director, officer or employee to pay for the taxes payable by such director, officer or employee upon such grant or award;
- (8) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock or Preferred Stock of the Parent Guarantor or any Restricted Subsidiary that was permitted to be issued pursuant to the covenant described under the caption “— *Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (9) the declaration and payment of regularly scheduled or accrued dividends or distributions to holders of Project CCDs issued on or after the Original Issue Date that in each case was permitted to be issued pursuant to the covenant described under the caption “— *Incurrence of Indebtedness and Issuance of Preferred Stock*”; and
- (10) the making of any other Restricted Payment in an aggregate amount, together with all other Restricted Payments made under this clause (10), not exceeding US\$25.0 million (or the Dollar Equivalent thereof), *provided* that, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth in this clause (10).

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Parent Guarantor or any Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors of the Parent Guarantors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of recognized standing (or a local affiliate thereof) if the Fair Market Value exceeds US\$25.0 million (or the Dollar Equivalent thereof).

Incurrence of Indebtedness and Issuance of Preferred Stock

- (1) The Parent Guarantor will not and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness), and the Parent Guarantor will not permit any Restricted Subsidiary to issue any Preferred Stock; *provided that* the Parent Guarantor or any Restricted Subsidiary may incur Indebtedness (including Acquired Indebtedness), and any Restricted Subsidiary may issue Preferred Stock, if, after giving pro forma effect to the Incurrence of such Indebtedness, or the issuance of such Preferred Stock, and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing and (y) the Consolidated Net Leverage Ratio does not exceed 6.5 to 1.0.
- (2) Notwithstanding the foregoing, to the extent provided below, the Parent Guarantor or any Restricted Subsidiary, may Incur each and all of the following ("*Permitted Indebtedness*"):
 - (a) Indebtedness under the Notes issued on the Original Issue Date and any related Note Guarantee;
 - (b) Indebtedness outstanding on the Original Issue Date (excluding Indebtedness permitted under clause (c) below);
 - (c) Indebtedness of the Parent Guarantor or any Restricted Subsidiary owed to the Parent Guarantor or any Restricted Subsidiary; *provided that* any event which results in any such Restricted Subsidiary to which such Indebtedness is owed ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Parent Guarantor or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (2)(c); and if the Parent Guarantor or the Issuer is the obligor on such Indebtedness, such Indebtedness must be unsecured and be expressly subordinated in right of payment to the Parent Guarantee or the Notes, as the case may be;
 - (d) Indebtedness of the Parent Guarantor or any Restricted Subsidiary ("*Permitted Refinancing Indebtedness*") issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend (collectively, "*refinance*" and "*refinances*" and "*refinanced*" shall have a correlative meaning), then outstanding Indebtedness Incurred under paragraph (1) or clauses (2)(a), (b) and (d) and any refinancings thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses); *provided that* Indebtedness the proceeds of which are used to refinance the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes will only be permitted under this clause (2)(d) if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or (y) in case the Indebtedness to be

refinanced is subordinated in right of payment to the Notes, such new Indebtedness by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes;

- (e) Indebtedness Incurred pursuant to Hedging Obligations entered into for the purpose of protecting the Parent Guarantor or any Restricted Subsidiary from fluctuations in interest rates, currencies or commodity prices and not for speculation;
- (f) Indebtedness Incurred by any Restricted Subsidiary constituting reimbursement obligations with respect to workers' compensation claims or self-insurance obligations or bid, performance, surety or appeal bonds or payment obligations in connection with insurance premiums or similar obligations, security deposits and bank overdrafts (and letters of credit in connection with or in lieu of each of the foregoing) in the ordinary course of business (in each case other than for an obligation for borrowed money);
- (g) Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit, performance guarantees or trade guarantees issued in the ordinary course of business to the extent that such letters of credit, performance guarantees or trade guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 60 days following receipt by the Parent Guarantor or such Restricted Subsidiary of a demand for reimbursement;
- (h) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price, earn-outs or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Parent Guarantor or any Restricted Subsidiary, in any case, Incurred in connection with the acquisition or disposition of any business, assets or Restricted Subsidiary (other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition); *provided that* the maximum aggregate liability of the Parent Guarantor or a Restricted Subsidiary in respect of all such Indebtedness Incurred in connection with a disposition shall at no time exceed the gross proceeds actually received by the Parent Guarantor or such Restricted Subsidiary from the disposition of such business, assets or Restricted Subsidiary;
- (i) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds; *provided*, however, that such Indebtedness is extinguished within five Business Days of Incurrence;
- (j) Indebtedness used for working capital purposes; *provided that* the aggregate principal amount outstanding at any time does not exceed 3.0% of Total Assets (or the Dollar Equivalent thereof);
- (k) guarantees of Indebtedness of the Parent Guarantor or a Restricted Subsidiary permitted to be Incurred under the Indenture by the Parent Guarantor or any Restricted Subsidiary;
- (l) Indebtedness Incurred by the Parent Guarantor or any Restricted Subsidiary to the extent the net cash proceeds thereof required to defease or to satisfy and discharge the Notes as described under “— *Legal Defeasance and Covenant Defeasance*” or “— *Satisfaction and Discharge*” are promptly and irrevocably deposited with the Trustee; and

- (m) Indebtedness in an aggregate principal amount outstanding at any time not to exceed US\$50.0 million (or the Dollar Equivalent thereof).

For purposes of determining compliance with this covenant, in the event that an item of Indebtedness meets the criteria of more than one type of Permitted Indebtedness, or of Indebtedness described in paragraph (1) of this covenant and one or more types of Permitted Indebtedness, the Parent Guarantor, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant will not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred (or first committed, in the case of revolving credit debt); provided that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced (plus premiums, accrued interest, fees and expenses). The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency than the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

Issuances of Guarantees by Restricted Subsidiaries

The Parent Guarantor will not permit any Restricted Subsidiary, directly or indirectly, to Guarantee any Indebtedness of the Parent Guarantor or the Issuer, unless (a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Guarantee of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation as a result of any payment by such Restricted Subsidiary under its Guarantee until the Notes have been paid in full; provided that this paragraph shall not be applicable in the event that the Guarantee of payment of the Notes would not be permitted by applicable law.

Any Note Guarantee of a Restricted Subsidiary will be released upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided under the captions “— *Legal Defeasance and Covenant Defeasance*” and “— *Satisfaction and Discharge*”, upon repayment in full of the Notes and upon the release or discharge of the Guarantee that resulted in the creation of such Note Guarantee pursuant to this covenant except a discharge or release by or as a result of payment under such Guarantee.

Transactions with Shareholders and Affiliates

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, enter into any transaction or series of related transactions involving aggregate consideration in excess of US\$2.0 million (or the Dollar Equivalent thereof) with (a) any holder of 10% or more of any class of Capital Stock of the Parent Guarantor or (b) any Affiliate of the Parent Guarantor (each an “*Affiliate Transaction*”), unless:

- (1) the Affiliate Transaction is on terms that are no less favorable to the Parent Guarantor or such Restricted Subsidiary than those that would have been obtained in a comparable arm’s-length transaction by the

Parent Guarantor or such Restricted Subsidiary with a Person that is not such a holder or Affiliate of the Parent Guarantor or such Restricted Subsidiary; and

- (2) the Parent Guarantor delivers to the Trustee:
 - (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$5.0 million (or the Dollar Equivalent thereof), a Board Resolution of the Parent Guarantor set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transactions has been approved by a majority of the disinterested members of the Board of Directors of the Parent Guarantor, *provided that*, if no disinterested member of the Board of Directors exists with respect to any Affiliate Transaction, the transaction may be approved by a majority of the members of the Board of Directors of the Parent Guarantor; and
 - (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$15.0 million (or the Dollar Equivalent thereof), an opinion issued by an accounting, appraisal or investment banking firm of recognized standing (or a local affiliate thereof) stating either (i) that such Affiliate Transaction is, or series of related Affiliate Transactions are, fair to the Parent Guarantor or the Restricted Subsidiary, as applicable, from a financial point of view or (ii) that the terms of such Affiliate Transaction is, or series of related Affiliate Transactions are, not materially less favorable to the Parent Guarantor or such Restricted Subsidiary, as the case may be, than those that would have been obtained in a comparable arm's length transaction by the Parent Guarantor or such Restricted Subsidiary, as the case may be, with a Person that is not such a holder or Affiliate of the Parent Guarantor or such Restricted Subsidiary.

The foregoing limitation does not limit, and will not apply to:

- (1) directors' fees, indemnification, expense reimbursement and similar arrangements (including the payment of directors and officers insurance premiums), employee salaries, bonuses, employment agreements and arrangements, compensation or employee benefit arrangements, including stock options or legal fees and fees and compensation paid to consultants and agents;
- (2) loans to a Person which becomes a Restricted Subsidiary;
- (3) transactions between or among the Parent Guarantor and any Restricted Subsidiaries or between or among Restricted Subsidiaries;
- (4) any Permitted Investment or any Restricted Payments not prohibited by the "*— Restricted Payments*" covenant;
- (5) transactions pursuant to agreements in effect on the Original Issue Date and described in the Offering Memorandum, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Parent Guarantor and the Restricted Subsidiaries than the original agreement in effect on the Original Issue Date;
- (6) transactions with a Person that is an Affiliate solely because the Parent Guarantor, directly or indirectly, owns Capital Stock in, or controls, such Person; *provided that* no Affiliate of the Parent Guarantor (other than a Restricted Subsidiary) owns Capital Stock in such Person;

- (7) any payments or other transactions pursuant to tax sharing arrangements between or among the Parent Guarantor and any Restricted Subsidiary and any other Person with which the Parent Guarantor or any such Restricted Subsidiary files a consolidated tax return or with which the Parent Guarantor or any such Restricted Subsidiary is part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation;
- (8) transactions with customers, clients, contractors, purchasers or suppliers of goods (including turbines and other equipment or property) or services (including administrative, cash management, legal and regulatory, engineering, technical, financial, accounting, procurement, marketing, insurance, labor, management, operation and maintenance, power supply and other services) or insurance or lessors or lessees or providers of employees or other labor or property, in each case in the ordinary course of business and that are fair or on terms at least as favorable as arm's length as determined in good faith by the Board of Directors of the Parent Guarantor;
- (9) the issuance or sale of Equity Interests (other than Disqualified Stock) of the Parent Guarantor;
- (10) loans or advances to, or guarantees of obligations of, directors, promoters, officers or employees of the Parent Guarantor or any Restricted Subsidiary in accordance with policies approved by the Board of Directors of the Parent Guarantor and/or such Restricted Subsidiary;
- (11) any purchases of Indebtedness or Disqualified Stock of the Parent Guarantor or any of the Restricted Subsidiaries where at least 75% of such Indebtedness or Disqualified Stock is purchased by Persons who are not Affiliates of the Parent Guarantor; and
- (12) any Incurrence of, or amendment to, any Subordinated Shareholder Debt, so long as, in case of any amendments, such Subordinated Shareholder Debt continues to satisfy the requirements set forth under the definition "*Subordinated Shareholder Debt*".

Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Parent Guarantor will not permit any Restricted Subsidiary to create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Parent Guarantor or any Restricted Subsidiary;
- (2) pay any Indebtedness or other obligation owed to the Parent Guarantor or any Restricted Subsidiary;
- (3) make loans or advances to the Parent Guarantor or any Restricted Subsidiary; or
- (4) sell, lease or transfer any of its property or assets to the Parent Guarantor or any Restricted Subsidiary;

provided that it being understood that (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock or any other Preferred Stock; (ii) the subordination of loans or advances made to any Restricted Subsidiary to other Indebtedness Incurred by any Restricted Subsidiary; and (iii) provisions requiring transactions to be on fair and reasonable terms or on an arm's length basis, in each case, shall not be deemed to constitute such an encumbrance or restriction.

The foregoing restrictions will not apply to encumbrances or restrictions:

- (1) existing in agreements as in effect on the Original Issue Date and any extensions, refinancings, renewals, supplements, amendments or replacements of any of the foregoing agreements; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal, supplement, amendment or replacement are not materially more restrictive, taken as a whole, than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced, as determined in good faith by the Parent Guarantor;
- (2) in the Notes, the Note Guarantees, the Indenture, the Onshore Debt, the Collateral Document and any agreements pursuant to which security interests are granted for the benefit of the holder of any Onshore Debt;
- (3) existing under or by reason of applicable law, rule, regulation or order;
- (4) with respect to any Person or the property or assets of such Person that is designated a Restricted Subsidiary or is acquired by any Restricted Subsidiary, existing at the time of such designation or acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so designated or acquired, and any extensions, refinancings, renewals or replacements thereof; *provided that* the encumbrances and restrictions in any such extension, refinancing, renewal or replacement are not materially more restrictive, taken as a whole, than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced, as determined in good faith by the Board of Directors of the Parent Guarantor;
- (5) if they arise, or are agreed to in the ordinary course of business, and that (x) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (y) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Parent Guarantor or any Restricted Subsidiary not otherwise prohibited by the Indenture or that limit the right of the debtor to dispose of assets subject to a Lien not otherwise prohibited by the Indenture or (z) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Parent Guarantor or any Restricted Subsidiary in any manner material to the Parent Guarantor or any Restricted Subsidiary;
- (6) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the “— *Sales and Issuances of Capital Stock in Restricted Subsidiaries*,” “— *Incurrence of Indebtedness and Issuance of Preferred Stock*” and “— *Asset Sales*” covenants;
- (7) arising from provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business if the encumbrances or restrictions are (i) customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially adversely affect the ability of the Issuer or any Guarantor to make required payments on the Notes or the Note Guarantee, as determined in good faith by the Board of Directors of the Parent Guarantor;
- (8) with respect to any Indebtedness that is permitted by the “— *Incurrence of Indebtedness and Issuance of Preferred Stock*” covenant; *provided that* the encumbrances or restrictions are (i) customary for such types

of agreements and (ii) would not, at the time agreed to, be expected to materially adversely affect the ability of the Issuer or any Guarantor to make required payments on the Notes or the Note Guarantee, as determined in good faith by the Board of Directors of the Parent Guarantor; or

- (9) encumbrances or restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Parent Guarantor will not sell, and will not permit any Restricted Subsidiary to issue or sell any shares of Capital Stock of another Restricted Subsidiary, except:

- (1) to the Parent Guarantor or a Restricted Subsidiary;
- (2) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law, rule, regulation or order to be held by a Person other than the Parent Guarantor or a Restricted Subsidiary;
- (3) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); *provided that* the Parent Guarantor or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with the "*—Asset Sales*" covenant, if and to the extent required thereby; or
- (4) the issuance or sale of Capital Stock of a Restricted Subsidiary (which does not remain a Restricted Subsidiary after any such issuance or sale); *provided that* (i) (other than in relation to any issuance or sale of the Capital Stock of CGEIP which shall instead be subject to (ii) of this paragraph) the Parent Guarantor or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with the "*— Asset Sales*" covenant, if and to the extent required thereby and any remaining Investment in such Person would have been permitted to be made under the "Restricted Payments" covenant as if made on the date of such issuance or sale and (ii) any issuance or sale of the Capital Stock of CGEIP in a transaction that results in the Parent Guarantor becoming the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act) of less than 50.1% of the Capital Stock of CGEIP will only be permitted in a Qualified CGEIP Transaction.

Upon any issuance or sale of the Capital Stock of CGEIP in a transaction that is subject to, and that complies with the provisions of, prong (4) of the first paragraph of this "*Sales and Issuances of Capital Stock in Restricted Subsidiaries*" covenant, the acquiror to which such sale, issuance, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and shall be substituted for (so that from and after the date of such issuance or sale, the provisions of the Indenture referring to the "Parent Guarantor" shall refer instead to the acquiror and not to the Parent Guarantor) including expressly assuming the obligations of the Parent Guarantor under the Indenture and the Parent Guarantee, and may exercise every right and power of the Parent Guarantor under the Indenture and the Parent Guarantee with the same effect as if such acquiror had been named as the Parent Guarantor in the Indenture and the Parent Guarantor on the Original Issue Date shall automatically be released from all obligations under the Indenture and the Parent Guarantee and the Share Pledge.

Notwithstanding the foregoing, a Restricted Subsidiary may issue Common Stock to its shareholders on a pro rata basis or on a basis more favorable to the Parent Guarantor and its Restricted Subsidiaries.

Limitation on Liens

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, incur, assume or permit to exist any Lien (other than Permitted Collateral Liens) on the Collateral.

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind (other than the Collateral), whether owned at the Original Issue Date or thereafter acquired, except Permitted Liens, unless the Notes are equally and ratably secured by such Lien.

Anti-Layering

Neither the Parent Guarantor nor the Issuer will Incur any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Parent Guarantor, or the Issuer, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the Parent Guarantee, as the case may be, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantee securing or in favor of some but not all of such Indebtedness or by virtue of some Indebtedness being secured on a junior priority basis.

Merger, Consolidation and Sale of Assets

Neither the Parent Guarantor nor the Issuer will merge or consolidate with or into another Person (other than a Guarantor or the Issuer) and the Parent Guarantor will not sell all or substantially all of its and the Restricted Subsidiaries' assets, taken as a whole, in one or more related transactions (other than to a Guarantor or the Issuer), unless:

- (1) either (i) it is the surviving entity or (ii) the Person (if other than the Parent Guarantor or the Issuer, as the case may be) formed by such consolidation or merger, or with or into which the Parent Guarantor or the Issuer, as the case may be, consolidated or merged, or that acquired such property and assets (the “**Surviving Person**”) shall be a Person organized under the laws of India, Mauritius, The Netherlands, the Cayman Islands, the British Virgin Islands, Hong Kong, Singapore, Canada, the U.K., the Isle of Man, any member state of the European Union, Switzerland, the United States, any state of the United States or the District of Columbia and such Surviving Person shall expressly assume the obligations under the Indenture, the Notes and the Note Guarantee, as the case may be, and in the case of a Surviving Person organized in India, such assumption shall be permitted by applicable law at such time;
- (2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (3) the Consolidated Net Worth is at least the same as Consolidated Net Worth before such merger, consolidation or sale of assets, on a pro forma basis;
- (4) the Parent Guarantor could incur US\$1.00 of Indebtedness under the proviso in clause (1) of the covenant described under the caption “— *Incurrence of Indebtedness and Issuance of Preferred Stock*,” on a pro forma basis;
- (5) the Parent Guarantor delivers an Officer's Certificate and an Opinion of Counsel as to compliance with this covenant; and

- (6) solely with respect to a merger or consolidation of the Issuer, the Parent Guarantor confirms the Parent Guarantee.

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Parent Guarantor and the Restricted Subsidiaries, taken as a whole, in a transaction that is subject to, and that complies with the provisions of, this “*Merger, Consolidation and Sale of Assets*” covenant, the successor Person formed by such consolidation or into or with which the Parent Guarantor or the Issuer, as the case may be, is merged, or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of the Indenture referring to the “Parent Guarantor” or the “Issuer”, as the case may be, shall refer instead to the successor Person and not to the Parent Guarantor or the Issuer, as the case may be), and may exercise every right and power of the Parent Guarantor or the Issuer, as the case may be, under the Indenture with the same effect as if such successor Person had been named as the Parent Guarantor or the Issuer, as the case may be, in the Indenture and the Parent Guarantor or the Issuer, as the case may be, shall be released from all obligations under the Indenture and the Notes or the Parent Guarantee, as the case may be.

Cash Flow Coverage Ratio

The Parent Guarantor shall, in respect of the latest Reference Period ending on the relevant CFADS Calculation Date, ensure that the Cash Flow Coverage Ratio is not less than 1.1:1.0.

Restricted Group’s Business Activities and Obligations

The Parent Guarantor will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business.

Parent Guarantor’s Business Activities and Obligations

The Parent Guarantor will not commence or take any action to facilitate a winding-up, liquidation or other analogous proceeding in respect of the Issuer.

Notwithstanding anything to the contrary in the Indenture, for so long as the Parent Guarantor is the beneficial owner (as such term is used in Rule 13d-3 of the Exchange Act) of at least 50.1% of the Capital Stock of CGEIP, the Parent Guarantor shall only be permitted to (i) directly or indirectly, incur, assume or permit to exist Liens over such portion of its Capital Stock of CGEIP in an amount equal to the percentage of its then current beneficial ownership minus 75.1% (such amount the “*Available Capital Stock*”) and (ii) only to the extent they are Permitted Additional CGEIP Liens. If the amount of Available Capital Stock is zero or less than zero, the Parent Guarantor shall not be permitted to directly or indirectly, incur, assume or permit to exist any Lien (other than Permitted CGEIP Liens) over any Capital Stock of CGEIP beneficially owned by it.

Notwithstanding anything to the contrary in the Indenture, none of the Capital Stock of any Restricted Subsidiary shall be held at any time, directly or indirectly, by any Sanction Target.

Use of Proceeds

The Issuer will not use the net proceeds from the sale of the Notes issued on the Original Issue Date for any purpose other than (1) in the approximate amounts, in the order and for the purposes specified under the heading “*Use of Proceeds*” in the Offering Memorandum and (2) pending the application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in Temporary Cash Equivalents.

No Payments for Consent

The Issuer will not, and the Parent Guarantor will not permit any Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes in connection with an exchange offer, the Issuer may exclude (a) in connection with an exchange offer, holders or beneficial owners of the Notes that are not “qualified institutional buyers” as defined in Rule 144A under the Securities Act, and (b) in connection with any consent, waiver or amendment, holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such holders or beneficial owners could, in the reasonable judgment of the Issuer, require the Issuer to (i) file a registration statement, prospectus or similar document or subject the Issuer to ongoing periodic reporting or similar requirements under any securities laws (including but not limited to, the United States federal securities laws and the laws of the European Union or its member states), (ii) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (iii) generally consent to service of process in any such jurisdiction or (iv) subject the Issuer to taxation in any such jurisdiction if it is not otherwise so subject, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Issuer in its sole discretion.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Parent Guarantor may designate any Restricted Subsidiary (other than the Issuer) to be an Unrestricted Subsidiary; provided that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) such Restricted Subsidiary does not hold any Indebtedness of the Parent Guarantor or any Restricted Subsidiary, if such Indebtedness could not be Incurred under the covenant described under the caption “— *Incurrence of Indebtedness and Issuance of Preferred Stock*”; (3) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary (other than Restricted Subsidiaries being concurrently designated to be Unrestricted Subsidiaries in accordance with this covenant), and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated to be Unrestricted Subsidiaries in accordance with this paragraph; and (4) the Investment deemed to have been made thereby in such newly designated Unrestricted Subsidiary and each other newly designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under “— *Restricted Payments*.”

The Board of Directors of the Parent Guarantor may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption “— *Incurrence of Indebtedness and Issuance of Preferred Stock*”; and (3) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary).

All designations must be evidenced by a Board Resolution delivered to the Trustee certifying compliance with the preceding provisions.

Government Approvals and Licenses; Compliance with Law

The Parent Guarantor will (1) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses; (2) preserve and maintain good and valid title to its properties and assets (including land-use rights); and (3) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on the ability of the Parent Guarantor to perform its obligations under the Notes or the Indenture or the Collateral Documents.

Maintenance of Rating

The Issuer shall maintain a credit rating from at least one of the Ratings Agencies in respect of the Notes and pay all fees due and payable to such Rating Agency.

Suspension of Certain Covenants

If on any date following the date of the Indenture, the Notes have a rating of Investment Grade from any of the Rating Agencies and no Default has occurred and is continuing, then, beginning on that day and continuing until such time, if any, at which the Notes cease to have a rating of Investment Grade from any such Rating Agency (such period, the “**Suspension Period**”), the provisions of the Indenture summarized under the following captions will be suspended:

- (1) “— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (2) “— *Certain Covenants — Restricted Payments*”;
- (3) “— *Certain Covenants — Cash Flow Coverage Ratio*”;
- (4) “— *Certain Covenants — Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*”;
- (5) “— *Certain Covenants — Sales and Issuances of Capital Stock in Restricted Subsidiaries*”;
- (6) “— *Certain Covenants — Issuances of Guarantees by Restricted Subsidiaries*”;
- (7) “— *Repurchase at the Option of the Holders — Asset Sales*”;
- (8) “— *Certain Covenants — Restricted Group’s Business Activities and Obligations*”;
- (9) “— *Certain Covenants — Maintenance of Ratings*”; and
- (10) clauses (3) and (4) of the first paragraph of the covenant summarized under “— *Merger, Consolidation and Sale of Assets*.”

During any period that the foregoing covenants have been suspended, the Board of Directors of the Parent Guarantor may not designate any of the Restricted Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant summarized under “— *Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries*” or the definition of “Unrestricted Subsidiary”.

Such covenants will be reinstituted and apply according to their terms as of and from the first day on which a Suspension Period ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Parent Guarantor or any Restricted Subsidiary properly taken in compliance with the provisions of the Indenture during the continuance of the Suspension Period, and following reinstatement (1) the calculations under the covenant summarized under “— *Certain Covenants — Limitation on Restricted Payments*” will be made as if such covenant had been in effect since the date of the Indenture except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended and (2) all Indebtedness incurred, or Disqualified Stock or preferred stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause 2(b) of the covenant summarized under “— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*.” Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at to the amount in effect at the beginning of the Suspension Period.

There can be no assurance that the Notes will ever achieve a rating of Investment Grade or that any such rating will be maintained.

Currency Indemnity

The U.S. dollar is the sole currency of account and payment for all sums payable by the Issuer under the Notes (the “**Contractual Currency**”). Any amount received or recovered in currency other than the Contractual Currency in respect of the Notes (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up, bankruptcy, liquidation or dissolution of any Subsidiary or otherwise) by the Holder or the Trustee in respect of any sum expressed to be due to it from the Issuer will constitute a discharge of the Issuer, only to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in other currency on the date of that receipt or recovery (or, if it is not possible to make that purchase on that date, on the first date on which it is possible to do so). If that purchased amount is less than the Contractual Currency amount expressed to be due to the recipient under any Note, the Issuer will indemnify the recipient against any loss sustained by it as a result. For the purposes of this indemnity, it will be sufficient for the Holder or the Trustee to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of Contractual Currency been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of Contractual Currency on such date had not been possible, on the first date on which it would have been possible).

Each of the above indemnities will, to the extent permitted by law:

- constitute a separate and independent obligation from the other obligations of the Issuer;
- give rise to a separate and independent cause of action;
- apply irrespective of any waiver granted by any Holder or the Trustee; and
- continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

Provision of Financial Statements and Reports

The Issuer or the Parent Guarantor will provide to the Trustee and furnish to the Holders upon request, as soon as they are available but in any event no later than the periods set forth below, in the English language (or accompanied by an English translation thereof):

- (1) within 150 days after the end of the Parent Guarantor's fiscal year beginning with the first fiscal year ending after the Original Issue Date, annual reports containing (a) audited consolidated balance sheets of the Parent Guarantor as of the end as of the two most recent fiscal years and audited consolidated statements of income and cash flow of the Parent Guarantor for the two most recent fiscal years, including footnotes to such financial statements and the audit report of a member firm of an internationally recognized accounting firm on the consolidated financial statements; and (b) an operating and financial review of the audited financial statements; and
- (2) within 90 days after the end of the half-year period in each fiscal year of the Parent Guarantor beginning with the half-year period ending after the Original Issue Date, semi-annual reports containing (a) an unaudited consolidated balance sheet of the Parent Guarantor as of the end of such semi-annual period and unaudited consolidated statements of income and cash flow of the Parent Guarantor for the most recent semi-annual period ending on the unaudited consolidated balance sheet date, and the comparable prior year period, together with footnotes, and a review report thereon by a member firm of an internationally recognized accounting firm; and (b) an operating and financial review of the unaudited consolidated financial statements.

The Parent Guarantor will provide to the Trustee (a) within 150 days after the close of each fiscal year, an Officer's Certificate stating the Consolidated Net Leverage Ratio at the end of such fiscal year and showing in reasonable detail the calculation of such ratio; and (b) as soon as possible and in any event within 10 Business Days after the Parent Guarantor becomes aware or should reasonably become aware of the occurrence of a Default or Event of Default, an Officer's Certificate setting forth the details of the Default or Event of Default, and the action which the Parent Guarantor proposes to take with respect thereto.

All consolidated financial statements of the Parent Guarantor will be prepared in accordance with GAAP (as defined in the definition of "GAAP" under "*— Certain Definitions*") and on a consistent basis for the periods presented; *provided, however*, that the reports set forth in this covenant may, if applicable financial reporting standards change, present earlier periods on a basis that applied to such periods.

If the Parent Guarantor has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the semi-annual and annual financial information required by the preceding paragraphs will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto or in the operating and financial review of the financial condition and results of operations of the Parent Guarantor and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries.

The Parent Guarantor has agreed that, for as long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which the Parent Guarantor is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Parent Guarantor will supply to (i) any Holder or beneficial owner of a Note or (ii) a prospective purchaser of a Note or a beneficial interest therein designated by such Holder or beneficial owner, the information specified in, and meeting the requirements of Rule 144A(d)(4) under the Securities Act upon the request of any Holder or beneficial owner of a Note.

Events of Default and Remedies

Each of the following is an “Event of Default”:

- (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest on any Note when it becomes due and the continuance of any such failure for 30 days;
- (3) default in compliance with the covenant described under the caption “— *Certain Covenants — Merger, Consolidation and Sale of Assets*” or “*Asset Sales*” or in respect of the Issuer’s obligations to consummate an offer to purchase upon a Change of Control Triggering Event or “— *Certain Covenants — Limitation on Asset Sales*”;
- (4) defaults under the Indenture (other than a default specified in clause (1), (2) or (3) above) and continuance for 60 consecutive days after written notice is given by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;
- (5) with respect to any Indebtedness of the Parent Guarantor or any Restricted Subsidiary having an outstanding principal amount of US\$25.0 million (or the Dollar Equivalent thereof) or more, (a) an event of default causing the holder thereof to declare such Indebtedness to be due prior to its Stated Maturity and/or (b) the failure to make a principal payment when due (after giving effect to any grace period or such failure has continued for 10 Business Days regardless of whether the document governing such Indebtedness provides for a grace period or not);
- (6) passage of 60 consecutive days following entry of the final judgment or order against the Parent Guarantor or any Restricted Subsidiary that causes the aggregate amount for all such final judgments or orders outstanding and not paid, discharged or stayed to exceed US\$25.0 million (or the Dollar Equivalent thereof) (exclusive of any amounts for which a solvent (to the Parent Guarantor’s best knowledge) insurance company has acknowledged liability for);
- (7) an involuntary case or other proceeding is commenced against the Parent Guarantor or one or more Restricted Subsidiaries seeking the appointment of a receiver, official liquidator, administrator, trustee, corporate insolvency resolution professional or similar entity as described in the Indenture and remains undismissed and unstayed for 90 consecutive days, or a final non-appealable judgement or order for relief is entered under any bankruptcy or other similar law;
- (8) the Parent Guarantor or any Restricted Subsidiary:
 - (a) commences a voluntary case, or consents to the entry of an order for relief in an involuntary case, under any bankruptcy or other similar law;
 - (b) consents to the appointment of a receiver, liquidator, administrator, trustee, corporate insolvency professional or similar entity as described in the Indenture, or
 - (c) effects any general assignment for the benefit of creditors;

- (9) any default by the Parent Guarantor or the Issuer in the performance of any of its obligations under the Collateral Documents, which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Collateral or which adversely affects the condition or value of the Collateral, taken as a whole, in any material respect; and
- (10) the repudiation by the Parent Guarantor or the Issuer of any of their obligations under the Collateral Documents or a Collateral Document ceases to be or is not in full force or effect or the failure to create a first-priority lien on the Collateral or the Trustee or the applicable Common Collateral Agent ceases to have a first-priority security interest in the Collateral (subject to any Permitted Liens and in respect of the Collateral, any Intercreditor Agreement).

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Parent Guarantor and the Issuer (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written direction of such Holders representing at least 25% in aggregate principal amount of the Notes then outstanding (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction) shall, declare the principal of, premium and Additional Amounts, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium and Additional Amounts, if any, and accrued and unpaid interest will be immediately due and payable. If an Event of Default specified in clause (7) or (8) above occurs, the principal of, premium and Additional Amounts, if any, and accrued and unpaid interest on the Notes then outstanding will automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes by written notice to the Parent Guarantor and the Issuer and to the Trustee may on behalf of all the Holders waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

- (1) all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and
- (2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default occurs and is continuing, the Trustee may and the Trustee at the written direction of Holders of at least 25% in aggregate principal amount of the Notes then outstanding (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction) shall pursue, in its own name or as Trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or the Indenture, including, but not limited to, directing a foreclosure on the Collateral in accordance with the terms of the Collateral Documents and take such further action on behalf of the Holders with respect to the Collateral in accordance with such Holders' instruction and the relevant Collateral Documents, subject to any Intercreditor Agreement in the case of Collateral. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. In addition, if an Event of Default occurs and is continuing, the Trustee

may, and shall upon written direction of the Holders of at least 25% in aggregate principal amount of outstanding Notes (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction), instruct the relevant Common Collateral Agent to foreclose on the Collateral in accordance with the terms of the Intercreditor Agreement, the Collateral Documents and the Indenture and take such further action on behalf of the Holders with respect to the Collateral as the Trustee in its sole and absolute discretion deems appropriate.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, subject to any Intercreditor Agreement in the case of Collateral, provided that in all cases the Trustee is indemnified and/or secured and/or prefunded to its satisfaction in advance of any such proceedings. However, the Trustee may refuse to follow any direction that is unclear, conflicting or equivocal or conflicts with law or the Indenture, that may involve the Trustee in personal liability and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. The Trustee shall not be liable to any person for having acted on instruction or direction provided to it by Holders with respect to the Indenture and the Notes. In addition, the Trustee will not be required to expend its own funds in following such direction if it does not believe that reimbursement or satisfactory indemnification and/or security and/or pre-funding is assured to it.

A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

- (1) the Holder has previously given the Trustee written notice of a continuing Event of Default;
- (2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;
- (3) such Holder or Holders offer the Trustee and the Common Collateral Agent indemnity and/or security and/or pre-funding satisfactory to the Trustee and the Common Collateral Agent against any fees, costs, liability or expenses to be incurred in compliance with such written request;
- (4) the Trustee does not comply with the request within (x) 60 days after receipt of the written request pursuant to clause (2) above or (y) 60 days after the receipt of the offer of indemnity and/or security and/or pre-funded satisfactory to it pursuant to clause (3) above, whichever occurs later; and
- (5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a written direction that is inconsistent with such request.

However, such limitations do not apply to the contractual right of any Holder to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Notes, which right will not be impaired or affected without the consent of the Holder.

An officer of the Parent Guarantor must certify to the Trustee in writing, on or before a date not more than 150 days after the end of each fiscal year and within 14 days after a written request from the Trustee, that a review has been conducted of the activities of the Parent Guarantor and the Restricted Subsidiaries and the Parent Guarantor's and the Issuer's performance under the Indenture, the Notes and the Collateral Documents, and that the Parent Guarantor and the Issuer have fulfilled all of their respective obligations thereunder, or, if there has been a default in the fulfilment of any such obligation, specifying each such default and the nature and status thereof. The Parent Guarantor will also notify the Trustee in writing of any default or Default in the performance of any covenants or agreements under the Indenture. See "*— Provision of Financial Statements and Reports.*"

The Trustee need not do anything to ascertain whether any Default or Event of Default has occurred or is continuing and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so, and, the Trustee may assume that no Default or Event of Default has occurred and that the Parent Guarantor and the Issuer are performing their respective obligations under the Indenture and the Notes unless the Trustee has received written notice of the occurrence of such event or facts establishing that a Default or Event of Default has occurred or the Parent Guarantor or the Issuer are not performing their respective obligations under the Indenture, the Collateral Documents, the Intercreditor Agreement and the Notes. The Trustee is entitled to conclusively rely on an Opinion of Counsel or Officers' Certificate regarding whether or not a Default or Event of Default has occurred.

No Personal Liability of Incorporators, Promoters, Directors, Officers, Employees and Stockholders

No incorporator, promoter, director, officer, employee or stockholder of the Parent Guarantor or the Issuer, as such, will have any liability for any obligations of the Parent Guarantor or the Issuer under the Notes, the Indenture, the Collateral Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under U.S. federal securities laws.

Legal Defeasance and Covenant Defeasance

The Parent Guarantor may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Notes ("**Legal Defeasance**") except for:

- (1) the rights of Holders to receive payments in respect of the principal of, or interest or premium, if any, on, such Notes when such payments are due from the trust referred to below;
- (2) the Parent Guarantor's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties and immunities of the Trustee, and the Parent Guarantor's obligations in connection therewith; and
- (4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Parent Guarantor may, at its option and at any time, elect to have the obligations of the Issuer and the Guarantors released with respect to substantially all of the covenants (including its obligation to make Change of Control Offers) that are described in the Indenture ("**Covenant Defeasance**") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default. If Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "*Events of Default and Remedies*" will no longer constitute an Event of Default.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Parent Guarantor must irrevocably deposit with the Trustee (or its agent), in trust, for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars

and non-callable Government Securities, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and any other amounts payable by the Parent Guarantor under the Indenture and the Collateral Documents, and the Parent Guarantor must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

- (2) in the case of Legal Defeasance, the Parent Guarantor must deliver to the Trustee an Opinion of Counsel confirming that:

(a) either the Parent Guarantor or the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or

(b) since the Original Issue Date, there has been a change in the applicable U.S. federal income tax law,

in either case of (a) or (b) to the effect that, and based thereon such Opinion of Counsel will confirm that, the beneficial holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

- (3) in the case of Covenant Defeasance, the Parent Guarantor must deliver to the Trustee an Opinion of Counsel confirming that the beneficial holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit (and any similar concurrent deposit relating to other Indebtedness) and the granting of Liens securing such borrowing);
- (5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture and any agreements or instruments governing any other Indebtedness being defeased, discharged or replaced) to which the Parent Guarantor or any of its Subsidiaries is a party or by which the Parent Guarantor or any of its Subsidiaries is bound;
- (6) the Parent Guarantor must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Parent Guarantor with the intent of preferring the Holders over the other creditors of the Parent Guarantor with the intent of defeating, hindering, delaying or defrauding any creditors of the Parent Guarantor or others; and
- (7) the Parent Guarantor must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, the Notes, the Collateral Documents and the Intercreditor Agreement (if any) may be amended or supplemented with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, the Collateral Documents or the Intercreditor Agreement (if any) may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of Holders holding at least 90% in principal amount of the Notes, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting Holder):

- (1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any Note;
- (3) change the redemption date or the redemption price of the Notes from that stated under “— *Optional Redemption*” or “— *Redemption for Taxation Reasons*”;
- (4) reduce the rate of or change the currency or change the time for payment of interest, including default interest, on any Note;
- (5) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the Holders of a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);
- (6) impair the right of any Holder to receive payment of principal of, and interest or Additional Amounts, if any, on such Holder’s Notes on or after the due dates therefor or to institute a suit for the enforcement of any such payment on or with respect to such Holder’s Notes;
- (7) reduce the amount payable upon a Change of Control Offer or change the time or manner a Change of Control Offer may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer, in each case after the obligation to make such Change of Control Offer has arisen;
- (8) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Notes;
- (9) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption “— *Repurchase at the Option of Holders*”);
- (10) release any Collateral from the Lien of the Indenture and the Collateral Documents, except as set forth under the caption “— *Security*”; or
- (11) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder, the Parent Guarantor, the Issuer, the Common Collateral Agent and the Trustee may amend or supplement the Indenture, the Notes, the Intercreditor Agreement (if any) and the Collateral Documents:

- (1) to cure any ambiguity, defect, omission or inconsistency;
- (2) to provide for certificated Notes in addition to or in place of uncertificated Notes (provided, that any Notes are issued in registered form for purposes of Section 163(f) of the U.S. Internal Revenue Code of 1986, as amended);
- (3) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under the Indenture of any such Holder;
- (4) to conform the text of the Indenture, the Notes or the Collateral Documents or the Intercreditor Agreement to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of a provision thereof;
- (5) to effect any changes to the Indenture in a manner necessary to comply with the procedures of the relevant clearing system;
- (6) to provide for the issuance of Additional Notes in accordance with the covenants set forth in the Indenture;
- (7) to enter into additional or supplemental Collateral Documents or to release Collateral from the Lien of the Indenture or the Collateral Documents in accordance with the terms of the Indenture, the Intercreditor Agreement and the Collateral Documents;
- (8) to evidence and provide for the acceptance of appointment by a successor Trustee or Common Collateral Agent; or
- (9) to enter into an Intercreditor Agreement.

In connection with the matters indicated above, the Trustee shall be entitled to conclusively rely on an Opinion of Counsel and Officer's Certificate to the effect that the entry into such amendment, supplement or waiver is authorized or permitted under the Indenture, the Intercreditor Agreement and the Collateral Documents and that such amendment, supplement or waiver constitutes legal, valid, binding and enforceable obligations of the party or parties executing such amendment, supplement or waiver.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

- (1) either:
 - (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Parent Guarantor, have been delivered to the Paying Agent for cancellation; or
 - (b) all Notes that have not been delivered to the Paying Agent for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and

payable within one year and the Parent Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or its agent) as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Paying Agent for cancellation for principal, premium if any, and accrued interest to the date of maturity or redemption;

- (2) the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Parent Guarantor is a party or by which the Parent Guarantor is bound (other than with respect to the borrowing of funds to be applied concurrently to make the deposit required to effect such satisfaction and discharge or any similar concurrent deposit relating to other Indebtedness, and in each case the granting of Liens to secure such borrowings);
- (3) the Parent Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and
- (4) the Parent Guarantor has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Parent Guarantor must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge under the Indenture have been satisfied.

Concerning the Trustee, Agents and the Common Collateral Agent

DB Trustees (Hong Kong) Limited will be appointed as Trustee under the Indenture and Deutsche Bank Trust Company Americas will be appointed as paying agent (the **"Paying Agent"**), transfer agent (the **"Transfer Agent"**) and registrar (the **"Registrar"**) and together with the Paying Agent and the Transfer Agent, the **"Agents"**) under the Indenture. Except during the continuance of an Event of Default, the Trustee will not be liable, except for the performance of such duties as are specifically set forth in the Indenture or the Notes, as the case may be, and no implied covenants or obligations will be read into the Indenture, the Notes, and the agent appointment letter against the Trustee or the Agents. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture or the Notes as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. Pursuant to the terms of the Indenture or the Notes (as the case may be), the Issuer and the Parent Guarantor will jointly and severally reimburse the Trustee for all its fees, costs and expenses (including, indemnity payments) incurred.

Each Holder, by accepting the Notes will agree, for the benefit of the Trustee, that it is solely responsible for its own independent appraisal of, and investigation into, all risks arising under or in connection with the Notes and has not relied on and will not at any time rely on the Trustee in respect of such risks.

If the Trustee becomes a creditor of the Parent Guarantor or the Issuer, the Indenture limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee, the Common Collateral Agent and the Agents will be permitted to engage in other transactions, including normal banking and trustee relationships, with the Issuer, the Parent Guarantor and its Affiliates; and nothing herein shall obligate the Trustee to account for any profits earned from any business or transactional relationship; *provided however*, that if it acquires any conflicting interest that may have a prejudicial effect upon the Holders of the Notes, it must eliminate such conflict within 90 days, or resign.

The Holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder, unless the requisite number of Holders have instructed the Trustee in writing and offered to the Trustee security and/or indemnity and/or pre-funding satisfactory to it against any loss, liability or expense.

Book-Entry, Delivery and Form

The Notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A (“**Rule 144A Notes**”). The Notes also may be offered and sold in offshore transactions in reliance on Regulation S under the Securities Act (“**Regulation S Notes**”). Except as set forth below, the Notes will be issued in registered, global form in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the “**Rule 144A Global Notes**”). Regulation S Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the “**Regulation S Global Notes**” and, together with the Rule 144A Global Notes, the “**Global Notes**”). The Global Notes will be deposited upon issuance with Cede & Co. as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below.

Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See “— *Exchanges between Regulation S Notes and Rule 144A Notes.*”

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive Notes in registered certificated form (“**Certificated Notes**”) except in the limited circumstances described below. See “— *Exchange of Global Notes for Certificated Notes.*” Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under “*Transfer Restrictions.*” Regulation S Notes will also bear the legend as described under “*Transfer Restrictions.*” In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Parent Guarantor takes no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Parent Guarantor that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the “**Participants**”) and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC’s system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the “**Indirect Participants**”). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Parent Guarantor that, pursuant to procedures established by it:

- (1) upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the Initial Purchasers with portions of the principal amount of the Global Notes; and
- (2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Rule 144A Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. Investors in the Regulation S Global Notes may hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, indirectly through organizations that are participants therein, or through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank SA/NV, as operator of Euroclear, and Clearstream, S.A., as operator of Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or “**Holders**” thereof under the Indenture for any purpose.

Notwithstanding anything to the contrary herein and in the Indenture, in considering the interests of Holders while the Global Note is held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any certificate, report or any other information provided to it by the clearing systems or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Note and may consider such interests as if such accountholders were the Holders of the Notes represented

by the Global Note. The Trustee may call for any certificate or other document to be issued by the clearing systems as to the principal amount of Notes evidenced by the Global Note standing to the account of any accountholders. Any such certificate or other document issued by the clearing systems shall be conclusive and binding for all purposes. The Trustee shall not be liable to any Holder, the Issuer, the Parent Guarantor or any other person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by the relevant clearing system and subsequently found to be forged or not authentic or not to be correct.

Payments in respect of the principal of, and interest and premium, if any, on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered Holder under the Indenture. Under the terms of the Indenture, the Issuer, the Parent Guarantor, the Trustee and the Agents will treat the Persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the Parent Guarantor, the Trustee, the Agents nor any agent of the Parent Guarantor, the Agents or the Trustee has or will have any responsibility or liability for:

- (1) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or
- (2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Issuer and the Parent Guarantor that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee, the Agents or the Parent Guarantor. Neither the Issuer, the Parent Guarantor, the Agents nor the Trustee will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the Notes, and the Issuer, the Parent Guarantor, the Agents and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "*Transfer Restrictions*," transfers between the Participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described herein, cross-market transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or

Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised the Parent Guarantor and the Issuer that it will take any action permitted to be taken by a Holder of Notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default, DTC reserves the right to exchange the Global Notes for legended Notes in certificated form, and to distribute such Notes to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. None of the Issuer, the Parent Guarantor, the Trustee, the Agents or any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for Certificated Notes if:

- (1) DTC (a) notifies the Issuer and the Parent Guarantor that it is unwilling or unable to continue as depository for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, a successor depository is not appointed; or
- (2) if a beneficial owner of a Note requests such exchange in writing through DTC following a Default or Event of Default which has occurred and is continuing.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes in accordance with the Indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the name of the person who is for the time being shown in the records of DTC as the holder of a particular aggregate principal amount of the Note, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in “*Transfer Restrictions*” unless that legend is not required by applicable law.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

Exchange of Certificated Notes for Global Notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Transfer Agent a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See “*Transfer Restrictions*.”

Exchanges between Regulation S Notes and Rule 144A Notes

Beneficial interests in a Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in a Regulation S Global Note only if the transferor first delivers to the Transfer Agent a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available).

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Rule 144A Global Notes will be effected by DTC by means of an instruction originated by the Transfer Agent through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest.

Same Day Settlement and Payment

The Issuer and the Parent Guarantor will make payments in respect of the Notes represented by the Global Notes (including principal, premium, if any, interest and, if any) by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. The Issuer and the Parent Guarantor will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the Holders of the Certificated Notes.

The Notes represented by the Global Notes are expected to be eligible to trade in DTC’s Same-Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. The Issuer and the Parent Guarantor expects that secondary trading in any Certificated Notes will also be settled in immediately available funds. Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Issuer and the Parent Guarantor that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC’s settlement date.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“*Acquired Indebtedness*” means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an asset acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into a Restricted Subsidiary or becoming a Restricted Subsidiary.

“*Applicable Premium*” means, with respect to a Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (a) the present value at such redemption date of the redemption price of such Note at February 24, 2025 (such redemption price being set forth in the table appearing above under the caption “— *Optional Redemption*”), plus all required remaining interest payments due on such Note through February 24, 2025 (but excluding accrued and unpaid interest, if any, to (but not including) the redemption date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (b) the principal amount of such Note on such redemption date.

“*Asset Disposition*” means the sale or other disposition by any Restricted Subsidiary (other than to the Parent Guarantor or another Restricted Subsidiary) of (a) all or substantially all of the Capital Stock of any Restricted Subsidiary or (b) all or substantially all of the assets that constitute a division or line of business of any Restricted Subsidiary.

“*Asset Sale*” means the sale, lease, conveyance or other disposition of any assets or rights (including by way of merger, consolidation or Sale and Leaseback Transaction and including any sale or issuance of the Capital Stock of any Restricted Subsidiary) in one transaction or a series of related transactions by the Parent Guarantor or any of the Restricted Subsidiaries to any Person; *provided that* “Asset Sale” shall not include:

- (1) any sale, transfer or other disposition deemed to occur in connection with creating or granting any Permitted Lien;
- (2) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made by the covenant described under “— *Certain Covenants — Limitation on Restricted Payments*”;
- (3) any sale, transfer or other disposition of any assets by the Parent Guarantor or any of the Restricted Subsidiaries to the Parent Guarantor or any of the Restricted Subsidiaries;
- (4) a transaction covered by the “— *Change of Control Triggering Event*” covenant or by the “*Consolidation, Merger and Sale of Assets*” covenant;

- (5) any sale, transfer or other disposition of licenses and sublicenses of software or intellectual property in the ordinary course of business;
- (6) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (7) the sale or other disposition of cash or Temporary Cash Equivalents;
- (8) the prepayment or redemption of any Onshore Debt in accordance with its terms;
- (9) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (10) transfers resulting from any casualty or condemnation of property;
- (11) the unwinding of any Hedging Obligation; or
- (12) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US\$5.0 million (or the Dollar Equivalent thereof).

“Attributable Indebtedness” means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors of the corporation;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function, including, in each case, any committee thereof duly authorized to act on its behalf.

“Board Resolution” means any resolution of the Board of Directors taking an action which it is authorized to take and (i) adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or (ii) adopted by written resolution executed by every member of the Board of Directors.

“Business Day” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London, Hong Kong, Singapore or India (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

“Capitalized Lease Obligations” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in

accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“*Capital Stock*” means:

- (1) in the case of a corporation, share capital;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of share capital;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“*Cash Flow Available for Debt Service*” means, in respect of any period, the

- (1) The aggregate of EBITDA of the Issuer and any Guarantor, including the Parent Guarantor, on a standalone basis during such period; plus;
- (2) the amount of proceeds received by the Issuer and any Guarantor, including the Parent Guarantor, during such period from the contribution of equity (other than Disqualified Stock), Capital Stock (other than Disqualified Stock) and Subordinated Shareholder Debt (which will be counted in Cash Flow Available for Debt Service for the relevant Calculation Period but not for any subsequent period, without double counting, and solely for that specified period), plus;
- (3) the amount of proceeds received by the Issuer and any Guarantor, including the Parent Guarantor, during such period from the sale of assets (to the extent that such proceeds are not otherwise used, or otherwise earmarked to be used, to acquire Replacement Assets), plus
- (4) any cash and Temporary Cash Equivalents and bank balances (including fixed deposits with maturity which is equal to or more than 12 months) on the balance sheet of the Issuer and any Guarantor, including the Parent Guarantor, calculated on a standalone basis as of the first day of the relevant Reference Period (without double counting), less
- (5) any Investment made in respect of an acquisition in cash in respect of a new asset including Capital Stock of such new asset or capital expenditure by the Issuer and any Guarantor, including the Parent Guarantor, during such period (without double counting), less
- (6) any net working capital movements for the Issuer and any Guarantor, including the Parent Guarantor, during such period (without double counting), less
- (7) any income taxes paid by the Issuer and any Guarantor, including the Parent Guarantor, during such period (without double counting).

“*Cash Flow Coverage Ratio*” means, for the Reference Period (as defined below) ending on the relevant CFADS Calculation Date, the ratio (which calculation shall be made in conjunction with delivery of consolidated financial statements of the Restricted Group which have been most recently delivered to the Trustee pursuant to the covenant described under the caption “— *Provision of Financial Statements and Reports*”) of (i) Cash Flow Available for Debt Service in such period to (ii) the aggregate amount of (a) scheduled principal payments in such period (to the extent not refinanced, prepaid or repaid) in respect of Indebtedness of the Issuer and any Guarantor, including the Parent Guarantor, (without double counting), (b) interest payments due or accrued in such period in respect of the Indebtedness of the Issuer and any Guarantor, including the Parent Guarantor (without double counting) and (c) any amounts due on Hedging Obligations, if any, of any Guarantor, including the Parent Guarantor, (without double counting), and the Issuer in relation to the Notes and Onshore Debt (without double counting) in such period, and, where such Indebtedness is denominated in a currency other than INR, then the relevant amounts shall be calculated at the rate at which such Indebtedness is hedged under any hedging agreement or if not hedged, at such rate as in effect at the time it was Incurred.

“*CFADS Calculation Date*” means each March 31 and September 30 occurring on or after March 31, 2024.

“*CGEIP*” means Continuum Green Energy (India) Private Limited.

“*Change of Control*” means the occurrence of any of the following events:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Restricted Group, taken as a whole, to any “person” (within the meaning of Section 13(d) of the Exchange Act), other than one or more Permitted Holders (for the avoidance of doubt, any sale, transfer, conveyance or other disposition of all or substantially all of the Restricted Group required by applicable law, rule, regulation or order will constitute a Change of Control under this definition);
- (2) if either of the Issuer or the Parent Guarantor consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person (other than one or more Permitted Holders) consolidates with, or merges with or into, the Issuer or the Parent Guarantor, respectively in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Issuer or the Parent Guarantor, respectively, or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Issuer or the Parent Guarantor, respectively, outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance);
- (3) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act), of more than 50% of the total voting power of the Voting Stock of the Parent Guarantor;
- (4) the adoption of a plan relating to the liquidation or dissolution of the Parent Guarantor, respectively;
- (5) the Parent Guarantor ceasing to be the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act) of at least 50.1% of the Capital Stock of, and control of, the Issuer; or
- (6) the Parent Guarantor ceasing to be the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act) of at least 50.1% of the Capital Stock of, and control of, CGEIP.

“*Change of Control Offer*” has the meaning assigned to that term in the Indenture.

“*Change of Control Triggering Event*” means the occurrence of a Change of Control and a Rating Decline; *provided that* if the Change of Control is to or with any Person other than a Qualified Investor, then “Change of Control Triggering Event” shall mean solely the occurrence of a Change of Control.

“*Collateral Documents*” means the security agreements, mortgages, pledge agreements, agency agreements and other instruments and documents executed and delivered pursuant to the Indenture or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which Collateral is pledged, assigned or granted to or on behalf of any Common Collateral Agent for the ratable benefit of the Holders and the Trustee, including the Share Charge, the Debenture and the Powers of Attorney.

“*Common Stock*” means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person’s common stock or ordinary shares, whether or not outstanding on the Original Issue Date, and includes all series and classes of such common stock or ordinary shares.

“*Consolidated EBITDA*” means, for any period, EBITDA determined on a consolidated basis for the Parent Guarantor as derived in conformity with GAAP.

“*Consolidated Indebtedness*” means, as of any date of determination, (1) the aggregate amount of Indebtedness of the Parent Guarantor on such date on a consolidated basis, to the extent it would appear as a liability upon a consolidated balance sheet (excluding the footnotes thereto) of the Parent Guarantor prepared in accordance with GAAP, *plus* (2) an amount equal to the greater of the liquidation preference or the maximum fixed redemption or repurchase price of all Disqualified Stock of the Parent Guarantor and the Restricted Subsidiaries and all Preferred Stock of Restricted Subsidiaries, in each case, determined on a consolidated basis in accordance with GAAP.

“*Consolidated Interest Expense*” means, for any period, Interest Expense determined on a consolidated basis for the Parent Guarantor in conformity with GAAP.

“*Consolidated Net Income*” means, for any period, Net Income determined on a consolidated basis for the Parent Guarantor in conformity with GAAP, provided that the net income (or loss) of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the Parent Guarantor or any Restricted Subsidiary.

“*Consolidated Net Leverage Ratio*” means, with respect to any Person as of any date of determination, the ratio of:

- (1) Consolidated Indebtedness of such Person on such date *less* (i) cash and Temporary Cash Equivalents and (ii) bank balances (including fixed deposits with maturity of equal to or more than 12 months), in each case of the Parent Guarantor such Person and the Restricted Subsidiaries on a consolidated basis on such date to
- (2) Consolidated EBITDA for the then most recently concluded period of two semi-annual fiscal periods for which consolidated financial statements of the Parent Guarantor are available (the “*Reference Period*”);

provided, however, that in making the foregoing calculation:

- (a) acquisitions of any Person, business or group of assets that constitutes an operating unit or division of a business that have been made by the Parent Guarantor and the Restricted Subsidiaries, including through

mergers, consolidations, amalgamations or otherwise, or by any acquired Person, and including any related financing transactions and the Incurrence of any Acquired Indebtedness and including increases in ownership of or designations of Restricted Subsidiaries (including Persons who become Restricted Subsidiaries as a result of such increase), during the applicable Reference Period or subsequent to such Reference Period and on or prior to the date on which the event for which the calculation of the Consolidated Net Leverage Ratio is made (the “*Net Leverage Calculation Date*”) (including transactions giving rise to the need to calculate such Consolidated Net Leverage Ratio) will be given pro forma effect as if they had occurred on the first day of the applicable Reference Period;

- (b) the EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of on or prior to the Net Leverage Calculation Date (including transactions giving rise to the need to calculate such Consolidated Net Leverage Ratio), will be deducted from Consolidated EBITDA;
- (c) any Person that is a Restricted Subsidiary on the Net Leverage Calculation Date will be deemed to have been a Restricted Subsidiary at all times during the applicable Reference Period;
- (d) any Person that is not a Restricted Subsidiary on the Net Leverage Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during the applicable Reference Period;
- (e) EBITDA of any Restricted Subsidiary (or any Person that will become a Restricted Subsidiary) which is a Recently Operational Project Subsidiary or a Non-Operational Project Subsidiary shall be deducted from Consolidated EBITDA; and
- (f) Projected EBITDA of any Restricted Subsidiary (or any Person that will become a Restricted Subsidiary) which is a Recently Operational Project Subsidiary or Non-Operational Project Subsidiary shall be added to Consolidated EBITDA.

For purposes of this definition, whenever pro forma effect is to be given to an Asset Disposition, Investment or acquisition, the amount of income or earnings relating thereto or the amount of EBITDA associated therewith, the pro forma calculation shall be based on the Reference Period immediately preceding the applicable calculation date. In determining the amount of Indebtedness outstanding on any date of determination, pro forma effect will be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness or Disqualified Stock of the Parent Guarantor and the Restricted Subsidiaries or Preferred Stock of any Restricted Subsidiary on such date.

“*Consolidated Net Worth*” means, as of any date, the sum of:

- (1) the total equity and reserves of the Parent Guarantor and the Restricted Subsidiaries as of such date; plus
- (2) the respective amounts reported on the consolidated balance sheet of the Parent Guarantor as of such date with respect to any series of Preferred Stock (other than Disqualified Stock) that by its terms is not entitled to the payment of dividends unless such dividends may be declared and paid only out of net earnings in respect of the year of such declaration and payment,

in each case, determined on a consolidated basis in accordance with GAAP.

“*Currency Hedging Agreement*” means any currency swap agreement, currency cap agreement, currency floor agreement, currency futures agreement, currency option agreement or any other similar agreement or arrangement.

“*Default*” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Disqualified Stock; or
- (3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided, however, that* (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require such Person to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is not prohibited by the covenant described under “— *Certain Covenants — Restricted Payments.*”

“*Dollar Equivalent*” means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the noon buying rate for U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on the date of determination.

“*EBITDA*” means, for any period, and in relation any entity of the Restricted Group, Net Income for such period plus, to the extent such amount was deducted in calculating such Net Income:

- (1) Interest Expense;
- (2) any non-recurring and exceptional expenses reducing Net Income, less all non-recurring and exceptional items increasing Net Income;
- (3) income taxes and deferred taxes (other than income taxes attributable to extraordinary gains (or losses) or sales of assets outside the ordinary course of business);
- (4) depreciation expense, amortization expense and all other non-cash items (including impairment charges, expected credit loss and write-offs) reducing Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Net Income (other than the accrual of revenues in the ordinary course of business);
- (5) any gains or losses arising from the acquisition of any securities or extinguishment, repurchase, cancellation or assignment of Indebtedness; and

- (6) any unrealized gains or losses in respect of Hedging Obligations or other derivative instruments or forward contracts or any ineffectiveness recognized in earnings related to a qualifying hedge transaction or the fair value of changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;

all as determined in conformity with GAAP.

“*Equity Interests*” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“*Equity Offering*” means a public or private sale of (1) Equity Interests of the Parent Guarantor by the Parent Guarantor (other than Disqualified Stock and other than to a Restricted Subsidiary), (2) Equity Interests of a direct or indirect parent entity of the Parent Guarantor (other than to the Parent Guarantor or a Restricted Subsidiary) to the extent that the net proceeds therefrom are either contributed to the common equity capital of, or invested in the form of Subordinated Shareholder Debt into, the Parent Guarantor.

“*Exchange Act*” means the U.S. Securities Exchange Act of 1934, as amended.

“*Existing Intercreditor*” means the intercreditor agreement dated July 27, 2022, between, inter alia, Continuum Energy Aura Pte. Ltd., Continuum Green Energy Limited and DB Trustees (Hong Kong) Limited, as amended or supplemented from time to time.

“*Fair Market Value*” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of the Parent Guarantor (unless otherwise provided in the Indenture), whose determination shall be conclusive if evidenced by a Board Resolution.

“*Fitch*” means Fitch Ratings, Ltd. and its successors and assigns.

“*GAAP*” means generally accepted accounting principles in India on the date hereof, as modified by commonly used carve-out principles as in effect on the date of such report or financial statement (or otherwise on the basis of such generally accepted accounting principles in India as then in effect).

“*Government Securities*” means direct obligations of, or obligations Guaranteed by, the United States of America, and the payment for which the United States of America pledges its full faith and credit.

“*Guarantee*” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

“*Hedging Obligations*” means, with respect to any specified Person, the obligations of such Person pursuant to Currency Hedging Agreement or Interest Rate Hedging Agreements.

“*Holder*” means the Person in whose name a Note is registered in the Note register.

“*Incur*” means, with respect to any Indebtedness, Subordinated Shareholder Debt or Disqualified Stock, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the

payment of, contingently or otherwise, such Indebtedness, Subordinated Shareholder Debt or Disqualified Stock; *provided that* (1) any Indebtedness and Disqualified Stock of a Person existing at the time such Person becomes a Restricted Subsidiary will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness or Subordinated Shareholder Debt and the payment of dividends on Disqualified Stock in the form of additional shares of Disqualified Stock (to the extent provided for when the Indebtedness, Subordinated Shareholder Debt or Disqualified Stock on which such interest or dividend is paid was originally issued) will not be considered an Incurrence of Indebtedness. The terms “Incurrence,” “Incurred” and “Incurring” have meanings correlative with the foregoing.

“*Indebtedness*” means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments;
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;
- (5) all Capitalized Lease Obligations and Attributable Indebtedness;
- (6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided that* the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;
- (7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person;
- (8) to the extent not otherwise included in this definition, Hedging Obligations; and
- (9) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or any Preferred Stock (but excluding, in each case, any accrued dividends).

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided that*:

- (1) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;
- (2) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness will not be deemed to be “Indebtedness” so long as such money is held to secure the payment of such interest; and

- (3) the amount of Indebtedness with respect to any Hedging Obligation will be equal to the net amount payable if the Currency Hedging Agreement or Interest Rate Hedging Agreement giving rise to such Hedging Obligation terminated at that time.

For the avoidance of doubt, Subordinated Shareholder Debt will not constitute Indebtedness.

“Interest Expense” means, in relation any entity of the Restricted Group for any period, the amount that would be included in gross interest expense on an income statement prepared in accordance with GAAP for such period of such entity, plus, to the extent not included in such gross interest expense, and to the extent accrued or payable during such period by such entity without duplication, (1) interest expense attributable to such entity, Capitalized Lease Obligations, (2) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (3) the interest portion of any deferred payment obligation, (4) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (5) the net costs associated with Hedging Obligations with respect to Indebtedness (including the amortization of fees) and (6) interest accruing on Indebtedness of any other Person that is Guaranteed by, or secured by a Lien on any asset of, such entity, in each case to the extent not capitalized.

“Interest Rate Hedging Agreement” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement.

“Investment Grade” means a rating of “AAA,” “AA,” “A” or “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns, or “AAA,” “AA,” “A” or “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by Fitch, or a rating of “Aaa,” “Aa,” “A” or “Baa,” as modified by a “1,” “2” or “3” indication, or an equivalent rating representing one of the four highest rating categories, by Moody’s, or the equivalent ratings of any Nationally Recognized Statistical Rating Organization or Organizations, as the case may be, which will have been designated by the Parent Guarantor as having been substituted for Fitch or Moody’s or both, as the case may be.

“Investments” means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), capital contributions, purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“Moody’s” means Moody’s Investors Service, Inc. and its successors and assigns.

“Nationally Recognized Statistical Rating Organization” has the meaning assigned to that term in Section 3(a)(62) of the Exchange Act.

“*Net Cash Proceeds*” means with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:

- (1) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;
- (2) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Parent Guarantor or any of its Subsidiaries, taken as a whole;
- (3) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale; and
- (4) appropriate amounts to be provided by the Parent Guarantor or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP and reflected in an Officer’s Certificate delivered to the Trustee.

“*Net Income*” means, for any period, in relation to any entity of the Restricted Group, the net income of such entity for such period, determined in accordance with GAAP, *provided that*:

- (1) the cumulative effect of a change in accounting principles will be excluded; and
- (2) any translation gains or losses due solely to fluctuations in currency values and related tax effects will be excluded.

“*Non-Operational Project Subsidiary*” means, as of any relevant Net Leverage Calculation Date or CFADS Calculation Date, as appropriate, any Restricted Subsidiary with project assets that had not commenced commercial operations as of such date.

“*Obligations*” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“*Offer to Purchase*” means an offer to purchase Notes by the Issuer from the Holders commenced by the Issuer mailing a notice by first class mail, postage prepaid, to the Trustee, the Paying Agent and each Holder at its last address appearing in the Note register stating:

- (1) the provision in the Indenture pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a pro rata basis;
- (2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 10 days nor later than 60 days from the date such notice is mailed) (the “**Offer to Purchase Payment Date**”);
- (3) that any Note not tendered will continue to accrue interest pursuant to its terms;

- (4) that, unless the Issuer defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;
- (5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled “Option of the Holder to Elect Purchase” on the reverse side of the Note completed, to a tender agent (the “**Tender Agent**”) at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;
- (6) that Holders will be entitled to withdraw their election if the Tender Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and
- (7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; provided that each Note purchased and each new Note issued shall be in a principal amount of US\$200,000 or any amount in excess thereof which is an integral multiple of US\$1,000.

One Business Day prior to the Offer to Purchase Payment Date, the Issuer shall deposit with the Tender Agent money sufficient to pay the purchase price of all Notes or portions thereof to be accepted by the Issuer for payment on the Offer to Purchase Payment Date. On the Offer to Purchase Payment Date, the Issuer shall (a) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Tender Agent all Notes or portions thereof so accepted together with an Officer’s Certificate specifying the Notes or portions thereof accepted for payment by the Issuer. The Tender Agent shall promptly mail to the Holders so accepted payment in an amount equal to the purchase price, and upon receipt of written order of the Issuer signed by an Officer, the Registrar or an authenticating agent shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; provided that each Note purchased and each new Note issued shall be in a principal amount of US\$200,000 or any amount in excess thereof which is an integral multiple of US\$1,000. The Issuer will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date.

The offer is required to contain or incorporate by reference information concerning the business of the Parent Guarantor and its Restricted Subsidiaries which the Issuer in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Issuer to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

“*Offering Memorandum*” means the offering memorandum dated August 17, 2023 in connection with the offering of the Notes.

“*Officer*” means one of the directors or officers of the Parent Guarantor or such other Restricted Subsidiary, as the case may be.

“*Officer’s Certificate*” means a certificate signed by an Officer.

“*Onshore Debt*” means the Rupee ECBs, the US\$ ECBs, the Rupee NCDs and any other permitted form of indebtedness incurred by the Indian Restricted Subsidiaries from the Issuer and/or the Parent Guarantor.

“*Operational Project Subsidiary*” means all Restricted Subsidiaries with project assets other than any Recently Operational Project Subsidiary and any Non-Operational Project Subsidiary.

“*Opinion of Counsel*” means a written opinion in form and substance satisfactory to the Trustee from external legal counsel of international standing selected by the Issuer or the Parent Guarantor.

“*Original Issue Date*” means the date on which the Notes are originally issued under the Indenture.

“*Permitted Business*” means any business, service or activity engaged in by the Restricted Group on the Original Issue Date and any other businesses, services or activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or any expansions, extensions or developments thereof, including the ownership, acquisition, development, financing, operation and maintenance of power generation or power transmission or distribution facilities.

“*Permitted Holders*” means any or all of the following:

- (1) North Haven Infrastructure Partners L.P.;
- (2) Mr. Vikash Saraf;
- (3) Mr. Arvind Bansal;
- (4) any spouse or immediate family member of any of the persons named in clause (2) or (3) above;
- (5) any trust established for the benefit of any of the persons referred to in clause (2), (3) or (4) above; and
- (6) any Affiliate of any of the Persons (including any Affiliate of the Persons referred to in clause (2) and (3) above considered as a group) referred to in clauses (1), (2) or (3) above.

“*Permitted Investments*” means:

- (1) any Investment in the Parent Guarantor or in a Restricted Subsidiary;
- (2) any Investment in Temporary Cash Equivalents;
- (3) any Investment by the Parent Guarantor or any Restricted Subsidiary in a Person, if as a result of such Investment:
 - (a) such Person becomes a Restricted Subsidiary; or
 - (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Parent Guarantor or a Restricted Subsidiary;
- (4) any Investment made as a result of the receipt of non-cash consideration from an asset sale;

- (5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Parent Guarantor;
- (6) any Investments received in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Parent Guarantor or any of the Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (B) litigation, arbitration or other disputes with Persons who are not Affiliates;
- (7) Investments represented by Hedging Obligations;
- (8) loans or advances to, or guarantees of obligations of, directors, promoters, officers or employees of the Parent Guarantor or any Restricted Subsidiary in accordance with policies approved by the Board of Directors of the Parent Guarantor;
- (9) repurchases of the Notes;
- (10) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business;
- (11) any guarantee of Indebtedness of the Parent Guarantor or a Restricted Subsidiary Incurred in accordance with the covenant described under the caption “— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (12) (x) receivables, trade credits or other current assets owing to any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms, including such concessionary trade terms as the Parent Guarantor or such Restricted Subsidiary considers reasonable under the circumstances and (y) advances (including deposits) or extensions of credit for purchases and acquisitions of assets, supplies, material or equipment; and
- (13) Investments existing at the Original Issue Date and described in the Offering Memorandum and any Investment that amends, extends, renews, replaces or refinances such Investment; *provided, however*, that such new Investment is on terms and conditions no less favorable to the applicable Restricted Subsidiary than the Investment being amended, extended, renewed, replaced or refinanced.

“*Permitted Liens*” means:

- (1) Liens in favor of the Common Collateral Agent created pursuant to the Indenture and the Collateral Documents with respect to the Notes (including any Additional Notes);
- (2) Liens to secure the performance of statutory obligations incurred in the ordinary course of business;
- (3) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided that* any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;
- (4) Liens imposed by law, such as suppliers’, carriers’, warehousemen’s, landlord’s and mechanics’ Liens, in each case, incurred in the ordinary course of business;

- (5) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
- (6) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (2)(d) of the covenant described under the caption “— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*”; provided that such Liens do not extend to or cover any property or assets of the Parent Guarantor or a Restricted Subsidiary other than the property or assets securing the Indebtedness;
- (7) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Parent Guarantor or any Restricted Subsidiary; provided that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Parent Guarantor or the Restricted Subsidiary;
- (8) Liens on property (including Capital Stock) existing at the time of acquisition of the property by any Restricted Subsidiary; provided that such Liens were in existence prior to such acquisition, and not incurred in contemplation of, such acquisition;
- (9) Liens on Collateral securing Permitted Pari Passu Secured Indebtedness;
- (10) Liens securing Indebtedness permitted to be Incurred under clause (2)(j) of the covenant described under the caption “— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (11) Liens securing Hedging Obligations permitted to be Incurred under clause (2)(e) of the covenant described under the caption “— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (12) Liens on assets or property of a non-Guarantor Restricted Subsidiary (other than the Issuer) securing indebtedness of any other non-Guarantor Restricted Subsidiary (other than the Issuer);
- (13) Liens on assets of Restricted Subsidiaries (other than the Issuer or any Guarantor) securing Indebtedness Incurred under clause (1) of the covenant described under the caption “— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*” of such Restricted Subsidiary;
- (14) Liens outstanding as of the Original Issue Date (other than Liens pursuant to clause (16) below);
- (15) Liens securing Indebtedness permitted to be Incurred under clause (2)(m) of the covenant described under the caption “— *Certain Covenants — Incurrence of Indebtedness and Issuance of Preferred Stock*”; and
- (16) Liens securing Obligations under the Existing Intercreditor, provided such Liens are extinguished within 10 days of the date of the Indenture;

provided that, (a) the only Liens permitted on Collateral are (1), (2), (3), (4), (9), (15) and for a period of 10 days of the date of the Indenture only (16) (collectively, the “*Permitted Collateral Liens*”); (b) no Lien will be permitted over the shares of any Subsidiary of the Parent Guarantor that is a parent, directly or indirectly, of CGEIP (other than Liens permitted under (2), (3), (4) and (14) or any Lien in favour of the Issuer or the Parent

Guarantor); (c) the only Liens permitted on the Available Capital Stock of CGEIP as defined in paragraph (i) of the covenant described under the caption “— *Certain Covenants — Parent Guarantor’s Business Activities and Obligations* are (1), (2), (3), (4), (9), (12), (13) and (15) (the “*Permitted Additional CGEIP Liens*”); and (d) the only Liens permitted on the Capital Stock of CGEIP in the case that there is no Available Capital Stock are (2), (3) and (4) (the “*Permitted CGEIP Liens*”).

“*Person*” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“*PPAs*” means each power purchase agreement entered into by any Restricted Subsidiary.

“*Preferred Stock*” as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person, including the Project CCDs.

“*Projected EBITDA*” with respect to any (i) Recently Operational Project Subsidiary, means the EBITDA of such Subsidiary determined based on a P75 confidence level as set forth in any relevant Project Projection Report and (ii) Non-Operational Project Subsidiary, means EBITDA of such Subsidiary determined based on (a) the EBITDA of such Subsidiary determined based on a P75 confidence level as set forth in any relevant Project Projection Report multiplied by (b) the percentage of capital expenditure that has been funded or committed to be funded pursuant to a binding agreement in the form of equity or through committed or sanctioned credit facilities on such Non-Operational Project Subsidiary’s projects.

“*Project CCDs*” means the compulsory convertible debentures issued by any Restricted Subsidiary (other than the Issuer or a Guarantor) to any Person other than a member of the Restricted Group.

“*Project Projection Report*” means, with respect to any Recently Operational Project Subsidiary or any Non-Operational Project Subsidiary, a project projection report prepared by an independent accounting, appraisal, investment banking or consulting firm for the project capacity for which such Subsidiary has executed a power purchase agreement the term of which expires no earlier than the Stated Maturity of the Notes.

“*Qualified CGEIP Transaction*” means a transaction in which (i) the Parent Guarantor sells at least 75.1% of the Capital Stock of CGEIP, (ii) the acquiror assumes the obligations of the Parent Guarantor under the Indenture and the Parent Guarantee and (iii) such acquiror becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act) of 100% of the Capital Stock of the Issuer.

“*Qualified Investor*” means any Person which, as of the date of determination, satisfies any or all of the below mentioned criteria:

- (1) in the case of a Strategic Investor, such Strategic Investor, and together with its Affiliates owns at least US\$10 billion (or the Dollar Equivalent thereof) of energy assets (other than that of the Parent Guarantor and the Parent Guarantor’s subsidiaries) as shown on such Person’s most recent audited consolidated balance sheet or a valuation report prepared by an independent internationally recognized third party valuation firm;
- (2) in the case of a Person other than a Strategic Investor, such Person has assets under management (of itself and under funds managed by the same general partner) of at least US\$10 billion (or the Dollar Equivalent

thereof) as shown in such Person's most recent audited consolidated financial statements, as publicly reported by such Person or in a valuation report prepared by an independent internationally recognized third party valuation firm; or

- (3) a Person who (or whose parent company) is rated Investment Grade by at least one of the Rating Agencies.

"Rating Agencies" means (1) Fitch (2) Moody's and (3) S&P; *provided that* if Fitch, Moody's or S&P shall not make a rating of the Notes publicly available, one or more Nationally Recognized Statistical Rating Organizations, as the case may be, selected by the Parent Guarantor or the Issuer, which will be substituted for Fitch, Moody's or S&P or both, as the case may be.

"Rating Category" means (i) with respect to Fitch and S&P, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); (ii) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); and (iii) the equivalent of any such category of Fitch, Moody's or S&P used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "—" for Fitch or S&P; "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) will be taken into account (e.g., with respect to Fitch or S&P, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"Rating Date" means that date which is 60 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by the Parent or any other Person or Persons to effect a Change of Control.

"Rating Decline" means the occurrence on or within six months after the date of a Change of Control, or of public notice of the occurrence of a Change of Control or the intention by the Parent Guarantor or any other Person or Persons to effect a Change of Control, (which period will be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below:

- (1) If the Notes are rated by one or more Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any such Rating Agency shall be below Investment Grade; or
- (2) If the Notes are rated below Investment Grade by one or more Rating Agencies on the Rating Date, the rating of the Notes by any such Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories);

provided that a Rating Agency will be deemed to have not changed its rating of the Notes to below Investment Grade or to have decreased its rating of the Notes if such Rating Agency states publicly in writing that (i) its change in rating of the Notes is solely the result of a rating downgrade applicable to (a) the Government of India, (b) generally applicable to companies in the Restricted Group's industry or (c) companies located or operating in India and (ii) is not as a result of such Change of Control.

"Recently Operational Project Subsidiary" means, as of any date of determination, any Restricted Subsidiary (including any Person acquired by or to be acquired by the Parent Guarantor or any Restricted Subsidiary) with project assets that have commenced commercial operations later than the date that is 15 months prior to the applicable Net Leverage Calculation Date or the applicable CFADS Calculation Date, as appropriate.

"Restricted Group" means the Parent Guarantor and the Restricted Subsidiaries.

“*Restricted Subsidiary*” means any Subsidiary of the Parent Guarantor other than an Unrestricted Subsidiary.

“*Rupee ECBs*” refers to the Rupee denominated external commercial borrowings that will be issued or borrowed by the Indian Restricted Subsidiaries.

“*Rupee NCDs*” means the Rupee denominated non-convertible debentures, unlisted or which may be listed on any securities exchange, that may be or have been issued by the Indian Restricted Subsidiaries.

“*S&P*” means Standard & Poor’s Ratings Group and its successors or assigns.

“*Sale and Leaseback Transaction*” means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby any Restricted Subsidiary transfers such property to another Person and any Restricted Subsidiary leases it from such Person.

“*Sanction Target*” means a Person that is, or is owned or controlled by a Person that is (x) the subject or target of any sanctions or trade embargos administered or enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council, the European Union, or Her Majesty’s Treasury or any other equivalent sanctions regulation, (collectively, “**Sanctions**”); (y) owned 50 per cent. or more by or otherwise controlled by, or acting on behalf of one or more Persons referenced in clause (x) above, or (z) located, organized or resident in a country or territory that is the subject or the target of Sanctions (including, but not limited to, Cuba, Iran, North Korea, Sudan, the Crimea region of Ukraine and Syria).

“*Securities Act*” means the U.S. Securities Act of 1933, as amended.

“*Senior Indebtedness*” of the Parent Guarantor or a Restricted Subsidiary, as the case may be, means all Indebtedness of the Parent Guarantor or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to the Notes or the Note Guarantee, as applicable; provided that Senior Indebtedness does not include (1) any obligation to the Parent Guarantor or any Restricted Subsidiary, (2) Trade Payables or (3) Indebtedness Incurred in violation of the Indenture.

“*Stated Maturity*” means, with respect to any instalment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date it was first Incurred in compliance with the Indenture, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“*Strategic Investor*” means any Person, other than (i) banks regulated by a banking supervisory authority in the country of their incorporation; (ii) institutional investors and, if applicable, their sub-accounts; (iii) funds (including equity, mutual fund, venture capital, hedge funds, bond, balanced, private equity, buy-out or any other investment style); (iv) pension funds or corporate funds set up to explicitly make financial investments or any Person whose primary purpose is to invest capital; and/or (v) investment companies controlled, directly or indirectly, by such Persons referred to in (i), (ii), (iii) and/or (iv).

“*Subordinated Shareholder Debt*” means any indebtedness Incurred by Parent Guarantor, the Issuer or any Guarantor owed to its direct or indirect shareholders which, by its terms or by the terms of any agreement or instrument pursuant to which such indebtedness is issued or remains outstanding, (i) is expressly made

subordinate in right of payment to the prior payment in full of the Guarantee or the Notes, as the case may be, or any other Senior Indebtedness (including upon any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Restricted Subsidiary), (ii) does not mature or require any amortization and is not and is not required to be repaid, redeemed, repurchased or otherwise retired, pursuant to a sinking fund obligation, event of default or otherwise (including any redemption, retirement or repurchase which is contingent upon events or circumstance but excluding any retirement required (i) by virtue of acceleration of such indebtedness upon an event of default, (ii) as a result of a change of control, or (iii) upon any capital contribution to the extent that the amount of such capital contribution is equal to the outstanding amount of the Subordinated Shareholder Debt for which any such acceleration is triggered) in whole or in part, on or prior to six months after the earlier of (a) the first date no Notes are outstanding and (b) the final Stated Maturity of the Notes, (iii) does not provide for any cash payment of interest (or premium, if any) prior to six months after the earlier of (a) the first date no Notes are outstanding and (b) the final Stated Maturity of the Notes, (iv) is not secured by a Lien on any assets of the Parent Guarantor or any other Restricted Subsidiary and is not guaranteed by any Restricted Subsidiary and (v) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes, the Guarantee and the Hedging Obligations or compliance by any Restricted Subsidiary with its obligations under the Onshore Debt; *provided, however*, that upon any event or circumstance that results in such indebtedness ceasing to qualify as Subordinated Shareholder Debt, such indebtedness shall constitute an Incurrence of Indebtedness by the Parent Guarantor, the Issuer or any Guarantor, as the case may be, that is not permitted under the Indenture.

“*Subsidiary*” means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which (i) more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity, or (ii) the composition of the Board of Directors of the corporation, association or other business entity, is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

“*Surviving Person*” means with respect to any Person involved in any merger, consolidation or other business combination or the sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of such Person’s assets, the Person formed by or surviving such transaction or the Person to which such disposition is made.

“*Temporary Cash Equivalents*” means any of the following:

- (1) United States dollars, Indian rupees, Euros or, in the case of any Restricted Subsidiary, local currencies held by such Restricted Subsidiaries from time to time in the ordinary course of the Permitted Business;
- (2) direct obligations of the United States of America, Canada, a member of the European Union, India or any agency of any of the foregoing, or obligations fully and unconditionally Guaranteed by any of the foregoing or any agency of any of the foregoing, in each case maturing within one year;

- (3) demand or time deposit accounts, certificates of deposit and money market deposits maturing within 365 days of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, the United Kingdom, India, Hong Kong or Singapore and which bank or trust company (x) has capital, surplus and undivided profits aggregating in excess of US\$100.0 million (or the Dollar Equivalent thereof) and (y)(A) has outstanding debt which is rated “A” or such similar equivalent rating) or higher by at least one Nationally Recognized Statistical Rating Organization or (B) is organized under the laws of India and has a long term foreign issuer credit rating or senior unsecured debt rating equal to or higher than India’s sovereign credit rating by at least one Nationally Recognized Statistical Rating Organization (as defined in Section 3(a)(62) under the Exchange Act) or (C) is a bank owned or controlled by the government of India and organized under the laws of India;
- (4) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (2) above entered into with a bank or trust company meeting the qualifications described in clause (3) above;
- (5) commercial paper, maturing not more than six months after the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Parent) organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of “P-1” (or higher) according to Moody’s or “A-1” (or higher) according to S&P or Fitch;
- (6) securities with maturities of six months or less from the date of acquisition thereof, issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least “A” by S&P, Moody’s or Fitch;
- (7) any money market fund that has at least 95.0% of its assets continuously invested in investments of the types described in clauses (1) through (6) above;
- (8) demand or time deposit accounts with any scheduled commercial bank organized under the laws of the India; and
- (9) certificates of deposit and debt mutual funds, maturing not more than one year after the date of acquisition thereof, which invest solely in companies organized under the laws of the India whose long-term debt has a national credit rating of AAA/A1+.

“*Total Assets*” means, as of any date, the total assets of the Parent Guarantor on a consolidated basis calculated in accordance with GAAP as of the last day of the most recent semi-annual period for which financial statements are available (which may be internal financial statements), calculated after giving pro forma effect to any acquisition or disposition of property, plant or equipment or the acquisition of any Person that becomes a Restricted Subsidiary subsequent to such date and after giving pro forma effect to the application of the proceeds of any Indebtedness, including the proposed Incurrence of which has given rise to the need to make such calculation of Total Assets.

“*Trade Payables*” means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Restricted Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services and payable within one year.

“Treasury Rate” means, as of any redemption date, the yield to maturity as of the earlier of (a) such redemption date or (b) the date on which such Notes are defeased or satisfied and discharged, of the most recently issued United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to such date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to February 24, 2025; *provided, however*, that if the period from the redemption date to February 24, 2025 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. Any such Treasury Rate shall be obtained by the Parent Guarantor.

“Unrestricted Subsidiary” means (1) a Subsidiary of the Parent Guarantor that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture and (2) any Subsidiary of an Unrestricted Subsidiary.

“US\$ ECBs” refers to the United States Dollar denominated external commercial borrowings that will be issued or borrowed by the Indian Restricted Subsidiaries.

“Voting Stock” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

TAXATION

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority (“**IRAS**”) of Singapore and the Monetary Authority of Singapore (“**MAS**”) in force as of the date of this Offering Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements below do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s) or hold a specified licence) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that none of the Issuer, the Parent Guarantor or the Initial Purchasers and any other persons involved in the issuance of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act 1947 of Singapore (“**ITA**”), the following payments are deemed to be derived from Singapore:

- (1) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is:
 - (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or
 - (ii) deductible against any income accruing in or derived from Singapore; or
- (2) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 24 per cent. However, if the payment is derived by a person not resident in Singapore from sources other than from its trade, business, profession or vocation carried on or exercised by such person in

Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (1) interest from debt securities derived on or after January 1, 2004;
- (2) discount income (not including discount income arising from secondary trading) from debt securities derived on or after February 17, 2006; and
- (3) prepayment fee, redemption premium and break cost from debt securities derived on or after February 15, 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

In addition, as more than half of the Joint Lead Managers for the issue of the Notes are the following entities holding the relevant licenses (collectively, the “**specified licensed entities**”):

- (a) any bank or merchant bank licensed under the Banking Act 1970 of Singapore;
- (b) any finance company licensed under the Finance Companies Act 1967 of Singapore; or
- (c) an entity that holds a Capital Markets Services Licence under the Securities and Futures Act 2001 of Singapore to carry out regulated activities — Advising on Corporate Finance or Dealing in Capital Markets Products — Securities,

and the Notes are issued during the period from February 15, 2023 to December 31, 2028, such Notes (the “**Relevant Notes**”) would be “qualifying debt securities” pursuant to the Income Tax Act and the MAS Circular FDD Cir 08/2023 entitled “Qualifying Debt Securities and Primary Dealer Schemes — Extension and Refinements” issued by the MAS on May 31, 2023 (the “**MAS Circular**”), to which the following treatments shall apply:

- (i) subject to certain prescribed conditions having been fulfilled (including the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Qualifying Income**”) from the Relevant Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;

- (ii) subject to certain conditions having been fulfilled (including the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10% (except for holders who have been granted the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (iii) subject to:
 - (a) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (b) the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (A) if during the primary launch of any tranche of the Relevant Notes, the Relevant Notes of such tranche are issued to less than four persons and 50% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as “qualifying debt securities”; and
- (B) even though a particular tranche of Relevant Notes are “qualifying debt securities”, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of the issue of such Relevant Notes which are outstanding at any time during the life of the issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is being controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “**break cost**”, “**prepayment fee**” and “**redemption premium**” are defined in the ITA as follows:

- “**break cost**”, in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

- **“prepayment fee”**, in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
- **“redemption premium”**, in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

Pursuant to the MAS Circular and with effect from February 15, 2023, the scope of Qualifying Income under the qualifying debt securities scheme will be streamlined and clarified such that it includes all payments made by the Issuer on the redemption of the Notes upon their maturity or on the early redemption of the Notes. The Income Tax Act will be amended to reflect this.

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Relevant Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Relevant Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Relevant Notes who apply or are required to apply Singapore Financial Reporting Standards 39 (“**FRS 39**”), 109 (“**FRS 109**”) or Singapore Financial Reporting Standards (International) 9 (“**SFRS(I) 9**”) may for Singapore income tax purposes be required to recognize gains or losses (not being gains or losses in the nature of capital) on the Relevant Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law). Please see the section below on “Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes”.

Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Section 34A of the Income Tax Act provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and “opt-out” provisions) to taxpayers who are required to comply with

FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement”.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after January 1, 2018, replacing FRS 39. Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 — Financial Instruments”.

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the Income Tax Act should consult their own tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after February 15, 2008.

Certain U.S. Federal Income Tax Consequences

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Notes at the “issue price” (the first price at which a substantial amount of Notes are sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial offering that are U.S. Holders that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, U.S. Holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar). The Issuer believes that the redemption of the 2026 Notes and the offering of the Notes should be treated as separate transactions and the remainder of this discussion so assumes. However, prospective purchasers that hold our 2026 Notes whose 2026 Notes will be redeemed with the proceeds of this offering should consult their tax advisers as to whether differing tax consequences might apply to their acquisition of Notes and redemption of their 2026 Notes as a result of their participation in this offering.

As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, (the “Code”) its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

U.S. Federal Income Tax Characterization of the Notes and the Issuer

The proper characterization of instruments such as the Notes for U.S. federal income tax purposes is subject to significant uncertainty. The determination of whether an obligation represents debt or equity is based on all the relevant facts and circumstances. It is possible that the Notes could, for example, be treated as indebtedness of the Parent Guarantor, or, alternatively, be treated as an equity interest in the Issuer. The Issuer has filed an IRS Form 8832, electing to be treated as an entity disregarded from its sole owner for U.S. federal income tax purposes, to be effective on or prior to the issuance of the Notes. To the extent the Issuer is required to take a position, it intends to take the position that the Notes are properly characterized as indebtedness for U.S. federal income tax purposes. This position will be binding on a U.S. Holder unless the U.S. Holder expressly discloses that it is adopting a contrary position on its income tax return. However, the Issuer’s position is not binding on the U.S. Internal Revenue Service (the “IRS”) or the courts, there can be no assurance that this characterization will be accepted by the IRS or a court, and there is a significant risk that the IRS may disagree with such treatment. If the Notes are not treated as indebtedness, U.S. Holders could be subject to materially different U.S. federal income tax consequences from the acquisition, ownership and disposition of the Notes, which could be materially adverse. For example, if the Notes are properly characterized as equity of the Issuer for U.S. federal income tax purposes, each U.S. Holder may be required to include in its calculation of taxable income its allocable portion of the items of income, deduction, gain or loss of the Issuer, including, without limitation, its allocable portion of interest income on the Onshore Debt. Additionally, if the Notes are not treated as indebtedness for U.S. federal income tax purposes, a U.S. Holder may also realize foreign currency gain or loss. The remainder of this discussion assumes the Notes will be treated as indebtedness for U.S. federal income tax purposes. In certain circumstances the Issuer may be obligated to make payments on the Notes in excess of stated interest and principal, including as described in “Description of the Notes — Repurchase at the Option of Holders—Change of Control Triggering Event.” The Issuer intends to take the position that the Notes should not be treated as contingent payment debt instruments (“CPDIs”) for U.S. federal income tax purposes because of these possible additional payments. The Issuer’s position is binding on a U.S. Holder, unless the U.S. Holder discloses in the proper manner to the IRS that it is taking a different position. If the IRS successfully challenged this position, and the Notes were treated as CPDIs, U.S. Holders will be required to accrue interest income currently (potentially at a rate higher than the stated interest), without regard to their usual method of accounting, and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption

of the Note. The remainder of this discussion assumes that the Notes are not treated as CPDIs. U.S. Holders are strongly urged to consult their tax advisor regarding the characterization of the Notes for U.S. federal income tax purposes.

Payments of Interest

General

Payments of stated interest on a Note (including the amount of any withholding taxes and any additional amounts paid with respect thereto) will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such holder's method of accounting for U.S. federal income tax purposes. Interest (and any additional amounts) paid by the Issuer on the Notes and original issue discount ("**OID**"), if any, accrued with respect to the Notes constitutes income from sources outside the United States.

Subject to certain limitations, a U.S. Holder generally may be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for Singaporean income taxes withheld by the Issuer. Interest and OID, if any, generally will constitute "passive category income" for purposes of the foreign tax credit. The rules governing foreign tax credits are complex and are subject to certain uncertainties due to recent Treasury regulations and administrative guidance. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of Singaporean withholding taxes (if any).

Original Issue Discount

If the "stated redemption price at maturity" exceeds the "issue price" of a Note by more than a de minimis amount (as described below), the Note will be considered to have been issued at an original discount for U.S. federal income tax purposes. Generally, the "stated redemption price at maturity" of a Note generally will equal the sum of all payments required to be made under the Note other than payments of "qualified stated interest". In general, "qualified stated interest" is stated interest unconditionally payable (other than in debt instruments of the issuer) at least annually during the entire term of the Note and equal to the outstanding principal balance of the Note multiplied by a single fixed rate of interest. Stated interest on the Notes will be treated as qualified stated interest.

If the difference between a Note's stated redemption price at maturity and its issue price is less than a de minimis amount, i.e., 1/4 of 1 per cent. of the stated redemption price at maturity multiplied by the number of complete years to maturity from the issue date, then the Note will not be considered to have OID. U.S. Holders of Notes with less than a de minimis amount of OID must include this OID in income, as capital gain, on a pro rata basis as principal payments are made on the Note.

U.S. Holders will be required to include OID in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of whether cash attributable to this income is received. The amount of OID includible in income by a U.S. Holder of a Note is the sum of the daily portions of OID with respect to the Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year; and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Note's adjusted issue price at the beginning of the accrual period and the Note's yield to maturity (determined on the basis of compounding at the close of each

accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of interest on the Note allocable to the accrual period. The “adjusted issue price” of a Note at the beginning of any accrual period is the issue price of the Note increased by the amount of accrued OID for each prior accrual period.

Sale or Other Taxable Disposition of the Notes

A U.S. Holder generally will recognize gain or loss on the sale or other taxable disposition of a Note equal to the difference between the amount realized on the sale or other taxable disposition and the U.S. Holder’s adjusted tax basis of the Note. A U.S. Holder’s adjusted tax basis in a Note generally will be its U.S. dollar cost increased by the amount of OID, if any, included in the U.S. Holder’s gross income and decreased by any payment received from the Issuer other than a payment of qualified stated interest. The amount realized does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of a Note will be capital gain or loss and will be long-term capital gain or loss if the Note was held by the U.S. Holder for more than one year. Gain or loss realized by a U.S. Holder on the sale or other taxable disposition of a Note generally will be U.S. source. Prospective purchasers should consult their tax advisers as to the foreign tax credit and other U.S. federal income tax implications of non-U.S. taxes (if any) imposed on the sale or retirement of Notes.

Change in Issuer U.S. Tax Status or Ownership Structure

While the Issuer has filed an election to be treated as a disregarded entity for U.S. federal income tax purposes and is currently a direct wholly-owned subsidiary of the Parent Guarantor, the Indenture does not limit the Issuer’s ability to change its entity classification for U.S. federal income tax purposes nor does it require that the Issuer remains a direct wholly-owned subsidiary of the Parent Guarantor. Although the matter is not entirely clear, it is possible that changes in the Issuer’s entity classification for U.S. federal income tax purposes, or certain changes in its internal ownership structure (e.g., the introduction of an intermediate holding company between the Issuer and the Parent Guarantor) may be treated as a deemed exchange of the Notes for “new” notes requiring U.S. Holders to recognize gain or loss with respect to the deemed exchange and potentially resulting in other adverse U.S. federal income tax consequences (for example, the “new” notes may be treated as reissued with OID and a U.S. Holder could be required to include such OID in income in advance of the receipt of cash to which the OID is attributable). Prospective purchasers should consult their own tax advisers regarding the potential consequences of a change in the in the Issuer’s entity classification or ownership structure.

Backup Withholding and Information Reporting

Payments of principal and interest (including accruals of OID, if any), and the proceeds of sale or other taxable disposition of Notes, by a U.S. or U.S.-connected paying agent or other U.S. or U.S.-connected intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments (including payments of accrued OID) if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes, including requirements related to the holding of certain foreign financial assets.

FATCA Withholding

Pursuant to certain provisions of the Code, commonly known as FATCA, a “foreign financial institution” (as defined by FATCA, and including any intermediary through which Notes are held) may be required to withhold at a rate of 30% on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The term “foreign passthru payment” is not yet defined. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that are characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

CERTAIN ERISA CONSIDERATIONS

Notes are not permitted to be acquired or held by (a) employee benefit plans (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”)), subject to Title I of ERISA, including collective investment funds, separate accounts or accounts whose underlying assets are treated as assets of such plans pursuant to the US Department of Labor (“**DOL**”) “plan assets” regulation, 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA (collectively, “**ERISA Plans**”), (b) plans not subject to Title I of ERISA but subject to Section 4975 of the Code, including IRAs, Keogh Plans (which cover only self-employed persons and their spouses) and other retirement plans that cover only the owners of a business (collectively, “**4975 Plans**”), or (c) entities whose underlying assets include plan assets subject to Title of ERISA or Section 4975 of the Code by reason of an investment in the entity by ERISA Plans or 4975 Plans or otherwise (collectively, “**Plan Asset Entities**”). ERISA Plans, 4975 Plans and Plan Asset Entities are collectively referred to herein as Benefit Plan Investors. Subject to certain restrictions described below, Notes are permitted to be acquired and held by governmental plans, non-electing church plans and other arrangements that are not subject to Title I of ERISA or Section 4975 of the Code and therefore are not Benefit Plan Investors (collectively, “**Non-ERISA Plans**”).

ERISA imposes fiduciary standards and certain other requirements on ERISA Plans and on those persons who are fiduciaries with respect to ERISA Plans. 4975 Plans are subject to certain restrictions similar to ERISA’s prohibited transaction rules. Non-ERISA Plans are subject to provisions of applicable state, local or federal law, which may include prohibited transaction provisions that operate similarly to those under ERISA and Section 4975 of the Code, as well as the restrictions of duties imposed under common law.

Under the “plan asset” regulation issued by the DOL, as modified by Section 3(42) of ERISA (the “Plan Asset Regulations”), unless certain exceptions apply, if a Benefit Plan Investor invests in an “equity interest” of an entity, that is neither a “publicly offered security” nor a security issued by an investment company registered under the Investment Company Act, the Benefit Plan Investor’s assets will include both the equity interest and an undivided interest in each of the entity’s underlying assets. This “look through” rule will only apply where the entity is not an “operating company,” as defined in the Plan Asset Regulations, and Benefit Plan Investors hold 25 percent or more of the total value of any class of equity interest in the entity. For purposes of this 25 percent determination, the value of equity interests held by persons (other than Benefit Plan Investors) that have discretionary authority or control with respect to the assets of the entity or that provide investment advice for a fee (direct or indirect) with respect to such assets (or any affiliate of such person) is disregarded. An equity interest does not include debt (as determined by applicable local law) which does not have substantial equity features.

If the underlying assets of an entity are deemed to be plan assets, those persons with discretionary authority or control over the entity would be fiduciaries with respect to the entity’s assets. The assets of the entity would also be subject to the prohibited transaction rules of ERISA and Section 4975 of the Code, as well as other rules applicable to plan assets.

The Issuer believes that the proper characterization of the Notes for U.S. federal income tax purposes is uncertain. The DOL may view the Notes as having substantial equity features. Further, the Issuer is not expected to qualify as an operating company and will not be able to monitor the holders of the Notes’ status as Benefit Plan Investors. Accordingly, the Notes are not permitted to be acquired or held by any Benefit Plan Investor.

Non-ERISA Plans are permitted to acquire and hold the Notes, subject to certain restrictions described below. Each Non-ERISA Plan acquiring and holding the Notes or any interest therein will be deemed to have

represented and warranted that the acquisition, holding and disposition of the Notes or any interest therein by the Non-ERISA Plan does not and will not violate any statute, regulation, administrative decision, policy or other legal authority applicable to the Non-ERISA Plan (collectively, “**Applicable Law**”) and does not and will not result in the assets of the Issuer being considered plan assets of such Non-ERISA Plan for purposes of any Applicable Law. Non-ERISA Plans are not subject to Title I of ERISA nor do the prohibited transaction provisions of ERISA or Section 4975 of the Code apply to these types of plans. However, governmental plans (as described in Section 3(32) of ERISA), are subject to prohibitions on related-party transactions under Section 503 of the Code, which prohibitions operate similarly to the prohibited transaction rules under ERISA and Section 4975 of the Code, and other Non-ERISA Plans may be subject to similar prohibitions. Accordingly, the fiduciary of a Non-ERISA Plan must consider applicable federal, state or local laws, if any, imposed upon such plan before purchasing and holding a Note or any interest therein.

BY ITS PURCHASE AND HOLDING OF A NOTE OR ANY INTEREST THEREIN, THE PURCHASER AND/OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED AT THE TIME OF ITS PURCHASE AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH NOTE OR INTEREST THEREIN, THAT (1) IT IS NOT AND WILL NOT BE (A) AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF ERISA) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (B) A PLAN TO WHICH SECTION 4975 OF THE CODE APPLIES OR (C) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS FOR PURPOSES OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE BY REASON OF AN INVESTMENT IN THE ENTITY BY A PERSON DESCRIBED IN (A) OR (B) ABOVE OR OTHERWISE, (2) IF IT IS A GOVERNMENTAL PLAN, AS DEFINED IN SECTION 3(32) OF ERISA, OR OTHER PLAN OR ARRANGEMENT THAT IS NOT SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, THE ACQUISITION, HOLDING AND DISPOSITION OF A NOTE OR ANY INTEREST THEREIN BY SUCH PLAN OR ARRANGEMENT DOES NOT AND WILL NOT VIOLATE ANY APPLICABLE LAW, AND DOES NOT AND WILL NOT RESULT IN THE ASSETS OF THE ISSUER OF THE NOTES BEING CONSIDERED PLAN ASSETS OF SUCH PLAN OR ARRANGEMENT FOR PURPOSES OF ANY APPLICABLE LAW, AND (3) IT WILL NOT SELL OR OTHERWISE TRANSFER ANY NOTE OR INTEREST THEREIN TO ANY PERSON WITHOUT FIRST OBTAINING THE SAME FOREGOING REPRESENTATIONS, WARRANTIES AND COVENANTS FROM THAT PERSON.

The foregoing is not intended to be exhaustive and the law governing investments by Benefit Plan Investors and Non-ERISA Plans is subject to extensive administrative and judicial interpretations. The foregoing discussion should not be construed as legal advice. Any potential purchaser or holder of Notes should consult counsel with respect to issues arising under ERISA, the Code and other applicable laws and make their own independent decisions.

INDIAN GOVERNMENT FILINGS AND APPROVALS

ECB

Availing ECBs is regulated by the RBI pursuant to the ECB Regulations. Under the ECB Regulations, ECBs may be denominated in Rupee or in any other freely convertible currency and may be in the form of loans or bonds. ECBs can be raised by all entities which are eligible to receive foreign direct investment in accordance with applicable Indian law. The lenders which are eligible to extend ECBs include foreign equity holders (which means (a) direct foreign equity holder with minimum 25% direct equity holding by the lender in the borrowing entity, (b) indirect equity holder with minimum indirect equity holding of 51%, and (c) group company with common overseas parent). The Issuer qualifies as a foreign equity holder in relation to the other Indian Restricted Subsidiaries. ECBs can be extended or subscribed to by *inter alia* any person who is a resident of a FATF Compliant Country or an IOSCO Compliant Country or individuals who are foreign equity holders or where the ECBs are listed overseas.

Where, “**FATF Compliant Country**” means a country that is a member of Financial Action Task Force (“**FATF**”) or a member of a FATF-Style Regional Body; and which is not be a country identified in the public statement of the FATF as (i) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (ii) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies and “**IOSCO Compliant Country**” means a country whose securities market regulator is a signatory to the International Organisation of Securities Commission’s (“**IOSCO’s**”) Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Securities and Exchange Board of India for information sharing arrangements.

ECBs can be raised by entities from the eligible lenders set out above without any regulatory approval if the ECB has a minimum average maturity of three years (or five years, in case of ECBs raised from foreign equity holder and utilized for working capital purposes, general corporate purposes or repayment of Rupee loans), the all-cost does not exceed: (i) for foreign currency denominated new ECBs: 500 basis points spread over any widely accepted interbank rate or alternative reference rate (ARR) of 6-month tenor, applicable to the currency of borrowing; and (ii) for Rupee denominated ECBs: 450 basis points spread over the prevailing yield of Indian government securities of a corresponding maturity, and the proceeds of the ECBs are being utilized for the purposes set out in the ECB Regulations.

The maximum amount that any company can raise in a financial year through the ECBs without requiring prior regulatory approval is U.S.\$750 million or its equivalent. There are certain reporting requirements under the ECB Regulations, pursuant to which specified forms have to be filed with the RBI. Prior to any drawdown or issuance, the borrowing Indian Restricted Subsidiary must obtain a loan registration number (“**LRN**”) from the RBI through its designated authorized dealer bank by filing Form ECB. In addition, the borrowing Indian Restricted Subsidiary is required to file the Form ECB 2 return on a monthly basis in accordance with the ECB Regulations through its designated authorized dealer bank. In order to create a charge over immovable assets, movable assets or financial securities of the borrower and for issuing of corporate and/or personal guarantees to secure the ECBs, a no-objection certificate is required to be obtained from the designated authorized dealer bank, which is issued subject to satisfying certain conditions.

Subscription to NCDs by the Issuer

The Securities Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time, (“**SEBI FPI Regulations, 2019**”) lays down the provisions under which an eligible foreign investor can invest in debt securities which are permitted by the RBI for foreign portfolio investor (“**FPI**”).

The SEBI FPI Regulations, 2019 require an FPI to obtain a registration certificate, for the purposes of dealing in securities issued by an Indian entity, from a designated depository participant on behalf of SEBI. The Issuer has obtained a certificate of registration from a designated depository participant on behalf of SEBI under the SEBI FPI Regulations, 2019.

Under the VRR, subject to availability of limits, an FPI may invest in debt markets in India without complying with the minimum residual maturity requirement, concentration limit or single/group investor-wise limits otherwise applicable to FPI investment in corporate bonds, subject to the FPI retaining at least 75% of the amount allotted for investment (“**Committed Portfolio Size**” or “**CPS**”) for a period of not less than 3 years (or such other period as may be notified by the RBI at the time of allotment) which the FPI voluntarily commits, at the time of such allotment, to retain in India (“**Retention Period**”). The CPS will be allotted to an FPI through auctions or an on-tap window.

During the Retention Period, while a prepayment or redemption of the NCDs is permissible, in order to repatriate proceeds of such repayment or redemption, which are in excess of 25% of the total Committed Portfolio Size of that FPI during the Retention Period, such FPI would be required to obtain prior regulatory approval. However, in order to liquidate its investment under the VRR and repatriate its investment, fully or partially, the FPI may sell/transfer the NCDs to another FPI such that the buying FPI complies with all the terms and conditions applicable to the selling FPI under the VRR. Therefore, upon the occurrence of an event of default, an early redemption event or a mandatory redemption event under the NCDs within the committed retention period, the Issuer might be required to obtain regulatory approval for repatriation of proceeds of such prepayment or early redemption of the NCDs.

Issuance of NCDs by the Indian Restricted Subsidiaries

An Indian Restricted Subsidiary may issue NCDs subject to compliance with terms and conditions mentioned in its article of association, the Companies Act, 2013 and rules made thereunder and other applicable laws. In terms of the Section 42 of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the “**Companies PAS Rules**”), every company making a private placement, i.e., an offer of securities or invitation to subscribe securities to a select group of persons, is required to make such private placement through a private placement offer letter (the “**Offer Letter**”). The Offer Letter shall be prepared in accordance with the requirements prescribed under Rule 14 of the Companies PAS Rules. Further, the company making the offer is required to record the names of the persons to whom the offer is to be made and such persons have to be identified by the board of directors of the company. The Offer Letter, along with an application form, shall be sent by the company making the private placement to such identified persons within 30 days of the recording of their names.

Upon receipt of application money, the allotment must be completed within 60 days, failing which the application money must be returned to the subscribers. The return of allotment of securities is required to be filed with the Registrar of Companies within a period of 15 days of allotment. The company is not permitted to utilize the monies raised through such private placement unless such return of allotment is filed.

Accordingly, each Indian Restricted Subsidiary issuing the NCDs under VRR will be required to prepare an Offer Letter as required under Section 42 of the Companies Act, 2013, record the names of the identified offerees, issue the Offer Letter within 30 days of such recording, allot the NCDs within 60 days of receiving the allotment proceeds and file a return of allotment with the Registrar of Companies within 15 days of the allotment of the NCDs.

Registration of Charges

In terms of Section 77 of the Companies Act, 2013 every company creating or modifying a charge on its property or assets or any of its undertakings is required to register such charge with the Registrar of Companies within 30 days of creation or modification of the charge.

The Registrar of Companies may, on an application filed by the company, allow such registration to be made within a period of 60 days of creation of the charge on payment of additional fees. The particulars of the charge shall be filed in the form prescribed under Rule 3 of the Companies (Registration of Charges) Rules, 2014 with the Registrar of Companies within the aforementioned time period.

Certain documents creating a mortgage over immovable properties are required to be registered under the Registration Act, 1908 with the sub-registrar of assurances within four months of their execution. If a document is not registered within this time period owing to urgent necessity or unavoidable accident, the registrar of assurances, in cases where the delay in presentation does not exceed four months, may direct that, on payment of such penalties, such document shall be accepted for registration.

Accordingly, every Indian Restricted Subsidiary will be required to make the requisite filings in case the NCDs or the ECB it avails from the Issuer is secured, in order to perfect the charge created on its assets.

PLAN OF DISTRIBUTION

We intend to offer the Notes through the Initial Purchasers. Subject to the terms and conditions of a purchase agreement dated August 17, 2023 by and among the Issuer, the Parent Guarantor and the Initial Purchasers (the “**Purchase Agreement**”), we have agreed to sell to the Initial Purchasers, the Parent Guarantor has agreed to guarantee the Notes, and the Initial Purchasers have agreed, severally and not jointly, to purchase from the Issuer, the principal amount of Notes set forth opposite its name below.

Initial Purchasers	Principal amount of Notes
	U.S.\$
Deutsche Bank AG, Singapore Branch	72,500,000
Citigroup Global Markets Singapore Pte. Ltd.	72,500,000
Emirates NBD Bank PJSC	72,500,000
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch	72,500,000
J.P. Morgan Securities Asia Private Limited	72,500,000
Standard Chartered Bank (Singapore) Limited	72,500,000
Total	<u><u>435,000,000</u></u>

In certain circumstances, if one or more of the Initial Purchasers default, the Purchase Agreement may be terminated. The Purchase Agreement also provides that the obligation of the Initial Purchasers to purchase the Notes is subject to approval of legal matters by its counsel, including the validity of the Notes, and other conditions contained in the Purchase Agreement, such as the receipt by the Initial Purchasers of officers’ certificates and legal opinions. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The Initial Purchasers initially propose to offer the Notes for resale at the issue price that appears on the cover of this Offering Memorandum. After the initial offering, the Initial Purchasers may change the offering price and any other selling terms without notice. The Initial Purchasers may offer and sell Notes through certain of their affiliates. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers are licensed brokers or dealers in that jurisdiction, the offering should be deemed to be made by the Initial Purchasers or such affiliate on behalf of the Issuer in such jurisdiction.

Pursuant to the Purchase Agreement, the Issuer and the Parent Guarantor have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments which the Initial Purchasers may be required to make in respect of any such liabilities. The Issuer and the Parent Guarantor will also pay the Initial Purchasers a commission and pay certain expenses relating to the Offering.

No Sales of Similar Securities

The Issuer and the Parent Guarantor have agreed that they shall not, for a period of 90 days after the closing date of this offering of the Notes, without first obtaining the prior written consent of Initial Purchasers, directly or indirectly, offer, sell, contract to sell, issue or otherwise dispose of any debt securities of the Issuer that are substantially similar to the Notes.

Notes are Not Being Registered

The Notes and the Parent Guarantee have not been registered under the Securities Act and, unless so registered, may not be offered or sold within the United States except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

The Initial Purchasers propose to resell the Notes within the United States solely to QIBs in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S. See “*Transfer Restrictions*.”

New Issue of Securities

The Notes will constitute a new class of securities with no established trading market. Application will be made to the SGX-ST for the listing of and quotation for the Notes on the Official List of the SGX-ST. However, we cannot guarantee that the Notes will remain listed on the Official List of the SGX-ST or the prices at which the Notes will sell in the market after the offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after the offering. We do not intend to apply for listing of the Notes on any national securities exchange in the United States or for quotation of the Notes on any automated dealer quotation system in the United States. The Initial Purchasers have advised us that they presently intend to make a market in the Notes after completion of this offering or permitted by applicable law. However, they are under no obligation to do so and may discontinue any market-making activities at any time without any notice. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the Notes.

If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Delivery, Payment and Settlement

We expect that delivery of the Notes will be made against payment therefore on or about the date specified on the cover page of this Offering Memorandum, which will be the fifth business day following the date of pricing of the Notes (this settlement cycle being referred to as “T+5”). Under Rule 15(c)6-1 under the U.S. Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days unless the parties to such trades expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Notes will initially settle in T+5, to specify an alternative settlement cycle at the time of such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the securities on the date of pricing or the next succeeding business day should consult their own advisors.

Price Stabilization and Short Positions

In connection with this offering, the Initial Purchasers, or any person acting for them, may purchase and sell Notes in the open market. These transactions may, to the extent permitted by law, include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale of a greater amount of Notes than the Initial Purchasers are required to purchase in this offering. Stabilizing transactions consist of certain bids or purchases for the purpose of preventing or retarding a decline in the market price of the Notes while this offering is in progress. These activities, to the extent permitted by law, may stabilize, maintain

or otherwise affect the market price of the Notes. These activities may be conducted in the over-the-counter market or otherwise. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time and must in any event be brought to an end after a limited time. These activities will be undertaken solely for the account of the stabilizing manager and not for and on behalf of the Issuer.

Other Relationships

The Initial Purchasers and certain of their affiliates may have performed and expect to perform various investment banking, transaction banking, commercial lending, consulting and financial advisory services to us and/or our affiliates in the ordinary course of business for which they may receive customary fees and expenses and may, from time to time, directly or indirectly through affiliates, enter into hedging or other derivative transactions, including swap agreements, future or forward contracts, option agreements or other similar arrangements with us and our affiliates, which may include transactions relating to our obligations under the Notes, all to the extent permitted under the Indenture. Our obligations under these transactions may be secured by cash or other collateral to the extent permitted under the Indenture.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire long and/or short positions in such securities and instruments. The Initial Purchasers or their respective affiliates may also purchase Notes for their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to Notes and/or other securities of us or our subsidiaries or associates at the same time as the offer and sale of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes (notwithstanding that such selected counterparties may also be purchasers of Notes). While each Initial Purchaser and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause an Initial Purchaser or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Initial Purchaser may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposed on CMIs, which require the attention and cooperation of other CMIs (including private banks).

Prospective investors who are the directors, employees or major shareholder of the Issuer or Parent Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer or the Parent Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or the Parent Guarantor or any CMI (including its group companies) and inform the Initial Purchasers accordingly.

CMIIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this offering memorandum.

CMIIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIIs). CMIIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIIs should disclose the identities of all investors when submitting orders for the Notes. Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIIs should not place “X-orders”) into the order book.

CMIIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMI (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Parent Guarantor. In addition, CMIIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI discloses complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Initial Purchasers in control of the order book should consider disclosing order book updates to all CMIIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code.

Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Initial Purchasers (if any) to categorize it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order.

To the extent information being disclosed by CMIIs and investors is personal and/or confidential in nature, CMIIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information. By submitting an order and providing such information to any Initial Purchaser, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any Initial Purchaser and/or any other third parties as may be required by the SFC Code, including to the Issuer or the Parent Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Initial Purchasers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIIs (including private banks) are required to provide the relevant Initial Purchaser with such evidence within the timeline requested.

Selling Restrictions

General

No action has been or will be taken in any jurisdiction by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum (in preliminary or final form) or any other material relating to us or the Notes in any jurisdiction where action for the purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. Persons into whose hands this Offering Memorandum comes are required by us and the Initial Purchasers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Offering Memorandum (in preliminary or final form) or any other offering material relating to the Notes, in all cases at their own expense. This Offering Memorandum does not constitute an offer to purchase or a solicitation of an offer to sell in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering, the distribution of this Offering Memorandum and resales of the Notes. See “*Transfer Restrictions*.”

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Initial Purchaser or any affiliate of any Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Initial Purchaser or affiliate on behalf of the Issuer in such jurisdiction.

United States

The Notes and the Parent Guarantee have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside of the United States in reliance on Regulation S. The Subscription Agreement provides that the Joint Bookrunners may, directly or through their respective U.S. broker-dealer affiliates, arrange for the offer and resale of the Notes within the United States only to qualified institutional buyers in accordance with Rule 144A. Resales of the Notes are restricted as described under “*Transfer Restrictions*”.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

As used herein, the term “United States” has the meaning given to it in Regulation S.

Singapore

This Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer

or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (a) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

India

The Notes will not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident in India. This Offering Memorandum is not an offer document (as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended). This Offering Memorandum will not be registered, produced or made available as an offer document whether as a

prospectus or an information memorandum or private placement offer letter or other offering material in respect of a private placement under the Companies Act or any other applicable Indian laws, with the Registrar of Companies, the Securities and Exchange Board of India, the stock exchanges or any other statutory or regulatory body of like nature in India, save and except for any information relating to the Notes which is mandatorily required to be disclosed or filed in India under any applicable Indian laws or pursuant to the directives of any statutory, regulatory and adjudicatory body in India, nor have they or will they circulate or distribute this Offering Memorandum or any material relating thereto, directly or indirectly, under circumstances which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities to the public within the meaning of the Companies Act and other applicable Indian law for the time being in force.

Hong Kong

This Offering Memorandum has not been and will not be registered with the Registrar of Companies in Hong Kong. Accordingly, except as mentioned below, this Offering Memorandum may not be issued, circulated or distributed in Hong Kong. A copy of this Offering Memorandum may, however, be issued to a limited number of prospective applicants for the Notes in Hong Kong in a manner which does not constitute an offer of the Notes to the public in Hong Kong or an issue, circulation or distribution in Hong Kong of a prospectus for the purposes of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). No advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any rules made thereunder.

European Economic Area

Each Initial Purchaser has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision the expression “retail investor” means a person who is one (or both) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
- (b) a customer within the meaning of Directive 2016/97/EU (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948) (as amended) (the “FIEL”), and disclosure under the FIEL has not been made with respect to the Notes. Accordingly, the Notes may not be offered or sold, directly or indirectly in Japan or to, or for the account of, any resident of Japan, or to others for reoffering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan, except pursuant to any exemption from the registration requirements of the FIEL and otherwise in compliance with the FIEL and other applicable provisions of Japanese laws and regulations. As used in this paragraph, “resident of Japan” means any person residing in Japan, including any corporation or other entity organized under the laws of Japan.

People's Republic of China

This Offering Memorandum does not constitute a public offer of the Notes, whether by sale or by subscription, in the People's Republic of China. The Notes will not be offered or sold within the People's Republic of China by means of this Offering Memorandum or any other document.

Switzerland

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or any other exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes (i) a prospectus as such term is understood pursuant to Article 652a or 1156 of the Swiss Code of Obligations or (ii) a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Offering Memorandum nor any other marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. In addition, this Offering Memorandum nor any other offering or marketing material relating to the Notes may not comply with the Directive for Notes of Foreign Borrowers of the Swiss Bankers Association. The Notes are being offered in Switzerland by way of private placement, without any public advertisement and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached directly from time to time. This Offering Memorandum, as well as any other offering or marketing material relating to the Notes, is personal and confidential and does not constitute an offer to any other person. This Offering Memorandum, as well as any other offering or marketing material relating to the Notes, may only be used by those investors to whom it has been handed out in connection with the offering and may neither directly nor indirectly be distributed or made available to other persons without the relevant Issuer's express consent.

United Kingdom

Each Initial Purchaser has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision the expression "retail investor" means a person who is one (or both) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") and the regulations made under the EUWA; or
- (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and the regulations made under the EUWA.

Each Initial Purchaser has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 the FSMA received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Parent Guarantor; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Canada

The Notes may be sold in Canada or any province or territory thereof only to purchasers purchasing, or deemed to be purchasing, as principal that are both (i) accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and (ii) permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment hereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Under Canadian securities law, National Instrument 33-105 Underwriting Conflicts (NI 33-105) provides disclosure requirements with respect to potential conflicts of interest between an issuer and underwriters, dealers or placement agents, as the case may be. To the extent any conflict of interest between us and the Initial Purchasers (or any other dealer acting in connection with this offering) may exist in respect of this offering, the applicable parties to this offering are relying on the exemption from these disclosure requirements provided to them by section 3A.3 of NI 33-105 (Exemption based on U.S. disclosure).

Upon receipt of this document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

The Notes and the Parent Guarantee have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only to (1) “qualified institutional buyers” (as defined in Rule 144A of the Securities Act) (“QIBs”) in accordance with Rule 144A, or (2) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Each purchaser of the Notes, by accepting the delivery of this Offering Memorandum, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (1) it is not an “affiliate” (as defined in Rule 501(b) under the Securities Act) of the Issuer or the Parent Guarantor, it is not acting on behalf of the Issuer or the Parent Guarantor, is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion, and it and any such account (A)(i) is a “qualified institutional buyer” as defined in Rule 144A and (ii) is aware that the sale of the Notes to it is being made in reliance on Rule 144A, or (B) is outside the United States and is purchasing the Notes in an offshore transaction pursuant to Regulation S;
- (2) it acknowledges that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except as set forth below;
- (3) it agrees that if it should resell or otherwise transfer the Notes, it will do so only: (a)(i) to the Issuer or any subsidiary thereof; (ii) inside the United States to a QIB in compliance with Rule 144A; or (iii) outside the United States in an offshore transaction in compliance with Rule 904 under the Securities Act; or (b) if such purchaser is a subsequent investor of an interest in the Rule 144A Global Note, as set forth in (a) above and, in addition, pursuant to any other available exemption from the registration requirements under the Securities Act (provided that as a condition to the registration of transfer of any Notes otherwise than as described in (a)(i), (a)(ii) or (a)(iii) above or (c) below, the Issuer, the Trustee or any Transfer Agent may, in circumstances that any of them deems appropriate, require evidence as to compliance with any such exemption); or (c) pursuant to an effective registration statement under the Securities Act;
- (4) it agrees that it will inform each person to whom it transfers the Notes of any restrictions on transfer of such Notes;
- (5) it understands that if it is a purchaser outside the United States, the Notes will be represented by the Regulation S Global Note and that transfers thereto are restricted as described under “*Description of the Notes — Book-Entry, Delivery and Form.*” If it is a QIB, it understands that the Notes offered in reliance on Rule 144A will be represented by the Rule 144A Global Note. Before any interest in the Rule 144A Global Note may be offered, sold, charged or otherwise transferred to a person who is not a QIB, the transferee will be required to provide each of the Trustee and the Transfer Agent with a written certification (the form of which certification can be obtained from the Trustee) as to compliance with the transfer restriction referred to above;

- (6) it acknowledges that none of the Issuer, the Parent Guarantor, the Initial Purchasers or any person representing the Issuer, the Parent Guarantor or the Initial Purchasers have made any representation with respect to the Issuer or the offer or sale of any of the Notes, other than by the Issuer with respect to the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. It acknowledges that the Initial Purchasers make no representation or warranty as to the accuracy or completeness of this Offering Memorandum. It agrees that it has had access to such financial and other information concerning us, the Indenture, the Notes and the Parent Guarantee as it has deemed necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Issuer, the Parent Guarantor and the Initial Purchasers;
- (7) it understands that each Note will bear a legend substantially to the following effect unless otherwise agreed to by the Issuer and the holder thereof (unless such Note has been sold pursuant to a registration statement that has been declared effective under the Securities Act):

“THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A “QIB”) OR (B) IT IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO CONTINUUM ENERGY AURA PTE. LTD. (THE “ISSUER”) OR ANY SUBSIDIARY THEREOF, (B) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. IN CONNECTION WITH ANY TRANSFER OF THIS NOTE OR ANY INTEREST HEREIN, WITHIN THE TIME PERIOD REFERRED TO ABOVE, THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE REVERSE HEREOF RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRANSFER AGENT. AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTION” AND “UNITED STATES” HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRANSFER AGENT TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS.”

- (8) it acknowledges that the Issuer, the Initial Purchasers, the Transfer Agent and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of such acknowledgments, representations or warranties deemed to have been made by it by its purchase of Notes are no longer accurate, it shall promptly notify the Issuer and the Transfer Agent, and if it is acquiring any Notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account; and

- (9) it understands that no action has been taken in any jurisdiction (including the United States) by us or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for the purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth hereunder and under “*Plan of Distribution*.”

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by Linklaters Singapore Pte. Ltd. with respect to matters of U.S. federal securities law and New York laws and by Shardul Amarchand Mangaldas & Co with respect to matters of Indian law. Certain legal matters with respect to the offering of the Notes will be passed upon for the Initial Purchasers by Ashurst LLP with respect to matters of U.S. federal securities laws and New York laws and Talwar Thakore & Associates with respect to Indian law.

INDEPENDENT AUDITORS

The Group's audited consolidated financial statements as of and for the years ended March 31, 2021 and 2022 prepared in accordance Indian GAAP and included in this Offering Memorandum have been audited by S R B C & CO LLP as per auditing standards generally accepted applicable in India issued by ICAI, and their auditor's reports for such years are included herein. The Group's audited consolidated financial statements as of and for the year ended March 31, 2023 prepared in accordance Indian GAAP and included in this Offering Memorandum have been audited by Deloitte Haskins & Sells LLP as per auditing standards generally accepted applicable in India issued by ICAI, and their auditor's report for such year is included herein. These consolidated financial statements are not the statutory financial statements of the group as required in Singapore.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN INDIAN GAAP AND IFRS

The Consolidated Financial Statements have been prepared in accordance with Indian GAAP, which differs in certain material respects from IFRS.

The following table summarizes certain of the areas in which differences between Indian GAAP and IFRS could be significant to our financial position and results of operations.

IFRS is an exhaustive set of standards, rules and interpretations issued by various authoritative agencies, and accordingly, no assurance can be given that the differences listed below cover all differences.

Further, no attempt has been made to identify future differences between Indian GAAP and IFRS as a result of prescribed changes in accounting standards. The respective regulatory bodies that promulgate Indian GAAP and IFRS are engaged in significant projects that could affect future comparisons such as this one. Finally, no attempt has been made to identify future differences between Indian GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future.

Potential investors should consult their own advisers for an understanding of the principal differences between Indian GAAP and IFRS, and how these differences might affect the financial statements appearing in this Offering Memorandum.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
1	Presentation of Financial Statement-	<u>Presentation of OCI or similar items</u> There is no concept of OCI. All incomes, expenses, gains and losses are presented in the income statement except certain items are required to be directly recognized in reserves. For example, revaluation surplus and foreign currency translation reserve. <u>Statement of Changes in Equity</u> Indian GAAP does not require a statement of changes in equity. However, information relating to the appropriation of profits and movement in capital and reserves is presented in the line items 'share capital' and 'reserves and surplus' in the balance sheet.	<u>Presentation of OCI or similar items</u> IFRS provides an option either to follow the single-statement approach or to follow the two-statement approach. In the single-statement approach, all items of income and expense are recognized in the statement of profit and loss; in the two-statement approach, two statements are prepared, one displaying components of profit or loss (separate income statement) and the other beginning with profit or loss and displaying components of other comprehensive income. Certain specified transactions are required to be presented as OCI items which may be presented as part of the extended income statement or in a separate statement.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		<u>Other disclosures:</u>	<u>Statement of Changes in Equity</u>
		There are no specific disclosure requirements under Indian GAAP for:	IAS 1 requires the presentation of all transactions with equity holders in their capacity as equity holders to be presented in the Statement of Changes in Equity (“SOCIE”). The SOCIE is considered to be an integral part of the financial statements.
		(a) critical judgments made by the management in applying accounting policies.	<u>Other disclosures:</u>
		(b) key sources of estimation about the uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and	IFRS requires disclosure of:
		(c) information that enables users of its financial statements to evaluate the entity’s objectives, policies and processes for managing capital.	(a) critical judgments made by the management in applying accounting policies;
			(b) key sources of estimation about the uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and
			(c) information that enables users of its financial statements to evaluate the entity’s objectives, policies and processes for managing capital.
2	Cash Flow Statement	<u>Cash and Cash Equivalents:</u>	<u>Cash and Cash Equivalents:</u>
		Generally, investments with original maturities of three months or less from the date of acquisition qualify as cash equivalent.	Similar to Indian GAAP except that cash equivalent includes bank overdraft in certain situations.
		<u>Interest paid and dividend paid:</u>	<u>Interest paid and dividend paid:</u>
		In the case of enterprises other than financial enterprise, cash flows arising from interest paid should be classified as cash flows from financing activities while interest and dividends received should be classified as cash flows from investing activities. Dividends paid should be classified as cash flows from financing activities.	Cash flows from interest and dividends can be classified as either operating, financing or investing cash flows in a consistent manner from period to period.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
3	Change in accounting policy	Accounting policy is changed in response to new or revised accounting standards or on a voluntary basis if the new policy is more appropriate. Requires prospective application (unless an accounting standard requires otherwise) together with a disclosure of the impact of the same, if material. Cumulative effect of the change is recognized in the year of change in the profit and loss.	Similar to Indian GAAP Requires retrospective application by adjusting opening equity and comparatives unless impracticable.
4	New accounting pronouncements:	Not required to be disclosed.	New accounting pronouncements have been issued but are not yet effective as of the end of the reporting period and not earlier adopted need to be disclosed for any known or reasonably estimable information relevant to assessing the possible impact that the application of the new accounting pronouncements will have on the financial statements on initial application.
5	Prior period items:	Prior period items are normally included in the determination of net profit or loss for the current period. An alternative approach is to show such items in the statement of profit and loss after determination of current net profit or loss. In either case, the objective is to indicate the effect of such items on the current profit or loss.	Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.
6	Taxes	<u>Deferred Tax Measurement:</u> Deferred tax assets and liabilities should be measured using the tax rate and tax laws that have been enacted or substantively enacted at the balance sheet date. In practice, deferred tax is measured based on the expected manner of settlement of liability or recovery of an asset.	<u>Deferred Tax Measurement:</u> Similar to Indian GAAP except that IAS 12 specifically requires deferred tax to be measured based on the expected manner of settlement of liability or recovery of an asset.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		<u>Deferred Tax Recognition:</u>	<u>Deferred Tax Recognition:</u>
		AS 22 requires recognition of tax consequences of differences between taxable income and accounting income. For this purpose, differences between taxable income and accounting income are classified into permanent and timing differences.	IAS 12 requires recognition of tax consequences of differences between the carrying amounts of assets and liabilities and their tax base.
		Deferred tax assets should be recognized and carried forward when it is reasonably certain that future taxable profit will be available for reversal of the deferred tax assets. However, where an entity has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognized only when there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.	Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which deductible temporary differences and unused tax losses and unused tax credits carried forward can be utilised.
		<u>Deferred tax on unrealized intragroup profits:</u>	<u>Deferred tax on unrealized intragroup profits:</u>
		Deferred tax on unrealized intragroup profits is not recognized. deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.	Unlike Indian GAAP, deferred taxes on elimination of intragroup profits and losses are calculated with reference to the tax rate of the buyer at the end of the reporting period.
7	Property, plant and equipment	<u>Initial Recognition:</u>	<u>Initial Recognition:</u>
		Cost includes all expenditure directly attributable in bringing the asset to the present location and working conditions for its intended use.	Similar to Indian GAAP
8	Service Concession arrangement	There is no specific guidance.	IFRS provide for two type of service concession arrangements.
		<u>Depreciation:</u>	
		Management based on technical estimates determines the useful lives to be used for different categories of assets	Financial asset — the operator receives a financial asset, specifically an unconditional contractual right to receive a specified or determinable amount of

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		along with component accounting. If different life use for assets other than defined under the local regulations, the basis for selection of different life to be disclosed in financial statements. <u>Change in the method of accounting:</u> Under Indian GAAP, the change in method of depreciation has to be accounted as change in estimates and applied prospectively.	cash or another financial asset from the government in return for constructing or upgrading a public sector asset, and then operating and maintaining the asset for a specified period of time. This category includes guarantees by the government to pay for any shortfall between amounts received from users of the public service and specified or determinable amounts. Intangible asset — the operator receives an intangible asset — a right to charge for use of a public sector asset that it constructs or upgrades and then must operate and maintain for a specified period of time. A right to charge users is not an unconditional right to receive cash because the amounts are contingent on the extent to which the public uses the service. <u>Depreciation:</u> Depreciation is based on the ‘component’ approach; depreciation is charged over the estimated useful life of the asset. Depreciation method should reflect the pattern of the future economic benefits associated with the asset. <u>Change in the method of accounting:</u> Changes in depreciation method are considered as a change in accounting estimate and applied prospectively
9	Lease	<u>Definition</u> A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.	<u>Definition</u> The definition of lease is similar to that in AS 19. But, in IFRS 16, there is substantial change in the guidance of how to apply this definition. The changes primarily relate to the concept of ‘control’ used in identifying whether a contract contains a lease or not. IFRS 16 provides detailed guidance on whether an

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		<u>Scope:</u> The scope of lease is not restricted to property, plant and equipment. Accordingly, it may be applied more broadly, except, land. Lease arrangement to use land are scoped out Generally, long term lease of land (e.g., 99 years) is classified as property, plant and equipment. Further, there is no specific guidance on lease of biological assets. AS 19 Leases does not provide any specific guidance to determine whether as arrangement in substance convey right to use an asset and therefore lease accounting is usually applied to transaction which are structured as lease. <u>Classification:</u> AS 19 requires classification of Leases as either finance leases or operating leases.	arrangement contains a lease or whether there are non-lease/ service components within the arrangement. <u>Scope:</u> The scope of lease is not restricted to property, plant and equipment. Accordingly, it may be applied more broadly. (for example, to inventory and intangible assets) However, the standard cannot be applied to leases of biological assets, licensing agreements, or leases to explore for or use minerals, oil, natural gas, and similar non-regenerative resources. <u>Classification:</u> IFRS 16 eliminates the requirement of classification of leases as either operating leases or finance leases for a lessee and instead, introduces a single lease accounting model which requires lessee to recognise right of use asset and lease liabilities for all leases unless it applies the recognition exemption (for leases of low value assets or short-term leases).
10	Revenue	<u>Definition</u> Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities from the sale of goods, from the rendering of services and from the use by others of entity resources yielding interest, royalties and dividends. <u>Service Concession arrangement:</u> There is no specific guidance.	<u>Definition</u> Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants. <u>Service Concession arrangement:</u> Generally, the operator would not account for these arrangements as leases, unless the operator has a right to use some physically separable, independent, and cash generating portion of the

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		<u>Recognition:</u>	infrastructure, or if the facilities are used to provide purely ancillary unregulated services. In these cases, there may in substance be a lease from the grantor to the operator, which should be accounted for in accordance with IFRS 16.
		Revenue recognition criteria primarily include transfer of significant risk and rewards of ownership and at the time of performance, it is not unreasonable to expect ultimate collection and there is no significant uncertainty regarding the amount of consideration that will be derived.	The operator will account for construction or upgrade services and operation services in accordance with IFRS 15. The consideration to be received by the operator in exchange for construction or upgrade services may result in the recognition of a financial asset, an intangible asset or a combination of both. It is necessary to account for each component separately. The operator recognizes a financial asset to the extent that it has an unconditional right to receive a specified or determinable amount of cash or other financial assets for the construction services. The operator recognizes an intangible asset to the extent that it has a right to charge fees to users of the public services. Accordingly, determining who is the customer in a service concession arrangement depends on the nature of the consideration received by the operating entity and the facts and circumstances of the arrangement.
		<u>Measurement:</u>	
		Revenue is recognized at the consideration received or receivable.	Additionally, in some of these service concession arrangements, the operator will make payments to the grantor. If payments are for a right to a separate good or service, the operator applies the applicable IFRS guidance for that good or service. If payments are for the right to use a separate asset, the operator assesses whether the arrangement contains a lease. If the service concession arrangement results in the operator having only a contractual right to receive cash from the grantor, the operator accounts for those payments as a reduction of the transaction price under IFRS 15. If the service

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
			concession arrangement results in the operator having only a right to charge users of the public service, the operator has received an intangible asset in exchange for the payments to be made to the grantor. The operator may have a contractual obligation to maintain or restore the infrastructure to a specified condition before it is returned to the grantor at the end of the arrangement, which should be recognized and measured in accordance with IAS 37. <u>Recognition and Measurement:</u> The following five steps of revenue recognition and illustrative practical application for the most common scenarios: • Identify the contract. • Identify separate performance obligations. • Determine the transaction price. • Allocate transaction price to performance obligations. • Recognise revenue when each performance obligation is satisfied. • In determining the transaction price for the sale of power, the effects of variable considerations are considered.
11	Employee benefits	<u>Post-employment defined benefits Actuarial gains and losses:</u> Projected unit credit method is used to perform actuarial valuations. All actuarial gains and loss are recognized immediately in profit or loss.	<u>Post-employment defined benefits Actuarial gains and losses:</u> Remeasurement are recognized immediately in OCI. There is no option to recognize gains/losses in profit or loss. In addition, the “corridor and spreading” option — which allows delayed

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		<u>Measurement frequency:</u> Detailed actuarial valuation to determine present value of the benefit obligation is carried out at least once in every three years, and fair value of plan assets are determined at each balance sheet date	recognition of gains and losses is prohibited. Once recognized in OCI, gains/losses are not subsequently recorded within or reclassified to profit or loss. The standard no longer requires that the amounts recognized in OCI be immediately taken to retained earnings, they can remain in a specific reserve or other reserves within equity. <u>Measurement frequency:</u> Employers typically remeasures the benefits obligation and plan assets at each interim period to determine the balance sheet and OCI component, but that will not lead to a change in service cost or interest cost. IFRS does not provide for a practical expedient to use a measurement date other than the end of the fiscal year or interim period.
12	Government grants	<u>Recognition:</u> Government grants are recognized when there is a reasonable assurance that the entity will comply with relevant conditions and that grant has been earned and it is reasonably certain that grant will be received. <u>Grants in the nature of promoter contribution:</u> Government grants in the nature of promoters' contribution i.e., they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay and no repayment is ordinarily expected, are credited directly to shareholders' funds.	<u>Recognition:</u> Government grants are recognized once there is reasonable assurance that both the conditions for their receipt will be met and the grant will be received. Income based grants are deferred in the balance sheet and released to the income statement to match the related expenditure that they are intended to compensate. Asset based grants are deferred and matched with the depreciation on the asset for which the grant arises. <u>Grants in the nature of promoter contribution:</u> IFRS prohibits recognition of grants directly in the shareholders, funds.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		<u>Non-monetary government grant:</u>	<u>Non-monetary government grant:</u>
		Non-monetary government grants received at concessional rates are usually accounted at their acquisition cost. Further, non-monetary asset received free of cost are recorded at a nominal value.	A Government grant may take the form of a transfer of a non-monetary asset, such as land or other resources, for the use of the entity. In these circumstances, it is usual to assess the fair value of the non-monetary asset and to account for both grant and asset at that fair value. An alternative course that is sometimes followed is to record both asset and grant at a nominal amount.
		<u>Asset related grant:</u>	<u>Asset related grant:</u>
		Similar to IFRS for depreciable assets. Grant related to non- depreciable asset are credited to capital reserve, as there is usually no charge to income in respect of such assets. However, if a grant related to a non-depreciable asset requires the fulfilment of certain obligations, the grant is credited to income over the same period over which the cost meeting such obligation is charged to income.	Grants that involve recognized asset are presented in the balance sheet either as deferred income or by deducting the grant in arriving at the asset's carrying amount, in which case the grant is recognized as a reduction of depreciation.
			However, if a grant related to a non-depreciable asset requires the fulfilment of certain obligation, the grant is credited to income over the same period over which the cost of meeting such obligations is charged to income.
13	Foreign Currency translation	<u>Functional currency:</u>	<u>Functional currency:</u>
		Indian GAAP does not define functional or presentation currency. Generally, entity's functional currency is the currency of the country in which it is domiciled.	Functional currency is defined as the currency of the primary economic environment in which an entity operates. Entities should give priority to number of primary indicators before considering secondary indicators when the indicators are mixed and the functional currency is not obvious.
		<u>Recognition of exchange difference arising on translation of foreign currency transactions:</u>	
		Recognized in the statement of profit and loss. However, an entity has an option to recognize unrealized exchange differences on translation of certain long term monetary assets/ liabilities directly	<u>Recognition of exchange difference arising on translation of foreign currency transactions:</u> All exchange differences arising on translation of foreign currency

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		in equity or as adjustment to cost of an asset. The amount so accumulated in equity shall be transferred to profit or loss over the period of maturity of such long-term monetary items in an appropriate manner. <u>Foreign operation:</u> Exchange difference on monetary items that in substance form part of the net investment in a non-integral foreign operation, are recognized in foreign currency translation reserve both in the separate and consolidated financial statements and recognized as income or expense at the time of disposal of that net investment.	transactions are generally recognised in profit or loss. <u>Foreign operation:</u> The results and financial position of an entity whose functional currency is not the currency of a hyperinflationary economy are translated into a different presentation currency using the following procedures: • assets and liabilities for each balance sheet presented (including comparatives) are translated at the closing rate at the date of that balance sheet. This would include any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as part of the assets and liabilities of the foreign operation; • income and expenses for each income statement (including comparatives) are translated at exchange rates at the dates of the transactions; and • all resulting exchange differences are recognised in other comprehensive income. Special rules apply for translating the results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy into a different presentation currency. Where the foreign entity reports in the currency of a hyperinflationary economy, the financial statements of the

<u>Sr. No</u>	<u>Accounting Standard</u>	<u>Treatment as per Indian GAAP</u>	<u>Treatment as per IFRS</u>
			foreign entity should be restated as required by IAS 29 Financial Reporting in Hyperinflationary Economies, before translation into the reporting currency.
14	Borrowing cost	<u>Recognition of borrowing costs:</u> Income earned on the temporary investments of the borrowings specific to a qualifying asset is reduced from the borrowing costs for capitalization.	<u>Recognition of borrowing costs:</u> Similar to Indian GAAP.
15	Related Party Disclosure	<u>Definition</u> Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/ or operating decisions Key management personal and their relatives are related parties. Key management personal are the persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting entity.	<u>Definition</u> A related party is a person or an entity that is related to the reporting entity: A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel. An entity is related to a reporting entity if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the reporting entity, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.
16	Financial Instrument	<u>Classification of Financial instrument:</u> There is no specific guidance on classification of financial instrument.	<u>Classification of Financial instrument:</u> IFRS 9 classifies all financial instrument either to be measured at amortised cost or fair value. Where a financial assets are measured at fair value, gain and losses are either recognised entirely in profit or loss (fair value through profit or loss, FVTPL), or recognised in other comprehensive income (fair value through other comprehensive income, FVTOCI).

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
			Two measurement categories continue to exist: FVTPL and amortised cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the fair value option is applied.
17	Impairment	<u>Frequency of impairment testing:</u> An entity should test the assets or a cash generating unit for impairment at the end of each reporting period if the impairment indicators exist. However, an entity should test the following assets for impairment annually irrespective of whether the impairment indicators exists or not: • an intangible asset not yet available for use; and • an intangible asset with an estimated useful life of more than ten years. Cash Generating Unit (“CGU”) is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. <u>Level of impairment testing:</u> Tested at CGU level. <u>Measurement of impairment loss on goodwill:</u> There are different amortization/impairment models for goodwill depending on the relevant accounting standard applicable to the transaction.	<u>Frequency of impairment testing:</u> Similar to Indian GAAP. However, an entity should test the following assets for impairment annually irrespective of whether the impairment indicators exists or not: • an intangible asset not yet available for use; • an intangible asset with an indefinite useful life; and • goodwill acquired in a business Combination. Similar to Indian GAAP <u>Level of impairment testing:</u> Similar to Indian GAAP. <u>Measurement of impairment loss on goodwill:</u> Similar to Indian GAAP. The impairment test is a one-step process. If the recoverable amount is below the carrying amount, an impairment loss is recognised. Recoverable amount is the higher of value in use and fair value less costs to sell. Value in use is future discounted cash flows from an asset, or cash-generating unit.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		Goodwill on consolidation under AS 21 is not amortized and an assessment whether there is any indication of the goodwill being impaired is carried out at every balance sheet date. Goodwill arising on amalgamation under AS 14 is amortized over a period not exceeding five years unless somewhat longer period can be justified. Such goodwill is tested for impairment when there is any indication of impairment pursuant to AS 28.	<u>Measurement of impairment loss for other non-financial assets:</u> Similar to Indian GAAP <u>Reversal of impairment loss of Goodwill:</u> Reversal of impairment is permitted except for those relating to goodwill.
		<u>Measurement of impairment loss for other non-financial assets:</u> Impairment loss is recognized if the asset's or CGU's carrying amount exceeds its recoverable amount of the CGU (higher of fair values less costs to sell and value in use, which is based on the net present value of future cash flows).	
		<u>Reversal of impairment loss of Goodwill:</u> Reversal of impairment loss is recognized in profit and loss. An impairment loss recognized for goodwill should not be reversed in a subsequent period unless certain conditions are satisfied.	
		<u>Measurement of reversal of impairment loss:</u> Entity should increase the value of the asset to its current recoverable amount. However, current recoverable amount should not exceed the carrying amount of the asset that would have existed if no impairment loss had been recognized.	

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
18	Provisions, contingent liabilities and contingent assets	<u>Recognition:</u> A provision is recognized for a present obligation arising from past event, if the liability is considered probable and can be reliably estimated. Probable means more likely than not. Constructive obligations are not recognized. <u>Measurement:</u> The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The amount of a provision is not discounted to its present value.	<u>Recognition:</u> Similar to Indian GAAP except that constructive obligations are also recognized. <u>Measurement:</u> Similar to Indian GAAP Where the effect of the time value of money is material, the provision shall be discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.
19	Fair value	There is no framework for measuring fair value for financial reporting. For example, unlike IFRS 15. a. Inputs to Valuation techniques (that is., fair value hierarchy); b. Concepts such as highest and best use, most advantageous market and principal market; or c. Fair value disclosures.	Establishes a single framework for measuring fair value for financial reporting.
20	Hedge Accounting	Hedge accounting is done as per the Guidance note on Accounting for Derivative Contracts issued by The Institute of Chartered Accountants of India (ICAI) in 2021. At the inception of hedge, the hedge relationship, the risk management objective and strategy for undertaking the hedge should be formally designated and documented to apply hedge accounting. The documentation includes the risk management objective and strategy for undertaking hedge, the hedging/economic	Hedge accounting is done as per IFRS 9, Financial instruments. At the inception of hedge, the hedge relationship, the risk management objective and strategy for undertaking the hedge should be formally designated and documented to apply hedge accounting. The documentation includes the risk management objective and strategy for undertaking hedge, the hedging/economic relationship, identification of the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		relationship, identification of the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. The effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the "Hedge reserve", while any ineffective portion is recognized immediately in the statement of profit and loss.	entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. The effective portion of the gain or loss on the hedging instrument is recognised in Other Comprehensive Income (OCI) in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

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The Group

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Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S AUDIT REPORT

TO THE BOARD OF DIRECTORS OF

Continuum Green Energy Limited, Singapore

Opinion

We have audited the Consolidated Financial Statements of Continuum Green Energy Limited, Singapore (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Balance sheet as at March 31, 2023, the Consolidated statement of Profit and Loss and the Consolidated Cash flow statement for the year ended March 31, 2023 and notes to the Consolidated Financial Statement and a summary of significant accounting policies (collectively, the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements is prepared, in all material respects, in accordance with the basis of preparation as set out in note 2 of the said Consolidated Financial Statements.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), issued by The institute of Chartered accountant of India (ICAI). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a reasonable basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter - Basis of Accounting and Restriction on Use

The Consolidated Financial Statements are prepared as per the "Basis of Preparation" specified in Note 2 to the Consolidated Financial Statements. The Consolidated Financial Statements have been prepared in accordance with Accounting Standards issued by The ICAI and other Generally Accepted Accounting Principles in India (Indian GAAP), for the Purpose of submission to DB Trustees (Hong Kong) Limited ('Trustee') of Senior Secured Floating Rate Notes Due 2026 issued by Continuum Energy Aura Pte. Ltd. in Singapore, where the Holding Company is 'Parent Guarantor'. These Consolidated Financial Statements may, therefore, not be suitable for another purpose or to be distributed to any other parties. 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 prior consent in writing.

Our opinion is not modified in respect of this matter.



Regd. Office: One International Center, Tower 3, 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013, Maharashtra, India.
(LLP Identification No. AAB-8737)

Deloitte Haskins & Sells LLP

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management is responsible for the preparation and presentation of the Consolidated Financial Statements that give a true and fair view of financial position, financial performance, cashflows of the Group in accordance with basis of preparation set out in Note 2 of Consolidated Financial Statements. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the Purpose of preparation of the Consolidated Financial Statements by the Directors of the companies included in the Group, as aforesaid.

In preparing the Consolidated Financial Statements, Directors of the companies included in the Group are responsible for assessing ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any entity forming part of the group or to cease operations, or has no realistic alternative but to do so.

The respective board of directors of the companies included in group are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 and other pronouncements issued by ICAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

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



Deloitte Haskins & Sells LLP

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entities' 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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Identified Entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branches, entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial Statements or business activities included in the Consolidated Financial Statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

Other Matter

The comparative figures of Consolidated Financial Statements for the year ended March 31, 2022 were audited by the predecessor auditor. The reports of the predecessor auditor on this comparative Consolidated Financial Statements for the year ended March 31, 2022, dated August 04, 2022 expressed unmodified opinion.

Our opinion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)



(Mehul Parekh)

Partner

(Membership No. 121513)

(UDIN : 23121513BGYACX1111)

am

Place: Mumbai

Date: June 30, 2023

CONTINUUM GREEN ENERGY LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023
(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Equity and Liabilities			
Shareholders' funds			
Share capital	3	11,128	11,128
Reserves and surplus	4	(14,354)	(7,471)
		(3,226)	3,657
Minority interest		118	21
Compulsory convertible debentures (CCDs)	5	1,263	-
Non-current liabilities			
Long term borrowings	6	1,15,963	64,039
Deferred tax liabilities (net)	7	2,123	773
Other long term liabilities	8	4,335	5,811
Long-term provisions	9	29	29
		1,22,450	70,652
Current liabilities			
Short-term borrowings	10	4,161	5,563
Trade payables	11	351	412
Other current liabilities	11	6,253	4,200
Short-term provisions	9	463	350
		11,228	10,525
TOTAL		1,31,833	84,855
Assets			
Non-current assets			
Property, plant and equipment	12	63,082	45,235
Goodwill	13	391	391
Capital work-in-progress	14	20,179	16,273
Long-term loans and advances	15	2,627	1,147
Other non-current assets	16	13,273	7,189
		99,552	70,235
Current assets			
Trade receivables	17	1,438	4,513
Cash and cash equivalents (CCE)	18 (a)	15,243	5,281
Bank balances other than CCE above	18 (b)	12,646	3,237
Short-term loans and advances	15	710	367
Other current assets	19	2,244	1,222
		32,281	14,620
TOTAL		1,31,833	84,855
Summary of significant accounting policies	2.1		

The accompanying notes forms an integral part of consolidated financial statements.

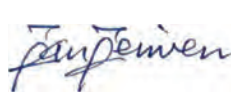
As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants


Mehul Parekh
Partner

For and on behalf of the Board of Directors of
Continuum Green Energy Limited


Nishit Shah
General Manager: Finance &
Accounts


Pan Peiwen
Director

Place : Mumbai
Date : June 30, 2023



Place : Singapore
Date : June 28, 2023

Place : Singapore
Date : June 28, 2023

CONTINUUM GREEN ENERGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	20	10,554	9,743
Other income	21	1,511	466
Total income (A)		12,065	10,209
Expenses			
Operating and maintenance expenses	22	2,274	1,755
Employee benefits expense	23	472	371
Other expenses	24	797	582
Depreciation expense	12	2,542	2,067
Finance costs	25	9,410	5,926
Total expenses (B)		15,495	10,701
Loss before tax and exceptional item (A-B)		(3,430)	(492)
Less: exceptional items	36	(427)	-
Loss before tax		(3,857)	(492)
Tax expenses			
Current tax		292	200
Deferred tax		1,318	469
Total tax expenses		1,610	669
Loss after tax		(5,467)	(1,161)
Share of loss attributable to minority interest		(64)	(40)
Loss for the year		(5,403)	(1,121)
Earnings per equity share ('EPS')			
[Nominal value of share USD 1 each (March 31, 2022; USD 1)]			
Basic and diluted EPS (INR)	26	(52.31)	(10.85)
Summary of significant accounting policies	2.1		

The accompanying notes forms an integral part of consolidated financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants



Mehul Parekh
Partner

For and on behalf of the Board of Directors of
Continuum Green Energy Limited



Nishit Shah
General Manager: Finance &
Accounts



Pan Peiwen
Director

Place : Mumbai
Date : June 30, 2023

Place : Singapore
Date : June 28, 2023

Place : Singapore
Date : June 28, 2023



CONTINUUM GREEN ENERGY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities		
Loss before tax	(3,857)	(492)
Adjustment to reconcile loss before tax to net cash flows:		
Depreciation expense	2,542	2,067
Provision no longer required written back	(158)	(4)
Loss on sale of property, plant and equipments	3	-
Finance cost	9,410	5,926
Provision for litigation and contingencies	-	49
Profit on sale of mutual funds	-	(0)
Balance written off	3	-
Foreign exchange loss (net)	228	43
Provision for bad debts	8	-
Interest income	(781)	(378)
Operating profit before working capital changes	7,398	7,211
Movements in working capital:		
(Decrease) in trade payables	(43)	(222)
(Decrease) / increase in other current liabilities	(486)	23
(Decrease) / increase in other long term liabilities	691	(5)
(Decrease) / increase in provisions	131	(63)
Decrease / (increase) in trade receivables	2,210	(965)
Decrease / (increase) in loans and advances	196	(405)
(Increase) in other current assets	(316)	(27)
(Increase) / decrease in other non current assets	(435)	90
Cash generated from operations	9,346	5,637
Income taxes (paid)	(380)	(175)
Net cash flows from operating activities (A)	8,966	5,462
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital advances and capital work in progress	(23,413)	(15,763)
Investment in fixed deposits	(13,141)	(1,887)
Sale of equity shares to minority interest	155	4
Interest received	767	150
Net cash (used in) investing activities (B)	(35,632)	(17,496)
Cash flows from financing activities		
Repayment of non convertible debentures	(7,935)	-
Proceeds from issuance of compulsorily convertible debentures	1,263	-
Repayment of long term borrowings	(5,937)	(4,969)
Proceeds from long term borrowings	62,062	19,796
(Repayment) / proceeds from short-term borrowings (net)	(2,039)	2,286
Finance cost paid	(10,789)	(6,540)
Net cash flow from financing activities (C)	36,625	10,573
Net increase / (decrease) in cash and cash equivalents (A+B+C)	9,959	(1,461)
Effects of exchange difference on restatement of foreign currency cash & cash equivalents	3	3
Cash and cash equivalents at the beginning of the year	5,281	6,739
Cash and cash equivalents at the end of the year	15,243	5,281



CONTINUUM GREEN ENERGY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Reconciliation of cash and cash equivalents with the consolidated balance sheet:		
Components of cash and cash equivalents		
Cash in hand	-	-
Balance in current account	4,986	718
Balance in deposit account	10,257	4,563
Cash and cash equivalents at the end of the year (refer note 1.8(a) below)	15,243	5,281

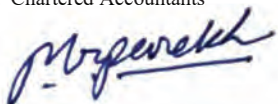
Notes:

- I) The above cash flow statement has been prepared under the indirect method as set out in the accounting standard (AS-3) on cash flow statement.
- II) Figures in brackets are outflows.
- III) Income taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

The accompanying notes forms an integral part of consolidated financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants



Mehul Parekh
Partner

on

Place : Mumbai
Date : June 30, 2023

For and on behalf of the Board of Directors of
Continuum Green Energy Limited



Nishit Shah
General Manager: Finance & Accounts

Place : Singapore
Date : June 28, 2023



Pan Peiwen
Director

Place : Singapore
Date : June 28, 2023



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

1 Group Information

The Continuum Group comprises Continuum Green Energy Ltd. ("CGEL", "Parent" or "the Company"), its subsidiaries including Continuum Energy Levanter Pte. Ltd. ("CELPL"), Continuum Energy Aura Pte. Ltd. ("CEAPL"), Continuum Power Trading (TN) Private Limited ("Continuum TN"), Continuum Green Energy (India) Private Limited ("CGEIP"), and CGEIP's other subsidiaries as listed in below table. These entities are collectively referred to as the "Group" or "Continuum Group". CGEL, CELPL and CEAPL are entities which are incorporated in Singapore. Continuum TN, CGEIP and its subsidiaries are domiciled and incorporated in India. The registered office and principal place of business of CGEL is located at 12 Marina view, #11-01, Asia Square Tower 2, Singapore.

CGEL was incorporated on April 13, 2012 in Singapore to hold the divested wind energy business of Continuum Energy Pte. Ltd. Later, Clean Energy Investing Ltd. invested into CGEL by subscribing to compulsory convertible participating preferred shares (CCPPS) issued by CGEL and it currently holds majority of total share capital. CGEL has invested in CELPL, CEAPL, Continuum TN, CGEIP, and indirectly in CGEIP's subsidiaries to set-up wind / solar farms. Continuum Group's subsidiaries in India are engaged in the business of generation and sale of electricity from renewable energy. The Group has entered into long-term power purchase agreements with various governments agencies and private institutions to sell electricity generated from its wind and solar farms. Currently the Group has total capacity of (2.3 GW), which includes operational capacity of 1,159.30 megawatts ("MW") and under construction capacity of 1,173.70 MW as at March 31, 2023 in the States of Madhya Pradesh, Gujarat, Tamil Nadu and Maharashtra in India.

The subsidiaries of the Company considered in these consolidated financial statements are:

Name of the company	Country of incorporation	% voting power held by the Group as at March 31, 2023	% voting power held by the Group as at March 31, 2022
Continuum Energy Levanter Pte Ltd. ("CELPL")	Singapore	100	100
Continuum Energy Aura Pte Ltd. ("CEAPL") (incorporated w.e.f. February 25, 2022)	Singapore	100	100
Continuum Green Energy (India) Private Limited ("CGEIP")	India	100	100
Bothe Windfarm Development Private Limited (Bothe)	India	100	100
DJ Energy Private Limited (DJEPL)	India	100	100
Uttar Urja Projects Private Limited (UUPPL)	India	100	100
Watsun Infrabuild Private Limited (Watsun)	India	72.36	71.24
Trinethra Wind and Hydro Power Private Limited (Trinethra)	India	100	100
Srijan Energy Systems Private Limited (Srijan)	India	100	100
Continuum Power Trading (TN) Private Limited (Continuum TN)	India	100	100
Kutch Windfarm Development Private Limited (Kutch)	India	100	100
Continuum MP Windfarm Development Private Limited (Continuum MP)	India	100	100
Bhuj Wind Energy Private Limited (Bhuj)	India	100	100
Shubh Wind Power Private Limited (Shubh)	India	100	100
Renewables Trinethra Private Limited (RTPL)	India	100	100
Morjar Windfarm Development Private Limited (Morjar)	India	100	100
Continuum Trinethra Renewables Private Limited (CTRPL) (incorporated w.e.f. July 17, 2020)	India	100	100
Srijan Renewables Private Limited (SRPL) (incorporated w.e.f. July 31, 2020)	India	100	100
Dalvaipuram Renewables Private Limited (DRPL) (w.e.f. August 04, 2021)	India	72.44	100
DRPL Captive Hybrid Private Limited (DRPL Captive) (incorporated w.e.f. December 07,2021)	India	100	100
Morjar Renewables Private Limited (MRPL) (incorporated w.e.f. December 02,2021)	India	100	100
CGE Shree Digvijay Cement Green Energy Private Limited ("CGESDC") (Formerly known as Trinethra Renewable Energy Private Limited ("TREPL") (incorporated w.e.f. December 07,2021)	India	100	100
CGE II Hybrid Energy Private Limited (CHEPL II) (Formerly known as DRPL Hybrid Energy Private Limited (DHPL)(incorporated w.e.f. December 02,2021)	India	100	100
CGE Hybrid Energy Private Limited (CHEPL) (incorporated w.e.f. December 07,2021)	India	100	100
CGE Renewables Private Limited (CRPL) (incorporated w.e.f. September 17,2021)	India	100	100

2 Basis of preparation

These consolidated financial statements of the Group have been prepared in accordance with Accounting Standards issued by The Institute of Chartered Accountants of India and Generally accepted Accounting Principles in India (Indian GAAP). The consolidated financial statements have been prepared under the historical cost convention, and does not include all the disclosures required under Schedule III of Companies Act, 2013.

These consolidated financial statements have been prepared on the accrual and going concern basis of respective subsidiaries, using the historical cost convention except for derivative financial instruments which have been measured at fair value. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The local GAAP financial statements of CGEL, CEAPL and CELPL are converted to Indian GAAP. The financial statements of the parent and all its subsidiaries used for the purpose of consolidation are drawn upto the same reporting date i.e., year ended March 31, 2023 and comprises of consolidated balance sheets as at March 31, 2023, the consolidated statements of profit and loss, consolidated cash flow statements and a summary of significant accounting policies and other explanatory information for the year ended March 31, 2023.

While preparing consolidated financial statements, the financial statements of the parent and its subsidiaries have been consolidated on a line by line basis by adding together like items of assets, liabilities, income and expenses. Intra group balances and transactions and resulting unrealised profit are eliminated in full. Unrealised losses resulting from intra group transactions are also eliminated unless cost cannot be recovered. The difference between the cost of investment in the subsidiaries, and the company's share of net assets at the time of acquisition of share in the subsidiaries is recognised in the consolidated financial statement as goodwill or capital reserve as the case may be. Goodwill is tested for impairment annually.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

The consolidated financial statements are presented in INR and all values in the tables are rounded to the nearest millions, except when otherwise indicated.

These consolidated financial statements are not the statutory financial statements of the Group as required in Singapore jurisdiction and are prepared for the purpose of submission to DB Trustees (Hong Kong) Limited („Trustee“) of Senior Secured Floating Rate Notes Due 2026 issued by Continuum Energy Aura Pte. Ltd. in Singapore, where the Company is „Parent Guarantor“.

Minority Interest:

Minority Interest (MI) in the net assets of subsidiary is identified and presented in the consolidated balance sheet separately from liabilities and equity of the group's shareholders.

Minority interest in the net assets of subsidiary consists of:

- (a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
- (b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.

Minority interest's share of net profit / loss for the year of consolidated subsidiaries is identified and presented separately. The losses applicable to the minority in excess of the minority interest in the equity of the subsidiary are adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to make good the losses. If the subsidiaries subsequently reports profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

2.1 Summary of significant accounting policies

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those adopted in the previous year and have been consistently applied to all the periods presented in consolidated financial statements.

a. Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Electricity

Revenue from the sale of electricity is recognized on the basis of the number of units of power generated and supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the licensed distribution or transmission utilities and the respective companies or credit reports provided by discoms at the rates prevailing on the date of supply to grid as determined by the power purchase agreements entered into with such discoms/customers under group captive mechanism / Open access sale / third party power trader. In case of Bothe's unsigned power purchase agreement's (PPA's), revenue is recognised as per the average power purchase cost (APPC) rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC). Revenue from sale of surplus power is recognised as per the rate prescribed by relevant state regulatory commission to State distribution utilities ("State discoms").

Unbilled revenue represents the revenue that the Group recognizes at eligible rates for the arrangement where the Group has all approvals in place except that PPA is pending to be signed between the Group and State discoms.

Accrued revenue represents the revenue that the Group recognizes where the PPA is signed but invoice is raised subsequently.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest earned on temporary investment of borrowed funds, to the extent eligible for adjustment to capital cost has been adjusted in the cost of property, plant and equipment. Interest earned from customers on delayed payment are recognised only upon its reasonable certainty of receipt. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

Insurance claims

Receipts from insurance claims are accounted after the same are approved by the insurance company.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

c. Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Generation Based Incentive ("GBI")

Generation Based Incentive ("GBI") income is earned and recognized on certain projects which sell electricity to licensed distribution utilities at tariffs determined by relevant State Electricity Regulatory Commissions ("SERCs"). GBI is paid at a fixed price of INR 0.50/kwh of electricity units sold subject to a cap of INR 10 million/MW of capacity installed for the electricity fed into the grid for a period not less than four years and a maximum of ten years.

Renewable Energy Certificate (REC) Income

Revenue from Renewable Energy Certificate ("REC") is recognized based on the units accrued following the generation of electricity, as stipulated by Honourable Central Electricity Regulation Commission, India ("CERC"), for eligible projects and they are sold on the electricity exchanges as stipulated by the CERC. REC revenues are initially recognized at floor price and any movement in price at the time of sale of REC on the electricity exchanges, are recorded as gain or loss in the consolidated statement of Profit and loss, in the year in which such RECs are traded on electricity exchanges.

Sale of Verified Carbon Units (VCUs)

Revenue from VCUs is recognised upon issuance and sale of VCUs. Any unsold VCUs which are granted to the company are accrued at a nominal value.

d. Foreign currency transactions and translations**Initial recognition**

The functional currency of CGEL, CEAPL and CELPL is United States Dollar (US\$) and functional currency of Indian subsidiaries is Indian Rupee ("INR"). Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on translation/ settlement of foreign currency monetary items are recognized as income or as expenses in the year in which they arise. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Translation of integral and non-integral foreign operation

The Group classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the consolidated statement of profit and loss.

Further any exchange difference arising on an intra-group monetary item, whether short-term or long-term, is not eliminated against a corresponding amount arising on other intra-group balances because the monetary item represents a commitment to convert one currency into another and exposes the reporting enterprise to a gain or loss, such an exchange difference continues to be recognised as income or an expense in the consolidated statement of profit and loss.

e. Property, plant and equipment

Property, plant and equipment (PPE), capital work in progress are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the property, plant and equipment. Any subsequent expenses related to property, plant and equipment is added to its book value only if below recognition criteria is met:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the consolidated statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

The Group identifies and determines cost of each component/part of the asset separately, if it has a cost that is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining life.

Capital Work-In-Progress:

Costs and direct expenses incurred for construction of assets or assets to be acquired and for assets not ready for intended use are disclosed under "Capital Work-in-Progress".

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

g. Depreciation on property, plant and equipment

The Group provides depreciation on Straight line basis (SLM) on plant and equipments and Written down value (WDV) basis on all other assets over the useful life estimated by the management. The Group has used the following useful life to provide depreciation on its property, plant and equipment.

Category of property, plant and equipment	SLM/WDV	Useful life
Leasehold land	SLM	over the lease term
Building	SLM	30 Years
Building - others	WDV	3 Years
Plant and equipment*	WDV	6-15 Years
	SLM	3 - 40 years
Furniture and fixtures	WDV	10 Years
Vehicles	WDV	10 Years
Office equipment	WDV	5 Years
Computer	WDV	3 Years
Network Equipments	WDV	6 Years

* Based on the technical estimate, the useful life of the Plant and equipment and Networking equipments are different than the useful life as indicated in Schedule II to the Companies Act 2013.

Temporary structures are depreciated fully in the year in which they are capitalised.

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

h. Borrowing costs

Borrowing cost includes interest and amortisation of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed over the year of respective borrowings.

i. Impairment

The Group assesses 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. Where the carrying amount of an asset 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset'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 value since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

j. Leases**Where the Group is lessee**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

k. Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at costs. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged to the consolidated statement of profit and loss.

l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1947 as enacted in Singapore and Income Tax Act 1961 as enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

CGEIPPL is eligible for deduction of 100% of taxable income under section 80-IA of Income Tax Act, 1961 subject to Minimum Alternate Tax (MAT) and it can avail the said benefit for 10 continuous years out of total 15 years from the year in which unit starts its commercial operations.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where a subsidiary of the Group basis selected option is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Minimum alternate tax (MAT), wherever applicable basis selected option and paid during the period is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

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 tax assets and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

m. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n. Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme in India. The contributions are charged to the consolidated statement of profit and loss for the year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

The Group operates only one defined benefit plan for its employees i.e. gratuity. The costs of providing this benefit are determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognised in full in the year in which they occur in the consolidated statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the consolidated balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

o. Provisions

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement.

p. Employee share-based payment

The Group issued Phantom Stock Units Option Scheme (PSU) scheme to certain employees of the Group, whereby employees render services and they are granted unit appreciation rights, which are settled in cash (cash-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments as issued by Institute of Chartered Accountant of India (ICAI), a liability is recognised for the fair value of cash-settled transactions or the minimum cost escalation on year on year basis, whichever is higher in the books of Company as well as in the books of Group. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense in the Group's consolidated statement of profit and loss. The fair value is expensed out over the period until the vesting date with recognition of a corresponding liability.

q. Derivative and hedge accounting

In the normal course of business, the Group uses derivative instruments for management of exposure due to fluctuations in foreign currency exchange rates that is attributable to a 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. The Group designates these derivative instruments in a hedging relationship by applying the hedge accounting principles as set out in the Guidance note on Accounting for Derivative Contracts issued by The Institute of Chartered Accountants of India (ICAI) issued in 2021.

The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

Contracts designated as Cash Flow Hedge

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

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. The Group evaluates hedge effectiveness of cash flow hedges at the time a contract is entered into as well as on an ongoing basis. The effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the "Hedge reserve", while any ineffective portion is recognized immediately in the consolidated statement of profit and loss.

Amounts recognized in the Cash flow hedge reserve are transferred to the consolidated statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognized in the hedging reserve is transferred to the consolidated statement of profit and loss. If an entity terminates a hedging instrument prior to its maturity / contractual term, hedge accounting is discontinued prospectively. Any amount previously recognised in the hedge reserve is reclassified into the consolidated statement of profit and loss only in the period when the hedged item impacts the earnings. The cost of effective portion of cash flow hedges is expensed over the period of the hedge contract. Derivative assets and liabilities that are hedges of forecasted transactions are classified in the balance sheet as current or non-current based on the settlement date / maturity dates of the derivative contracts.

r. Cash and cash equivalents

Cash and cash equivalents for the purposes of consolidated cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Other bank balances

It includes deposits having maturity of more than three months but less than twelve months which can be readily convertible to cash with insignificant risk of changes in value.

s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

t. Current and Non-Current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle; or
- Expected to be realised within twelve months after the reporting period; or

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.

A liability is current when:

It is expected to be settled in normal operating cycle; or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

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

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

2.2

As at March 31, 2023; the Group has negative networth of INR 3,226 at consolidated level. Taking into consideration, the projected positive cashflows from operations and undrawn sanctioned facilities available with the Group as against capital commitments, the Board of Directors have concluded that Group can generate sufficient future cash flows to be able to meet its obligations, as and when due, in the foreseeable future and accordingly, the consolidated financial statements have been prepared on a going concern basis.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

3 Share capital

	As at March 31, 2023	As at March 31, 2022
Ordinary equity shares	442	442
Series A-1 Compulsorily convertible participating preferred shares	10,686	10,686
Total issued, subscribed and paid-up share capital	11,128	11,128

Notes:

The Company has ordinary equity shares issued to Continuum Energy Pte. Limited. ("shareholder"). The shareholder is eligible for one vote per share held. The Ordinary equity shares have no par value. In the event of liquidation, the ordinary shareholder is eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings. No dividends were declared for the year ended March 31, 2023 (March 31, 2022: Nil).

The Company has issued certain Series A-1 Compulsorily Convertible Participating Preferred Shares („CCPPS“) to Clean Energy Investing Limited at an issue price of US\$ 1.00 per share. These CCPPS have been classified as equity in the consolidated financial statements which carries following terms and conditions –

1. These CCPPS will be converted into ordinary equity shares at an agreed price which is subject to certain conversion price adjustments;
2. To be mandatorily converted after 20 years from the date on which any Series A Preferred share is first issued or any time at the option of the holder;
3. Carry identical rights with regard to all key aspects as to Ordinary equity shares, including repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividend, voting and priority of payment of capital and dividend.

4 Reserves and surplus

	As at March 31, 2023	As at March 31, 2022
Hedge reserve		
Balance as per last financial statement	(1,186)	(595)
Reclassification adjustments on recycling included in consolidated statement of profit and loss	(1,197)	(591)
Hedge reserve	(2,383)	(1,186)
Foreign currency translation reserve*		
Balance as per last financial statements	(386)	(303)
Addition during the year	(277)	(83)
Closing balance	(663)	(386)
Deficit in the consolidated statement of profit and loss		
Balance as per last financial statements	(5,899)	(4,780)
Adjustment on account of minority interest	(6)	2
Loss for the year	(5,403)	(1,121)
Net deficit in the consolidated statement of profit and loss	(11,308)	(5,899)
Total reserves and surplus	(14,354)	(7,471)

* Foreign currency translation reserves represent accumulated translation reserves relating to CELPL, CEAPL and CGEL, whose functional reporting currency is US dollars and for the consolidated financial statement have been converted into INR.

5 Compulsory Convertible Debentures

Particulars	As at March 31, 2023	As at March 31, 2022
Compulsory convertible debentures (CCDs)-Series A 1,26,253,400 (March 31, 2022: Nil) of INR 10/- each.	1,263	-
	1,263	-

Terms of CCDs - Series A**Morjar**

- 1 The Series A Debentures are fully and compulsorily convertible debentures at face value of INR 10/- (Indian Rupees Ten) each.
- 2 The subscriber shall have the right (but not the obligation) to seek a conversion of all or some of the Series A Debentures into such number of Class A Equity Shares at any time after the expiry of the lock-in period. Each Series A Debenture shall convert into 1 (one) Class A Equity Shares or any higher number of Class A Equity Shares in accordance with terms of agreements.
- 3 The Series A Debentures shall carry a right to receive interest on the Series A Debentures in accordance with terms of agreements and interest would accrue annually and shall be paid only to the extent Morjar has Distributable Cash in the relevant financial period.
- 4 The Series A Debentures shall be unsecured and shall be subordinate to all of the debt of Morjar incurred by Morjar under a Financing Agreement and shall rank senior to Shares.
- 5 Upon winding up or liquidation of the Morjar, all the Series A Debentures shall be entitled to distribution in accordance with the agreements.
- 6 The Series A Debentures shall not be redeemable in cash or otherwise in kind. The Series A Debentures can only be converted into Class A equity shares.
- 7 The Series A Debentures are transferable in accordance with the terms of the agreements.



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

6 Long-term borrowings

Particulars	Non-current		Current	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Indian rupee term loans (secured)				
From banks (refer below note v)	5,785	5,931	-	-
From financial institution (refer below note i and v)	36,663	9,735	166	105
From related parties (refer below note vi)	1,480	1,668	-	-
Non convertible debentures (NCD) (secured)				
Non convertible debentures Nil (March 31, 2022; 8,000) of INR 1,000,000 each fully paid up issued to external parties (refer below note ii)	-	7,155	-	780
Senior Notes (refer below note iv)	72,035	39,550	3,748	2,392
	1,15,963	64,039	3,914	3,277
Current maturities disclosed under the head "Short term borrowing" (Note 10)	-	-	(3,914)	(3,277)
Total	1,15,963	64,039	-	-

The borrowings have been obtained by CGEL and respective subsidiaries of the Group. The key terms of the loan and the security thereon are summarized below:

i) CGEIPPL - Project term loan of INR Nil (As at March 31, 2022 INR 559) from a financial institution.

a) Terms and Security:

- The loan is secured by first ranking exclusive mortgage and charge over all the assets of CGEIPPL pertaining to the 34.5 MW Wind Power Project in the state of Gujarat ("Project") :
- The entire immovable properties (including leasehold rights in case of leased land) of CGEIPPL together with all appurtenances thereon, both present and future, pertaining to the Project in the state of Gujarat.
- All the tangible movable assets of CGEIPPL wherever situated, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and other movable assets, both present and future, pertaining to the Project.
- All the current assets of CGEIPPL including but not limited to receivables, both present and future, all pertaining to the Project.
- All accounts of the CGEIPPL, pertaining to the Project, including without limitation, the Trust and Retention Account, DSRA and other reserve and the Retention Accounts or any account in substitution thereof.
- All intangible assets of CGEIPPL pertaining to the Project including but not limited to goodwill, rights, undertakings and uncalled capital, both present and future, all pertaining to the Project.
- All right, title and interest of CGEIPPL (including the right to receive any liquidated damages) under the PPAs, the other Project Documents, the Authorisations (to the extent assignable), the Insurance Contracts, letters of credit, guarantee including contractor guarantees, liquidated damages, performance bond, corporate guarantee (CG) and bank guarantee provided by any Person for any contract in favour of the Borrower, all in relation to the Project, to the extent permitted under Applicable Laws.
- Unconditional and irrevocable corporate guarantee from Continuum Green Energy Limited, Singapore ("CGEL") for the obligation under the term loan to maximum amount of INR Nil (March 31, 2022; INR 500) or below.

b) Terms of repayment

- The term loan from Financial Institution is repayable in 28 remaining unequal quarterly instalments ranging between 1.10% to 4.24% of the original loan amounts. During the year, CGEIPPL has repaid the loan.

c) Terms of Interest

- The term loan from Financial Institution carries interest rate of 9.85% p.a. from December 29, 2017 and interest rate will be reset after five years.

ii) CGEIPPL - NCDs of INR Nil (As at March 31, 2022 INR 7,935)

a) Terms of 8,000 Non Convertible Debentures (NCDs)

- 1 Debentures (INR 8,000: Senior Tranche – INR 6,500 and Junior Tranche –INR 1,500) shall be Indian Rupee denominated, unlisted, unrated, secured and redeemable non-convertible debentures (NCDs).
- 2 NCDs were allotted on 30-April-2021 and shall be redeemable on 30-June-2026 i.e. tenor of facility is 5 years. During the year, CGEIPPL has redeemed all NCDs.
- 3 Interest rate for the Senior Tranche is 12.10% p.a. payable quarterly and interest rate on Junior Tranche is Nil. Redemption of Senior Tranche is in staggered manner and Junior Tranche shall be due on maturity.
- 4 The NCDs shall be secured by -
 - (a) first ranking exclusive Security Interest over 100% (i.e.: 8,03,50,000 equity shares) shareholding and 90.27% (i.e.: 99,62,05,550 CFCDs) CFCDs of the issuer on a fully diluted basis; and
 - (b) Charge over Designated Account and corporate guarantee from Continuum Green Energy Limited, Singapore ("CGEL").

iii) CGEIPPL has sanctioned limit of non fund based facility of INR 1,650 (March 31, 2022; INR 1,650). Out of this facility as on March 31, 2023 CGEIPPL has availed INR 510 (March 31, 2022; INR 790) towards bank guarantees.

Continuum Green Energy Limited, Singapore has pledged 1,092,455,550 CFCDs (March 31, 2022: 1,092,455,550) held by it in CGEIPPL for non fund based facility with bank. Further Continuum Green Energy Limited, Singapore ("CGEL") has also provided with corporate guarantee for the obligation under facility document to the maximum amount outstanding at given point in time.



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iv) Senior Notes

a) Continuum Energy Levanter Pte Ltd - Senior Secured Notes of USD 561 Mn, outstanding balance of USD 522 Mn (INR 42,895 Mn) {(March 31, 2022; USD 553 Mn (INR 41,942 Mn))} from foreign investors.

1) Terms of Notes:

- Unsubordinated obligations of CELPL.
- Senior in right of payment to any obligations of CELPL expressly subordinated in right of payment to the Notes.
- At least pari passu in right of payment with all unsubordinated indebtedness of CELPL (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law)
- Effectively junior to any secured indebtedness of CELPL, to the extent of the value of assets securing such indebtedness (other than the Collateral, to the extent applicable);
- Secured by first-priority liens on the Collateral.

2) Security of Notes:

- Each of a first-priority fixed share charge (the "Share Charge") by CGEL over the Capital Stock of the CELPL and a first-priority security interest in the Offshore Cash Account (together with the Share Charge, the "Pari Passu Collateral") pursuant the charge over Offshore Cash Account (together with the Share Charge, the "Pari Passu Collateral Documents"); and
- Prior to the release therefrom, a first-priority security interest in the Escrow Account (the "Notes Collateral") pursuant to the charge over Escrow Account (the "Notes Collateral Document").

3) Interest and Repayment

- Notes have coupon rate of 4.5% p.a. payable semi annually in arrears on each February 9 and August 9, commencing on August 9, 2021. Further, Notes are issued for a period of six years from issuance date i.e.: February 9, 2021.
- Notes are redeemable in 11 semi - annual unequal instalments over the period of six years ranging from 0.63% to 4.88% as per the Mandatory Amortization Redemption and Mandatory Cash Sweep (MCS) Amortization Redemption schedule with bullet repayment of the balance outstanding at the end of the tenure as included in the financing document of Senior Notes.

b) Continuum Energy Aura Pte Ltd - Senior Secured Notes of USD 400 Mn, {outstanding balance of INR 32,887 (March 31, 2022; INR Nil)} from foreign investors.

1) Terms of Notes:

- Senior secured notes guaranteed through corporate guarantee by Continuum Green Energy Limited, Singapore ("holding company" / "CGEL")
- 75.1% pledge of the equity shares and compulsorily fully convertible debentures in CGEPL held by CGEL

2) Security of Notes:

- Each of a first-priority fixed share charge (the "Share Charge") by CGEL over the Capital Stock of the CEAPL and a first-priority security interest in the Offshore Cash Account (together with the Share Charge, the "Pari Passu Collateral") pursuant the charge over Offshore Cash Account (together with the Share Charge, the "Pari Passu Collateral Documents"); and
- Prior to the release therefrom, a first-priority security interest in the Escrow Account (the "Notes Collateral") pursuant to the charge over Escrow Account (the "Notes Collateral Document").

3) Interest and Repayment

CEAPL promises to pay interest on the principal amount of this Note at a rate (the "Applicable Rate") equal to the sum of (i) the then-current Six-Month Term SOFR for such Interest Period plus (ii) agreed margin and if said SOFR is less than zero for any Interest Period, then Six-Month Term SOFR (or such other Benchmark) shall be deemed to be zero for such Interest Period.

The Issuer will pay interest semi-annually in arrears on January 13 and July 13 of each year up to and including the maturity date, commencing on January 13, 2023

v) Salient terms of interest & repayment schedules of loans from financial institutions/ Banks ("lenders") outstanding as at March 31, 2023

A) Morjar

a) Project term loan of INR 5,785 (As at March 31, 2022; 3,277) from a bank.

Morjar has obtained the term loan facility of INR 7,411 for its 148.50 MW capacity project from Indian Renewable Energy Development Agency Limited (IREDA) and India Infrastructure Finance Company Ltd (IIFCL). The loan facility includes non-fund based facility of INR 6,150 against which IREDA & IIFCL has provided undertaking in favour of HDFC Bank & IndusInd Bank basis, for which HDFC Bank & IndusInd Bank has issued Letter of Credit facility (LC facility) for equivalent amount in favour of the supplier. LC facility has been issued for the period of three years from date of discounting of LC. Upon completion of LC period, LC will get converted into term loan facility of IREDA / IIFCL.

During the year, suppliers have presented and encashed Bills of Exchange (BOEs) with banks and corresponding liability is accounted for as borrowings by Morjar against the supplier balances. Such borrowings on account of discounting of those BOEs under the existing LCs will eventually get converted into term loan, the same has been classified basis repayment terms of the term loan availed from IREDA / IIFCL.

As at the March 31, 2023, such BOEs discounted with banks amounts to INR 5,485 (March 31, 2022 INR 3,277) at prevailing MCLR rate of the said banks.



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b) Project term loan of INR 1,492 (As at 31 March 2022 INR: 1,176) from a financial institution.

- 1 Pari-passu first charge on Morjar's immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future.
- 2 Pari-passu first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Morjar's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
- 3 Pari-passu first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Morjar's intangible, goodwill, uncalled capital, both present and future;
- 4 Pari-passu first charge on the Morjar's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of Morjar, both present and future;
- 5 A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 2 Quarter(s) of principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of Morjar wherever maintained, both present & future; and
- 6 The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 51% (fifty one percent) Equity Shares, 51% (fifty one percent) and 51% (fifty one percent) OCD, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Morjar;
- 7 The loan from financial institutions carries interest rate of 9.70%/ 9.24% p.a depending on date of drawdown and the principle outstanding is repayable in 72 quarterly installments, commencing 30 June 2023.
- 8 Continuum Green Energy Limited (CGEL) Singapore has provided a corporate guarantee in favour of the Lender to guarantee the Secured Obligations. CGEL agree that non-compliance of its obligations under the corporate guarantee shall be treated as an Event of Default. The said corporate guarantee shall be released on the Interim Collateral Release Date.

B) CTRPL

a) Project term loan of INR Nil (As at March 31, 2022: 2,654) from a bank.

CTRPL has obtained the term loan facility of INR 8,783 for its 240 MW capacity project from Power Finance Corporation Ltd (PFC). The loan facility includes non-fund based facility of INR 3,587 against which PFC has provided undertaking in favour of HDFC Bank basis, for which HDFC Bank Limited has issued Letter of Credit facility (LC facility) for equivalent amount in favour of the project suppliers. LC facility has been issued for the period of one year from date of discounting of LC. Upon completion of LC period, LC will get converted into term loan facility of PFC.

During the year, suppliers have presented and encashed Bills of Exchange (BOEs) with bank and corresponding liability is accounted for as borrowings by CTRPL against the supplier balances. Such borrowings on account of discounting of those BOEs under the existing LCs will eventually get converted into term loan, the same has been classified basis repayment terms of the term loan availed from PFC.

During the year, CTRPL has taken disbursement against BOEs discounted and hence such BoEs discounted with banks amounts as at March 31, 2023 to INR Nil (March 31, 2022 INR 2,654) at prevailing MCLR rate of the said banks.

b) Project term loan of INR 8,615 (As at 31 March 2022 INR: 2,475) from a financial institution.

- 1 A first charge by way of mortgage in a form and manner acceptable to the lender, over all the borrower's immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future;
- 2 A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
- 3 A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future;
- 4 A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 1 Quarter(s) of principal & interest payment (DSRA), any letter of credit and any other reserves and any other bank accounts of the borrower wherever maintained, both present & future; and
- 5 The pledge of equity shares, quasi equity, both present and future, held by the pledgor, to the extent of the specified percentage i.e. 51% (fifty one percent) equity shares, 51% (fifty one percent) and OCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the borrower;
- 6 The loan from PFC carries interest rate which is applicable as on date of drawdown, currently it carries interest rate range between 9.00% to 9.25% and the principle outstanding is repayable in 180 monthly instalments, commencing from the first standard due date falling 12 months after scheduled SCOD whichever is earlier;
- 7 Corporate Guarantee (CG) of Continuum Green Energy Limited, Singapore (CGEL). CG would be valid for
 - (i) till Power Curve Guarantee Test (PCGT)/ Power Guarantee Test (PGT) for the entire Project i.e.199.9 MW (99.90 MW Wind and 100 MWAC / 140 MWDC solar capacity) is completed, to the satisfaction of Lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC Contract,
 - (ii) till not less than 2 (two) year of successful operation in adherence to EBITDA and/or generation as per Banking Base Case, to the satisfaction of Lenders,
 - (iii) till the time all the Securities are created and perfected in the favour of the Lender.

C) Kutch

a) Project term loan of INR 1,108 (As at March 31, 2022 INR: 1,100) from a financial institution.

Kutch ("borrower") has tied up term loan facility of INR 1,153 for its 28 MW capacity from PFC.

PFC project term loan is secured by:

- 1 Pari passu first charge by way of mortgage in a form and manner acceptable to the lender, over all the Borrower's immovable properties, and a pari passu first charge on the borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising, the trust & retention account (TRA) including Debt Service Reserve Account of peak 3 (three) months of principal & interest payment (DSRA exclusive to PFC), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present and future;
- 2 Pari passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;



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- 3 Pari passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future;
- 4 Assignment in favour of the PFC on all the rights, titles, interests, benefits, claims and demands whatsoever of the borrower in the project documents/contracts (including but not limited to Power Purchase Agreements (PPA)/ Memorandum of Understanding (MOU), package/ Construction contracts, O&M related agreements, service contracts, etc.), in the clearances relating to the project, in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents; all insurance contracts and insurance proceeds and assignment of guarantees from EPC contractor (if any) relating to the project duly acknowledged and consented to by the relevant counter-parties to such project documents;
- 5 Corporate guarantee (CG) of Continuum Green Energy Ltd., Singapore (CGEL). The CG shall be valid (i) till Power Curve Guarantee Test (PCGT) for the entire project i.e. 28 MW is completed, to the satisfaction of lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC contract; (ii) till not less than 2 years of successful operation in adherence to EBITDA and/or generation as per base case, to the satisfaction of lenders; (iii) till the time all the securities are created and perfected in the favour of PFC;
- 6 The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 51% (fifty one percent) Equity Shares, 51% (fifty one percent) CCDs and 51% (fifty one percent) NCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Borrower;

Terms of interest:

The loan from PFC carries interest rate of 9 % p.a. payable monthly upto the standard due date.

Terms of repayment:

- 1 The loan from PFC is repayable in 180 (One Eighty) structured monthly instalments ranging between 0.42% to 1% of loan.
- 2 First repayment date will fall due on 12 months after Date of Commencement of Commercial Operation (DCCO) of the project or COD whichever is earlier.

D) Continuum TN - Project term loan of INR 4,530 (As at 31 March 2022 : INR 4,530) from a financial institution.

- 1 Pari Passu first charge by way of mortgage in a form and manner acceptable to the Lender, over all the Borrower's immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future;
- 2 Pari Passu first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
- 3 Pari Passu first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Borrower's intangible, goodwill, uncalled capital, both present and future;
- 4 Pari Passu first charge on the Borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower, both present and future;
- 5 Pari Passu first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 2 Quarter(s) of principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present & future; and
- 6 Assignment in favour of the PFC (i) All the rights, titles, interests, benefits, claims and demands whatsoever of the Borrower in the Project Documents/ contracts (including but not limited to Power Purchase Agreements (PPA)/ Memorandum of Understanding (MOU), package/ Construction contracts, O&M related agreements, Service Contracts, etc.), duly acknowledged and consented to by the relevant counter-parties to such Project Documents; (ii) All the rights, titles, interests, benefits, claims and demands whatsoever of the Borrower in the Clearances relating to the Project; (iii) All the rights, titles, interests, licenses, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents; (iv) All Insurance Contracts and Insurance Proceeds; and (v) Assignment of guarantees from EPC Contractor/ module supplier (if any) relating to the Project;
- 7 The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 77% (Seventy Seven percent) Equity Shares, 77% (Seventy Seven percent) CCDs and 77% (Seventy Seven percent) NCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Borrower;
- 8 The loan from PFC carries interest rate of 9.25% p.a / 10.55% p.a / 10.65% p.a depending on date of drawdown and the principle outstanding is repayable in 204 monthly instalments, commencing from the first standard due date falling 12 months after scheduled or actual SCOD whichever is earlier.
- 9 Continuum Green Energy (India) Private Limited (CGE IPL) shall provide a corporate guarantee in favour of the Lender to guarantee the Secured Obligations. CGE IPL agree that non-compliance of its obligations under the corporate guarantee shall be treated as an Event of Default. The said corporate guarantee shall be released on the Interim Collateral Release Date.

E) DRPL

Project term loan of INR 8,741 (March 31, 2022 INR: Nil) from a financial institution.

- 1 A first charge by way of mortgage over all the DRPL's immovable properties, both present and future.
- 2 A first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the DRPL's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future.
- 3 A first charge on the DRPL's uncalled capital, operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the company's, both present and future
- 4 A first charge on the Trust & Retention Account (TRA) [including Debt Service Reserve Account of 1 Quarter(s) of principal & interest payment (DSRA)] , any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present & future; and
- 5 Assignment of all project documents in favour of the Lender.
- 6 The pledge of equity shares, quasi equity, both present and future, held by the pledgor, to the extent of the specified percentage i.e. 51% (fifty one percent) equity shares, 51% (fifty one percent) and OCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the borrower;
- 7 The loan from PFC carries interest rate which is applicable as on date of drawdown, currently it carries interest rate range between 9.10% to 9.20% and the principle outstanding is repayable in 204 monthly instalments, commencing from the first standard due date falling 12 months after scheduled commercial operations date (SCOD) whichever is earlier.
- 8 Corporate Guarantee of M/s Continuum Green Energy (India) Private Limited (CGE IPL) for till compliances of certain conditions stipulated in sanction letter.

F) Continuum MP

Project term loan of INR 7,584 (March 31, 2022 INR: Nil) from a financial institution.

- 1 First charge by way of registered mortgage in favour of the Lender on all the Borrower's immovable properties/assets (both freehold and leasehold) both existing and future including and pertaining to the Project.
- 2 First charge by way of hypothecation, over:
 - a) entire movable properties of the Project, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, stock-in-trade, inventory and all other movable properties of whatsoever nature, both present and future;



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- b) entire current assets including cashflows, Receivables, certified emission reduction credits and related revenues, book debts, commissions and revenues of the Project, of whatsoever nature and wherever arising, both present and future;
- c) entire intangible assets of the Project, including but not limited to, goodwill and intellectual property rights, undertaking and uncalled capital, present and future pertaining to the Project, both present and future.
- 3 A first charge over all bank accounts of the Borrower, including the Trust and Retention Account, Retention Accounts and the Sub-Accounts (including but not limited to DSRA) or any account to be created/ created and maintained for any reserve(s) (or any account in substitution thereof), that may be opened in accordance with the Trust and Retention Account Agreement and the Financing Documents, or any of the other Project Documents, and all funds from time to time deposited therein, the Receivables and all Permitted Investments or other securities representing all amounts credited to the Trust and Retention Account, and any letter of credit and other bank accounts of the Project wherever maintained, both present and future, and all funds from time to time deposited therein.
- 4 A first charge by way of pledge of Equity Shares, Preference Shares and Quasi Equity, both present and future, held by the Pledgor, aggregating to the Specified Percentage, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders/CCD/OCD/NCD agreement (if any) of the Borrower, (except for the funds infused by DJ Energy Private Limited and Uttar Urja Projects Private Limited);
- 5 Non-disposal undertaking over 100% (hundred percent) Equity Shares and Quasi Equity issued by the Borrower, (excluding those issued to Group Captive Consumers or upto 30% (thirty percent) of total Promoter Contribution, as earmarked against redemption by Group Captive Consumers subsequently, if any.
- 6 Assignment of all project documents in favour of lender.
- 7 The loan from financial institution carries interest rate of 9.20%/9.40% p.a. depending upon the date of drawdown and the principle outstanding is repayable in 72 quarterly instalments, commencing 31 December 2024.
- 8 Corporate guarantee (CG) of Continuum Green Energy (India) Private Limited till the compliance of certain condition stipulated in sanctioned terms.

G) CGESDC

Project term loan of INR 780 (March 31, 2022 INR: Nil) from a financial institution.

- 1 A first charge by way of mortgage over all the CGESDC's immovable properties , both present and future.
- 2 A first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the CGESDC's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future.
- 3 A first charge on the CGESDC's uncalled capital, operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the CGESDC's, both present and future.
- 4 A first charge on the Trust & Retention Account (TRA) [including Debt Service Reserve Account of 1 Quarter(s) of principal & interest payment (DSRA)] , any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present & future; and
- 5 Assignment of all project documents in favour of the Lender.
- 6 The pledge of equity shares, both present and future, held by the pledgor, to the extent of the specified percentage i.e. 51% (fifty one percent) equity shares, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the borrower;
- 7 The loan from PFC carries interest rate which is applicable as on date of drawdown, currently it carries interest rate 8.85% and the principle outstanding is repayable in 216 monthly instalments, commencing from the first standard due date falling 12 months after scheduled commercial operations date (SCOD) whichever is earlier.
- 8 Corporate Guarantee of M/s Continuum Green Energy (India) Private Limited (CGEIP) for till compliances of certain conditions stipulated in sanction letter.

H) CHEPL

a) Project term loan of INR 3,980 (March 31, 2022 INR: Nil) from a financial institution.

- 1 A first charge by way of mortgage in a form and manner acceptable to the lender, over all the borrower's immovable properties, both present and future;
- 2 A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
- 3 A first charge on the borrower's uncalled capital, operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the borrower, both present and future;
- 4 A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 1 Quarter(s) of principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of the borrower wherever maintained, both present & future; and
- 5 Assignment of all project documents in favour of the lender
- 6 Pledge- 51% of issued Equity shares as well as 51% of issued OCDs.
- 7 The loan from PFC carries interest rate which is applicable as on date of drawdown, currently it carries interest rate of 9.20% and the principle outstanding is repayable in 180 monthly instalments, commencing from the first standard due date falling 12 months after scheduled commercial operations date (SCOD) whichever is earlier.
- 8 Corporate Guarantee of M/s Continuum Green Energy (India) Private Limited (CGEIP) for till compliances of certain conditions stipulated in sanction letter.

b) Undrawn working capital facility

CHEPL has working capital facility from HDFC Bank Limited amounting to INR 4,000.

Salient terms of working capital facility:

- 1 A first pari passu charge with Power Finance Corporation (PFC) by way of mortgage in a form and manner acceptable to the Lender, over all the Borrower's immovable properties, both present and future
- 2 A first pari passu charge along with (PFC) by way of hypothecation, in a form and manner acceptable to the Lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future
- 3 First pari passu charge along with PFC on the Borrower's uncalled capital, operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower, both present and future. Also first pari passu charge along with PFC on the Trust & Retention Account (TRA) ,any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present & future except for DSRA There will be no charge of HDFC Bank on DSRA the same will be exclusively for Term Lender only.
- 4 Corporate Guarantee of M/s Continuum Green Energy (India) Private Limited (CGEIP) till compliances of certain conditions stipulated in sanction letter.

vi) From related party

A Clean Energy Investing Limited

- Loan from Clean Energy Investing Limited is interest bearing loan at the rate of 13.5% p.a or a specific predefined return whichever is greater and repayable on March 21, 2023. The due date for repayment is extended up to March 21, 2027.

B Continuum Energy Pte Limited.

- Loan from Continuum Energy Pte Ltd (CEPL) is interest bearing loan at the rate of 14% p.a and repayable in October, 2022. During the year, CEPL has repaid the loan along with interest in full.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

7 Deferred tax liability (net)

	As at March 31, 2023	As at March 31, 2022
Deferred tax liability		
Property, plant and equipment: Impact of difference between book depreciation and tax depreciation (refer note i and ii below)	4,539	3,725
Impact of other timing differences	678	-
Gross deferred tax liability	5,217	3,725
Deferred tax asset		
On carry forward tax losses	297	51
On unabsorbed depreciation	2,789	2,901
Provision for employee benefits	8	-
Gross deferred tax asset	3,094	2,952
Net deferred tax liabilities	2,123	773

Note:

- i) One of the subsidiary of the Group, CGEIPPL is eligible for deduction of 100% of taxable income under section 80-IA of the Income Tax Act, 1961 subject to Minimum Alternate Tax (MAT) and avail the said benefit for 10 continuous years out of total 15 years from the year in which it started its commercial operations.
- ii) Certain subsidiaries of the Group have created deferred tax asset on unabsorbed depreciation and carry forward tax losses to the extent of deferred tax liability.

8 Other long-term liabilities

	As at March 31, 2023	As at March 31, 2022
Security deposits from customers*	85	75
Capital creditors	79	148
Liability towards premium on redemption of NCDs issued to external parties (refer note 5)	-	343
Interest accrued but not due on borrowings from related parties (refer note 5 and 32)	1,317	1,301
Interest accrued but not due on CCDs	93	-
Deferred forward Premium (refer note 35)	2,507	3,705
Employee share-based payments	254	239
Total	4,335	5,811

*Security deposits received from customers is interest free and payable at the end of power purchase agreement.

9 Provisions

	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for income-tax, net of advance tax				
Provision for taxation	-	-	32	-
	-	-	32	-
Provision for employee benefits				
Provision for gratuity (refer note 29)	29	29	6	6
Provision for leave encashment	-	-	21	19
	29	29	27	25
Other provisions				
Provision towards foreseeable losses (refer below note i)*	-	-	369	283
Provision for litigation and contingencies (refer below note ii)	-	-	35	42
Total	29	29	463	350

Note

- i) Movement for provision towards foreseeable losses:

	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	283	299
Arising during the year	334	-
Utilised during the year	(231)	(12)
Reversed during the year	(17)	(4)
At the end of the year	369	283

* There are certain long term contracts for which one of the subsidiary anticipates foreseeable losses and accordingly, the subsidiary had created provision for such losses. Being one time & non recurring in nature, same has been disclosed as exceptional item.

- ii) Provision for litigation and contingencies

	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	42	37
Arising during the year	-	12
Utilised / transferred during the year	(7)	(7)
At the end of the year	35	42



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

10 Short-term borrowings

	As at March 31, 2023	As at March 31, 2022
Working capital (secured)		
From banks (refer notes below)	247	2,286
Current maturities of long-term borrowings (refer note 6)	3,914	3,277
Total	4,161	5,563

Notes:

i) **Salient terms and security of working capital facility as at March 31, 2023.**

Certain subsidiaries of the Group (Bothe, DJEPL, UUPPL, Watsun, Trinethra and RTPL) has availed working capital facility from IndusInd Bank Limited amounting to INR 2,560, out of which 247 (March 31, 2022 : 2,282) was drawn as working capital and has also utilised non fund based facility of INR 227 (March 31, 2022 : INR 237) against various bank guarantee issued in favour of Discoms.

- 1 First ranking charge by way of hypothecation over present and future current assets of above subsidiaries as more particularly set out in, and in accordance with the terms of, the Deed of Hypothecation but excluding the Issue Proceeds Escrow Account, Debt Service Reserve Account, Senior Debt Restricted Amortization Account, Restricted Surplus Account.
- 2 A first ranking charge in accordance with the terms of the Deed of Hypothecation, over certain Trust and Retention Accounts as defined under the facility agreement:
- 3 Second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of above subsidiaries, in connection with the Project (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), in each case, as more particularly identified in, and in accordance with the terms of, the Mortgage Documents;
- 4 Second charge on the Pledged Shares of above subsidiaries held by CGEIP in accordance with the terms of the Share Pledge Agreement, in case of Watson, it is 51% of the share capital of Watsun;
- 5 Non disposal undertaking (NDU) is issued in respect of NDU shares as defined in the facility agreement signed with working capital lender.
- 6 Second ranking charge over the Power Purchase Agreements entered into by above subsidiaries, Insurance Contracts and other project documents entered into by the Borrower in relation to the Project, in accordance with the terms of the Deed of Hypothecation.
- 7 Second ranking charge over the Senior Debt Enforcement Proceeds Account, in accordance with the terms of the Deed of Hypothecation; and
- 8 Guarantee issued by each above subsidiaries in favour of security trustee for the benefit of working capital lender.
- 9 The above facility carries an interest rate of one year MCLR plus 0.30% p.a.

ii) **Salient terms and security of working capital facility of Continuum TN as at March 31, 2023.**

Continuum TN has availed working capital facility from ICICI Bank Limited amounting to INR 78, out of which INR Nil (March 31, 2022; 4) was drawn as working capital.

- 1 First Pari passu charge by way of mortgage in a form and manner acceptable over all the borrower's immovable properties (in case of leased land, mortgage of leasehold right).
- 2 First Pari passu charge on the Borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower.
- 3 First Pari passu charge on the Trust and Retention Account (excluding Debt Service Reserve Account of 2 Quarter(s) of principal & interest payment (DSRA) in favour of PFC), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present and future pertaining to the Project.
- 4 First Pari passu charge by way of hypothecation, in a form and manner acceptable over all the borrower's movable properties and assets, including plant and machinery, machinery spares, equipment, tools and accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future, intangible, goodwill, uncalled capital, present and future relating to Project of the Borrower;
- 5 Borrower to maintain 1 quarter interest liability under DSRA (Lien marked FD) with ICICI Bank for the entire sanctioned WC limits.
- 6 Corporate Guarantee from Continuum Green Energy Ltd., Singapore for entire quantum and tenor of the working capital facility.
- 7 Interest rate for ICICI Bank Ltd is I-MCLR + 1.70 % p.a.
- 8 Loan is repayable on demand.

iii) **Salient terms and security of working capital facility of Kutch as at March 31, 2023.**

Kutch has availed fund based working capital facility from ICICI Bank Limited amounting to INR 40, which was undrawn as at March 31, 2023.

Kutch has availed non-fund based SBLC facility from ICICI Bank Limited amounting to INR 45, out of which INR 44 was utilised as at March 31, 2023.

- 1 Pari passu first charge by way of mortgage in a form and manner acceptable over all the borrower's immovable properties (in case of leased land, mortgage of leasehold right) and pari passu first charge on the borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the borrower and pari passu first charge on the trust and retention account (excluding debt service reserve account of principal & interest payment (DSRA) in favour of PFC), any letter of credit and other reserves and any other bank accounts of the borrower wherever maintained, both present and future pertaining to the project;
- 2 Pari passu first charge by way of hypothecation, in a form and manner acceptable over all the borrower's movable properties and assets, including plant and machinery, machinery spares, equipment, tools and accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future, intangible, goodwill, uncalled capital, present and future relating to project of the borrower;
- 3 Borrower to maintain 1 quarter interest liability under DSRA or in the form of FD lien marked with ICICI Bank.
- 4 CGEL, Singapore has given Corporate Guarantee for entire quantum and tenor of working capital facility.

iv) **Working capital facility of CTRPL as at March 31, 2023.**

CTRPL has availed fund based working capital facility from HDFC Bank Limited amounting to INR 150 which was undrawn as at March 31, 2023.

CTRPL has availed non- fund based SBLC facility from HDFC Bank Limited amounting to INR 160 out of which INR 149 was utilised as at March 31, 2023.

Salient terms of working capital facility:

- 1 First Pari passu charge by way of mortgage over all the borrower's immovable properties, both present and future along with term lender.
- 2 First Pari passu charge by way of hypothecation over all the borrower's movable properties and assets, including plant and machinery, machinery Spares, equipment, tools and accessories, furnitures, fixtures, vehicles, and all other movable assets, both present and future along with term lender.
- 3 First Pari passu charge on the borrower's uncalled capital, operating cash flows, book debts, receivables commission, revenues of whatsoever nature and wherever arising of the borrower, both present and future along with term lender.
- 4 First Pari passu charge on the Trust and Retention Account (TRA), any letter of credit and other reserves and any other bank accounts of the borrower, both present and future along with term lender except for DSRA.
- 5 Corporate Guarantee (CG) of Continuum Green Energy Limited, Singapore (CGEL). CG would be valid;
 - (i) till Power Curve Guarantee Test (PCGT)/ Power Guarantee Test (PGT) for the entire Project i.e.199.9 MW (99.90 MW Wind and 100 MWAC / 140 MWDC solar capacity) is completed, to the satisfaction of Lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC Contract,
 - (ii) till not less than 2 (two) year of successful operation in adherence to EBITDA and/or generation as per Banking Base Case, to the satisfaction of Lenders,
 - (iii) till the time all the Securities are created and perfected in the favour of the Lender.

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CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

v) Undrawn working capital facilities

a) CHEPL

During the year, CHEPL has availed fund based working capital facility from HDFC Bank Limited amounting to INR 18 which was undrawn as at March 31, 2023. CHEPL has availed non- fund based SBLC facility from HDFC Bank Limited amounting to INR 22 which was undrawn as at March 31, 2023.

Salient terms of working capital facility:

- A first pari passu charge with Power Finance Corporation (PFC) by way of mortgage in a form and manner acceptable to the Lender, over all the Borrower's immovable properties, both present and future
- A first pari passu charge along with (PFC) by way of hypothecation, in a form and manner acceptable to the Lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future
- First pari passu charge along with PFC on the Borrower's uncalled capital, operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower, both present and future. Also first pari passu charge along with PFC on the Trust & Retention Account (TRA), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present & future except for DSRA There will be no charge of HDFC Bank on DSRA the same will be exclusively for Term Lender only
- Corporate Guarantee of M/s Continuum Green Energy (India) Private Limited (CGEIP) till compliances of certain conditions stipulated in sanction letter.

b) Morjar

Morjar has also availed fund based working capital facility from HDFC Bank Limited amounting to INR 400 which was undrawn as at March 31, 2023.

Salient terms of working capital facility:

- Corporate guarantee from M/s Continuum Green Energy Limited, Singapore, valid till creation of security and COD whichever is later.
- Book debts - first pari passu charge on entire security as created / proposed to be created by IREDA except for DSRA and other reserve. Below are the details -
 - Pari passu first charge on the entire cashflow, receivables, book debt and revenue of the project, of whatsoever nature and wherever arising, both present and future.
 - Assignment by way of hypothecation of: (a) all the right, title, interest, benefits, claims and demands whatsoever of the borrowers in, to and under all the project document (b) the right, title and interest and benefits of the borrower in, to and under all the clearance pertaining to the project to the extent the same are assignable; (c) all the right, title, interest, benefit, claims and demands whatsoever of the borrower in, to and under any letter of credit, guarantee including contractor guarantees and liquidated damages, consent agreements, side letters and performance bond provided by any party to the project documents; and (d) all the right, title, interest, benefits claims and demands whatsoever of the borrower in, to and under all insurance contracts and insurance proceeds pertaining to the projects.
 - Pari passu first charge on the Trust and Retention Account (TRA), debt service reserve and any other reserves and other bank accounts of the project whenever maintained. Except for charges on DSRA and other reserve which shall be limited to term lenders only.
- First pari passu charge on plant and machinery, immovable property, intangible, stock and receivables (except for DSRA and other reserve) and pledge of shares. Pledge of shares includes pari-passu first charge on pledge of 51% of each of the equity shareholding and preference shareholding of the borrowers and CCDs/OCDs issued by the borrowers and NDU for balance 49% of the equity shareholding and preference shareholding of the borrowers and CCDs/OCDs issued by borrowers.

11 Trade payables and other current liabilities

	As at March 31, 2023	As at March 31, 2022
Trade payables		
Trade payables	351	412
	351	412
Other liabilities :		
Capital creditors	3,572	2,267
Interest accrued but not due on borrowings	1,104	297
Interest accrued but not due on working capital	2	17
Interest accrued but not due on NCDs issued to external parties	-	2
Statutory dues payable*	92	69
Deferred forward premium (refer note 35)	1,478	1,528
Security deposits	5	9
Others	0	11
Total	6,253	4,200

* Includes tax deducted at source, employees provident fund, employees profession tax, Goods and Services Tax (GST) and Employees State Insurance Corporation.



CONTINUUM GREEN ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

12 Tangible assets

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and equipment*	Furnitures and fixtures	Vehicles	Office equipments	Computer	Total
Cost									
As at April 1, 2021	1,388	256	11	51,215	8	1	6	17	52,902
Additions	126	72	-	3,706	2	3	0	7	3,916
Sales/disposal/adjustments	-	-	-	-	-	0	0	0	0
As at March 31, 2022	1,514	328	11	54,921	10	4	6	24	56,818
Additions	338	169	1	19,881	3	-	3	12	20,407
Sales/disposals/adjustments	18	-	-	0	1	0	1	1	21
As at March 31, 2023	1,834	497	12	74,802	12	4	8	35	77,204
Depreciation									
As at April 1, 2021	-	11	2	9,476	6	1	6	14	9,516
Charge for the year	-	10	1	2,051	1	0	-	4	2,067
Sales/disposals/adjustments	-	-	-	-	-	-	-	0	0
As at March 31, 2022	-	21	3	11,527	7	1	6	18	11,583
Charge for the year	-	24	0	2,509	1	1	1	6	2,542
Sales/disposals/adjustments	-	-	-	0	1	0	1	1	3
As at March 31, 2023	-	45	3	14,036	7	2	6	23	14,122
Net block									
As at March 31, 2022	1,514	307	8	43,394	3	3	0	6	45,235
As at March 31, 2023	1,834	452	9	60,766	5	2	2	12	63,082

Note:

*Plant and equipment includes Plant and machinery - Wind Turbine Generator (WTG), Solar Panels including inverters and related assets, Networking Equipment, Electrical fittings, Sub Station, 33KV Line and other enabling assets.



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

13 Goodwill

Particulars	Amount
Cost	
As at April 01, 2021	391
Additions	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2022	391
Additions	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2023	391
Amortization	
As at April 01, 2021	-
Amortisation for the year	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2022	-
Amortisation for the year	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2023	-
Net block	
As at March 31, 2022	391
As at March 31, 2023	391

14 Capital work- in- progress

	As at March 31, 2023	As at March 31, 2022
Capital work-in-progress	20,179	16,273
Total	20,179	16,273

15 Loans and advances

Unsecured, considered good unless stated otherwise

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital advances	2,334	404	-	-
	2,334	404	-	-
Advance recoverable in cash or in kind				
Loans and advances to related parties (refer below note i and note 32)	-	510	-	-
Advances recoverable from vendor	-	-	12	17
Other advances	100	104	375	116
	100	614	387	133
Other loans and advances				
Advance income tax (net of provision for tax)	173	85	-	-
Prepaid expenses	7	3	312	223
Balance with statutory/ government authorities	13	41	-	-
Others	-	-	11	11
	193	129	323	234
Total	2,627	1,147	710	367

Note:

- i) Loan given to Skyzen Infrabuild Private Limited (SIPL) amounting to INR Nil (March 31, 2022; INR 510) is repayable on or before October 9, 2025 along with predefined interest amounts. SIPL has repaid this loan along with interest in full.



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

16 Other non-current asset

Unsecured, considered good unless stated otherwise

	As at March 31, 2023	As at March 31, 2022
Fixed deposits with remaining maturity for more than 12 months (refer note 18)*	4,459	618
Unamortised ancillary borrowing cost	1,042	840
Interest on unsecured loans receivable (refer note 32)	-	166
Derivative contract assets (refer note 35)	6,198	5,247
Accrued interest on overdue trade receivables (refer note i)	61	-
Deposits with regulatory authorities	321	168
Security deposits for leased assets	26	10
Long term trade receivable (refer note iv)	857	-
	12,964	7,049
Unbilled revenue		
Unbilled revenue (refer note ii)	415	365
Allowance for doubtful unbilled revenue (refer note iii)	(106)	(225)
	309	140
Total	13,273	7,189

Notes:

* Includes deposits amounting to INR 41 (March 31, 2022; INR 187) on which lien has been marked against bank guarantee and letter of credit issued by various banks.

- i Government of India ("GoI") has notified the Late Payment Surcharge Rules, 2022 ("LPS 2022") on June 03, 2022. As per LPS 2022, discoms had an option, which was to be exercised by July 02, 2022 to reschedule all outstanding dues as on June 03, 2022, plus late payment surcharge calculated till that date, into certain number of equal monthly instalments payable on 5th of each calendar month starting from August 2022. Madhya Pradesh Power Management Company Limited (MPPMCL) has exercised an option on July 01, 2022 and rescheduled the dues into 40 equal monthly instalments covering all outstanding dues upto June 03, 2022 for DJEPL and UUPPL. Accordingly, in line with accounting standards, monthly instalments receivable after 12 months of the end of the period have been classified as non-current.
- ii Out of 199.7 MW capacity, Wind Energy Purchase Agreements (WEPA) have been signed between Bothe and Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 193.4 MW. Due to delay in implementation of policy for renewable energy by the state government and also due to delay in receipt of registration certificates from Maharashtra Energy Development Agency (MEDA) against 3 WTGs, a pre-requisite for execution of WEPAs, WEPAs are not executed for 6.3 MW capacity of these 3 WTGs. Upon receipt of registration certificates, Bothe approached MSEDCL for signing of PPAs towards these WTGs. However, MSEDCL had taken a contrary & arbitrary view and rejected Bothe's valid application for signing PPAs.

Bothe approached MERC where Bothe has received partial favourable order, pursuant to which Bothe has received collection of INR 9 against generation till March 31, 2017 in financial year 2021-22. Bothe has challenged MERC Order in Appellate Tribunal for Electricity (APTEL). Bothe has received a favourable judgement from APTEL where APTEL has upheld the matter and directed MSEDCL to:

- immediately sign 6.3 MW PPA with Bothe effective from application date for MEDA registration;
- to pay tariff at Average Power Purchase Price (APPC) for the power supplied from the date of commissioning till application date for MEDA registration and
- to sign PPA w.e.f MEDA registration application date at the rate approved by MERC for WTGs commissioned in financial year 2014-15.

In November 2022; MSEDCL has been granted interim stay by Honourable Supreme Court against the APTEL judgment, however the Honourable Supreme Court has directed MSEDCL;

- to deposit INR 300 with the Honourable Supreme Court;
- to pay Bothe for the electricity supplied to MSEDCL at the rate of INR 3.5 / kWh and to deposit the differential amount with the Honourable Supreme Court on bi-monthly basis

The Group believes that as per the judgement pronounced by APTEL vide order dated August 18, 2022; direction given by Honourable Supreme Court, other facts mentioned above and as per legal opinion of the lawyers, Bothe is rightfully eligible for revenues towards 6.3 MW capacity at MERC stipulated tariff. However, considering that counterparty has approached the higher judicial authority, the Group has recognised the unbilled revenue till balance sheet date at APPC rate and reversed excess provision of INR 119.

iii Movement in Allowance for doubtful unbilled revenue

	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	225	176
Arising during the year	-	49
Utilised/reversed during the year	(119)	-
At the end of the year	106	225

- iv The long term trade receivables is outstanding from due date of payment for a period of 6 months amounting to Nil (March 31, 2022; Nil), and for the period 1-2 years amounting to INR 857 (March 31, 2022; Nil)



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

17 Trade receivables

	As at March 31, 2023	As at March 31, 2022
Trade receivables-unsecured, considered good	1,438	4,513
Total	1,438	4,513

18 (a) Cash and bank balances

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalent		
Cash in hand	-	-
Balances with banks :		
- Current account	4,986	718
- Deposits with original maturity of less than 3 months	10,257	4,563
Total	15,243	5,281

18 (b) Other bank balances

- Deposits with remaining maturity upto a period of 12 months*	12,646	3,237
- Deposits with remaining maturity for more than 12 months	4,459	618
	17,105	3,855
Amount disclosed under other non-current assets (refer note 16)	(4,459)	(618)
Total	12,646	3,237

Notes:

- * Includes deposits amounting to INR 4,799 (March 31, 2022; INR 407) on which lien has been marked against bank guarantee and letter of credit issued by various banks.
- * Deposits includes deposits created towards Debt Service Reserve Account as required under lender's agreement amounting to INR Nil (March 31, 2022; INR 64) by CGE IPL, the subsidiary of the company.
- * Includes deposits created towards Debt Service Reserve Account as required under debenture trust deed amounting to INR 1,947 (March 31, 2022; INR 2,120) by certain subsidiaries of the Group which includes Bothe, DJEPL, UUPPL, Watsun, Trinethra and RTPL.

19 Other current assets

Unsecured, considered good unless stated otherwise

	As at March 31, 2023	As at March 31, 2022
Accrued income (refer note below)	873	675
Accrued interest		
On bank deposits	253	70
Other	-	3
Unamortised ancillary borrowing cost	249	205
Derivative contract assets (refer note 35)	863	127
Security deposit for leased assets	1	99
Other current assets	5	43
Total	2,244	1,222

Note: Accrued income represents revenue earned as at year end and billed to the customers subsequent to the year end.

20 Revenue from operations

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations		
Sale of electricity	10,171	9,181
Other operating revenue		
Income from Renewable Energy Certificate (REC)	40	41
Generation Based Incentive (GBI)	322	346
Deviation Settlement Mechanism (DSM) income	8	5
Income from sale of verified carbon units (VCUs)	-	170
Revenue loss recovered*	13	-
Total	10,554	9,743

* During the year, the Group has accounted for revenue loss recovered towards compensation for lower machine availability provided by the O&M contractor as against committed machine availability as per O&M agreement entered with the contractor in one of the subsidiary.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

21 Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on :		
Bank deposits *	713	252
Advance to vendor	6	6
Unsecured loan to related party (refer note 32)	68	88
Income tax refund	3	3
Overdue trade receivables	501	38
Provision no longer required written back	158	4
Income arising due to liquidated damages	34	-
Insurance claim received	23	51
Miscellaneous income	5	24
Total	1,511	466

* Interest income on bank deposits are net of amount capitalised by the Group (refer note 31).

22 Operating and maintenance expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Operation and maintenance expenses	1,079	835
Transmission, open access and other operating charges	1,195	920
Total	2,274	1,755

23 Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, wages and bonus (refer note below)	432	334
Contribution to provident fund / other fund (refer note 29)	17	15
Gratuity expenses (refer note 29)	6	6
Leave encashment	5	5
Staff welfare expenses	12	11
Total	472	371

Note:

The Company has issued Phantom Stock Units Option Scheme in Financial Year 2016-17 where units were issued to certain eligible employees of the Group. Refer note 30 for detailed disclosures related to Scheme and expenses recognised as employee benefit expense.

24 Other expenses *

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent (refer note 28)	40	26
Insurance expense	159	123
Rates and taxes	58	35
Travelling, lodging and boarding	66	32
Legal and professional fees	265	210
Repairs and maintenance plant and machinery	25	3
Repairs and maintenance others	13	14
Site development expenses	9	-
Provision for litigation and contingencies	-	49
Loss on sale of property, plant and equipments	3	-
Sundry Balances/Trade receivables written off	3	-
Application and success fees	-	1
Provision for bad debts	8	-
Rebate and discount	13	27
Foreign exchange loss (net)	50	4
Miscellaneous expenses	85	58
Total	797	582

* Other expenses disclosed are net of amount capitalised by the Group (refer note 31).

25 Finance costs*

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on borrowings	1,063	812
Interest on NCDs	277	755
Interest on CCDs	93	-
Interest on Senior Notes	4,877	1,865
Forward premium cost	1,679	1,666
Redemption premium on NCDs	1,243	357
Other borrowing costs	178	471
Total	9,410	5,926

* Finance cost are net of amount capitalised by the Group (refer note 31).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

26 Earnings per share ('EPS')

The following reflects the loss and equity share data used in the basic and diluted EPS computation.

	For the year ended March 31, 2023	For the year ended March 31, 2022
(Loss) for the year	(5,403)	(1,121)
Outstanding number of equity shares (nos.)	10,32,77,882	10,32,77,882
Weighted average number of equity shares in calculating basic and diluted EPS (nos.)	10,32,77,882	10,32,77,882
Nominal value of equity share (USD)	1	1
Basic and diluted EPS (INR)	(52.31)	(10.85)

27 Segment reporting

The Group is involved in the business of generation and sale of electricity as its primary business activity and accordingly the management believes that it does not carry out any material activity outside its primary business and hence no separate disclosure has been made as per AS 17 for „Segment reporting“.

28 Leases**Operating lease: Group as lessee**

- a) The Group have entered into commercial lease on office premises. These leases have an average life of between one to five years with no renewal option included in the contracts. Further, certain subsidiaries have been awarded land for development of windfarm project on lease for period of 20 to 25 years.
- b) Operating lease payment recognised in the consolidated statement of profit and loss amounting to INR 40 (March 31, 2022; INR 26) (refer note 24).
- c) Future minimum rentals payable under non-cancellable operating leases are as follows:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Within one year	30	29
After one year but not more than five years	97	91
More than five years	478	340
Total	605	460

29 Employee Benefits**a) Defined Contribution Plan**

Amount recognised and included in Note 23 "Contribution to Provident and other Funds" - INR 17 (March 31, 2022; INR 15).

b) Defined Benefit Plan

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to receive gratuity calculated @ 15 days (for 26 days a month) of last drawn salary for number of years of their completed year of service. The gratuity plan is unfunded.

The following table summarises the components of net benefit expense recognised in the consolidated statement of profit and loss and amounts recognised in the consolidated balance sheet:

i) Expenses recognised:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	5	4
Past services cost	-	-
Interest cost	3	2
Actuarial (gain) / loss	(2)	0
Net benefit expense (refer note 23)	6	6

ii) Amount recognized in the consolidated balance sheet:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	35	35
Fair value of plan assets	-	-
Plan liability (refer note 9)	35	35



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

iii) The changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	35	34
Current service cost	5	4
Past service cost	-	-
Interest cost on benefit obligation	2	2
Liability transferred in / (out) (net)	(0)	(5)
Benefits paid	(5)	0
Actuarial (gains) / loss	(2)	0
Closing defined benefit obligation* (refer note 9)	35	35
*Note		
Current	6	6
Non Current	29	29
Total (refer note 9)	35	35

iv) The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	6.70%-7.50%	6.70% - 6.84%
Rate of Salary Increase	10.00%	10.00%
Expected rate of return on planned assets	Not applicable	Not applicable
Rate of employee turnover	12.00%	12.00%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured lives Mortality (2012-14)	Indian Assured lives Mortality (2012-14)

v) Amount for the current and previous four periods are as follows:

	April to March 2023	April to March 2022	April to March 2021	April to March 2020	April to March 2019
Defined benefit obligation	35	20	19	15	11
Plan assets	-	-	-	-	-
Surplus/ (Deficit)					
Experience adjustment on plan liabilities	34	20	19	15	11
Experience adjustment on plan assets	(1)	0	0	1	1

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.

30 Phantom Stock Units Option Scheme (PSU)

Continuum Green Energy Ltd. - Phantom Stock Units Option Scheme 2016 (PSU 2016 or Scheme):

PSUOS 2016 was approved by the Board of Directors which was made effective from 19 July 2016. Under the terms of the Scheme, up to 3 million of PSU options were made available to eligible employees of the Group. As at March 31, 2023, 1.2 million units (March 31, 2022 : 1.4 million units) have been vested under this Scheme.

Accordingly to the Scheme, the employee selected by the Board from time to time will be entitled to units as per the grant letter issued by the Board, subject to the satisfaction of prescribed vesting conditions.

The expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Expense arising from cash-settled share-based payment transactions	15	5
	15	5

Note

The scheme has been made effective from 19 July 2016 and options granted under this scheme would vest in pre-defined percentage basis upon completion of years of services and as at March 31, 2023, all options has already vested basis above criteria with the weighted average exercise price as at March 31, 2023 is INR 121/- (March 31, 2022 : INR 120/-) per option

The movement of options outstanding under Phantom Stock Units Option Scheme are summarised below :

Particulars	As at March 31, 2023		As at March 31, 2022	
	Exercise Price (INR)	No. of Options	Exercise Price (INR)	No. of Options
Outstanding at the beginning of the year	120	1.4	122	1.7
Granted during the year	-	-	166	0
Exercised during the year	113	0.2	134	0.3
Outstanding at the end of the year	121	1.2	120	1.4



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

31 Capitalisation of expenditure

During the year, the Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes else where in these consolidated financial statements are net of amounts capitalised by the Group.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Application fees	2	1
Insurance expense	9	1
Inspection charges	1	-
Finance cost (net of interest income)	1,580	217
Legal and professional fees	119	47
Rates and taxes	18	8
Security expenses	19	2
Site development expenses	9	6
Rent expense	7	10
Commission charges	187	-
Travelling, lodging and boarding	9	7
Miscellaneous expense	30	7
Total	1,990	306

32 Related party disclosure**a) Names of the related parties and related party relationship****Related parties where control exists :**

Shareholders : Clean Energy Investing Limited, Singapore (Holding Company)
Continuum Energy Pte. Limited., Singapore

Enterprise over which key managerial person have significant influence : Skyzen Infrabuild Private Limited
Sandhya Hydro Power Projects Balargha Private Limited

Key management personnel	Arvind Bansal	Director of CGEL & CGE IPL Chief Executive Officer of CGE IPL
	Simon Luke Walker	Director of CGEL
	Pan Peiwen	Director of CGEL, CEAPL & CELPL
	Peter Farley Mitchell	Director of CGEL
	Vikash Saraf	Director of CGEL
	Arno Kikkert	Director of CGEL, CEAPL, CELPL & CGE IPL
	N V Venkataramanan	Chief Operating Officer of CGE IPL
	Marc Maria Van't Noordende	Director of CGEL, CEAPL & CELPL
	Tarun Bhargava	Chief Financial Officer of CGE IPL (upto Sept. 08, 2021)
	Gautam Chopra	Vice President - Project Development of CGE IPL
Ranjeet Kumar Sharma	Vice President - Projects - Wind Business of CGE IPL (upto July. 31, 2022)	
Raja Parthasarathy	Director of CGE IPL	
Relatives of key management personnel	Anjali Bansal	Vice President - Human Resource of CGE IPL



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

b) Related party transactions

Transactions	Holding company / Shareholders	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Transactions during the year			
Intercompany borrowings repaid by			
Skyzen Infrabuild Private Limited	-	510	510
	-	-	-
Intercompany borrowings repaid to			
Continuum Energy Pte. Limited	303	-	303
	-	-	-
Interest income on loan given:			
Skyzen Infrabuild Private Limited	-	68	68
	-	(88)	(88)
Reimbursement of expenses incurred on behalf of the Group by			
Arvind Bansal	-	2	2
	-	(0)	(0)
Tarun Bhargava	-	-	-
	-	(0)	(0)
N V Venkataramanan	-	0	0
	-	(0)	(0)
Gautam Chopra	-	0	0
	-	(0)	(0)
Remuneration paid (refer note below)			
Arvind Bansal	-	73	73
	-	(33)	(33)
Gautam Chopra	-	10	10
	-	(9)	(9)
Ranjeet Kumar Sharma	-	27	27
	-	(10)	(10)
Anjali Bansal	-	7	7
	-	(6)	(6)
NV Venkataramanan	-	31	31
	-	(28)	(28)
Tarun Bhargava	-	-	-
	-	(25)	(25)
Other receivables:			
Sandhya Hydro Power Projects Balargha Private Limited	-	-	-
	-	(1)	(1)
Interest expenses during the year:			
Clean Energy Investing Limited	325	-	325
	(266)	-	(266)
Continuum Energy Pte. Limited	67	-	67
	(91)	-	(91)



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

Transactions	Holding company / Shareholders	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Closing balances at year end			
Intercompany borrowings receivable			
Skyzen Infrabuild Private Limited	-	-	-
	-	(510)	(510)
Intercompany borrowings payable			
Clean Energy Investing Limited	1,480	-	1,480
	(1,365)	-	(1,365)
Continuum Energy Pte. Limited	-	-	-
	(303)	-	(303)
Interest on intercompany borrowings receivable			
Skyzen Infrabuild Private Limited	-	-	-
	-	(166)	(166)
Interest on intercompany borrowings payable			
Clean Energy Investing Limited	1,317	-	1,317
	(908)	-	(908)
Interest on intercompany borrowings payable			
Continuum Energy Pte. Limited	-	-	-
	(393)	-	(393)
Other receivables:			
Sandhya Hydro Power Projects Balargha Private Limited	-	-	-
	-	(1)	(1)

(Previous year's figure in brackets)

Note:

- i) Remuneration does not include provisions made for gratuity and leave benefits, as they are determined for the Group as a whole. Further, PSU options granted to KMPs under PSUOS 2016 (refer note 29) are not included in above remuneration. As at March 31, 2023, the PSU options granted to KMPs were 0.83 million units (March 31, 2022 0.96 million units).

33 Capital and other commitments

Capital and other commitments remaining to be executed as on March 31, 2023 is INR 25,805 (March 31, 2022; INR 9,032).

34 Contingent liabilities

- i) Income tax demand
Total

As at	As at
March 31, 2023	March 31, 2022
5	5
5	5

The Group is contesting the demand and the management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

35 Hedging activities and derivatives

Contracts designated as Cash flow hedges

During the year ended March 31, 2021, CELPL, preparing its books in USD (as its functional currency), hedged the foreign currency exposure risk related to its investments in Restricted Group entities denominated in INR through call spread option for principal repayment proceeds and cross currency swap for coupon payments ("together referred to as derivative financial instruments"). These derivative financial instruments are not entered for trading or speculative purposes.

CELPL documented each hedging relationship and assessed its initial effectiveness on inception date and the subsequent effectiveness is being tested on a quarterly basis using dollar offset method. CELPL uses the Swap pricing model based on present value calculations and option pricing model based on the principles of the Black-Scholes model to determine the fair value of the derivative instruments. These models incorporate various market observable inputs such as underlying spot exchange rate & forward rate, the contracted price of the respective contract, the term of the contract, the implied volatility of the underlying foreign exchange rates and the interest rates in respective currency. The changes in counterparty's or CELPL's credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and the value of other financial instruments recognised at fair value. The hedge contracts were effective as of March 31, 2023.

During the year ended March 31, 2023, CEAPL, preparing its books in USD (as its functional currency), hedged the foreign currency exposure risk related to its investments in CEIPL denominated in INR through call spread option for principal repayment and interest ("together referred to as derivative financial instruments"). These derivative financial instruments are not entered for trading or speculative purposes.

CEAPL documented each hedging relationship and assessed its initial effectiveness on inception date and the subsequent effectiveness is being tested on a quarterly basis using dollar offset method. CEAPL uses the Swap pricing model based on present value calculations and option pricing model based on the principles of the Black-Scholes model to determine the fair value of the derivative instruments. These models incorporate various market observable inputs such as underlying spot exchange rate & forward rate, the contracted price of the respective contract, the term of the contract, the implied volatility of the underlying foreign exchange rates and the interest rates in respective currency. The changes in counterparty's or CEAPL's credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and the value of other financial instruments recognised at fair value. The hedge contracts were effective as of March 31, 2023.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

Derivative financial instruments

The fair value of the CELPL and CEAPL derivative position recorded under derivative assets and derivative liabilities are as follows:

	As at March 31, 2023		As at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge*				
Non current				
Derivate contract asset:				
Call spread option	6,198	-	5,247	-
Cross currency swap	-	-	-	-
	6,198	-	5,247	-
Current				
Derivate contract asset:				
Call spread option	863	-	127	-
Cross currency swap	-	-	-	-
	863	-	127	-
Non current				
Deferred premium liability				
Call spread option	-	2,639	-	3,679
Cross currency swap	-	(132)	-	26
	-	2,507	-	3,705
Current				
Deferred premium liability				
Call spread option	-	1,432	-	1,341
Cross currency swap	-	46	-	187
	-	1,478	-	1,528

* Refer consolidated statement of profit and loss, reserves and surplus and hedge reserve under note 4 for the changes in fair value of derivative financial instrument.

Exposures in foreign currency

Particulars	Foreign currency	Exchange rate	Amount in INR (in millions)	Amount in USD (in millions)
Assets*				
As at March 31, 2023				
Redeemable, unlisted, unrated, 8.75% Non-Convertible Debentures issued by certain Subsidiaries of the Group	US Dollars	82.217	36,955	449
Interest accrued and not due on Non-Convertible Debentures	US Dollars	82.217	505	6
Redeemable, unlisted, unrated, Non-Convertible Debentures issued by certain Subsidiaries of the Group	US Dollars	82.217	20,736	252
Interest accrued and not due on Non-Convertible Debentures	US Dollars	82.217	1,400	17
External Commercial borrowing	US Dollars	82.217	4,042	49
Interest accrued on ECB	US Dollars	82.217	109	1
Total Assets (A)			63,747	774
Hedges by derivative contracts (B)			63,747	774
Unhedged Assets (A-B)			-	-

* CELPL has issued 4.5% USD senior notes on February 9, 2021 and CEAPL has issued senior secured floating notes on July-22 and August-22 and invested proceeds, net of issue expenses, in Non-Convertible Debentures (NCD) and External Commercial borrowings (ECB) in Indian rupees (INR) issued by certain subsidiaries which have been eliminated while preparing these consolidated financial statements. Both CELPL and CEAPL have entered into derivative contracts to mitigate the risk arising from cash flow volatility due to foreign exchange fluctuations on principal repayments of NCD and ECB and interest thereon, as applicable which is accounted as per Cash Flow hedge accounting model.

36 Exceptional items

- There are certain long term contracts for which the Group anticipates foreseeable losses and accordingly, the Group has created provision of INR 234 for such losses. Being one time & non recurring in nature, same has been disclosed as exceptional items.
- Advance of INR 100 which was paid to a contractor in earlier year towards acquisition of few entities which has certain rights of project development for identified locations in India, has been provided for during the year basis the overall progress these entities have achieved with respect to project development. This is being one time & non recurring in nature, same has been disclosed as exceptional items.
- During the year, one of the project of the group has witnessed very heavy rains and flood, as a result of which one of the tower of transmission line were collapsed. The Group has incurred cost of INR 93 towards repair/ restoration of collapsed tower & line along with other expenses. As these costs are one time and non-recurring in nature, same has been disclosed as an exceptional item.

37 The consolidated financial statements of CGEL for the year ended March 31 2022, were audited by the S R B C & CO LLP, Chartered Accountants, the predecessor auditor.



CONTINUUM GREEN ENERGY LIMITED

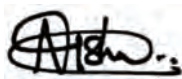
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Indian Rupees millions unless otherwise stated)

38 Previous year comparatives

Previous year figures have been regrouped / reclassified, where ever necessary, to conform to current year classification.

For and on behalf of the Board of Directors of
Continuum Green Energy Limited



Nishit Shah
General Manager: Finance & Accounts

Place : Singapore
Date : June 28, 2023



Pan Peiwen
Director

Place : Singapore
Date : June 28, 2023



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Continuum Green Energy Limited (the 'Company')

Opinion

We have audited the Consolidated Financial Statement of Continuum Green Energy Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended March 31, 2022 and Notes to the Consolidated Financial Statement including and a summary of significant accounting policies (collectively, the "Consolidated Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give a true and fair view of the state of affairs of the Group as at March 31, 2022, their consolidated loss and their consolidated cash flows for the year ended on that date, in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India ('ICAI') and other generally accepted accounting principles in India (Indian GAAP).

Basis for Opinion

We conducted our audit of the Consolidated Financial Statement in accordance with the Standards on Auditing (SAs), issued by The Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities' section of this report. We are independent of the Group in accordance with the 'Code of Ethics' issued by The Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statement.

Responsibilities of management and those charged with governance for the Consolidated Financial Statement

The management of the Holding Company is responsible for the preparation and fair presentation of the Consolidated Financial Statement that give a true and fair view of the financial position, financial performance, cashflows of the Group in accordance with Accounting Standards as issued by The Institute of Chartered Accountants of India ('ICAI') and other generally accepted accounting principles in India (Indian GAAP). This responsibility also includes safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statement, the respective board of directors of the Companies included in the group are responsible for assessing ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any entity forming part of the Group or to cease operations, or has no realistic alternative but to do so.

Those respective board of directors of the Companies included in the group are responsible for overseeing the Group's financial reporting process.



Those respective board of directors of the Companies included in the group are responsible for overseeing the Group's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statement of the Group 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 issued by the ICAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statement.

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

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

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.



S R B C & CO LLP

Chartered Accountants

Page 3 of 3

Continuum Green Energy Limited

Independent auditor's report on the Consolidated Financial Statements for the year ended March 31, 2022

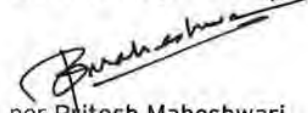
Other Matter

As stated in Note 2 of Consolidated financial statements, these consolidated financial statements are not the statutory financial statements of the group, applicable in Singapore jurisdiction and are prepared for the purpose of submission to the investors as per indenture dated July 13, 2022.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Pritesh Maheshwari
Partner

Membership Number: 118746

UDIN:22118746AOFTAR4571



Place of Signature: Mumbai

Date: August 4, 2022

CONTINUUM GREEN ENERGY LIMITED
CONSOLIDATED BALANCE SHEET
(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Equity and Liabilities			
Shareholders' funds			
Share capital	3	11,128	11,128
Reserves and surplus	4	(7,471)	(5,678)
		3,657	5,450
Minority interest		21	58
Non-current liabilities			
Long term borrowings	5	64,039	46,270
Deferred tax liability (net)	6	773	304
Other long term liabilities	7	5,811	6,150
Long term provisions	8	29	27
		70,652	52,751
Current liabilities			
Short term borrowings	9	5,563	4,896
Trade payables	10	412	634
Other current liabilities	10	4,200	3,448
Short term provisions	8	575	545
		10,750	9,523
TOTAL		85,080	67,782
Assets			
Non-current assets			
Property, plant and equipment	11	45,162	43,318
Goodwill	12	391	391
Capital work in progress	13	16,346	2,339
Long term loans and advances	14	1,325	1,529
Other non current assets	15	7,236	7,401
		70,460	54,978
Current assets			
Trade receivables	16	4,513	3,548
Cash and bank balances	17	8,518	8,198
Short term loans and advances	14	466	235
Other current assets	18	1,123	823
		14,620	12,804
TOTAL		85,080	67,782
Summary of significant accounting policies	2.1		

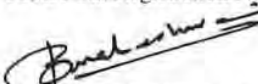
The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003


per Pritesh Maheshwari
Partner

Membership No. : 118746

Place : Mumbai

Date : August 04, 2022

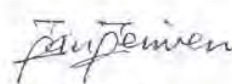


For and on behalf of the Board of Directors of
Continuum Green Energy Limited


Nishit Shah
General Manager;
Finance & Accounts

Place : Singapore

Date : August 04, 2022


Pan Peiwen
Director

Place : Singapore

Date : August 04, 2022



CONTINUUM GREEN ENERGY LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in Indian Rupees millions unless otherwise stated)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	19	9,743	7,909
Other income	20	466	348
Total income (A)		10,209	8,257
Expenses			
Operating and maintenance expenses	21	1,755	1,442
Employee benefits expense	22	371	355
Other expenses	23	582	584
Depreciation expense	11	2,067	1,897
Finance costs	24	5,926	6,764
Total expenses (B)		10,701	11,042
Loss before tax (A-B)		(492)	(2,785)
Tax expenses/(credit)			
Current tax		200	-
Deferred tax expenses /(credit)		469	(208)
Total tax expenses / (credit)		669	(208)
Loss after tax		(1,161)	(2,577)
Share of loss attributable to minority interest		(40)	(30)
Loss for the year		(1,121)	(2,547)
Earnings per equity share ('EPS')			
[Nominal value of share USD 1 each (March 31, 2021; USD 1)]	25		
Basic and diluted EPS (INR)		(10.85)	(24.66)
Summary of significant accounting policies	2.1		

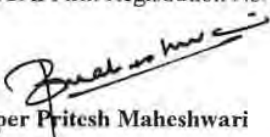
The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

For SRBC & COLL P

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003


per Pritesh Maheshwari
Partner

Membership No. : 118746

Place : Mumbai

Date : August 04, 2022



For and on behalf of the Board of Directors of
Continuum Green Energy Limited



Nishit Shah
General Manager: Finance &
Accounts

Place : Singapore

Date : August 04, 2022



Pan Peiwen
Director



Place : Singapore

Date : August 04, 2022

CONTINUUM GREEN ENERGY LIMITED
CONSOLIDATED CASH FLOW STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities		
Loss before tax	(492)	(2,785)
Adjustment to reconcile loss before tax to net cash flows:		
Depreciation expense	2,067	1,897
Provision no longer required written back	(4)	(31)
Finance cost	5,926	6,764
Provision for litigation and contingencies	49	49
Profit on sale of mutual funds	(0)	(6)
Provision for commitment charges	-	20
Foreign exchange loss (net)	4	-
Interest income	(378)	7,664
Operating profit before working capital changes	7,172	8,395
Movements in working capital:		
(Decrease) / increase in trade payables	(222)	427
Increase / (decrease) in other current liabilities	23	(35)
(Decrease) / increase in other long term liabilities	(5)	33
(Decrease) / increase in provisions	(14)	7
(Increase) in trade receivables	(965)	(2,120)
(Increase) / decrease in loans and advances	(405)	17
(Increase) in other current assets	(27)	(30)
Decrease / (increase) in other non current assets	41	(1,574)
Cash generated from operations	5,598	3,850
Direct taxes (paid) / refund (net)	(175)	68
Net cash flows from operating activities (A)	5,423	3,918
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital advances and capital work in progress	(15,763)	(4,925)
Foreign exchange loss on translation of investments	-	(557)
Proceeds on redemption of mutual funds	-	56
(Investment in) / proceeds from fixed deposits	(1,887)	1,743
Sale of non-current investments	4	8
Interest received	150	283
Net cash (used in) investing activities (B)	(17,496)	(3,392)
Cash flows from financing activities		
Proceeds from issuance of senior notes	-	40,890
Repayment of long term borrowings	(4,969)	(38,351)
Proceeds of long term borrowings	19,796	6,344
Proceeds of short term borrowings (net)	2,286	-
Repayment of short-term borrowings	-	(958)
Finance cost paid	(6,540)	(5,515)
Net cash flow from financing activities (C)	10,573	2,410
Foreign exchange translation reserve (D)	42	438
Adjustment on account of purchase of intercompany investment (E)	-	(61)
Net (decrease) / increase in cash and cash equivalents (A+B+C+D+E)	(1,458)	3,313
Cash and cash equivalents at the beginning of the year	6,739	3,426
Cash and cash equivalents at the end of the year	5,281	6,739
Reconciliation of cash and cash equivalents with the consolidated balance sheet:		
Components of cash and cash equivalents		
Cash in hand	-	-
Balance in current account	718	2,379
Balance in deposit account	4,563	4,360
Cash and cash equivalents at the end of the year (refer note 17 and note IV below)	5,281	6,739



CONTINUUM GREEN ENERGY LIMITED

CONSOLIDATED CASH FLOW STATEMENTS

(All amounts in Indian Rupees millions unless otherwise stated)

Summary of significant accounting policies (refer note 2.1)

Notes:

- I) The above cash flow statement has been prepared under the indirect method as set out in the accounting standard (AS-3) on cash flow statement.
- II) Figures in brackets are outflows
- III) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities
- IV) The cash and cash equivalent of INR 5,281 (March 31, 2021; INR 6,739) and other bank balance of INR 3,237 (March 31, 2021; INR 1,459) forms part of the cash and bank balance of INR 8,518 (March 31, 2021; INR 8,198) as disclosed in note 17

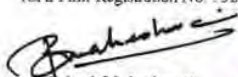
The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003



per Prateesh Maheshwari

Partner

Membership No. : 118746

Place : Mumbai

Date : August 04, 2022



For and on behalf of the Board of Directors of

Continuum Green Energy Limited

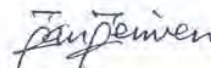


Nishit Shah

General Manager, Finance & Accounts

Place : Singapore

Date : August 04, 2022



Pan Peiwen

Director

Place : Singapore

Date : August 04, 2022



CONTINUUM GREEN ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

1 Group Information

The Continuum Group comprises Continuum Green Energy Ltd. (formerly known as Continuum Wind Energy Limited) ("CGEL" or "the Company"), its subsidiaries including Continuum Energy Levanter Pte. Ltd. ("CELPL"), Continuum Energy Aura Pte. Ltd. ("CEAPL"), Continuum Power Trading (TN) Private Limited ("Continuum TN"), Continuum Green Energy (India) Private Limited (formerly known as Continuum Wind Energy (India) Private Limited) ("CGEIPL"), and CGEIPL's other subsidiaries as listed in below table. These entities are collectively referred to as the "Group" or "Continuum Group". CGEL, CELPL and CEAPL are entities which are incorporated in Singapore. Continuum TN, CGEIPL and its subsidiaries are domiciled and incorporated in India. The registered office and principal place of business of CGEL is located at 10 Changi Business Park, Central 2, #01-02, Hansapoint @ CBP, Singapore 486 030.

CGEL was incorporated on April 13, 2012 in Singapore to hold the divested wind energy business of Continuum Energy Pte. Ltd. Later, Clean Energy Investing Ltd. invested into CGEL by subscribing to compulsory convertible participating preferred shares (CCPPS) issued by CGEL and it currently holds majority of total share capital. CGEL has invested in CELPL, CEAPL, Continuum TN, CGEIPL, and indirectly in CGEIPL's subsidiaries to set-up wind / solar farms. Continuum Group's subsidiaries in India are engaged in the business of generation and sale of electricity from renewable energy. The Group has entered into long-term power purchase agreements with various governments agencies and private institutions to sell electricity generated from its wind and solar farms. Currently the Group has total capacity of 1.3 GW, which includes operational capacity of 855.4 megawatts ("MW") and under construction capacity of 444.4 MW as at March 31, 2022 in the States of Madhya Pradesh, Gujarat, Tamil Nadu and Maharashtra in India.

The subsidiaries of the company consolidated in these consolidated financial statements are:

Name of the company	Country of incorporation	% voting power held by the Group as at March 31, 2022	% voting power held by the Group as at March 31, 2021
Continuum Energy Levanter Pte Ltd. ("CELPL")	Singapore	100	100
Continuum Energy Aura Pte Ltd. ("CEAPL") (incorporated w.e.f. February 25, 2022)	Singapore	100	100
Continuum Green Energy (India) Private Limited ("CGEIPL")	India	100	100
Bothe Windfarm Development Private Limited (Bothe)	India	100	100
DJ Energy Private Limited (DJEPL)	India	100	100
Uttar Urja Projects Private Limited (UUPPL)	India	100	100
Watsun Infrabuild Private Limited (Watsun)	India	71.24	72.15
Trinethra Wind and Hydro Power Private Limited (Trinethra)	India	100	100
Srijan Energy Systems Private Limited (Srijan)	India	100	100
Continuum Power Trading (TN) Private Limited (Continuum TN)*	India	100	100
Kutch Windfarm Development Private Limited (Kutch)*	India	100	100
Continuum MP Windfarm Development Private Limited (Continuum MP)	India	100	100
Bhuj Wind Energy Private Limited (Bhuj)	India	100	100
Shubh Wind Power Private Limited (Shubh)	India	100	100
Renewables Trinethra Private Limited (RTPL)	India	100	100
Morjar Windfarm Development Private Limited (Morjar)**	India	100	100
Continuum Trinethra Renewables Private Limited (CTRPL) (incorporated w.e.f. July 17, 2020)	India	100	100
Srijan Renewables Private Limited (SRPL) (incorporated w.e.f. July 31, 2020)	India	100	100
Daalvaipuram Renewables Private Limited (DRPL) (w.e.f. August 04, 2021)	India	100	—
DRPL Capative Hybrid Private Limited (DRPL Capative) (incorporated w.e.f. December 07, 2021)	India	100	—
Morjar Renewables Private Limited (MRPL) (incorporated w.e.f. December 02, 2021)	India	100	—
CGE Shree Digvijay Cement Green Energy Private Limited ("CGESDC") (Formerly known as Trinethra Renewable Energy Private Limited ("TREPL") (incorporated w.e.f. December 07, 2021)	India	100	—
DRPL Hybrid Energy Private Limited (DHEPL) (incorporated w.e.f. December 02, 2021)	India	100	—
CGE Hybrid Energy Private Limited (CHEPL) (incorporated w.e.f. December 07, 2021)	India	100	—
CGE Renewables Private Limited (CRPL) (incorporated w.e.f. September 17, 2021)	India	100	—

* During the year, Srijan Energy Systems Private Limited has sold its entire shareholding of INR 1.00 lakh in Kutch Windfarm Development Private Limited to Continuum Green Energy (India) Private Limited. During the previous year, Srijan Energy Systems Private Limited sold its entire shareholding in Continuum Power Trading (TN) Private Limited to Continuum Green Energy Limited, holding company ("CGEL").

** Srijan Energy Systems Private Limited is a holding company of Morjar Windfarm Development Private Limited (w.e.f. June 7, 2019).



CONTINUM GREEN ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Accounting Standards issued by The Institute of Chartered Accountants of India and other Generally Accepted Accounting Principles in India (Indian GAAP)

These consolidated financial statements have been prepared on the accrual and going concern basis of respective subsidiaries, using the historical cost convention except for derivative financial instruments which have been measured at fair value. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The local GAAP financial statements of CGEL, CEAPL and CELPL are converted to Indian GAAP. The financial statements of the parent and all its subsidiaries used for the purpose of consolidation are drawn upto the same reporting date i.e., year ended March 31, 2022 and comprises of consolidated balance sheets as at March 31, 2022, the consolidated statements of profit and loss, consolidated cash flow statements and a summary of significant accounting policies and other explanatory information for the year ended March 31, 2022

While preparing consolidated financial statements, the financial statements of the parent and its subsidiaries have been consolidated on a line by line basis by adding together like items of assets, liabilities, income and expenses. Intra group balances and transactions and resulting unrealised profit are eliminated in full. Unrealised losses resulting from intra group transactions are also eliminated unless cost cannot be recovered. The difference between the cost of investment in the subsidiaries, and the company's share of net assets at the time of acquisition of share in the subsidiaries is recognised in the consolidated financial statement as goodwill or capital reserve as the case may be. Goodwill is tested for impairment annually.

The consolidated financial statements are presented in INR and all values in the tables are rounded to the nearest millions, except when otherwise indicated.

These Consolidated Financial Statements are not the statutory financial statements of the group as required in Singapore jurisdiction, as, these consolidated financial statements are prepared in relation to Senior Secured Floating Rates Notes issued by one of the group company in Singapore, where the Company is 'Parent Guarantor'.

Minority Interest:

Minority Interest (MI) in the net assets of subsidiary is identified and presented in the consolidated balance sheet separately from liabilities and equity of the group's shareholders.

Minority interest in the net assets of subsidiary consists of

- (a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
- (b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.

Minority interest's share of net profit / loss for the year of consolidated subsidiaries is identified and presented separately. The losses applicable to the minority in excess of the minority interest in the equity of the subsidiary are adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to make good the losses. If the subsidiaries subsequently reports profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Electricity

Revenue from the sale of electricity is recognized on the basis of the number of units of power generated and supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the licensed distribution or transmission utilities and the company at the rates prevailing on the date of supply to grid as determined by the power purchase agreements entered into with such discoms/customers under group captive mechanism / Open access sale / third party power trader or as per the APPC rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of Bothe's unsigned Power Purchase Agreements (PPA's) and the surplus power as per the rate prescribed by relevant state regulatory commission to state distribution utilities ("State discoms"). Sale on Indian Energy Exchange (IEX) is recognised on the basis of units available for buyer and tariff offered under product segments as applicable.

Active and reactive charges are recorded as operating expenses and not adjusted against sale of electricity.

Unbilled revenue represents the revenue that the Group recognizes at eligible rates for the arrangement where the Group has all approvals in place except that PPA is pending to be signed between the Group and State discoms.

Accrued revenue represents the revenue that the Group recognizes where the PPA is signed but invoice is raised subsequently.



CONTINUUM GREEN ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest earned on temporary investment of borrowed funds, to the extent eligible for adjustment to capital cost has been adjusted in the cost of property, plant and equipment. Interest earned from customers on delayed payment are accounted on receipt basis. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

Insurance claims

Receipts from insurance claims are accounted after the same are approved by the insurance company.

c. Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Income from Sale of GBI

Generation Based Incentive ("GBI") income is earned and recognized on certain projects which sell electricity to licensed distribution utilities at tariffs determined by relevant State Electricity Regulatory Commissions ("SERCs"). GBI is paid at a fixed price of INR 0.50/kwh of electricity units sold subject to a cap of INR 10 million/MW of capacity installed for the electricity fed into the grid for a period not less than four years and a maximum of ten years.

Renewable Energy Certificate (REC) Income

Revenue from Renewable Energy Certificate ("REC") is recognized based on the units accrued following the generation of electricity, as stipulated by Honourable Central Electricity Regulation Commission, India ("CERC"), for eligible projects and they are sold on the electricity exchanges as stipulated by the CERC. REC revenues are initially recognized at floor price and any movement in price at the time of sale of REC on the electricity exchanges, are recorded as gain or loss in the consolidated statement of Profit and loss, in the period in which such RECs are traded on electricity exchanges.

Sale of Verified Carbon Units (VCUs)

Revenue from VCUs is recognised upon issuance and sale of VCUs. Any unsold VCUs which are granted to the company are accrued at a nominal value.

d. Foreign currency transactions and translations

Initial recognition

The functional currency of CGEL, CEAPL and CELPL is United States Dollar (US\$) and functional currency of Indian subsidiaries is Indian Rupee ("INR"). Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on translation/ settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Translation of integral and non-integral foreign operation

The Group classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the consolidated statement of profit and loss.

Further any exchange difference arising on an intra-group monetary item, whether short-term or long-term, is not eliminated against a corresponding amount arising on other intra-group balances because the monetary item represents a commitment to convert one currency into another and exposes the reporting enterprise to a gain or loss, such an exchange difference continues to be recognised as income or an expense in the consolidated statement of profit and loss.



CONTINUUM GREEN ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

e. Property, plant and equipment

Property, plant and equipment (PPE), capital work in progress are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the property, plant and equipment. Any subsequent expenses related to property, plant and equipment is added to its book value only if below recognition criteria is met:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

The Group identifies and determines cost of each component/part of the asset separately, if it has a cost that is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining life.

Capital Work-In-Progress:

Costs and direct expenses incurred for construction of assets or assets to be acquired and for assets not ready for use are disclosed under "Capital Work- in-Progress".

f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

g. Depreciation on property, plant and equipment

The Group provides depreciation on Straight line basis (SLM) and Written down value (WDV) basis on all assets on the basis of useful life estimated by the management. The Group has used the following useful life to provide depreciation on its property, plant and equipment:

Category of property, plant and equipment	SLM/WDV	Useful life
Leasehold land	SLM	Over the lease term
Building	SLM	30 Years
Plant and equipment*	WDV	3 - 15 years
	SLM	25 - 40 years
Furniture and fixtures	WDV	10 Years
Vehicles	WDV	10 Years
Office equipment	WDV	15 Years
Computer	WDV	3 Years
Electrical fittings*	SLM	8 and 25 Years

* Based on the technical estimate, the useful life of the Plant and equipment and electrical fittings are different than the useful life as indicated in Schedule II to the Companies Act 2013.

Temporary structures are depreciated fully in the year in which they are capitalised.

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

h. Borrowing costs

Borrowing cost includes interest and amortisation of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed over the period of respective borrowings.



CONTINUUM GREEN ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

i. Impairment

The Group assesses 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. Where the carrying amount of an asset 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss.

j. Leases

Where the Group is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

k. Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged to the consolidated statement of profit and loss.



CONTINUUM GREEN ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1947 as enacted in Singapore and Income Tax Act 1961 as enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where a subsidiary of the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

CGEIPL is eligible for deduction of 100% of taxable income under section 80-IA of Income Tax Act, 1961 subject to Minimum Alternate Tax (MAT) and it can avail the said benefit for 10 continuous years out of total 15 years from the year in which unit starts its commercial operations. No deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

m. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n. Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme in India. The contributions are charged to the consolidated statement of profit and loss for the year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

The Group operates only one defined benefit plan for its employees i.e. gratuity. The costs of providing this benefit are determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the consolidated statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the consolidated balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.



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o. Provisions

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement.

p. Employee share-based payment

The Group issued Phantom Stock Units Option Scheme (PSU) scheme to certain employees of the Group, whereby employees render services and they are granted unit appreciation rights, which are settled in cash (cash-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments as issued by Institute of Chartered Accountant of India (ICAI), a liability is recognised for the fair value of cash-settled transactions or the minimum cost escalation on year on year basis, whichever is higher in the books of Company as well as in the books of Group. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense in the Group's consolidated statement of profit and loss. The fair value is expensed out over the period until the vesting date with recognition of a corresponding liability.

q. Derivative and hedge accounting

In the normal course of business, the Group uses derivative instruments for management of exposure due to fluctuations in foreign currency exchange rates that is attributable to a 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. The company designates these derivative instruments in a hedging relationship by applying the hedge accounting principles as set out in the Guidance note on Accounting for Derivative Contracts issued by The Institute of Chartered Accountants of India (ICAI) issued in 2015.

The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Contracts designated as Cash Flow Hedge

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

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. The Group evaluates hedge effectiveness of cash flow hedges at the time a contract is entered into as well as on an ongoing basis. The effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the "Hedge reserve" while any ineffective portion is recognized immediately in the consolidated statement of profit and loss.

Amounts recognized in the Cash flow hedge reserve are transferred to the consolidated statement of profit and loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognized in the hedging reserve is transferred to the consolidated statement of profit and loss. If an entity terminates a hedging instrument prior to its maturity / contractual term, hedge accounting is discontinued prospectively. Any amount previously recognised in the hedge reserve is reclassified into the statement of profit and loss only in the period when the hedged item impacts the earnings. The cost of effective portion of cash flow hedges is expensed over the period of the hedge contract. Derivative assets and liabilities that are hedges of forecasted transactions are classified in the balance sheet as current or non-current based on the settlement date / maturity dates of the derivative contracts.

r. Cash and cash equivalents

Cash and cash equivalents for the purposes of consolidated cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Other bank balances

It includes deposits having maturity of more than three months but less than twelve months which can be readily convertible to cash with insignificant risk of changes in value.



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s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

t. Current and Non-Current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle; or
- Expected to be realised within twelve months after the reporting period; or
- 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.

A liability is current when:

- It is expected to be settled in normal operating cycle; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

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

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.



CONTINUUM GREEN ENERGY LIMITED

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3 Share capital

	March 31, 2022	March 31, 2021
Ordinary equity shares	442	442
Series A-1 Compulsorily convertible participating preferred shares	10,686	10,686
Total issued, subscribed and paid-up share capital	11,128	11,128

Notes:

The company has ordinary equity shares issued to Continuum Energy Pte. Limited ("shareholder"). The shareholder is eligible for one vote per share held. The Ordinary equity shares have no par value. In the event of liquidation, the ordinary shareholder is eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings. No dividends were declared for the year ended 31 March 2022 (31 March 2021: Nil).

The company has issued certain Series A-1 Compulsorily Convertible Participating Preferred Shares ("CCPPS") to Clean Energy Investing Limited at an issue price of US\$ 1.00 per share. These CCPPS have been classified as equity in the consolidated financial statements which carries following terms and conditions -

1. These CCPPS will be converted into ordinary equity shares at an agreed price which is subject to certain conversion price adjustments;
2. To be mandatorily converted after 20 years from the date on which any Series A Preferred share is first issued or any time at the option of the holder;
3. Carry identical rights with regard to all key aspects as to Ordinary equity shares, including repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividend, voting and priority of payment of capital and dividend.

4 Reserves and surplus :

	March 31, 2022	March 31, 2021
Hedge reserve		
Balance as per last financial statement	(595)	-
Losses arising during the year on derivative contracts	-	(204)
Reclassification adjustments on recycling included in consolidated statement of profit and loss	(591)	(391)
Hedge reserve	(1,186)	(595)
Foreign currency translation reserve*		
Balance as per last financial statements	(303)	(428)
Addition during the year	(83)	125
Closing balance	(386)	(303)
Deficit in the consolidated statement of profit and loss		
Balance as per last financial statements	(4,780)	(2,173)
Adjustment on account of transfer of intercompany investment**	-	(61)
Adjustment on account of minority interest	2	1
Loss for the year	(1,121)	(2,547)
Net deficit in the consolidated statement of profit and loss	(5,899)	(4,780)
Total reserves and surplus	(7,471)	(5,678)

* Foreign currency translation reserves represent accumulated translation reserves relating to CELPL, CEAPL and CGEL, whose functional reporting currency is US dollars and for the consolidated financial statement have been converted into INR.

** During the previous year company has sold investment of one subsidiary to another subsidiary. Difference between cost of investment and sale price arising due to foreign exchange fluctuation is adjusted to reserve being transaction with the group and eliminated in consolidated financial statements.



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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5 Long-term borrowings

Particulars	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Indian rupee term loans (secured)				
From banks (refer below note v)	5,931	-	-	-
From financial institution (refer below note i and iv)	9,735	3,975	105	79
From related parties (refer below note vi)	1,668	1,626	-	-
	-	-	-	-
Non convertible debentures (NCD) (secured)				
Non convertible debentures 8,000 (March 31, 2021; 425 no. of debenture of INR 10,000,000/- each) of INR 1,000,000 each fully paid up issued to external parties (refer below note ii)	7,155	-	780	4,250
Senior Notes (refer below note iv)	39,550	40,669	2,392	567
	64,039	46,270	3,277	4,896
Current maturities disclosed under the head "Short term borrowing" (Note 9)	-	-	(3,277)	(4,896)
Total	64,039	46,270	-	-

The borrowings have been obtained by CGEL and respective subsidiaries of the Group. The key terms of the loan and the security thereon are summarized below:

- i) CGEIP - Project term loan of INR 559 (As at March 31, 2021 INR 638) from a financial institution.
 - a) **Terms and Security:**
 - * The loan is secured by first ranking exclusive mortgage and charge over all the assets of CGEIP pertaining to the 34.5 MW Wind Power Project in the state of Gujarat ("Project")
 - * The entire immovable properties (including leasehold rights in case of leased land) of CGEIP together with all appurtenances thereon, both present and future, pertaining to the Project in the state of Gujarat.
 - * All the tangible movable assets of CGEIP wherever situated, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and other movable assets, both present and future, pertaining to the Project.
 - * All the current assets of CGEIP including but not limited to receivables, both present and future; all pertaining to the Project.
 - * All accounts of CGEIP, pertaining to the Project, including without limitation, the Transaction Accounts or any account in substitution thereof, including all the monies and receivables in such bank accounts, all pertaining to the Project.
 - * All intangible assets of CGEIP pertaining to the Project including but not limited to goodwill, rights, undertakings and uncalled capital, both present and future, all pertaining to the Project.
 - * All right, title and interest of CGEIP (including the right to receive any liquidated damages) under the PPAs, the other Project Documents, the Authorisations (to the extent assignable), the Insurance Contracts, letters of credit, guarantee including contractor guarantees, liquidated damages, performance bond, corporate guarantee (CG) and bank guarantee provided by any Person for any contract in favour of the Borrower, all in relation to the Project, to the extent permitted under Applicable Laws.
 - * Unconditional and irrevocable corporate guarantee from Continuum Green Energy Limited, Singapore ("CGEL") for the obligation under the term loan to maximum amount of INR 500 (March 31, 2021; INR 500) or below.
 - b) **Terms of repayment**
 - * The term loan from Financial Institution is repayable in 28 remaining unequal quarterly instalments ranging between 1.10% to 4.24% of the original loan amounts.
 - c) **Terms of Interest**
 - * The term loan from Financial Institution carries interest rate of 9.85% p.a. from December 29, 2017 and interest rate will be reset after five years.
- ii) CGEIP - NCDs of INR 7,935 (As at March 31, 2021 INR 4,250)
 - a) **Terms of 8,000 Non Convertible Debentures (NCDs)**
 - 1 Debentures (INR 8,000; Senior Tranche - INR 6,500 and Junior Tranche - INR 1,500) shall be Indian Rupee denominated, unlisted, unrated, secured and redeemable non-convertible debentures (NCDs).
 - 2 NCDs were allotted on April 30, 2021 and shall be redeemable on June 30, 2026 i.e. tenor of facility is 5 years.
 - 3 Interest rate for the Senior Tranche is 12.10% p.a. payable quarterly and interest rate on Junior Tranche is Nil. Redemption of Senior Tranche is in staggered manner and Junior Tranche shall be due on maturity.
 - 4 The NCDs shall be secured by -
 - (a) first ranking exclusive Security Interest over 100% (i.e.: 8,03,50,000 equity shares) shareholding and 90.27% (i.e.: 99,62,05,550 CFCDs) CFCDs of the issuer on a fully diluted basis; and
 - (b) Charge over Designated Account and corporate guarantee from Continuum Green Energy Limited, Singapore ("CGEL").
 - b) **Terms and Security of 4,250 Non Convertible Debentures (NCDs):**
 - 1 Debentures shall be rupee denominated, redeemable, senior, secured, unrated and unlisted non-convertible debentures.
 - 2 Debentures were allotted on December 26, 2017; March 28, 2018 and June 18, 2018 were redeemable on 30 June 2021. However same were redeemed on June 30, 2021.
 - 3 Coupon for the Debentures is 0% for first twelve months from the initial allotment date and gradually to rise to 8% for subsequent years, with interest payable on quarterly basis. The agreement requires redemption premium is payable at the end of the tenure of NCDs to provide a fixed IRR net of interest paid during the tenor of NCDs. Accordingly, the company has made the provision of redemption premium towards the differential amount between fixed IRR and interest accrued periodically, in the financial statements.
 - 4 The Facility shall be secured by first ranking fixed security over 100% (i.e.: 80,349,999 shares) (March 31, 2021; 100% (i.e.: 80,349,999 shares)) shareholding and 89.30% (i.e.: 975,538,750 CFCDs) (March 31, 2021; 89.30% (i.e.: 975,538,750 CFCDs)) CFCDs of the issuer on a fully diluted basis.
 - 5 Charge over Designated Account and corporate guarantee from Continuum Green Energy Limited, Singapore ("CGEL") for the obligation under the NCDs.



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- iii) CGEIPPL has sanctioned limit of non fund based facility of INR 1,650 (March 31, 2021: INR 1,650). Out of this facility as on March 31, 2022 CGEIPPL has availed INR 799 (March 31, 2021: INR 1,316) towards bank guarantees. Continuum Green Energy Limited, Singapore has pledged 1,092,455,550 CFCDs (March 31, 2021: 106,250,000) held by it in CGEIPPL for non fund based facility with bank. Further Continuum Green Energy Limited, Singapore ("CGEL") has also provided with corporate guarantee for the obligation under facility document to the maximum amount outstanding at given point in time.
- iv) Continuum Energy Levanter Pte Ltd - Senior Secured Notes of USD 561, [outstanding balance of INR 41,942 (March 31, 2021; INR 41,236)] from foreign investors.
- a) **Terms of Notes:**
- Unsubordinated obligations of CELPL.
 - Senior in right of payment to any obligations of CELPL expressly subordinated in right of payment to the Notes.
 - At least pari passu in right of payment with all unsubordinated indebtedness of CELPL (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law)
 - Effectively junior to any secured indebtedness of CELPL, to the extent of the value of assets securing such indebtedness (other than the Collateral, to the extent applicable); and
 - Secured by first-priority liens on the Collateral
- b) **Security of Notes:**
- Each of a first-priority fixed share charge (the "Share Charge") by CGEL over the Capital Stock of the CELPL and a first-priority security interest in the Offshore Cash Account (together with the Share Charge, the "Pari Passu Collateral") pursuant the charge over Offshore Cash Account (together with the Share Charge, the "Pari Passu Collateral Documents"), and
 - Prior to the release therefrom, a first-priority security interest in the Escrow Account (the "Notes Collateral") pursuant to the charge over Escrow Account (the "Notes Collateral Document")
- c) **Interest and Repayment**
- Notes have coupon rate of 4.5% p.a. payable semi annually in arrears on each February 9 and August 9, commencing on August 9, 2021. Further, Notes are issued for a period of six years from issuance date i.e. February 9, 2021
 - Notes are redeemable in 12 semi - annual unequal instalments over the period of six years ranging from 0.63% to 4.88% as per the Mandatory Amortization Redemption and Mandatory Cash Sweep (MCS) Amortization Redemption schedule as included in the financing document of Senior Notes
- v) **Salient terms of interest & repayment schedules of loans from financial institutions/ Banks ("lenders") outstanding as at March 31, 2022**
- A) **Morjar**
- a) **Project term loan of INR 3,277 (March 31, 2021: Nil) from a bank.**
- Morjar has obtained the term loan facility of INR 7,411 for its 148.50 MW capacity project from Indian Renewable Energy Development Agency Limited (IREDA) and India Infrastructure Finance Company Ltd (IIFCL). The loan facility includes non-fund based facility of INR 6,150 against which IREDA & IIFCL has provided undertaking in favour of HDFC Bank & IndusInd Bank basis, for which HDFC Bank & IndusInd Bank has issued Letter of Credit facility (LC facility) for equivalent amount in favour of the supplier. LC facility has been issued for the period of three years from date of discounting of LC. Upon completion of LC period, LC will get converted into term loan facility of IREDA / IIFCL.
- During the year, suppliers have presented and encashed Bills of Exchange (BOEs) with banks and corresponding liability is accounted for as borrowings by the company against the supplier balances. Such borrowings on account of discounting of those BOEs under the existing LCs will eventually get converted into term loan, the same has been classified basis repayment terms of the term loan availed from IREDA / IIFCL.
- As at the March 31, 2022, such BOEs discounted with banks amounts to INR 3,277 at prevailing MCLR rate of the said banks
- b) **Project term loan of INR 1,176 (As at 31 March 2021 INR: Nil) from a financial institution.**
1. Pari-passu first charge on company's immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future. Mortgage of pooling substantiation of Land;
 2. Pari-passu first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Company's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
 3. Pari-passu first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Company's intangible, goodwill, uncalled capital, both present and future;
 4. Pari-passu first charge on the Company's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Company, both present and future;
 5. A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 2 Quarter(s) of principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of the Company wherever maintained, both present & future; and
 6. The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 51% (fifty one percent) Equity Shares, 51% (fifty one percent) and 51% (fifty one percent) OCD, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Company;
 7. The loan from financial institutions carries interest rate of 9.70% p.a. depending on date of drawdown and the principle outstanding is repayable in 72 quarterly installments, commencing 31 June 2023
 8. Continuum Green Energy Limited (CGEL) Singapore has provided a corporate guarantee in favour of the Lender to guarantee the Secured Obligations. CGEL agree that non-compliance of its obligations under the corporate guarantee shall be treated as an Event of Default. The said corporate guarantee shall be released on the Interim Collateral Release Date



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B) CTRPL

a) Project term loan of INR 2,654 (March 31, 2021: NIL) from a bank.

CTRPL has obtained the term loan facility of INR 8,783 for its 240 MW capacity project from Power Finance Corporation Ltd (PFC). The loan facility includes non-fund based facility of INR 3,587 against which PFC has provided undertaking in favour of HDFC Bank basis, for which HDFC Bank bank limited has issued Letter of Credit facility (LC facility) for equivalent amount in favour of the project suppliers. LC facility has been issued for the period of one year from date of discounting of LC. Upon completion of LC period, LC will get converted into term loan facility of PFC.

During the year, suppliers have presented and encashed Bills of Exchange (BOEs) with bank and corresponding liability is accounted for as borrowings by the company against the supplier balances. Such borrowings on account of discounting of those BOEs under the existing LCs will eventually get converted into term loan, the same has been classified basis repayment terms of the term loan availed from PFC.

As at the March 31, 2022, such BOEs discounted with banks amounts to INR 2,654 lakhs at prevailing MCLR rate of the said banks.

b) Project term loan of INR 2,475 (As at 31 March 2021 INR: NIL) from a financial institution.

- 1 A first charge by way of mortgage in a form and manner acceptable to the lender, over all the borrower's immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future;
- 2 A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
- 3 A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future;
- 4 A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 1 Quarter(s) of principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of the borrower wherever maintained, both present & future;
- 5 The pledge of equity shares, quasi equity, both present and future, held by the pledgor, to the extent of the specified percentage i.e. 51% (fifty one percent) equity shares, 51% (fifty one percent) and CCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the borrower;
- 6 The loan from PFC carries interest rate which is applicable as on date of drawdown, currently it carries interest rate range between 9.00% to 9.25% and the principle outstanding is repayable in 180 monthly instalments, commencing from the first standard due date falling 12 months after scheduled SCOD whichever is earlier;
- 7 Continuum Green Energy Limited (CGEL) Singapore has provided a corporate guarantee in favour of the lender to guarantee the secured obligations. CGEL agree that non-compliance of its obligations under the corporate guarantee shall be treated as an event of default. The said corporate guarantee shall be released on the interim collateral release date.

C) Kutch

a) Project term loan of INR 1,100 (March 31, 2021 INR: NIL) from a financial institution.

Kutch ("Borrower") has tied up term loan facility of INR 1,153 for its 28 MW capacity from PFC.

PFC project term loan is secured by:

- 1 Pari passu first charge by way of mortgage in a form and manner acceptable to the lender, over all the Borrower's immovable properties, and a pari passu first charge on the borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising, the trust & retention account (TRA) including Debt Service Reserve Account of peak 3 (three) months of principal & interest payment (DSRA exclusive to PFC), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present and future;
- 2 Pari passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
- 3 Pari passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future;
- 4 Assignment in favour of the PFC on all the rights, titles, interests, benefits, claims and demands whatsoever of the borrower in the project documents/contracts (including but not limited to Power Purchase Agreements (PPA)/ Memorandum of Understanding (MOU), package/ Construction contracts, O&M related agreements, service contracts, etc.), in the clearances relating to the project, in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents; all insurance contracts and insurance proceeds and assignment of guarantees from EPC contractor (if any) relating to the project duly acknowledged and consented to by the relevant counter-parties to such project documents;
- 5 Corporate guarantee (CG) of Continuum Green Energy Ltd., Singapore (CGEL). The CG shall be valid (i) till Power Curve Guarantee Test (PCGT) for the entire project i.e. 28 MW is completed, to the satisfaction of lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC contract; (ii) till not less than 2 years of successful operation in adherence to EBITDA and/or generation as per base case, to the satisfaction of lenders; (iii) till the time all the securities are created and perfected in the favour of PFC;
- 6 The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 51% (fifty one percent) Equity Shares, 51% (fifty one percent) CCDs and 51% (fifty one percent) NCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Borrower;

Terms of interest:

The loan from PFC carries interest rate of 9 % p.a. payable monthly upto the standard due date.

Terms of repayment:

- 1 The loan from PFC is repayable in 180 (One Eighty) structured monthly instalments ranging between 0.42% to 1% of loan
- 2 First repayment date will fall due on 12 months after Date of Commencement of Commercial Operation (DCCO) of the project or COD whichever is earlier.



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions unless otherwise stated)

D) Continuum TN - Project term loan of INR 4,530 (As at 31 March 2021 : INR 3,416) from a financial institution.

- 1 A first charge by way of mortgage in a form and manner acceptable to the Lender, over all the Borrower's immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future;
- 2 A first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
- 3 A first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Borrower's intangible, goodwill, uncalled capital, both present and future;
- 4 A first charge on the Borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower, both present and future;
- 5 A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 2 Quarter(s) of principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present & future; and
- 6 Assignment in favour of the PFC (i) All the rights, titles, interests, benefits, claims and demands whatsoever of the Borrower in the Project Documents/ contracts (including but not limited to Power Purchase Agreements (PPA)/ Memorandum of Understanding (MOU), package/ Construction contracts, O&M related agreements, Service Contracts, etc.), duly acknowledged and consented to by the relevant counter-parties to such Project Documents; (ii) All the rights, titles, interests, benefits, claims and demands whatsoever of the Borrower in the Clearances relating to the Project; (iii) All the rights, titles, interests, licenses, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents; (iv) All Insurance Contracts and Insurance Proceeds; and (v) Assignment of guarantees from EPC Contractor/ module supplier (if any) relating to the Project;
- 7 The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 77% (Seventy Seven percent) Equity Shares, 77% (Seventy Seven percent) CCDs and 77% (Seventy Seven percent) NCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Borrower;
- 8 The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 77% (Seventy Seven percent) Equity Shares, 77% (Seventy Seven percent) CCDs and 77% (Seventy Seven percent) NCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Borrower;
- 9 Continuum Green Energy (India) Private Limited (CGE IPL) has provided a corporate guarantee in favour of the Lender to guarantee the Secured Obligations. CGE IPL agree that non-compliance of its obligations under the corporate guarantee shall be treated as an Event of Default. The said corporate guarantee shall be released on the Interim Collateral Release Date.

vi) From related party

A Clean Energy Investing Limited

- Loan from Clean Energy Investing Limited is interest bearing loan at the rate of 13.5% p a or a specific predefined return whichever is greater and repayable on March 21, 2023. The due date for repayment is extended up to March 21, 2027.

B Continuum Energy Pte Limited.

- Loan from Continuum Energy Pte Ltd is interest bearing loan at the rate of 14% p a and repayable in October, 2022. The due date for repayment is extended up to September 30, 2025, by a resolution passed by both the companies.



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

6 Deferred tax liability (net)

	March 31, 2022	March 31, 2021
Deferred tax liability		
Property, plant and equipment: Impact of difference between book depreciation and tax depreciation (refer note i and ii below)	3,725	3,087
Gross deferred tax liability	3,725	3,087
Deferred tax asset		
On carry forward tax losses	51	-
On unabsorbed depreciation	2,901	2,783
Gross deferred tax asset	2,952	2,783
Net deferred tax liability	773	304

Note:

- i) One of the subsidiary of the Group, CGEPL is eligible for deduction of 100% of taxable income under section 80-IA of the Income Tax Act, 1961 subject to Minimum Alternate Tax (MAT) and avail the said benefit for 10 continuous years out of total 15 years from the year in which they start its commercial operations.
- ii) Certain subsidiaries of the Group have created deferred tax asset on unabsorbed depreciation and carry forward tax losses to the extent of deferred tax liability.

7 Other long-term liabilities

	March 31, 2022	March 31, 2021
Security deposits from customers*	75	85
Capital creditors	148	68
Liability towards premium on redemption of NCDs issued to external parties (refer note 5)	343	-
Interest accrued and not due on borrowings (refer note 5 and 31)	1,301	919
Deferred forward Premium (refer note 36)	3,705	4,844
Employee share-based payments	239	234
Total	5,811	6,150

*Security deposits received from customers is interest free and payable at the end of power purchase agreement

8 Provisions

	Non Current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for employee benefits				
Provision for gratuity (refer note 28)	29	27	6	6
Provision for leave benefits	-	-	19	18
	29	27	25	24
Other provisions				
Provision towards foreseeable losses (refer below note i)	-	-	283	299
Provision towards commitment charges (refer below note ii)	-	-	-	9
Provision for litigation and contingencies (refer below note iii)	-	-	267	213
Total	29	27	575	545

Note

- i) Movement of provision towards foreseeable losses*

	March 31, 2022	March 31, 2021
At the beginning of the year	299	299
Paid during the year	(12)	-
Provision no longer required written back	(4)	-
At the end of the year	283	299

- * There are certain long term contracts for which one of the subsidiary anticipates foreseeable losses and accordingly, the subsidiary had created provision for such losses

- ii) Movement of provision towards commitment charges

	March 31, 2022	March 31, 2021
At the beginning of the year	9	73
Arising during the year	-	-
Utilised during the year	(9)	(33)
Provision no longer required written back	-	(31)
At the end of the year	-	9

- iii) Provision for litigation and contingencies

	March 31, 2022	March 31, 2021
At the beginning of the year	213	127
Arising during the year**	61	86
Utilised during the year	(7)	-
At the end of the year	267	213

- ** Provision for litigation and contingencies made during the year for Bothe amounting to INR 49 (March 31, 2021; INR 49). The above provision also includes provision made towards Deviation Settlement Mechanism (DSM) charges for DJEPL INR 7 (March 31, 2021; INR 21) and UUPPL INR 5 (March 31, 2021; INR 16) which is currently sub-judice. Provision for litigation and contingencies as at March 31, 2022 is INR 267 (March 31, 2021; INR 213).



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

9 Short-term borrowings

	March 31, 2022	March 31, 2021
Working capital (secured)		
From banks (refer notes below)	2,286	-
Current maturities of long-term borrowings	3,277	4,896
Total	5,563	4,896

Notes:

i) **Salient terms and security of working capital facility as at March 31, 2022.**

Certain subsidiaries of the Group (Bothe, DJEPL, UUPPL, Watsun, Trinethra, RTPL) has availed working capital facility from IndusInd Bank Limited amounting to INR 2,560, out of which INR 2,282 (March 31, 2021 : Nil) was drawn as working capital. Group has also utilised non fund based facility of INR 237 (March 31, 2021 : Nil) against various bank guarantee issued in favour of Discoms.

- 1 First ranking charge by way of hypothecation over present and future current assets of the certain companies of the group as more particularly set out in, and in accordance with the terms of, the Deed of Hypothecation but excluding the Issue Proceeds Escrow Account, Debt Service Reserve Account, Senior Debt Restricted Amortization Account, Restricted Surplus Account.
- 2 A first ranking charge in accordance with the terms of the Deed of Hypothecation, over certain Trust and Retention Accounts as defined under the facility agreement.
- 3 Second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of the Group entities in connection with the Project (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), in each case, as more particularly identified in, and in accordance with the terms of, the Mortgage Documents.
- 4 Second charge on the pledged shares of Group entities held by CGEIP in accordance with the terms of the Share Pledge Agreement, in case of Watsun, it is 51% of the share capital of Watsun.
- 5 Non disposal undertaking (NDU) is issued in respect of NDU shares as defined in the facility agreement signed with working capital lender.
- 6 Second ranking charge over the Power Purchase Agreements entered into by the company, Insurance Contracts and other project documents entered into by the borrower in relation to the Project, in accordance with the terms of the Deed of Hypothecation.
- 7 Second ranking charge over the Senior Debt Enforcement Proceeds Account, in accordance with the terms of the Deed of Hypothecation.
- 8 Guarantee is issued by certain subsidiaries in favour of security trustee for the benefit of working capital lender.
- 9 The above facility carries an interest rate of one year MCLR plus 0.30% p.a.

ii) **Salient terms and security of working capital facility of Continuum TN as at March 31, 2022.**

Continuum TN has availed working capital facility from ICICI Bank Limited amounting to INR 78, out of which INR 4 (March 31, 2021: Nil) was drawn as working capital.

- 1 First Pari passu charge by way of mortgage in a form and manner acceptable over all the borrower's immovable properties (in case of leased land, mortgage of leasehold right).
- 2 First Pari passu charge on the Borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower.
- 3 First Pari passu charge on the Trust and Retention Account (excluding Debt Service Reserve Account of 2 Quarter(s) of principal & interest payment (DSRA) in favour of PFC), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present and future pertaining to the Project.
- 4 First Pari passu charge by way of hypothecation, in a form and manner acceptable over all the borrower's movable properties and assets, including plant and machinery, machinery spares, equipment, tools and accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future, intangible, goodwill, uncalled capital, present and future relating to Project of the Borrower.
- 5 Borrower to maintain 1 quarter interest liability under DSRA (Lien marked FD) with ICICI Bank for the entire sanctioned WC limits.
- 6 Corporate Guarantee from Continuum Green Energy Ltd., Singapore for entire quantum and tenor of the working capital facility.
- 7 Interest rate for ICICI Bank Ltd is 1-MCLR + 2.55 % p.a.
- 8 Loan is repayable on demand.

iii) **Salient terms and security of working capital facility of Kutch as at March 31, 2022.**

During the year, Kutch has availed working capital facility from ICICI Bank Limited amounting to INR 83 which was undrawn as at March 31, 2022.

- 1 Pari passu first charge by way of mortgage in a form and manner acceptable over all the borrower's immovable properties (in case of leased land, mortgage of leasehold right) and pari passu first charge on the borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the borrower and pari passu first charge on the trust and retention account (excluding debt service reserve account of principal & interest payment (DSRA) in favour of PFC), any letter of credit and other reserves and any other bank accounts of the borrower wherever maintained, both present and future pertaining to the project.
- 2 Pari passu first charge by way of hypothecation, in a form and manner acceptable over all the borrower's movable properties and assets, including plant and machinery, machinery spares, equipment, tools and accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future, intangible, goodwill, uncalled capital, present and future relating to project of the borrower.
- 3 Borrower to maintain 1 quarter interest liability under DSRA or in the form of FD lien marked with ICICI Bank.
- 4 CGEL, Singapore has given Corporate Guarantee for entire quantum and tenor of working capital facility.

iv) **Working capital facility of CTRPL as at March 31, 2022.**

During the year, CTRPL has availed fund based working capital facility from HDFC Bank Limited amounting to INR 150 which was undrawn as at March 31, 2022.

During the year, CTRPL has availed non-fund based SBLC facility from HDFC Bank Limited amounting to INR 160 out of which INR 80 which was utilised as at March 31, 2022.

Salient terms of working capital facility:

- 1 First Pari passu charge by way of mortgage over all the borrower's immovable properties, both present and future along with term lender.
- 2 First Pari passu charge by way of hypothecation over all the borrower's movable properties and assets, including plant and machinery, machinery Spares, equipment, tools and accessories, furnitures, fixtures, vehicles, and all other movable assets, both present and future along with term lender.
- 3 First Pari passu charge on the borrower's uncalled capital, operating cash flows, book debts, receivables commission, revenues of whatsoever nature and wherever arising of the borrower, both present and future along with term lender.
- 4 First Pari passu charge on the Trust and Retention Account (TRA), any letter of credit and other reserves and any other bank accounts of the borrower, both present and future along with term lender except for DSRA.
- 5 Corporate Guarantee (CG) of Continuum Green Energy Limited, Singapore (CGEL). CG would be valid:
 - (i) till Power Curve Guarantee Test (PCGT)/ Power Guarantee Test (PGT) for the entire Project i.e. 199.9 MW Wind and 100 MWAC / 140 MWDC solar capacity) is completed, to the satisfaction of Lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC Contract,
 - (ii) till not less than 2 (two) year of successful operation in adherence to EBITDA and/or generation as per Banking Base Case, to the satisfaction of Lenders,
 - (iii) till the time all the Securities are created and perfected in the favour of the Lender.



CONTINUUM GREEN ENERGY LIMITED

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(All amounts in Indian Rupees millions unless otherwise stated)

10 Trade payables and other current liabilities

	March 31, 2022	March 31, 2021
Trade payables	412	634
	<u>412</u>	<u>634</u>
Other liabilities :		
Capital creditors	2,267	543
Interest accrued but not due on borrowings (refer note 5)	297	280
Interest accrued but not due on working capital	17	-
Interest accrued but not due on NCDs issued to external parties (refer note 5)	2	29
Liability towards premium on redemption of NCDs issued to external parties (refer note 5)	-	1,196
Statutory dues payable*	69	81
Deferred forward premium (refer note 36)	1,528	1,317
Security deposits	9	-
Others	11	2
Total	<u>4,200</u>	<u>3,448</u>

* Includes tax deducted at source, employees provident fund, employees profession tax, Goods and Services Tax (GST) and Employees State Insurance Corporation.



CONTINUUM GREEN ENERGY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts in Indian Rupees millions unless otherwise stated)

11 Tangible assets

Particulars	Land*	Buildings	Plant and equipment**	Furnitures and fixtures	Vehicles	Office equipments	Computer	Total
Cost								
As at April 1, 2020	1,494	8	44,915	8	1	6	15	46,447
Additions	80	4	6,308	-	-	1	2	6,395
Sales/disposal/adjustments	-	-	8	-	-	-	-	8
As at March 31, 2021	1,574	12	51,215	8	1	7	17	52,834
Additions	194	-	3,706	2	3	-	7	3,912
Sales/disposals/adjustments	0	-	-	-	0	0	1	1
As at March 31, 2022	1,768	12	54,921	10	4	7	23	56,745
Depreciation								
As at April 1, 2020	4	1	7,591	5	1	5	12	7,619
Charge for the year	7	1	1,886	1	-	1	2	1,898
Sales/disposals/adjustments	-	-	1	-	-	-	-	1
As at March 31, 2021	11	2	9,476	6	1	6	14	9,516
Charge for the year	10	1	2,051	1	0	0	4	2,067
Sales/disposals/adjustments	-	-	-	-	-	-	0	0
As at March 31, 2022	21	3	11,527	7	1	6	18	11,583
Net book								
As at March 31, 2021	1,563	10	41,739	2	-	1	3	43,318
As at March 31, 2022	1,747	9	43,394	3	3	1	5	45,162

Note:

*Gross block of Land: Bothe held certain parcel of land by way of registered agreement to sale or irrevocable registered power of attorney or both amounting to INR 189 (March 31, 2021; INR 190). It also includes leasehold land in Trinethra of INR 94 (March 31, 2021; 99), RTPL of INR 26 (March 31, 2021; 27), Kutch of INR 32 (March 31, 2021; Nil) and CTN of INR 69 (March 31, 2021; INR 39) and freehold land of INR 1,527 (March 31, 2021; INR 1,397).

**The finance cost net capitalized during the year includes interest expenses of INR 5 (March 31, 2021; INR 123) and other borrowing cost of INR 0 (March 31, 2021; INR 26).

**Plant and equipment includes Plant and machinery - Wind Turbine Generator (WTG), Solar Panels including inverters and related assets, Networking Equipment, Sub Station, 33KV Line and other enabling assets.



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

12 Goodwill

Particulars	Amount
Cost	
As at April 01, 2020	391
Additions	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2021	391
Additions	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2022	391
Amortization	
As at April 01, 2020	-
Charge for the year	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2021	-
Charge for the year	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2022	-
Net book	
As at March 31, 2021	391
As at March 31, 2022	391

13 Capital work-in-progress

	March 31, 2022	March 31, 2021
Capital work-in-progress	16,346	2,339
Total	16,346	2,339

14 Loans and advances

Unsecured, considered good unless stated otherwise

	Non-current		Current	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Capital advances	404	757	-	-
Security deposit	178	38	99	100
	582	795	99	100
Advance recoverable in cash or in kind				
Loans and advances to related parties (refer below note i and note 31)	510	510	-	-
Advances recoverable from vendor	-	2	17	-
Other advances	104	102	116	45
	614	614	133	45
Other loans and advances				
Advance income tax (net of provision for tax)	85	110	-	-
Prepaid expenses	3	3	223	90
Balance with statutory/ government authorities	41	7	-	-
Others	-	-	11	-
	129	120	234	90
Total	1,325	1,529	466	235

Note:

i) Loan given to Skyzen Infrabuild Private Limited (SIPL) amounting to INR 510 (March 31, 2021; INR 510) is repayable on or before October 9, 2025 along with predefined interest amounts.

15 Other non-current asset

Unsecured, considered good unless stated otherwise

	March 31, 2022	March 31, 2021
Fixed deposit with remaining maturity for more than 12 months (refer note 17)*	618	509
Unamortised ancillary borrowing cost	840	547
Interest on unsecured loans receivable (refer note 31)	166	80
Derivative contract assets (refer note 36)	5,247	5,859
Unbilled revenue**	365	406
Total	7,236	7,401

* Includes deposits amounting to INR 187 (March 31, 2021; INR 303) on which lien has been marked against bank guarantee and letter of credit issued by various banks.

** Unbilled revenue represents amount receivable for sale of electricity towards 6.3 MW for which Wind Energy Purchase agreement (WEPA) has not been signed till year end (refer note 33).

16 Trade receivables

	March 31, 2022	March 31, 2021
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment*	2,023	1,211
Other trade receivables	2,490	2,337
Total	4,513	3,548

Note :

* The above trade receivables includes INR 939 (March 31, 2021 ; INR 1,044) and INR 1,056 (March 31, 2021; INR 159) outstanding from Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Madhya Pradesh Power Management Company Limited (MPPMCL) respectively against sale of electricity.



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

17 Cash and bank balances

	Current	
	March 31, 2022	March 31, 2021
Cash and cash equivalent		
Cash in hand	-	0
Balances with banks :		
- Current account	718	2,379
- Deposits with original maturity of less than 3 months	4,563	4,360
Total	5,281	6,739
Other bank balance		
- Deposits with remaining maturity upto a period of 12 months*	3,237	1,459
- Deposits with remaining maturity for more than 12 months	618	509
	3,855	1,968
Amount disclosed under other non-current assets (refer note 15)	(618)	(509)
Total	3,237	1,459
Notes:	8,518	8,198

- * Includes deposits amounting to INR 407 (March 31, 2021; INR 1,019) on which lien has been marked against guarantee and letter of credit issued by various banks
- * Deposits includes deposits created towards Debt Service Reserve Account as required under lenders agreement amounting to INR 64 (March 31, 2021; INR 69) by CGEPL, the subsidiary of the company
- * Includes deposits created towards Debt Service Reserve Account as required under debenture trust deed amounting to INR 2,120 (March 31, 2021; INR Nil) by certain subsidiaries of the Group which includes Bothe, DJEPL, UUPPL, Watson, Trinethra and RTPL

18 Other current assets

Unsecured, considered good unless stated otherwise		
	March 31, 2022	March 31, 2021
Accrued income (refer note below)	673	650
Accrued interest		
On bank deposits	70	9
Other	3	-
Unamortised ancillary borrowing cost	205	151
Derivative contract assets (refer note 36)	127	12
Other current assets	43	1
Total	1,123	823

Note: Accrued income represents revenue earned as at year end and billed to the customers subsequent to the year end

19 Revenue from operations

	March 31, 2022	March 31, 2021
Revenue from operations		
Sale of electricity	9,181	7,546
Other operating revenue		
Income from Renewable Energy Certificate (REC)	41	34
Generation Based Incentive (GBI)	346	329
Deviation Settlement Mechanism (DSM) income*	5	-
Income from sale of verified carbon units (VCUs)	170	-
Total	9,743	7,909

*DSM income is net of DSM charges of INR 14

20 Other income

	March 31, 2022	March 31, 2021
Interest income on :		
Bank deposits	252	221
Advance to vendor	6	2
Unsecured loan to related party (refer note 31)	88	77
Income tax refund	3	9
Overdue trade receivables	38	-
Profit on sale of mutual fund units	0	6
Provision no longer required written back	4	31
Insurance claim received	51	1
Miscellaneous income	24	1
Total	466	348

* Interest income on bank deposits are net of amount capitalised by the Group (refer note 30)

21 Operating and maintenance expenses

	March 31, 2022	March 31, 2021
Operation and maintenance expenses*	835	731
Transmission, open access and other operating charges	920	711
Total	1,755	1,442

* Operating and maintenance expenses includes Deviation Settlement Mechanism (DSM) charges of INR 12 against which provision is created towards litigation and contingencies as the matter is currently sub-judice



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions unless otherwise stated)

22 Employee benefit expense

	March 31, 2022	March 31, 2021
Salary, wages and bonus (refer note below)	334	324
Contribution to provident fund / other fund (refer note 28)	15	13
Gratuity expenses (refer note 28)	6	6
Leave benefits	5	5
Staff welfare expenses	11	7
Total	371	355

Note:

The company has issued Phantom Stock Units Option Scheme in Financial Year 2016-17 where units were issued to certain eligible employees of the Group. Refer note 29 for detailed disclosures related to Scheme and expenses recognised as employee benefit expense.

23 Other expenses *

	March 31, 2022	March 31, 2021
Rent (refer note 27)	26	20
Insurance expense	123	99
Rates and taxes	35	28
Travelling, lodging and boarding	32	25
Legal and professional fees	210	209
Repairs and maintenance plant and machinery	3	45
Repairs and maintenance others	14	21
Provision for litigation and contingencies	49	49
Application and success fees	1	3
Rebate and discount	27	20
Foreign exchange loss (net)	4	20
Miscellaneous expenses	58	45
Total	582	594

* Other expenses disclosed are net of amount capitalised by the Group (refer note 30). Further, other expenses includes certain expenditure the nature of which are as follows:

- During the year group has incurred one time and non-recurring expenses of INR 27 which mainly includes hardware rental fees, stamp duty fees for increase in authorised share capital and IOM.
- Group has created certain provision towards litigation and contingencies amounting to INR 49 (March 31, 2021, INR 49) [Refer note 8 (iii)]

24 Finance costs*

	March 31, 2022	March 31, 2021
Interest on borrowings	812	3,983
Interest on NCDs	755	221
Interest on senior notes	1,865	265
Foreign exchange loss (net)	-	173
Forward premium cost	1,666	79
Prepayment premium charges	-	909
Redemption premium on NCDs	357	390
Other borrowing costs	471	744
Total	5,926	6,764

* Finance cost are net of amount capitalised by the Group (refer note 30).

25 Earnings per share ('EPS')

The following reflects the loss and equity share data used in the basic and diluted EPS computation:

	March 31, 2022	March 31, 2021
Loss for the year	(1,121)	(2,547)
Outstanding number of equity shares (nos.)	103,277,882	103,277,882
Weighted average number of equity shares in calculating basic and diluted EPS (nos.)	103,277,882	103,277,882
Nominal value of equity share (USD)	1	1
Basic and diluted EPS (INR) *	(10.85)	(24.66)

* Potential equity shares should be treated as dilutive when, and only when, their conversion to equity shares would decrease net profit per share from continuing ordinary operations. Therefore, basic and diluted EPS is same.

26 Segment reporting

The Group is involved in the business of generation and sale of electricity as its primary business activity and accordingly the management believes that it does not carry out any material activity outside its primary business and hence no separate disclosure has been made as per AS 17 for 'Segment reporting'.

27 Leases

Operating lease: Group as lessee

- The Group has entered into commercial lease on office premises. These leases have an average life of between one to five years with no renewal option included in the contracts. Further, certain subsidiaries has been awarded land for development of windfarm project on lease for period of 20 to 25 years.
- Operating lease payment recognised in the consolidated statement of profit and loss amounting to INR 26 (March 31, 2021, INR 20) (refer note 23).
- Future minimum rentals payable under non-cancellable operating leases are as follows:

	March 31, 2022	March 31, 2021
Within one year	29	20
After one year but not more than five years	91	75
More than five years	340	53
Total	460	148



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

28 Employee Benefits

a) Defined Contribution Plan

Amount recognised and included in Note 22 "Contribution to Provident and other Funds" - INR 15 (March 31, 2021; INR 13).

b) Defined Benefit Plan

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to receive gratuity calculated @ 15 days (for 26 days a month) of last drawn salary for number of years of their completed year of service. The gratuity plan is unfunded.

The following table summarises the components of net benefit expense recognised in the consolidated statement of profit and loss and amounts recognised in the consolidated balance sheet:

i) Expenses recognised:

Particulars	March 31, 2022	March 31, 2021
Current service cost	4	4
Interest cost	2	2
Actuarial loss	0	0
Net benefit expense	6	6

ii) Amount recognized in the consolidated balance sheet:

Particulars	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	35	33
Fair value of plan assets	-	-
Plan liability	35	33

iii) The changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2022	March 31, 2021
Opening defined benefit obligation	34	29
Current service cost	4	4
Past service cost	-	-
Interest cost on benefit obligation	2	2
Liability transferred out (net)	(5)	-
Benefits paid	0	(2)
Actuarial loss	0	0
Closing defined benefit obligation*	35	33
*Note		
Current	6	6
Non Current	29	27
Total	35	33

iv) The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	March 31, 2022	March 31, 2021
Discount rate	6.70% - 6.84%	6.26% - 6.62%
Rate of Salary Increase	10.00%	10.00%
Expected rate of return on planned assets	Not applicable	Not applicable
Rate of employee turnover	12.00%	12.00%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality(2006-08)

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.

29 Phantom Stock Units Option Scheme (PSU)

Continuum Green Energy Ltd. - Phantom Stock Units Option Scheme 2016 (PSU 2016 or Scheme).

PSUOS 2016 was approved by the Board of Directors which was made effective from 19 July 2016. Under the terms of the Scheme, up to 3 million of PSU options were made available to eligible employees of the Group. As at March 31, 2022, 1.4 million units (March 31, 2021 : 1.7 million units) have been vested under this Scheme.

Accordingly to the Scheme, the employee selected by the Board from time to time will be entitled to units as per the grant letter issued by the Board, subject to the satisfaction of prescribed vesting conditions.

The expense recognised for employee services received during the year is shown in the following table:

Particulars	March 31, 2022	March 31, 2021
Expense arising from cash-settled share-based payment transactions	5	48
	5	48

Note

The scheme has been made effective from 19 July 2016 and options granted under this scheme would vest in pre-defined percentage basis upon completion of years of services and as at March 31, 2022, all options has already vested basis above criteria with the weighted average exercise price as at March 31, 2022 is INR 120/- (March 31, 2021 : INR 122/-) per option.

The movement of options outstanding under Phantom Stock Units Option Scheme are summarised below:

Particulars	March 31, 2022		March 31, 2021	
	Exercise Price (INR)	No. of Options	Exercise Price (INR)	No. of Options
Outstanding at the beginning of the year	122	1.7	122	1.7
Granted during the year	166	0	166	-
Exercised during the year	134	0.3	-	-
Outstanding at the end of the year	120	1.4	122	1.7



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions unless otherwise stated)

30 Capitalisation of expenditure

During the year, the Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes else where in these consolidated financial statements are net of amounts capitalised by the Group

	March 31, 2022	March 31, 2021
Application fees	1	7
Insurance expense	1	-
Finance cost (net of interest income)	183	98
Legal and professional fees	47	21
Rates and taxes	8	1
Security expenses	2	-
Site development expenses	6	4
Rent expense	10	3
Travelling, lodging and boarding	7	2
Miscellaneous expense	7	2
Other borrowing cost	34	-
Total	306	140

31 Related party disclosure

a) Names of the related parties and related party relationship

Related parties where control exists :

Shareholders	Clean Energy Investing Limited, Singapore (Holding Company)
	Continuum Energy Pte. Limited., Singapore

Enterprise over which key managerial person have significant influence	Skyzen Infrabuild Private Limited
	Sandhya Hydro Power Projects Balargha Private Limited

Key management personnel	Arvind Bansal	Director of CGEL & CGEIPL Chief Executive Officer of CGEIPL
	Simon Luke Walker	Director of CGEL
	Fan Peiwen	Director of CGEL
	Peter Farley Mitchell	Director of CGEL
	Vikash Saraf	Director of CGEL
	Arno Kildert	Director of CGEL & CGEIPL
	N V Venkataramanan	Chief Operating Officer of CGEIPL
	Marc Maria Van't Noordende	Director of CGEL
	Tarun Bhargava	Chief Financial Officer of CGEIPL (upto Sept. 08, 2021)
	Gautam Chopra	Vice President - Project Development of CGEIPL
	Ranjeet Kumar Sharma	Vice President - Projects - Wind Business of CGEIPL
	Raja Parthasarathy	Director of CGEIPL
Relatives of key management personnel	Anjali Bansal	Vice President - Human Resource of CGEIPL

b) Related party transactions

Transactions	Holding company / Shareholders	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Transactions during the year			
Interest Income on loan :			
Skyzen Infrabuild Private Limited	-	88	88
	-	(77)	(77)
Reimbursement of expenses incurred on behalf of the Group by			
Arvind Bansal	-	0	0
	-	(0)	(0)
Tarun Bhargava	-	0	0
	-	(0)	(0)
N V Venkataramanan	-	0	0
	-	(0)	(0)
Gautam Chopra	-	0	0
	-	(0)	(0)
Ranjeet Kumar Sharma	-	-	-
	-	(0)	(0)



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in Indian Rupees millions unless otherwise stated)

Transactions	Holding company / Shareholders	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Remuneration paid (refer note below)			
Arvind Bansal	-	33	33
	-	(48)	(48)
Gautam Chopra	-	9	9
	-	(9)	(9)
Ranjeet Kumar Sharma	-	10	10
	-	(10)	(10)
Arjati Bansal	-	6	6
	-	(5)	(5)
NV Venkataramanan	-	28	28
	-	(23)	(23)
Tarun Bhargava	-	25	25
	-	(21)	(21)
Other receivables:			
Sandhya Hydro Power Projects Balargha Private Limited	-	1	1
	-	-	-
Interest expenses during the year:			
Clean Energy Investing Limited	266	-	266
	(235)	-	(235)
Continuum Energy Pte. Limited	91	-	91
	(80)	-	(80)
Closing balances at the year end			
Intercompany borrowings receivable			
Skyzen Infrabuild Private Limited	-	510	510
	-	(510)	(510)
Intercompany borrowings payable			
Clean Energy Investing Limited	1,365	-	1,365
	(1,323)	-	(1,323)
Continuum Energy Pte. Limited	303	-	303
	(303)	-	(303)
Interest on intercompany borrowings receivable			
Skyzen Infrabuild Private Limited	-	166	166
	-	(80)	(80)
Interest on intercompany borrowings payable			
Clean Energy Investing Limited	908	-	908
	(618)	-	(618)
Interest on intercompany borrowings payable			
Continuum Energy Pte. Limited	393	-	393
	(301)	-	(301)
Other receivables:			
Sandhya Hydro Power Projects Balargha Private Limited	-	1	1
	-	-	-

(Previous year's figure in brackets)

Note:

- i) Remuneration does not include provisions made for gratuity and leave benefits, as they are determined for the Group as a whole. Further, PSU options granted to KMPs under PSUOS 2016 (refer note 29) are not included in above remuneration. As at March 31, 2022, the PSU options granted to KMPs were 0.96 million units (March 31, 2021: 1.16 million units).

32 Capital and other commitments

Capital and other commitments remaining to be executed as on March 31, 2022 is INR 9,032 (March 31, 2021: INR 11,836).



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

33 Unbilled revenue

Out of 199.9 MW capacity, Wind Energy Purchase Agreements (WEPA) have been signed between Bothe and Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 193.4 MW. Due to delay in implementation of policy for renewable energy by the state government and also due to delay in receipt of registration certificates from Maharashtra Energy Development Agency (MEDA) against these 3 WTGs, a pre-requisite for execution of WEPAs, WEPAs are not executed for 6.3 MW capacity of these 3 WTGs. Upon receipt of registration certificates, Bothe had approached MSEDCL for signing of PPAs towards these WTGs. However, MSEDCL has taken a contrary & arbitrary view and rejected Bothe's valid application for signing PPAs. The matter is currently before Appellate Tribunal for Electricity (APTEL).

The units injected into the MSEDCL grid generated from these 6.3 MW have been acknowledged by MSEDCL under Joint Meter Reading (JMR) reports and as well as the credit notes issued by MSEDCL until March 31, 2022. On the basis of the same Bothe has recognized revenues for sale of electricity in the statement of profit and loss at the eligible rates for the units generated and supplied to MSEDCL during the year ended March 31, 2022 and year ended March 31, 2021 and corresponding receivables are accounted as unbilled revenue under non-current assets. However, in the absence of WEPA, Bothe cannot raise the invoices for the electricity sold out of these WTGs.

During the year ended March 31, 2022; Bothe has received collection of INR 91 against generation till March 31, 2017 as per MERC order. As the matter is sub-judice, Bothe has created provision against such revenue and as at March 31, 2022, the outstanding provision is INR 225 (for the year ended March 31, 2022: INR 49).

- 34 Srijan Energy Systems Private Limited has been awarded 250 MW project by Solar Energy Corporation of India Limited (SECI) under competitive bidding process undertaken by SECI. Subsequently, Srijan Energy Systems Private Limited had transferred the said project to Continuum TN (then wholly owned subsidiary) along with all related and associated project costs and assets related to proposed 250 MW project. In the month of September 2018, Continuum TN has signed Power Purchase Agreement for 250 MW capacity with tenure of 25 years with SECI and the project is required to be commissioned within the timelines as stipulated under PPA. Continuum TN has approached SECI for reducing the project size from 250 MW to 126 MW and it has received approval from SECI for reduced capacity of 126 MW on May 02, 2022.

35 Contingent liabilities

- i) Income tax demand
Total

March 31, 2022	March 31, 2021
5	5
5	5

The Group is contesting the demand and the management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

36 Hedging activities and derivatives

Contracts designated as Cash flow hedges

During the year ended March 31, 2021, CELPL, preparing its books in USD (as its functional currency), hedged the foreign currency exposure risk related to its investments in Restricted Group entities denominated in INR through call spread option for principal repayment proceeds and cross currency swap for coupon payments ("together referred to as derivative financial instruments"). These derivative financial instruments are not entered for trading or speculative purposes.

CELPL documented each hedging relationship and assessed its initial effectiveness on inception date and the subsequent effectiveness is being tested on a quarterly basis using dollar offset method. CELPL uses the Swap pricing model based on present value calculations and option pricing model based on the principles of the Black-Scholes model to determine the fair value of the derivative instruments. These models incorporate various market observable inputs such as underlying spot exchange rate & forward rate, the contracted price of the respective contract, the term of the contract, the implied volatility of the underlying foreign exchange rates and the interest rates in respective currency. The changes in counterparty's or CELPL's credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and the value of other financial instruments recognised at fair value. The hedge contracts were effective as of March 31, 2022.

Derivative financial instruments

The fair value of the CELPL derivative position recorded under derivative assets and derivative liabilities are as follows:

	March 31, 2022		March 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge*				
Non current				
Derivate contract asset:				
Call spread option	5,247	-	5,859	-
Cross currency swap	-	-	-	-
	5,247	-	5,859	-
Current				
Derivate contract asset:				
Call spread option	127	-	12	-
Cross currency swap	-	-	-	-
	127	-	12	-
Non current				
Deferred premium liability				
Call spread option	-	3,679	-	4,844
Cross currency swap	-	26	-	-
	-	3,705	-	4,844
Current				
Deferred premium liability				
Call spread option	-	1,341	-	1,281
Cross currency swap	-	187	-	36
	-	1,528	-	1,317

* Refer consolidated statement of profit and loss, reserves and surplus and hedge reserve under note 4 for the changes in fair value of derivative financial instrument



CONTINUUM GREEN ENERGY LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

Exposures in foreign currency

Particulars	Foreign currency	Exchange rate	Amount in INR (in millions)	Amount in USD (in millions)
Assets*				
As at March 31, 2022				
Redeemable, unlisted, unrated, 8.75% Non-Convertible Debentures issued by certain Subsidiaries of the Group	US Dollars	75.81	39,239	518
Interest accrued and not due on Non-Convertible Debentures	US Dollars	75.81	535	7
Total Assets (A)			39,774	525
Hedges by derivative contracts (B)			39,774	525
Unhedged Assets (A-B)			-	-

* CELPL has issued 4.5% USD senior notes on February 9, 2021 and invested proceeds, net of issue expenses, in Non-Convertible Debentures (NCD) in Indian rupees (INR) issued by certain subsidiaries which have been eliminated while preparing these consolidated financial statements. CELPL has entered into derivative contracts to mitigate the risk arising from cash flow volatility due to foreign exchange fluctuations on principal repayments of NCD and interest thereon, which is accounted as per Cash Flow hedge accounting model.

37 Subsequent events

- Subsequent to financial year end, in July 2022, Continuum Energy Aura Pte. Limited, Singapore (CEAPL) has issued US\$ 350 mn Senior Secured Floating Rates Notes to set of investors with the option to issue additional US\$ 50 mn on fulfilment of certain conditions. CEAPL is a wholly owned subsidiary of the company. The proceeds are intended to be used mainly for providing External Commercial Borrowings (ECBs) and to subscribe to Non-Convertible Debentures (NCDs) of CGEIP, wholly owned subsidiary of company.

Consequently, CGEIP has issued NCDs of INR 18,000 on private placement basis to CEAPL. Till date, CEAPL has subscribed to NCDs of INR 5,500. The proceeds from the issuance of NCDs are intended to be used for redeeming NCDs issued in 2021 outstanding of INR 7,935 as on March 31, 2022 of CGEIP, along with applicable predefined interest and redemption premium together referred as make whole amount in accordance with the Debenture Trust Deed executed with Trustee with NCD holders and for investing into equity shares/ compulsorily convertible debentures (CCDs) / optionally convertible debentures (OCDs) of Group's subsidiaries. CGEIP is in the process of redeeming said NCDs.

- Subsequent to March 31, 2022, Morjar Windfarm Development Private Limited has issued 126,253,400 number of Compulsorily Convertible Debentures called as Series A Debentures having face value of INR 10/- aggregating to 1,263 to GE EFS India Energy Investments B.V.
- Subsequent to March 31, 2022, CGE Shree Digvijay Cement Green Energy Private Limited (CSDCGEPL), wholly owned subsidiary of CGEIP, has executed power purchase agreement with Shree Digvijay Cement Company Ltd. (SDCCL) for sale of power upto 8.1 MW from its proposed wind solar hybrid project. SDCCL has agreed to invest upto INR 80 in equity shares of CSDCGEPL by virtue of share purchase and shareholder's agreement.

38 Amount less than INR 0.5 appearing in the consolidated financial statements are disclosed as "0" due to presentation in millions

39 Previous year comparatives

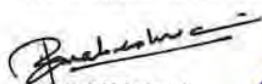
Previous year figures have been regrouped / reclassified, where ever necessary, to conform to current year's classification

As per our report of even date.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003


per Prithish Maheshwari
Partner

Membership No. : 118746

Place : Mumbai

Date : August 04, 2022



For and on behalf of the Board of Directors of
Continuum Green Energy Limited

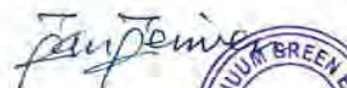


Nishit Shah

General Manager, Finance & Accounts

Place : Singapore

Date : August 04, 2022


Pan Peiwen
Director

Place : Singapore

Date : August 04, 2022



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Continuum Green Energy Limited (the 'Company')

Opinion

We have audited the Consolidated Financial Statement of Continuum Green Energy Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended March 31, 2021 and Notes to the Consolidated Financial Statement including and a summary of significant accounting policies (collectively, the "Consolidated Financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give a true and fair view of the state of affairs of the Group as at March 31, 2021, their consolidated loss and their consolidated cash flows for the year ended on that date, in accordance with the Accounting Standards issued by The Institute of Chartered Accountants of India ('ICAI') and other generally accepted accounting principles in India (Indian GAAP).

Basis for Opinion

We conducted our audit of the Consolidated Financial Statement in accordance with the Standards on Auditing (SAs), issued by The Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities' section of this report. We are independent of the Group in accordance with the 'Code of Ethics' issued by The Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statement.

Responsibilities of management and those charged with governance for the Consolidated Financial Statement

The management of the Holding Company is responsible for the preparation and fair presentation of the Consolidated Financial Statement that give a true and fair view of the financial position, financial performance, cashflows of the Group in accordance with Accounting Standards as issued by The Institute of Chartered Accountants of India ('ICAI') and other generally accepted accounting principles in India (Indian GAAP). This responsibility also includes safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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Continuum Green Energy Limited

Independent auditor's report on the Consolidated Financial Statements for the year ended
March 31, 2021

In preparing the Consolidated Financial Statement, the respective board of directors of the Companies included in the group are responsible for assessing ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any entity forming part of the Group or to cease operations, or has no realistic alternative but to do so.

Those respective board of directors of the Companies included in the group are responsible for overseeing the Group's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statement of the Group 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 issued by the ICAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statement.

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

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



S R B C & CO LLP

Chartered Accountants

Page 3 of 3

Continuum Green Energy Limited

Independent auditor's report on the Consolidated Financial Statements for the year ended March 31, 2021

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

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

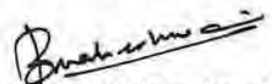
Other Matter

As stated in Note 2 of Consolidated financial statements, these consolidated financial statements are not the statutory financial statements of the group, applicable in Singapore jurisdiction.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003


per Pritesh Maheshwari
Partner
Membership Number: 118746
UDIN: 22118746AFXSG2127

Place of Signature: Mumbai
Date: March 30, 2022





CONTINUUM GREEN ENERGY LIMITED

(Erstwhile known as Continuum Wind Energy Limited)

CONSOLIDATED BALANCE SHEET

(All amounts in Indian Rupees millions unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
Equity and Liabilities			
Shareholders' funds			
Share capital	3	11,128	11,128
Reserves and surplus	4	(5,678)	(2,601)
		5,450	8,527
Minority interest		58	81
Non-current liabilities			
Long term borrowings	5	46,270	38,667
Deferred tax liability (net)	6	304	511
Other long term liabilities	7	6,150	1,688
Long term provisions	8	27	25
		52,751	40,891
Current liabilities			
Short term borrowings	9	-	958
Trade payables	10	634	207
Other current liabilities	10	8,344	3,078
Short term provisions	8	545	524
		9,523	4,767
TOTAL		67,782	54,266
Assets			
Non-current assets			
Property, plant and equipment	11	43,318	38,826
Goodwill	12	391	391
Capital work in progress		2,339	2,885
Non-current investments	13	-	50
Long term loans and advances	14	1,529	2,024
Other non current assets	15	7,401	989
		54,978	45,165
Current assets			
Trade receivables	16	3,548	1,418
Cash and bank balances	17	8,198	6,736
Short term loans and advances	14	235	149
Other current assets	18	823	798
		12,804	9,101
TOTAL		67,782	54,266
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003

per Pritesh Maheshwari
Partner

Membership No. : 118746

Place : Mumbai

Date : March 30, 2022



For and on behalf of the Board of Directors of
Continuum Green Energy Limited

Peter Farley Mitchell
Director

Place : Melbourne

Date : March 30, 2022

Pan Peiwen
Director

Place : Singapore

Date : March 30, 2022



CONTINUUM GREEN ENERGY LIMITED

(Erstwhile known as Continuum Wind Energy Limited)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts in Indian Rupees millions unless otherwise stated)

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	19	7,909	8,171
Other income	20	348	554
Total income (A)		8,257	8,725
Expenses			
Operating and maintenance expenses	21	1,442	1,094
Employee benefit expense	22	355	345
Other expenses	23	584	1,008
Depreciation expense	11	1,897	1,690
Finance costs	24	6,764	4,454
Total expenses (B)		11,042	8,591
(Loss) / profit before tax (A-B)		(2,785)	134
Tax expenses/(credit)			
Current tax		-	8
MAT credit entitlement charge		-	256
Deferred tax (credit)		(208)	(441)
Total tax (credit)		(208)	(177)
(Loss)/profit after tax		(2,577)	311
Share of (loss)/profit attributable to minority interest		(30)	31
(Loss) / profit for the year		(2,547)	280
Earnings per equity share ('EPS')			
[Nominal value of share USD 1 each (March 31, 2020; USD 1)]	25		
Basic and diluted EPS (INR)		(24.66)	2.71
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003

per Pritesh Maheshwari
Partner

Membership No. : 118746

Place : Mumbai

Date : March 30, 2022



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For and on behalf of the Board of Directors of
Continuum Green Energy Limited

Peter Farley Mitchell
Director

Place : Melbourne

Date : March 30, 2022

Pan Peiwen
Director

Place : Singapore

Date : March 30, 2022



CONTINUUM GREEN ENERGY LIMITED
(Formerly known as Continuum Wind Energy Limited)

CONSOLIDATED CASH FLOW STATEMENT
(All amounts in Indian Rupees millions unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
(Loss) / profit before tax	(2,785)	134
Adjustment to reconcile (loss)/profit before tax to net cash flows:		
Depreciation expense	1,897	1,690
Foreign exchange loss (net)	20	-
Balances written back	(31)	(7)
Finance cost	6,764	4,454
Profit on sale of mutual funds	(6)	(28)
Provision towards foreseeable losses	-	298
Provision for commitment charges	-	73
Provision for litigation and contingencies	49	127
Foreign exchange gain	-	(47)
Interest income	(298)	(354)
Operating profit before working capital changes	5,610	6,340
Movements in working capital:		
Increase in trade payables	427	104
Increase / (decrease) in other current liabilities	(35)	22
Increase in other long term liabilities	33	104
Increase in provisions	7	16
(Increase) in trade receivables	(2,130)	(402)
Decrease in loans and advances	17	60
(Increase) in other current assets	(30)	(216)
(Increase) in other non current assets	(49)	(77)
Cash generated from operations	3,850	5,951
Direct taxes refund/(paid) (net)	68	(29)
Net cash flows from operating activities (A)	3,918	5,922
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital advances and capital work in progress	(4,925)	(9,577)
Foreign exchange loss on translation of investments	(557)	-
Proceeds on redemption of mutual funds	56	470
Proceeds from / (investment in) fixed deposits	1,743	(805)
Sale of non-current investments	8	5
Intercompany borrowing given to related party	-	(140)
Interest received	283	446
Net cash (used in) investing activities (B)	(3,392)	(9,601)
Cash flows from financing activities		
Proceeds from issuance of senior notes	40,890	-
Proceeds from long term borrowings	6,344	10,110
Repayment of long term borrowings	(38,351)	(1,761)
(Repayment) of short-term borrowings (net)	(958)	(15)
Finance cost paid	(5,515)	(3,450)
Net cash (used in) / flow from financing activities (C)	2,410	4,884
Foreign exchange translation reserve (D)	438	(72)
Adjustment on account of purchase of intercompany investment (E)	(61)	-
Net increase in cash and cash equivalents (A+B+C+D+E)	3,313	1,133
Cash and cash equivalents at the beginning of the year	3,426	2,293
Cash and cash equivalents at the end of the year	6,739	3,426



CONTINUUM GREEN ENERGY LIMITED
(Erstwhile known as Continuum Wind Energy Limited)

CONSOLIDATED CASH FLOW STATEMENT
(All amounts in Indian Rupees millions unless otherwise stated)

Reconciliation of cash and cash equivalents with the consolidated balance sheet:

Components of cash and cash equivalents

Cash in hand	0	0
Balance in current account	2,379	869
Balance in deposit account	4,360	2,557
Cash and cash equivalents at the end of the year (refer note 17 and note IV below)	6,739	3,426

Summary of significant accounting policies (refer note 2.1)

Note:

- I) The above cash flow statement has been prepared under the indirect method as set out in the accounting standard (AS-3) on cash flow statement.
- II) Figures in brackets are outflows.
- III) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- IV) The cash and cash equivalent of INR 6,739 (March 31, 2020; INR 3,426) and other bank balance of INR 1,459 (March 31, 2020; INR 3,310) forms part of the cash and bank balance of INR 8,198 (March 31, 2020; INR 6,736) as disclosed in note 17.

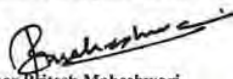
The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003


per Pritesh Maheshwari
Partner
Membership No. : 118746

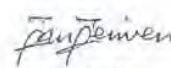
Place : Mumbai
Date : March 30, 2022



**For and on behalf of the Board of Directors of
Continuum Green Energy Limited**


Peter Farley Mitchell
Director

Place : Melbourne
Date : March 30, 2022


Pan Peiwen
Director

Place : Singapore
Date : March 30, 2022



CONTINUUM GREEN ENERGY LIMITED
(*Erstwhile known as Continuum Wind Energy Limited*)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

1 Group Information

The Continuum Group comprises Continuum Green Energy Limited (formerly known as Continuum Wind Energy Limited) ("CGEL" or "the Company"), its subsidiaries including Continuum Energy Levanter Pte. Limited ("CELPL"), Continuum Power Trading (TN) Private Limited ("Continuum TN"), and Continuum Green Energy (India) Private Limited (formerly known as Continuum Wind Energy (India) Private Limited) ("CGEIP"), and CGEIP's other subsidiaries as listed in below table. These entities are collectively referred to as the "Group" or "Continuum Group". CGEL and CELPL are entities which are incorporated in Singapore. Continuum TN, CGEIP and its subsidiaries are domiciled and incorporated in India. The registered office and principal place of business of CGEL is located at 10 Changi Business Park, Central 2, #01-02, Hansapoint @ CBP, Singapore 486 030.

CGEL was incorporated on April 13, 2012 in Singapore to hold the divested wind energy business of Continuum Energy Pte. Limited. Later, Clean Energy Investing Limited invested into CGEL by subscribing to compulsory convertible participating preferred shares (CCPPS) issued by CGEL and it currently holds majority of total share capital. CGEL has invested in CELPL, Continuum TN, CGEIP and indirectly in CGEIP's subsidiaries to set-up wind / solar farms. Continuum Group's subsidiaries in India are engaged in the business of generation and sale of electricity from renewable energy. The Group has entered into long-term power purchase agreements with various governments agencies and private institutions to sell electricity generated from its wind and solar farms. Currently the Group has total capacity of 1.3 GW, which includes operational capacity of 845.4 megawatts ("MW") and under construction capacity of 454.4 MW in the States of Madhya Pradesh, Gujarat, Tamil Nadu and Maharashtra in India.

The subsidiaries of the company consolidated in these consolidated financial statements are:

Name of the company	Country of incorporation	% voting power held by the Group as at March 31, 2021	% voting power held by the Group as at March 31, 2020
Continuum Energy Levanter Pte Limited ("CELPL")	Singapore	100	100
Continuum Green Energy (India) Private Limited ("CGEIP")	India	100	100
Bothe Windfarm Development Private Limited (Bothe)	India	100	100
DJ Energy Private Limited (DJEPL)	India	100	100
Uttar Urja Projects Private Limited (UUPPL)	India	100	100
Watsun Infrabuild Private Limited (Watsun)	India	72.15	74.24
Trinethra Wind and Hydro Power Private Limited (Trinethra)	India	100	100
Srijan Energy Systems Private Limited (Srijan)	India	100	100
Continuum Power Trading (TN) Private Limited (Continuum TN)*	India	100	100
Kutch Windfarm Development Private Limited (Kutch)*	India	100	100
Continuum MP Windfarm Development Private Limited (Continuum MP)	India	100	100
Bhuj Wind Energy Private Limited (Bhuj)	India	100	100
Shubh Wind Power Private Limited (Shubh)	India	100	100
Renewables Trinethra Private Limited (RTPL)	India	100	100
Morjar Windfarm Development Private Limited (Morjar)	India	100	100
Continuum Trinethra Renewables Private Limited (CTRPL) (incorporated w.e.f. July 17, 2020)	India	100	--
Srijan Renewables Private Limited (SRPL) (incorporated w.e.f. July 31, 2020)	India	100	--

* Srijan Energy Systems Private Limited is the holding company of Kutch Windfarm Development Private Limited and Morjar Windfarm Development Private Limited. During the year, Srijan Energy Systems Private Limited sold its entire shareholding in Continuum Power Trading (TN) Private Limited to Continuum Green Energy Limited, ultimate holding company ("CGEL").



CONTINUUM GREEN ENERGY LIMITED
(Formerly known as Continuum Wind Energy Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Accounting Standards issued by The Institute of Chartered Accountants of India and other Generally Accepted Accounting Principles in India (Indian GAAP).

These consolidated financial statements have been prepared on the accrual and going concern basis of respective subsidiaries, using the historical cost convention except for derivative financial instruments which have been measured at fair value. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The local GAAP financial statements of CGEL and CELPL are converted to Indian GAAP. The financial statements of the parent and all its subsidiaries used for the purpose of consolidation are drawn upto the same reporting date i.e., year ended March 31, 2021 and comprises of consolidated balance sheets as at March 31, 2021, the consolidated statements of profit and loss, consolidated cash flow statements and a summary of significant accounting policies and other explanatory information for the year ended March 31, 2021.

While preparing consolidated financial statements, the financial statements of the parent and its subsidiaries have been consolidated on a line by line basis by adding together like items of assets, liabilities, income and expenses. Intra group balances and transactions and resulting unrealised profit are eliminated in full. Unrealised losses resulting from intra group transactions are also eliminated unless cost cannot be recovered. The difference between the cost of investment in the subsidiaries, and the company's share of net assets at the time of acquisition of share in the subsidiaries is recognised in the consolidated financial statement as goodwill or capital reserve as the case may be. Goodwill is tested for impairment annually.

The consolidated financial statements are presented in INR and all values in the tables are rounded to the nearest millions, except when otherwise indicated.

These Consolidated Financial Statements are not the statutory financial statements of the group as required in Singapore jurisdiction, as, these consolidated financial statements are prepared in relation to proposed issuance by one of the group company in Singapore, where the Company will be 'Parent Guarantor'.

Minority Interest:

Minority Interest (MI) in the net assets of subsidiary is identified and presented in the consolidated balance sheet separately from liabilities and equity of the group's shareholders.

Minority interest in the net assets of subsidiary consists of:

- (a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
- (b) The minority share of movements in equity since the date parent subsidiary relationship came into existence.

Minority interest's share of net profit / loss for the year of consolidated subsidiaries is identified and presented separately. The losses applicable to the minority in excess of the minority interest in the equity of the subsidiary are adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to make good the losses. If the subsidiaries subsequently reports profit, all such profits are allocated to the majority interest until the minority's share of losses previously absorbed by the majority has been recovered.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

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CONTINUUM GREEN ENERGY LIMITED
(Erstwhile known as Continuum Wind Energy Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

b. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Electricity

Revenue from the sale of electricity is recognized on the basis of the number of units of power generated and supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the licensed distribution or transmission utilities and the company at the rates prevailing on the date of supply to grid as determined by the power purchase agreements entered into with such discoms/customers under group captive mechanism / Open access sale / third party power trader or as per the eligible rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of Bothe's unsigned Power Purchase Agreements (PPA's) and the surplus power as per the rate prescribed by relevant state regulatory commission to distribution utilities ("State discoms")

Active and reactive charges are recorded as operating expenses and not adjusted against sale of electricity

Unbilled revenue represents the revenue that the Group recognizes at eligible rates for the arrangement where the Group has all approvals in place except that PPA is pending to be signed between the Bothe and State discoms.

Accrued revenue represents the revenue that the Group recognizes where the PPA is signed but invoice is raised subsequently.

Renewable Energy Certificate (REC) Income

Revenue from Renewable Energy Certificate ("REC") is recognized based on the units accrued following the generation of electricity, as stipulated by Honourable Central Electricity Regulation Commission, India ("CERC"), for eligible projects and they are sold on the electricity exchanges as stipulated by the CERC. REC revenues are initially recognized at floor price and any movement in price at the time of sale of REC on the electricity exchanges, are recorded as gain or loss in the consolidated statement of Profit and loss, in the period in which such RECs are traded on electricity exchanges.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest earned on temporary investment of borrowed funds, to the extent eligible for adjustment to capital cost has been adjusted in the cost of property, plant and equipment. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

c. Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Income from Sale of GBI

Generation Based Incentive ("GBI") income is earned and recognized on certain projects which sell electricity to licensed distribution utilities at tariffs determined by relevant State Electricity Regulatory Commissions ("SERCs"). GBI is paid at a fixed price of INR 0.50/kwh of electricity units sold subject to a cap of INR 10 million/MW of capacity installed for the electricity fed into the grid for a period not less than four years and a maximum of ten years.



CONTINUUM GREEN ENERGY LIMITED
(Erstwhile known as Continuum Wind Energy Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

d. Foreign currency transactions and translations

Initial recognition

The functional currency of CGEL and CELPL is United States Dollar (US\$) and functional currency of Indian subsidiaries is Indian Rupee ("INR"). Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on translation/ settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Translation of integral and non-integral foreign operation

The Group classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations."

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average weekly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the consolidated statement of profit and loss.

Further any exchange difference arising on an intra-group monetary item, whether short-term or long-term, is not eliminated against a corresponding amount arising on other intra-group balances because the monetary item represents a commitment to convert one currency into another and exposes the reporting enterprise to a gain or loss, such an exchange difference continues to be recognised as income or an expense in the consolidated statement of profit and loss.

e. Property, plant and equipment

Property, plant and equipment (PPE), capital work in progress are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the property, plant and equipment. Any subsequent expenses related to a tangible fixed asset is added to its book value only if below recognition criteria is met:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

The Group identifies and determines cost of each component/part of the asset separately, if it has a cost that is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining life.

Capital Work-In-Progress:

Costs and direct expenses incurred for construction of assets or assets to be acquired and for assets not ready for use are disclosed under "Capital Work-in-Progress".



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CONTINUUM GREEN ENERGY LIMITED
(Previously known as Continuum Wind Energy Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

f. Depreciation on property, plant and equipment

The Group provides depreciation on Straight line basis and Written down value basis on all assets on the basis of useful life estimated by the management. The Group has used the following useful life to provide depreciation on its property, plant and equipment.

Category of property, plant and equipment	SLM/WDV	Useful life
Leasehold land	SLM	20 Years
Building	SLM	30 Years
Plant and equipment	WDV	3 - 15 years
	SLM	25 - 40 years
Furniture and fixtures	WDV	10 Years
Vehicles	WDV	10 Years
Office equipment	WDV	15 Years
Computer	WDV	3 Years
Electrical fittings	SLM	8 and 25 Years

Based on technical estimate, the useful life of Plant and equipment is different from those specified in the local regulations applicable to the respective subsidiaries which are located in India.

Temporary structures are depreciated fully in the year in which they are capitalised.

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

g. Borrowing costs

Borrowing cost includes interest and amortisation of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed over the period of respective borrowings.

h. Impairment of PPE and intangibles

The Group assesses 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 Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. Where the carrying amount of an asset 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit and loss.

i. Leases

Where the Group is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

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CONTINUUM GREEN ENERGY LIMITED
(Erstwhile known as Continuum Wind Energy Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

j. Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged to the consolidated statement of profit and loss.

k. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1947 as enacted in Singapore and Income Tax Act, 1961 as enacted in India for the respective jurisdictions where the entities are registered. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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 tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where a subsidiary of the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

The entity is eligible for deduction of 100% of taxable income under section 80-IA of Income Tax Act, 1961 subject to Minimum Alternate Tax (MAT) and it can avail the said benefit for 10 continuous years out of total 15 years from the year in which unit starts its commercial operations: No deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

l. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



CONTINUUM GREEN ENERGY LIMITED
(Formerly known as Continuum Wind Energy Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

m. Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme in India. The contributions are charged to the consolidated statement of profit and loss for the year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

The Group operates only one defined benefit plan for its employees i.e. gratuity. The costs of providing this benefit are determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the consolidated statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the consolidated balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

n. Provisions

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit and loss net of any reimbursement.

o. Employee share-based payment

The Group issued cash-settlement stock option scheme to certain employees of the Group, whereby employees render services and they are granted unit appreciation rights, which are settled in cash (cash-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments as issued by Institute of Chartered Accountant of India (ICAI), a liability is recognised for the fair value of cash-settled transactions or the minimum cost escalation on year on year basis, whichever is higher in the books of Company as well as in the books of Group. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense in the Group's consolidated statement of profit and loss. The fair value is expensed out over the period until the vesting date with recognition of a corresponding liability.









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p. Derivative and hedge accounting

In the normal course of business, the Group uses derivative instruments for management of exposure due to fluctuations in foreign currency exchange rates that is attributable to a 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. The company designates these derivative instruments in a hedging relationship by applying the hedge accounting principles as set out in the Guidance note on Accounting for Derivative Contracts issued by The Institute of Chartered Accountants of India (ICAI) issued in 2015.

The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Contracts designated as Cash Flow Hedge

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

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. The Group evaluates hedge effectiveness of cash flow hedges at the time a contract is entered into as well as on an ongoing basis. The effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the "Hedge reserve", while any ineffective portion is recognized immediately in the consolidated statement of profit and loss.

Amounts recognized in the hedge reserve are recycled to the consolidated statement of profit and loss at the same time when the impact from the underlying transaction affects consolidated statement of profit and loss.

If an entity terminates a hedging instrument prior to its maturity / contractual term, hedge accounting is discontinued prospectively. Any amount previously recognised in the hedge reserve is reclassified into the consolidated statement of profit and loss only in the period when the hedged item impacts the earnings. The cost associated with a hedging instrument is treated as a period cost and amortised in the manner the impact of underlying transaction affects the consolidated statement of profit and loss. Derivatives that are hedges of recognized assets or liabilities are classified as current or non-current based on the classification of the underlying transactions.

q. Cash and cash equivalents

Cash and cash equivalents for the purposes of consolidated cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Other bank balances

It includes deposits having maturity of more than three months but less than twelve months which can be readily convertible to cash with insignificant risk of changes in value.

r. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

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s. Current and Non-Current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current / non-current classification. An asset is treated as current when it is:
Expected to be realised or intended to be sold or consumed in normal operating cycle; or
Expected to be realised within twelve months after the reporting period; or
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.

A liability is current when:

It is expected to be settled in normal operating cycle; or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

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

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

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3 Share capital

	March 31, 2021	March 31, 2020
Ordinary equity shares	442	442
Series A-I Compulsorily convertible participating preferred shares	10,686	10,686
	<u>11,128</u>	<u>11,128</u>

Notes:

The Company has ordinary equity shares issued to Continuum Energy Pte. Limited ("shareholder"). Each shareholder is eligible for one vote per share held. The Ordinary equity shares have no par value. In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings. No dividends were declared for the year ended 31 March 2021 (31 March 2020: Nil). The Company has issued certain Series A-I Compulsorily Convertible Participating Preferred Shares ('CCPPS') to Clean Energy Investing Limited at an issue price of US\$ 1.00 per share. These CCPPS have been classified as equity in the consolidated financial statements which carries following terms and conditions –

1. These CCPPS will be converted into ordinary equity shares at an agreed price which is subject to certain conversion price adjustments;
2. To be mandatorily converted after 20 years from the date on which any Series A Preferred share is first issued or any time at the option of the holder;
3. Carry identical rights with regard to all key aspects as to Ordinary equity shares, including repayment of capital, participation in surplus assets and profits, cumulative or non-cumulative dividend, voting and priority of payment of capital and dividend.

4 Reserves and surplus :

	March 31, 2021	March 31, 2020
Hedge reserve (refer note 35)		
Balance as per last financial statement	-	-
Losses arising during the year on derivative contracts	(204)	-
Reclassification adjustments on recycling included in consolidated statement of profit and loss	(391)	-
Hedge reserve	<u>(595)</u>	<u>-</u>
Foreign currency translation reserve*		
Balance as per last financial statements	(428)	(241)
Addition during the year	125	(187)
Closing balance	<u>(303)</u>	<u>(428)</u>
Deficit in the consolidated statement of profit and loss		
Balance as per last financial statements	(2,173)	(2,456)
Adjustment on account of transfer of intercompany investment **	(61)	-
Adjustment on account of minority interest	1	3
(Loss) / profit for the year	(2,547)	280
Net deficit in the consolidated statement of profit and loss	<u>(4,780)</u>	<u>(2,173)</u>
Total reserves and surplus	<u>(5,678)</u>	<u>(2,601)</u>

* Foreign currency translation reserves represent accumulated translation reserves relating to CELPL and CGEL, whose functional reporting currency is US dollars and for the consolidated financial statement have been converted into INR.

** During the year Company has sold investment of one subsidiary to another subsidiary. Difference between cost of investment and sale price arising due to foreign exchange fluctuation is adjusted to reserve being transaction with the group and eliminated in consolidated financial statements.

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5 Long-term borrowings

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Indian rupee term loans (secured)				
From banks (refer below note v and vi)	-	3,392	-	186
From financial institution (refer below note i, v and vi)	3,975	29,365	79	2,261
From from related parties (refer note vii and note 31)	1,626	1,660	-	-
Non convertible debentures (NCD) (secured)				
Non convertible debentures 425 (March 31, 2020; 425) of INR 10,000,000/- each fully paid up issued to external parties (refer below note ii)	-	4,250	4,250	-
Senior Notes (refer note iv)	40,669	-	567	-
	46,270	38,667	4,896	2,447
Current maturities disclosed under the head "other current liabilities" (Note 10)	-	-	(4,896)	(2,447)
Total long term borrowings	46,270	38,667	-	-

The borrowings have been obtained by respective subsidiaries of the Group. The key terms of the loan and the security thereon are summarized below:

- i) **CGEIPL - Project term loan of INR 638 (As at March 31, 2020 INR 778) from a financial institution.**
 - a) **Terms and Security:**
 - The loan is secured by first ranking exclusive mortgage and charge over all the assets of CGEIPL pertaining to the 34.5 MW Wind Power Project in the state of Gujarat ("Project") :
 - The entire immovable properties (including leasehold rights in case of leased land) of CGEIPL together with all appurtenances thereon, both present and future, pertaining to the Project in the state of Gujarat
 - All the tangible movable assets of CGEIPL wherever situated, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and other movable assets, both present and future, pertaining to the Project.
 - All the current assets of CGEIPL including but not limited to receivables, both present and future, all pertaining to the Project.
 - All accounts of CGEIPL, pertaining to the Project, including without limitation, the Transaction Accounts or any account in substitution thereof, including all the monies and receivables in such bank accounts, all pertaining to the Project.
 - All intangible assets of CGEIPL pertaining to the Project including but not limited to goodwill, rights, undertakings and uncalled capital, both present and future, all pertaining to the Project.
 - All right, title and interest of CGEIPL (including the right to receive any liquidated damages) under the PPAs, the other Project Documents, the Authorisations (to the extent assignable), the Insurance Contracts, letters of credit, guarantee including contractor guarantees, liquidated damages, performance bond, corporate guarantee (CG) and bank guarantee provided by any Person for any contract in favour of the Borrower, all in relation to the Project, to the extent permitted under Applicable Laws.
 - Unconditional and irrevocable corporate guarantee from Continuum Green Energy Limited, Singapore ("CGEL") for the obligation under the term loan to maximum amount of INR 500 or below.
 - b) **Terms of repayment**

For remaining instalments as on March 31, 2021:

 - The term loan from Financial Institution is repayable in 30 remaining unequal quarterly instalments ranging between 1.10% to 4.24% of the original loan amounts.
 - c) **Terms of Interest**
 - The term loan from Financial Institution carries interest rate of 9.85% p.a. from December 29, 2017 and interest rate will be reset after five years.
- ii) **CGEIPL - NCDs of INR 4,250 (As at March 31, 2020 INR 4,250)**
 - a) **Terms and Security:**
 - Debentures shall be rupee denominated, redeemable, senior, secured, unrated and unlisted non-convertible debentures.
 - Debentures were allotted on December 26, 2017, March 28, 2018 and June 18, 2018 and shall be redeemable on June 30, 2021. Subsequent to balance sheet date on April 30, 2021 these debentures were redeemed.
 - Coupon for the Debentures is 0% for first twelve months from the initial allotment date and gradually to rise to 8% for subsequent years, with interest payable on quarterly basis. The agreement requires redemption premium to be payable at the end of the tenure of NCDs to provide a fixed IRR net of interest paid during the period. Accordingly, the company has made the provision of redemption premium towards the differential amount between fixed IRR and interest accrued periodically, in the financial statements.
 - The Facility shall be secured by first ranking fixed security over 100% (i.e.: 80,349,999 shares) (March 31, 2020; 100% (i.e.: 80,349,999 shares)) shareholding and 89.30% (i.e.: 975,538,750 CFCDs) (March 31, 2020; 89.30% (i.e.: 975,538,750 CFCDs)) CFCDs of the issuer on a fully diluted basis.
 - Charge over Designated Account and Corporate Guarantee from CGEL towards obligations under the Debenture Trust Deed in favour of Debenture trustee.
 - Unconditional and irrevocable corporate guarantee from Continuum Green Energy Limited, Singapore ("CGEL") for the obligation under the debenture trust deed to the maximum amount of NCD outstanding at given point in time.
- iii) CGEIPL has sanctioned limit of non fund based facility of INR 1,650 (March 31, 2020; INR 1,650). Out of this facility as on March 31, 2021 CGEIPL has availed INR 1,316 (March 31, 2020; INR 1,316) towards bank guarantees. Continuum Green Energy Limited, Singapore has pledged 106,250,000 CFCDs (March 31, 2020; 106,250,000) held by it in CGEIPL for non fund based facility with bank. Further Continuum Green Energy Limited, Singapore ("CGEL") has also provided with corporate guarantee for the obligation under facility document to the maximum amount outstanding at given point in time.



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iv) Continuum Energy Levanter Pte Ltd - Senior Secured Notes of INR 41,236 (March 31, 2020; INR Nil) from foreign investors.

a) Terms of Notes:

- Unsubordinated obligations of CELPL.
- Senior in right of payment to any obligations of CELPL expressly subordinated in right of payment to the Notes.
- At least pari passu in right of payment with all unsubordinated Indebtedness of CELPL (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law)
- Effectively junior to any secured Indebtedness of CELPL, to the extent of the value of assets securing such Indebtedness (other than the Collateral, to the extent applicable); and
- Secured by first-priority liens on the Collateral.

b) Security of Notes:

- Each of a first-priority fixed share charge (the "Share Charge") by CGEL over the Capital Stock of the CELPL and a first-priority security interest in the Offshore Cash Account (together with the Share Charge, the "Pari Passu Collateral") pursuant the charge over Offshore Cash Account (together with the Share Charge, the "Pari Passu Collateral Documents"), and
- Prior to the release therefrom, a first-priority security interest in the Escrow Account (the "Notes Collateral") pursuant to the charge over Escrow Account (the "Notes Collateral Document")

c) Interest and Repayment

- Notes have coupon rate of 4.5% p.a. payable semi annually in arrears on each February 9 and August 9, commencing on August 9, 2021. Further, Notes are issued for a period of six years from issuance date i.e., February 9, 2021.
- Notes are redeemable in 12 semi - annual unequal instalments over the period of six years ranging from 0.63% to 4.88% as per the Mandatory Amortization Redemption and Mandatory Cash Sweep (MCS) Amortization Redemption schedule as included in the financing document of Senior Notes.

v) Salient terms of interest & repayment schedules of loans from financial institutions/ Banks ("lenders") outstanding as at March 31, 2020

a) Bothe :- Term loan of INR Nil (As at March 31, 2020; INR 8,048)

A The effective interest for (payable monthly) and remaining instalments as at March 31, 2020 are due on a quarterly basis:

- 1 The loan from PFC carries fixed interest rate of 10.25% p.a. and principle outstanding as at March 31, 2020 is repayable in 53 unequal quarterly instalments ranging between 0.75% to 2.50% of loan;
- 2 The loan from L&T Infra carries interest at the rate of L&T Infra PLR minus 5.25% p.a. and principle outstanding as at March 31, 2020 is repayable on or before the end of the tenure.

B During the current year, Bothe has made the prepayment of above loans except term loan from L&T Infra from the proceeds received from Non Convertible Debentures (NCDs) issued to Continuum Energy Levanter Pte. Limited (CELPL). Term loan from L&T Infra was due for scheduled repayment in Dec 2020 which has been paid in accordance with the loan agreement.

b) DJEPL :- term loan of INR Nil (As at March 31, 2020; INR 6,286)

A The effective interest for (payable monthly except IFC)

- 1 L&T Infrastructure Finance Company Limited (L&T Infra), India Infrastructure Finance Company Limited (IIFCL) & India Infradebt Limited : L&T Infra PLR minus 5.50% p.a.
- 2 International Financial Corporation (IFC): Fixed interest rate ranging between 10.55% p.a. and 11.1225% p.a. for each tranche of draw down (payable semi-annually).

B Remaining instalments as at March 31, 2020 are due on a quarterly basis except for IFC :

- 1 L&T Infra: Ranging from 37 quarters to 60 quarters of unequal instalments ranging between 0.13% to 19.52% of loan.
- 2 IIFCL: 46 quarters of unequal instalments ranging between 0.72% to 2.76% of loan.
- 3 India Infradebt: 44 quarters of unequal instalments ranging between 0.48% to 17.60% of loan.
- 4 IFC: 18 semi-annual repayments in unequal instalments ranging between 1.92% to 7.10% of loan.

C During the current year, the DJEPL has made the prepayment of above loans along with applicable prepayment premium from the proceeds received from NCD issued to Continuum Energy Levanter Pte Limited (CELPL).

c) UUPPL :- term loan of INR Nil (As at March 31, 2020; INR 5,108)

A The effective interest for (payable monthly except IFC)

- 1 L&T Infrastructure Finance Company Limited (L&T Infra), India Infrastructure Finance Company Limited (IIFCL) & India Infradebt : L&T Infra PLR minus 5.50% p.a.
- 2 IFC : Fixed interest rate ranging between 10.65% p.a. and 11.1725% p.a. for each tranche of draw down (payable semi-annually).

B Remaining instalments as at March 31, 2020 are due on a quarterly basis except for IFC :

- 1 L&T Infra: Ranging from 41 quarters to 60 quarters of unequal instalments ranging between 0.13% to 24.66% of loan.
- 2 IIFCL: 47 quarters of unequal instalments ranging between 1.07% to 2.50% of loan.
- 3 India Infradebt: 44 quarters of unequal instalments ranging between 0.47% to 24.66% of loan.
- 4 IFC: 19 semi-annual repayments in unequal instalment ranging between 2.80% to 10.75% of loan.

C During the current year, the UUPPL has made the prepayment of above loans along with applicable prepayment premium from the proceeds received from NCD issued to Continuum Energy Levanter Pte Limited (CELPL).



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d) Watson :- term loan of INR Nil (As at March 31, 2020; INR 9,165)

A The effective interest for (payable monthly):

- 1 PTC India Financial Services Ltd (PFS), State Bank of India (SBI - Wind) and Indian Renewable Energy Development Agency Ltd (IREDA), 2.30% above one year SBI MCLR post COD subject to Watson creating DSRA & achieving investment grade External Credit Rating or above
- 2 State Bank of India (SBI Solar): 2.30% p.a above one year SBI MCLR till Commercial date of operation (COD) & 1.75% p.a. above one year SBI MCLR post COD subject to completion of security perfection, external credit rating of minimum of "BBB" Rating and creation of 2 quarters DSRA

B Remaining instalments as at March 31, 2020 are due on a quarterly basis:

- 1 PTC India Financial Services Ltd, SBI (Wind) and IREDA. 57 quarters (56 quarters for SBI) of structured instalments ranging between 1.07% to 2.48% of principal loan amount.
- 2 SBI (Solar) : 56 quarters of structured instalments ranging between 1.07% to 2.48% of principal loan amount.

C During the current year, Watson has made the prepayment of above term loans along with applicable prepayment premium from the proceeds received from NCDs issued to Continuum Energy Levanter Pte Limited (CELPL).

e) Trinethra :- term loan of INR Nil (As at March 31, 2020; INR 4,719)

A Terms of interest:

- 1 The loan from Power Finance Corporation (PFC) carried interest rate of 11% p.a (fixed) payable quarterly up to the standard due date immediately following the COD (3 year reset rates).

B Terms of repayment:

- 1 The principal loan outstanding from PFC was repayable in unequal quarterly instalments ranging between 1.25% to 3.80% of loan;
- 2 First repayment date will fall due on July' 15 2020 i.e. 12 months from original Scheduled Commercial Operation Date (SCOD) of the project.

C During the current year, Trinethra has made the prepayment of above loan along with applicable prepayment premium from the proceeds received from NCD issued to Continuum Energy Levanter Pte Limited (CELPL).

f) RTPL :- term loan of INR Nil (March 31, 2020 INR 1,101)

A Terms of Interest:

- 1 The loan from Power Finance Corporation (PFC) carried interest rate of 10.65% p.a payable monthly upto the standard due date

B Terms of repayment:

- 1 The loan from PFC was repayable in 180 (One Eighty) structured monthly instalments ranging between 0.33% to 2.67% of loan.
- 2 First repayment date was to fall due on 12 months after Scheduled Commercial Operation Date (SCOD) of the project

C During the current year, RTPL has made the prepayment of above loan along with applicable prepayment premium from the proceeds received from NCD issued to Continuum Energy Levanter Pte Limited (CELPL).

g) Continuum TN:- term loan of INR 3,416 (March 31, 2020 INR Nil)

- 1 A first charge by way of mortgage in a form and manner acceptable to the Lender, over all the Borrower's immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future;
- 2 A first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
- 3 A first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Borrower's intangible, goodwill, uncalled capital, both present and future;
- 4 A first charge on the Borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Borrower, both present and future;
- 5 A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 2 Quarter(s) of principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present & future; and
- 6 The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 51% (fifty one percent) Equity Shares, 51% (fifty one percent) CCDs and 51% (fifty one percent) NCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Borrower;
- 7 The loan from PFC carries interest rate of 10.55% p.a / 10.65% p.a depending on date of drawdown and the principle outstanding is repayable in 204 monthly instalments, commencing from the first standard due date falling 12 months after scheduled or actual SCOD whichever is earlier.
- 8 Continuum Green Energy (India) Private Limited (CGEIPL) shall provide a corporate guarantee in favour of the Lender to guarantee the Secured Obligations. CGEIPL agree that non-compliance of its obligations under the corporate guarantee shall be treated as an Event of Default. The said corporate guarantee shall be released on the Interim Collateral Release Date.



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- vi) During the financial year 2019-20, the term loan lenders of CGEIPL, Bothe, DJEPL, UUPPL, Watsun and Trinethra had approved deferment of payment of term loan instalment and interest falling due between March 01, 2020 and May 31, 2020 in accordance with Circular no. RBI/2019-20/186 dated March 27, 2020 issued by Reserve Bank of India and accordingly these subsidiaries reclassified current maturities of long-term borrowings and interest accrued but not due basis the aforementioned circular and approval from lenders as at March 31, 2020.
- vii) From related parties
- A Clean Energy Investing Limited
- Loan from Clean Energy Investing Limited is interest bearing loan at the rate of 13.5% p.a or a specific predefined return whichever is greater and repayable on March 21, 2023. Subsequently, the due date for repayment is extended up to March 21, 2027.
- B Continuum Energy Pte Limited
- Loan from Continuum Energy Pte Limited is interest bearing loan at the rate of 14% p.a and repayable in October, 2022. Subsequently, the due date for repayment is extended up to September 30, 2025.



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6 Deferred tax liability (net)

	March 31, 2021	March 31, 2020
Deferred tax liability		
Property, plant and equipment: Impact of difference between book depreciation and tax depreciation (refer note i and ii below)	3,087	2,229
Gross deferred tax liability	<u>3,087</u>	<u>2,229</u>
Deferred tax asset		
On unabsorbed depreciation (refer note iii below)	2,783	1,718
Gross deferred tax asset	<u>2,783</u>	<u>1,718</u>
Net deferred tax liability	<u>304</u>	<u>511</u>

Note:

- i) One of the subsidiary of the group, CGEIPPL is eligible for deduction of 100% of taxable income under section 80-IA of the Income Tax Act, 1961 subject to Minimum Alternate Tax (MAT) and avail the said benefit for 10 continuous years out of total 15 years from the year in which they start its commercial operations.
- ii) During the FY 2019 - 2020 year, the finance Ministry of India had introduced a new Section 115 BAA under the Income Tax Act, 1961 by Taxation Laws (Amendment) Act, 2019, where domestic companies can avail the option to pay income tax at the reduced rate of 25.17% (including surcharge and education cess) subject to certain conditions that they will not avail specified tax exemptions or incentives under Income Tax Act, 1961. Such option once exercised cannot be subsequently withdrawn. Upon availment of said option, the company is not require to pay tax under Section 115JB relating to Minimum Alternative Tax ('MAT'), however, the company require to relinquish its rights to deduction available under Section 80 IA. As the provision related to section 115JB is not applicable considering the company has availed the option as explained above, the company will not be eligible to claim any outstanding MAT credit entitlement available with the company as at April 01, 2019.

Certain subsidiaries had opted for the option effective from Assessment year 2020-21 and accordingly, re-measured Deferred tax liability recognised and outstanding as at April 01, 2019 with revised income tax rate of 25.17% from earlier applicable tax rate of 26%. Further Bothe, DJEPL and UUPPL shall not be eligible to take the credit of outstanding MAT credit receivable aggregating to INR 256 and hence they have written off MAT credit entitlement in the consolidated statement of profit and loss during the year ended March 31, 2020.

Also, as per earlier tax provisions under tax scheme, till March 31, 2019; the Bothe, DJ and UUPPL had not recognised Deferred tax (carried forward unabsorbed depreciation losses and difference between Book written down value (WDV) and Tax WDV of the assets) to the extent that they were getting reversed during tax holiday period as per section 80 IA of the Income Tax Act, 1961. However, pursuant to adoption of option permitted under Section 115BAA of the Income-Tax Act, 1961 and in absence of Section 80 IA tax holiday period availability, Deferred tax was re-measured and recognised on unabsorbed depreciation losses and difference between Book WDV and Tax WDV of the assets as at April 01, 2019.

Re-measurement impact of deferred tax due to above changes was recognised in consolidated statement of profit and loss for the F Y. 2019-20.

- iii) Certain subsidiaries of the group has created deferred tax asset on unabsorbed depreciation allowance on the premise that the unabsorbed depreciation is linked to the timing differences between the book and tax depreciation, there is no time limit for carry forward of such an allowance and the group would be able to recover the asset. Accordingly, deferred tax asset has been recognised to the extent of deferred tax liability for respective subsidiaries.

7 Other long-term liabilities

	March 31, 2021	March 31, 2020
Security deposits from customers*	85	80
Capital creditors	68	-
Liability towards premium on redemption of NCDs issued to external parties	-	807
Interest accrued and not due on borrowings	919	615
Deferred forward Premium (refer note 35)	4,844	-
Employee share-based payments	234	186
	<u>6,150</u>	<u>1,688</u>

*Security Deposits received from customers is interest free and payable at the end of power purchase agreement.



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8 Provisions

	Non Current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for income-tax, net of advance tax				
Provision for taxation (net of advance taxes)	-	-	-	6
Provision for employee benefits				
Provision for gratuity (refer note 28)	27	25	6	4
Provision for leave benefits	-	-	18	15
	27	25	24	19
Other provisions				
Provision towards foreseeable losses**	-	-	299	299
Provision towards commitment charges (refer below note i)	-	-	9	73
Provision for litigation and contingencies (refer below note ii)	-	-	213	127
	27	25	545	524

** There are certain long term contracts for which one of the subsidiary anticipates foreseeable losses and accordingly, the subsidiary had created provision for such losses.

Note

i Movement of provision towards commitment charges

	March 31, 2021	March 31, 2020
At the beginning of the year	73	-
Arising during the year	-	73
Utilised during the year	(33)	-
Provision no longer required written back	(31)	-
At the end of the year	9	73

ii Provision for litigation and contingencies

	March 31, 2021	March 31, 2020
At the beginning of the year	127	-
Arising during the year***	86	127
At the end of the year	213	127

*** Provision for litigation and contingencies made during the year for Bothe amounting to INR 49 (March 31, 2020; INR 127). The above provision also includes provision made towards Deviation Settlement Mechanism (DSM) charges for the period from August 2018 to March 31, 2021 for DJEPL INR 21 (March 31, 2020, INR Nil) and UUPPL INR 16 (March 31, 2020; INR Nil) which is currently sub-judice. Provision for litigation and contingencies as at March 31, 2021 is of INR 213 (March 31, 2020, INR 127).



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9 Short-term borrowings

	March 31, 2021	March 31, 2020
Working capital (secured)		
From banks	-	327
From financial institution	-	631
Total	<u>-</u>	<u>958</u>

Note I: Undrawn working capital facility:

Certain subsidiaries of the Group has availed working capital facility from IndusInd Bank Limited amounting to INR 2,560 which were undrawn as at March 31, 2021.

Salient terms and security of working capital facility:

- 1 First ranking charge by way of hypothecation over present and future current assets of the certain companies of the group as more particularly set out in, and in accordance with the terms of, the Deed of Hypothecation but excluding the Issue Proceeds Escrow Account, Debt Service Reserve Account, Senior Debt Restricted Amortization Account, Restricted Surplus Account.
- 2 A first ranking charge in accordance with the terms of the Deed of Hypothecation, over certain Trust and Retention Accounts as defined under the facility agreement.
- 3 Second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of the Group entities in connection with the Project (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), in each case, as more particularly identified in, and in accordance with the terms of, the Mortgage Documents;
- 4 Second charge on the pledged shares of Group entities held by CGEIP, in accordance with the terms of the Share Pledge Agreement, in case of Watson, it is 51% of the share capital of Watson.
- 5 Non disposal undertaking (NDU) is issued in respect of NDU shares as defined in the facility agreement signed with working capital lender.
- 6 Second ranking charge over the Power Purchase Agreements entered into by the company, Insurance Contracts and other project documents entered into by the borrower in relation to the Project, in accordance with the terms of the Deed of Hypothecation.
- 7 Second ranking charge over the Senior Debt Enforcement Proceeds Account, in accordance with the terms of the Deed of Hypothecation;
- 8 Guarantee is issued by certain subsidiaries in favour of security trustee for the benefit of working capital lender.
- 9 The above facility carries an interest rate of one year MCLR plus 0.30% p.a.

Note II: Terms of interest & repayment of short term borrowing outstanding as at March 31, 2020:

- 1 **Bothe** : Interest rate for State Bank of India is SBI's one year MCLR + 1.75 % p.a. whereas Interest rate for L & T Finance Limited PLR minus 5.5% p.a.
- 2 **DJEPL and UUPPL** : The interest on cash credit facility carries and interest rate of L & T Infrastructure Finance Company Limited PLR minus 4.75% p.a. payable on monthly basis.
- 3 Loan is repayable on demand.
- 4 This loan has been repaid during the current year.

10 Trade payables and other current liabilities

	March 31, 2021	March 31, 2020
Trade payables	634	207
	<u>634</u>	<u>207</u>
Other liabilities :		
Current maturities of long-term borrowings (refer note 5)	4,896	2,447
Capital creditors	543	11
Interest accrued but not due on borrowings	280	349
Interest accrued but not due on NCDs issued to external parties	29	149
Liability towards premium on redemption of NCDs issued to external parties	1,196	-
Statutory dues payable*	81	93
Deferred forward premium (refer note 35)	1,317	-
Others	2	29
Total	<u>8,344</u>	<u>3,078</u>

* Includes tax deducted at source, employees provident fund, employees profession tax, Goods and Service Tax (GST) and Employees State Insurance Corporation.



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11 Property, plant and equipment

Particulars	Land*	Buildings	Plant and equipment**	Furniture and fixtures	Vehicles	Office equipment's	Computer	Total
Cost								
As at April 01, 2019	1,370	8	37,783	7	1	5	13	39,187
Additions	123	-	7,131	-	-	0	3	7,257
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2020	1,493	8	44,914	7	1	5	16	46,444
Additions	80	4	6,309	-	-	1	2	6,396
Sales/disposals/adjustments	-	-	7	-	-	-	-	7
As at March 31, 2021	1,573	12	51,216	7	1	6	18	52,833
Depreciation								
As at April 01, 2019	-	0	5,909	4	1	4	10	5,928
Charge for the year	4	1	1,681	1	0	1	2	1,690
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2020	4	1	7,590	5	1	5	12	7,618
Charge for the year	7	1	1,885	1	-	1	2	1,897
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2021	11	2	9,475	6	1	6	14	9,515
Net block								
As at March 31, 2020	1,489	7	37,324	2	0	0	4	38,826
As at March 31, 2021	1,562	10	41,741	1	0	0	4	43,318

*Gross block of Land: Bothe held certain parcel of land by way of registered agreement to sale or irrevocable registered power of attorney or both amounting to INR 190 (March 31, 2020; INR 204). It also includes leasehold land in Trinetra of INR 99 (March 31, 2020; 105), RTPL of INR 27 (March 31, 2020; 12) and freehold land of INR 1,275 (March 31, 2020; INR 1,174)

** The Finance cost net capitalized during the year includes interest expenses of INR 123 (March 31, 2020; 7) and other borrowing cost of INR 26 (March 31, 2020; 17)

**Plant and equipment includes Plant and machinery - Wind Turbine Generator (WTG), Solar Panels including invertors and related assets, Networking Equipment, Sub Station, 33KV Line and other enabling assets.



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12 Goodwill

Particulars	Amount
Cost	
As at April 01, 2019	391
Additions	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2020	391
Additions	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2021	391
Amortization	
As at April 01, 2019	-
Charge for the year	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2020	-
Charge for the year	-
Sales/disposals/adjustments/ impairment	-
As at March 31, 2021	-
Net block	
As at March 31, 2020	391
As at March 31, 2021	391

13 Non-current investments

	March 31, 2021	March 31, 2020
Investment in mutual funds (quoted)	-	50
	-	50

Note:

Market value of mutual funds as at March 31, 2020 was INR 54. Investment in mutual fund for the year ended March 31, 2020 was towards Debt Service Reserve Account as required under lender's agreement.

14 Loans and advances

Unsecured, considered good unless stated otherwise

	Non-current		Current	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Capital advances	757	1,075	-	-
Security deposit	38	125	100	-
	795	1,200	100	-
Advance recoverable in cash or in kind				
Loans and advances to related parties (refer below note i and note 31)	510	510	-	-
Advances recoverable from vendor	2	-	-	14
Other advances	102	101	45	52
	614	611	45	66
Other loans and advances				
Advance income tax (net of provision for tax)	110	184	-	-
Prepaid expenses	3	22	90	82
Balance with statutory/ government authorities	7	7	-	-
Imprest to staff	-	-	0	1
	120	213	90	83
	1,529	2,024	235	149

Note:

- i) Loan given to Skyzen Infrabuild Private Limited (SIPL) amounting to INR 510 (March 31, 2020; INR 510) is repayable on or before October 9, 2022 along with predefined interest amounts. Further on February 09, 2022, the agreement is extended and the balance is repayable on or before October 9, 2025.



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15 Other non-current asset

Unsecured, considered good unless stated otherwise

	March 31, 2021	March 31, 2020
Fixed deposit with remaining maturity for more than 12 months (refer note 17)*	509	401
Unamortised ancillary borrowing cost	547	228
Interest on unsecured loans receivable (refer note 31)	80	3
Derivative Assets (refer note 35)	5,859	-
Unbilled revenue**	406	357
Total	7,401	989

* Includes deposits amounting to INR 303 (March 31, 2020; INR 111) on which lien has been marked against bank guarantee and letter of credit issued by various banks.

** Unbilled revenue represents amount receivable for sale of electricity towards 6.3 MW for which Wind Energy Purchase agreement (WEPA) has not been signed at year end, (refer note 33)

16 Trade receivables

	March 31, 2021	March 31, 2020
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment*	1,211	1
Other trade receivables	2,337	1,417
Total	3,548	1,418

Note :

* The above trade receivables includes INR 1,044 (March 31, 2020 : INR Nil) and INR 159 (March 31, 2020 : INR Nil) outstanding from Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Madhya Pradesh Power Management Company Limited (MPPMCL) respectively against sale of electricity.

17 Cash and bank balances

	Non-current March 31, 2021	Non-current March 31, 2020	Current March 31, 2021	Current March 31, 2020
Cash and cash equivalent				
Cash in hand	-	-	0	0
Balances with banks :				
- Current account	-	-	2,379	869
- Deposits with original maturity of less than 3 months	-	-	4,360	2,557
Total	-	-	6,739	3,426
Other bank balance				
- Deposits with remaining maturity upto a period of 12 months*	-	-	1,459	3,310
- Deposits with remaining maturity for more than 12 months	509	401	-	-
	509	401	1,459	3,310
Amount disclosed under other non-current assets (refer note 15)	(509)	(401)	-	-
	-	-	1,459	3,310
Total	-	-	8,198	6,736

* Includes deposits amounting to INR 1,019 (March 31, 2020; INR 538) on which lien has been marked against bank guarantee and letter of credit issued by various banks.

* Deposits includes deposits created towards Debt Service Reserve Account as required under lender's agreement amounting to INR 69 (March 31, 2020; INR 1,634) by certain subsidiaries of the group.

18 Other current assets

Unsecured, considered good unless stated otherwise

	March 31, 2021	March 31, 2020
Accrued income (refer note below)	650	621
Accrued interest		
On bank deposits	9	68
Other	0	3
Unamortised ancillary borrowing cost	151	106
Derivative assets (refer note 35)	12	-
Other current assets	1	-
Total	823	798

Note: Accrued income represents revenue earned as at year end and billed to the customers subsequent to the year end.



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19 Revenue from operations

	March 31, 2021	March 31, 2020
Revenue from operations		
Sale of electricity (refer note below)	7,546	7,704
Other operating revenue		
Income from Renewable Energy Certificate (REC)	34	78
Income from Generation Based Incentive (GBI)	329	389
Total	<u>7,909</u>	<u>8,171</u>

Note:

Watsun has commissioned its solar project on June 26, 2020 and started generation of electricity. However, Watsun has signed wheeling agreement with the Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) effective from March 1, 2021 and accordingly, Watsun has started recognition of revenue and billed to customers / TANGEDCO from March 1, 2021

20 Other income

	March 31, 2021	March 31, 2020
Interest income on :		
Bank deposits*	221	287
On advance to vendor	2	-
On unsecured loan to related party	77	67
Income tax refund	9	4
Profit on sale of mutual fund units	6	28
Excess provision written back	31	-
Balances written back	-	7
Income arising due to liquidated damages**	-	105
Foreign exchange gain (net)	-	47
Insurance claim received	1	7
Miscellaneous Income	1	2
Total	<u>348</u>	<u>554</u>

* Interest income on bank deposits are net of amount capitalised by the Group (refer note 30)

** During the previous year, one of the subsidiary had claimed liquidated damages from contractor towards delay in execution of 101.2 MW project in accordance with the terms of the contracts entered with said contractor.

21 Operating and maintenance expenses*

	March 31, 2021	March 31, 2020
Operation and maintenance expenses	731	590
Transmission, open access and other operating charges	711	504
	<u>1,442</u>	<u>1,094</u>

* Operating and maintenance expenses includes one off charge of INR 26 levied in financial year 2020-21, based on order received from Madhya Pradesh Electricity Regulatory Commission (MPERC), towards Deviation Settlement Mechanism (DSM) charges for August 2018 to Mar 2020. The matter is currently sub-judice.

22 Employee benefit expense

	March 31, 2021	March 31, 2020
Salary, wages and bonus (refer note below)	324	310
Contribution to provident fund / other fund (refer note 28)	13	13
Gratuity expenses (refer note 28)	6	8
Leave benefits	5	7
Staff welfare expenses	7	7
Total	<u>355</u>	<u>345</u>

Note:

The Company has issued Phantom Stock Units Option Scheme in Financial Year 2016-17 where units were issued to certain eligible employees of the Group. Refer note 29 for detailed disclosures related to Scheme and expenses recognised as employee benefit expense.



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23 Other expenses *

	March 31, 2021	March 31, 2020
Rent (refer note 27)	20	19
Insurance expense	99	54
Rates and taxes	28	36
Travelling, lodging and boarding	25	37
Legal and professional fees	209	187
Repairs and maintenance Plant and machinery	45	17
Repairs and maintenance others	21	51
Site related expenses	-	17
Provision towards foreseeable losses	-	298
Provision for commitment charges	-	73
Provision for litigation and contingencies	49	127
Application and success fees	3	18
Rebate and discount	20	22
Foreign exchange loss (net)	20	-
Miscellaneous expenses	45	52
	584	1,008

* Other expenses disclosed are net of amount capitalised by the Group (refer note 30). Further, other expenses includes certain expenditure the nature of which are as follows:

- 1 Group has incurred repair and maintenance charges of INR 42 towards blade repairs which are disproportionately higher than previous years and such higher expenses are non-recurring in nature as per management. While these expenditure are covered under insurance, for which the Group has filed insurance claims and such claims will be accounted once approved by the insurer.
- 2 During the year, the Group has incurred certain expenditure in relation to fees paid of INR 13 for certain regulatory compliances forming part of rates and taxes, fees paid of INR 4 for warranty inspection and root-cause analysis forming part of legal and professional fees, which the Group believes are non-recurring in nature and are not incurred as a part of day-to-day operations.
- 3 Group has created certain provision towards litigation and contingencies amounting to INR 49 [Refer note 8 (ii)]

24 Finance costs *

	March 31, 2021	March 31, 2020
Interest on borrowings	3,983	3,416
Interest on NCDs	221	221
Interest on senior notes	265	-
Foreign exchange loss (net)	173	0
Forward premium cost	79	-
Prepayment premium charges	909	-
Redemption premium on NCDs	390	391
Other borrowing costs	744	426
	6,764	4,454

* Finance cost are net of amount capitalised by the Group (refer note 30).

25 Earnings per share ('EPS')

The following reflects the (loss)/profit and equity share data used in the basic and diluted EPS computation

	March 31, 2021	March 31, 2020
(Loss) / Profit after tax	(2,547)	280
Outstanding number of equity shares (Nos.)	103,277,882	103,277,882
Weighted average number of equity shares in calculating basic and diluted EPS (nos.)	103,277,882	103,277,882
Nominal value of equity share (USD)	1	1
Basic and diluted EPS (INR)	(24.66)	2.71

26 Segment reporting

The Group is involved in the business of generation and sale of electricity as its primary business activity and accordingly the management believes that it does not carry out any material activity outside its primary business and hence no separate disclosure has been made as per AS 17 for 'Segment reporting'

27 Leases

Operating lease: Group as lessee

- a) The Group has entered into commercial lease on office premises. These leases have an average life of between one to five years with no renewal option included in the contracts. Further, certain subsidiaries has been awarded land for development of windfarm project on lease for period of 20 to 25 years.
- b) Operating lease payment recognised in the consolidated statement of profit and loss amounting to INR 20 (March 31, 2020, INR 19) (refer note 23).
- c) Future minimum rentals payable under non-cancellable operating leases are as follows:

	March 31, 2021	March 31, 2020
Within one year	20	4
After one year but not more than five years	75	14
More than five years	53	46
	148	64



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28 Employee Benefits

a) Defined Contribution Plan

Amount recognised and included in Note 22 "Contribution to Provident and other Funds" - INR 13 (March 31, 2020; INR 13).

b) Defined Benefit Plan

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to receive gratuity calculated @ 15 days (for 26 days a month) of last drawn salary for number of years of their completed year of service. The gratuity plan is unfunded.

The following table summarises the components of net benefit expense recognised in the consolidated statement of profit and loss and amounts recognised in the consolidated balance sheet:

i) Expenses recognised:

Particulars	March 31, 2021	March 31, 2020
Current service cost	4	3
Interest cost	2	2
Actuarial loss	0	3
Net benefit expense	6	8

ii) Amount recognized in the consolidated balance sheet:

Particulars	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	33	29
Fair value of plan assets	-	-
Plan liability	33	29

iii) The changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2021	March 31, 2020
Opening defined benefit obligation	29	20
Current service cost	4	3
Past service cost	-	1
Interest cost on benefit obligation	3	2
Benefits paid	(2)	-
Actuarial loss	0	3
Closing defined benefit obligation*	33	29
*Note		
Current	6	4
Non Current	27	25
Total	33	29

iv) The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.26% - 6.62%	6.22% - 7.27%
Rate of Salary Increase	10.00%	10.00%
Expected rate of return on planned assets	Not applicable	Not applicable
Rate of employee turnover	12.00%	12.00%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

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.



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29 Phantom Stock Units Option Scheme (PSU)

Continuum Green Energy Limited - Phantom Stock Units Option Scheme 2016 (PSU 2016 or Scheme)

PSUOS 2016 was approved by the Board of Directors which was made effective from 19 July 2016. Under the terms of the Scheme, up to 3 million of PSU options were made available to eligible employees of the Group. As at March 31, 2021, 1.7 million units (March 31, 2020 : 1.7 million) have been granted under this Scheme.

Accordingly to the Scheme, the employee selected by the Board from time to time will be entitled to units as per the grant letter issued by the Board, subject to the satisfaction of prescribed vesting conditions.

The expense recognised for employee services received during the year is shown in the following table:

Particulars	March 31, 2021	March 31, 2020
Expense arising from cash-settled share-based payment transactions	48	42
	48	42

Note

The scheme has been made effective from 19 July 2016 and options granted under this scheme would vest in pre-defined percentage basis upon completion of years of services and as at March 31, 2021, majority of options has already vested based on the above criteria with the weighted average exercise price as at March 31, 2021 is INR 122/- (March 31, 2020 : INR 122/-) per option.

The movement of options outstanding under Phantom Stock Units Option Scheme are summarised below:

Particulars	March 31, 2021		March 31, 2020	
	Exercise Price	No. of Options	Exercise Price	No. of Options
Outstanding at the beginning of the year	122	1.7	119	1.5
Granted during the year	166	0	144	0.2
Exercised during the year	-	-	105	0
Outstanding at the end of the year	122	1.7	122	1.7

30 Capitalisation of expenditure

During the year, the Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes else where in these consolidated financial statements are net of amounts capitalised by the Group.

	March 31, 2021	March 31, 2020
Application fees	7	23
Insurance expense	-	6
Finance cost (net of interest income)	98	182
Legal and professional fees	21	19
Rates and taxes	1	1
Site development expenses	4	4
Rent expense	5	4
Travelling, lodging and boarding	2	6
Miscellaneous expense	2	1
	140	246



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31 Related party disclosure

a) Names of the related parties and related party relationship

Related parties where control exists :

Shareholders	Clean Energy Investing Limited, Singapore (Holding Company)
	Continuum Energy Pte. Limited, Singapore

Enterprise over which key managerial person have significant influence Skyzen Infrabuild Private Limited

Key management personnel	Arvind Bansal	Director of CGEL & CGEIPL Chief Executive Officer of CGEIPL
	Simon Luke Walker	Director of CGEL
	Pan Peiwen	Director of CGEL
	Peter Farley Mitchell	Director of CGEL
	Vikash Saraf	Director of CGEL
	Arno Kikkert	Alternate Director of CGEL & Director of CGEIPL
	N V Venkataramanan	Chief Operating Officer of CGEIPL
	Marc Maria Van't Noordende	Director of CGEL
	Tarun Bhargava	Chief Financial Officer of CGEIPL (upto Sept. 08, 2021)
	Gautam Chopra	Vice President - Project Development of CGEIPL
	Ranjeet Kumar Sharma	Vice President - Projects - Wind business of CGEIPL
	Raja Parthasarathy	Director of CGEIPL
Relatives of key management personnel	Anjali Bansal	Vice President - Human Resource of CGEIPL

b) Related party transactions

Transactions	Holding company / Shareholders	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Transactions during the year			
Intercompany borrowings given			
Skyzen Infrabuild Private Limited	-	-	-
	-	(510)	(510)
Intercompany borrowings received back:			
Skyzen Infrabuild Private Limited	-	-	-
	-	(370)	(370)
Interest income on loan :			
Skyzen Infrabuild Private Limited	-	77	77
	-	(67)	(67)
Reimbursement of expenses incurred on behalf of the Group by			
Arvind Bansal	-	0	0
	-	(1)	(1)
Tarun Bhargava	-	0	0
	-	(0)	(0)
N V Venkataramanan	-	0	0
	-	(0)	(0)
Gautam Chopra	-	0	0
	-	(0)	(0)
Ranjeet Kumar Sharma	-	-	-
	-	(0)	(0)



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Transactions	Holding company / Shareholders	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Remuneration paid (refer note below)			
Arvind Bansal	-	48	48
	-	(47)	(47)
Gautam Chopra	-	9	9
	-	(8)	(8)
Ranjeet Kumar Sharma	-	10	10
	-	(10)	(10)
Anjali Bansal	-	5	5
	-	(5)	(5)
NV Venkataramanan	-	23	23
	-	(23)	(23)
Tarun Bhargava	-	21	21
	-	(21)	(21)
Interest expenses during the year:			
Clean Energy Investing Limited	235	-	235
	(195)	-	(195)
Continuum Energy Pte. Limited	80	-	80
	(65)	-	(65)
Closing balances at the year end			
Intercompany borrowings receivable			
Skyzen Infrabuild Private Limited	-	510	510
	-	(510)	(510)
Intercompany borrowings payable			
Clean Energy Investing Limited	1,323	-	1,323
	(1,357)	-	(1,357)
Continuum Energy Pte. Limited	303	-	303
	(303)	-	(303)
Interest on intercompany borrowings receivable			
Skyzen Infrabuild Private Limited	-	80	80
	-	(3)	(3)
Interest on intercompany borrowings payable			
Clean Energy Investing Limited	618	-	618
	(395)	-	(395)
Continuum Energy Pte. Limited	301	-	301
	(220)	-	(220)

(Previous year's figure in brackets)

Note:

- i) Remuneration does not include provisions made for gratuity and leave benefits, as they are determined for the Group as a whole. Further, PSU options granted to KMPs under PSUOS 2016 (refer note 29) are not included in above remuneration. As at March 31, 2021, the PSU options granted to KMPs were 1.16 million units (March 31, 2020 1.16 million units)



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CONTINUUM GREEN ENERGY LIMITED
(Previously known as Continuum Wind Energy Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

32 Capital and other commitments

Capital and other commitments remaining to be executed as on March 31, 2021 is INR 20,859 (March 31, 2020: INR 18,657)

33 Unbilled revenue

In the year 2014-15, Bothe had commissioned Wind Turbine Generators (WTGs) of 98.7 MW capacity and obtained the commissioning certificate from Maharashtra State Electricity Distribution Company Limited (MSEDCL), a state government owned distribution licensee. However, on account of delay in implementation of policy for renewable energy by the state government, the Wind Energy Purchase Agreements (WEPA) in respect of some WTGs having 6.3 MW capacity have not been signed with MSEDCL. Based on the commissioning certificate obtained by the Bothe as part of regulatory process for generation of electricity under renewable energy policy, the company started generating electricity from those WTGs and transmitted the same into the grids of MSEDCL.

These units injected into the MSEDCL grid has been acknowledged by MSEDCL under Joint Meter Reading (JMR) reports and the credit notes duly issued by MSEDCL and on the basis of that the Bothe has recognized revenues for sale of electricity in the consolidated statement of profit and loss and corresponding receivables are accounted as unbilled revenue under non-current assets. However, in the absence of WEPA, the company cannot raise the invoice for the electricity sold out of these WTGs.

During the year ended March 31, 2020, Bothe has received registration certificates from Maharashtra Energy Development Agency (MEDA) against these remaining 3 WTGs having capacity of 6.3 MW, a pre-requisite for execution of WEPAs. Upon receipt of registration certificates, Bothe had approached MSEDCL for signing of PPAs towards these WTGs. However, MSEDCL has taken contrary & arbitrary view and rejected Bothe's valid application for signing PPAs and in the month of January 2020 issued disconnection notice for said 3 WTGs. Bothe had approached honourable MERC and received stay order against MSEDCL decision in March 2020. Subsequently MERC has decided the case vide its order dated July 01, 2020. Bothe is not in agreement with the judgment of MERC and preferred an appeal before the Appellate Tribunal for Electricity (APTEL). APTEL has issued an interim stay order against such disconnection notice on 07.07.2020 and admitted the petition on 14.12.2020 and the matter is currently at APTEL.

During the current year, Bothe has recognised revenue in respect of sale of electricity from those WTGs based on JMR report & credit notes and at the eligible rates for these units generated and supplied to MSEDCL during the period ended March 31, 2021 and March 31, 2020. Bothe has outstanding provision of INR 176 against such revenue as at March 31, 2021 (for the period ended March 31, 2021: INR 49) considering the matter is sub-judice.

34 Contingent liabilities

i) Income tax demand

March 31, 2021	March 31, 2020
5	5
5	5

The Group is contesting the demand and the management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.



CONTINUUM GREEN ENERGY LIMITED
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(All amounts in Indian Rupees millions unless otherwise stated)

35 Hedging activities and derivatives

Contracts designated as Cash flow hedges

During the year ended March 31, 2021, CELPL hedged the foreign currency exposure risk related to certain investments in Identified Subsidiaries entities denominated in foreign currency through call spread option and cross currency swap for coupon payments ("together referred to as derivative financial instruments"). The derivative financial instruments were not entered for trading or speculative purposes.

CELPL documented each hedging relationship and assessed its initial effectiveness on inception date and the subsequent effectiveness is being tested on a semi annually basis using dollar offset method. The derivative financial instruments are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and forward rate curves of the underlying instruments. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and the value of other financial instruments recognised at fair value. CELPL uses the derivatives option pricing model based on the principles of the Black-Scholes model to determine the fair value of the foreign exchange derivative contracts. The inputs considered in this model include the theoretical value of a call option, the underlying spot exchange rate as of the balance sheet date, the contracted price of the respective option contract, the term of the option contract, the implied volatility of the underlying foreign exchange rates and the risk-free interest rate as of the balance sheet date.

CELPL does not enter into complex derivative transactions to manage the foreign currency risks. When the relationship between the hedged items and hedging instrument is highly effective at achieving offsetting changes in cashflows attributable to the hedged risk, the Company records in equity 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, 2021.

Derivative financial instruments

The fair value of the CELPL derivative position recorded under derivative assets and derivative liabilities are as follows:

	As at March 31, 2021		As at March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge*				
Non current				
Derivate contract asset:				
Call spread option	5,859	-	-	-
Cross currency swap	-	-	-	-
	<u>5,859</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current				
Derivate contract asset:				
Call spread option	12	-	-	-
Cross currency swap	-	-	-	-
	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non current				
Deferred premium liability				
Call spread option	-	4,844	-	-
Cross currency swap	-	-	-	-
	<u>-</u>	<u>4,844</u>	<u>-</u>	<u>-</u>
Current				
Deferred premium liability				
Call spread option	-	1,281	-	-
Cross currency swap	-	36	-	-
	<u>-</u>	<u>1,317</u>	<u>-</u>	<u>-</u>

* Refer consolidated statement of profit and loss, reserves and surplus and hedge reserve under note 4 for the changes in fair value of derivative financial instrument.

Particulars	Foreign currency	Exchange rate	Amount in INR (in millions)	Amount in USD (in millions)
Assets*				
As at March 31, 2021				
Redeemable, unlisted, unrated, 8.75% Non-Convertible Debentures issued by Identified Subsidiaries	US Dollars	73.50	39,069	531
Interest accrued and not due on Non-Convertible Debentures	US Dollars	73.50	1,455	20
Total Assets (A)			<u>40,524</u>	<u>551</u>
Hedges by derivative contracts (B)			<u>40,524</u>	<u>551</u>
Unhedged Assets (A-B)			<u>-</u>	<u>-</u>

CELPL has issued 4.5% USD senior notes on February 9, 2021 and invested proceeds, net of issue expenses, in Non-Convertible Debentures (NCD) in Indian rupees (INR) issued by certain subsidiaries which have been eliminated while preparing these consolidated financial statements. CELPL has entered into derivative contracts to mitigate the risk arising from cash flow volatility due to foreign exchange fluctuations on principal repayments of NCD and interest thereon, which is accounted as per Cash Flow hedge accounting model.



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CONTINUUM GREEN ENERGY LIMITED
(Erstwhile known as Continuum Wind Energy Limited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in Indian Rupees millions unless otherwise stated)

- 36 i) Srijan has been awarded 250 MW project by Solar Energy Corporation of India Limited (SECI) under competitive bidding process undertaken by SECI. Subsequently, the Srijan has transferred the said project to Continuum TN (former wholly owned subsidiary of Srijan) along with all related and associated project costs and assets related to proposed 250 MW project. In the month of September 2018, Continuum TN has signed Power Purchase Agreement for 250 MW capacity with tenure of 25 years with SECI and the project is required to be commissioned within the timelines as stipulated under PPA.
- ii) During the previous year, Srijan had been awarded 150 MW project by Solar Energy Corporation of India Limited (SECI) under competitive bidding process undertaken by SECI. Subsequently, Srijan has transferred the said project to Morjar (wholly owned subsidiary of Srijan) along with all related and associated project costs and assets related to proposed 150 MW project. the capital expenditure consist mainly in nature of expense towards leasehold land approvals and other project development expenses. In the month of October 2019, Morjar has signed Power Purchase Agreement for 150 MW capacity with tenure of 25 years with SECI and the project is required to be commissioned within the timelines as stipulated under PPA.

37 COVID-19 impact assessment:

Group has considered the possible effects that may result from the pandemic relating to COVID-19 and more severe outbreak of the second wave of Covid 19 pandemic in recent months on the carrying amounts of property, plant and equipment, Investments, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions including conditions in India because of this pandemic. The Group, as at the date of approval of these consolidated financial statements has used internal and external sources on the expected future performance of the group. The Group, based on the current estimates and after analysing various scenarios expects the carrying amount of these property, plant and equipment, receivables and other current assets are fairly stated and fully recoverable. Considering, the Group is in the business of generation and supply of power (renewable energy) being classified under essential category, believes that impact of COVID-19 on the consolidated financial statements is not material.

38 Subsequent events

On February 25, 2022, the Company has incorporated a wholly own subsidiary, Continuum Energy Aura Pte. Limited, Singapore

- 39 Amount less than INR 0.5 mn appearing in the consolidated financial statements are disclosed as "0" due to presentation in millions.

40 Previous year comparatives

Previous year figures have been regrouped / reclassified, where ever necessary, to conform to current year's classification.

As per our report of even date

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

per Pritesh Maheshwari
Partner
Membership No. : 118746

Place : Mumbai
Date : March 30, 2022



For and on behalf of the Board of Directors of
Continuum Green Energy Limited

Peter Farley Mitchell
Director

Place : Melbourne
Date : March 30, 2022

Pan Peiwen
Director

Place : Singapore
Date : March 30, 2022



APPENDIX A — PROJECTIONS REPORT

Report on EBITDA Projections for ~2.1 GW Wind and Solar Capacity



Continuum Green Energy (India) Private Limited

Final Report

CRISIL Consulting

August 2023

Abbreviations

Acronym	Description
AC	Alternating Current
APTEL	Appellate Tribunal for Electricity
BoP	Balance of Plant
BWDPL	Bothe Windfarm Development Private Limited (199.7 MW)
CERC	Central Electricity Regulatory Commissions
CEAPL or Issuer	Continuum Energy Aura Pte Limited
CGE IPL	Continuum Green Energy (India) Private Limited (34.5 MW)
CGEL	Continuum Green Energy Limited
CGEHEPL	CGE Hybrid Energy Private Limited (216.95 MWac/ 280.7 MWdc)
CSDCGEPL	CGE Shree Digvijay Cement Green Energy Private Limited (15.6 MWac/ 20.1 MWdc)
CMPWDPL	Continuum MP Windfarm Development Private Limited (200.0 MWac/ 250.0 MWdc)
CoD	Commercial Operation Date
CTN	Continuum Power Trading (TN) Pvt. Ltd. (126.0 MW)
CTRPL	Continuum Trinethra Renewables Pvt. Ltd. (200 MWac/ 239.9 MWdc)
CUF	Capacity utilization Factor
DC	Direct Current
Discom	Distribution Company
DJEPL	DJ Energy Private Limited (94.0 MW)
DRPL	Dalavaipuram Renewables Private Limited
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
F&S	Forecasting and Scheduling
FIT	Feed in Tariff
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GBI	Generation based Incentive
GEDA	Gujarat Energy Development Agency
GERC	Gujarat Energy Regulatory Commission
GETCO	Gujarat Energy Transmission Corporation Limited
GSS	Grid Sub-station
GST	Goods and Services Tax
IFRS	International Financial Reporting Standards
INR	Indian Rupee
IREDA	Indian Renewable Energy Development Limited
kV	Kilo Volt
KWDPL	Kutch Windfarm Development Private Limited (28.0 MW)
kWh	Kilo Watt Hour
LLP	Limited Liability Partnership
M.P.	Madhya Pradesh
MEDA	Maharashtra Energy Development Agency
MERC	Maharashtra Electricity Regulatory Commission
MNRE	Ministry of New and Renewable Energy
MPERC	Madhya Pradesh Electricity Regulation Commission
MPNERD	Madhya Pradesh New and Renewable Energy Department

Acronym	Description
MPPTCL	M.P. Power Transmission Company Ltd.
MPPTCL	Madhya Pradesh Power Transmission Company Limited
MSEDCL	Maharashtra State Electricity Distribution Company Limited
MSETCL	Maharashtra State Electricity Transmission Company
MU	Million Units
MW	Mega Watt
MWDPL	Morjar Windfarm Development Pvt Ltd. (148.5 MW)
NTP	Notice to proceed
O&M	Operations and Maintenance
PGVCL	Paschim Gujarat Vij Company Limited
PLF	Plant Load Factor
PPA	Power Purchase Agreement
REC	Renewable Energy Certificates
RLDC	Regional Load Dispatch Center
RTPL	Renewables Trinethra Private Limited (25.2 MW)
SCADA	Supervisory Control and Data Acquisition
SEA	Solar Energy Assessment
SECI	Solar Energy Corporation of India
SERC	State Electricity Regulatory Commission
SGD	Safeguard Duty
SLDC	State Load Dispatch Center
SPV	Special Purpose Vehicle
TANGEDCO	Tamil Nadu Generation and Distribution Corporation Limited
TANTRANSCO	Tamil Nadu Transmission Corporation
TN	Tamil Nadu
TNEB	Tamil Nadu Electricity Board
TNERC	Tamil Nadu Electricity Regulatory Commission
TOMS	Turbine Operations Monitoring System
TWHPPL	Trinethra Wind and Hydro Power Private Limited (101.2 MW)
USD	United States Dollar
UUPPL	Uttar Urja Projects Private Limited (76.0 MW)
WEA	Wind Energy Assessment
WIPL	Watsun Infrabuild Private Limited (203.0 MWac/226.8 MWdc)
WSH	Wind Solar Hybrid
WTG	Wind Turbine Generator

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1. Approach and methodology adopted for the Report

Considering the scope of work outlined in the engagement letter received from Continuum Green Energy (India) Private Limited, Continuum Energy Aura Pte Limited and Continuum Green Energy Limited (collectively referred to as the "Clients"), CRISIL has followed specific methodology, as discussed below, for estimating the Earnings Before Interest, Taxes, Depreciation and Amortization (*hereinafter referred to as "EBITDA"*) for the ~2,123 MW of capacity ("Portfolio") under consideration out of which ~1,418.5 MW capacity is from Wind and ~704.5 MW_p is from Solar. The EBITDA projected for the period 1 January 2024 to 31 December 2024 ("Projection Period"). The Client has signed various Power Purchase Agreements (PPAs) with a mixed set of Industrial Consumers as well as Utilities for the sale of power from the above Capacity.

The specific methodology discussed below has been considered for the select set of capacity under consideration and final EBITDA projections have been presented on a consolidated basis for 1,299.8 MW which is currently operational and for 2,123 MW capacity including the under construction capacity.

1.1 CRISIL Approach and Methodology for estimating the EBITDA

a) Financial Model used for EBITDA Projections

CRISIL sought the Financial Model used for EBITDA Projections ("the Model") from the Client for assessing the rationale/assumptions/logic followed in the Model and to ascertain the mathematical accuracy of the Model.

b) Operational Details such as Capacity, No. of Units and CoD

CRISIL sought the commissioning details/ commissioning certificates issued by authorised agency for the select capacity under consideration from the Client. The Operational Details such as Capacity, No. of Units and date of commissioning ("CoD") have been compared with the Capacity, No. of Units and CoD considered in the Model.

c) Net Saleable Energy

CRISIL sought the Wind Energy Assessment ("WEA") report from the Client for the wind capacity under consideration. CRISIL further compared the Net Saleable Energy (at P75 and P90 level) mentioned in the WEA Report with the energy considered in the Model.

CRISIL also sought the Solar Energy Assessment ("SEA") report from the Client for the solar capacity under consideration. CRISIL further compared the Net Saleable Energy (at P75 and P90 level) mentioned in the SEA Report with the energy considered in the Model.

CRISIL also sought Client's estimation for annual degradation factor for all Solar Projects.

For the capacity under consideration, CRISIL sought the portfolio benefit analysis report from the Client and compared it with the diversification benefit considered in Model.

d) Generation based incentives (GBI)

CRISIL sought GBI registration certificates issued by Indian Renewable Energy Development Agency ("IREDA") from the Client for all eligible wind project. CRISIL further compared the capacity registered as mentioned in the GBI registration certificates with the information considered in the Model.

e) Renewable Energy Certificates (REC)

CRISIL sought the REC accreditation confirmations from the Client for all eligible projects. CRISIL further compared the capacity registered as mentioned on the Report issued by Gujarat Energy

Transmission Corporation Limited (GETCO) as well as on the REC Registry of India with the information considered in the Model.

f) Open Access Charges applicable for direct sale to consumer

CRISIL obtained the prevailing Tariff Orders/Regulations governing the applicable Open Access Charges from the Client and compared them with the Open Access charges considered in the Model.

g) Tariffs for sale of power

To understand the tariffs for projects selling power to electricity utilities, CRISIL sought the executed copies of PPAs with Utilities from the Client. The weighted average tariffs from the PPAs compared with those used in the Model.

For the capacity under consideration selling power directly to consumers, CRISIL received the executed copies of PPAs, relevant tariff orders of State Electricity Regulatory Commissions (SERCs) and circulars of State power utilities. The weighted average tariffs derived basis base tariffs and discom tariff/open access charges variation sharing mentioned in each PPA were compared with those used in the Model.

h) O&M expenses

CRISIL sought the executed copies of the O&M agreements for the select Capacity under consideration from the Client. Considering the provisions of the O&M agreements, CRISIL compared the O&M Expenses as per the agreement with O&M Expenses estimated in the Model.

i) Other Operational expenses such as Maintenance Expense, F&S Deviation Charge, Annual Statutory fees, Employee, Administrative and Insurance expenses

CRISIL sought the details of other operational expenses such as maintenance expense, F&S deviation charge, annual statutory fees, employee, administrative and insurance expenses from the Client for the select capacity under consideration and compared them with those considered in the Model.

j) Others

All tariffs have been rounded to the nearest 2 decimal places, and all figures in million kWh, INR million and USD million have been rounded to the nearest 1 decimal place.

It is pertinent to note that while following the above approach and methodology, CRISIL has

- i. only verified the details from the WEA/SEA Reports and not conducted any technical due diligence of the said Reports or of the contents therein.
- ii. not verified or sought land related documents such as land agreements/lease agreements/rent agreements/documents related to property tax or any land records
- iii. assessed the rationale/assumptions/logic followed in the Model and mathematical accuracy of the financial model for estimating the EBITDA

To get more clarity, CRISIL sought Management Representation from the Client on certain assumptions used in the Model. The said Management Representation from the Client is attached as **Appendix 1** in Chapter 8 of this Report.

2. Executive Summary

Following sections summarise the key observations about the EBITDA Projections Model considering the above approach and methodology, limitations and the information provided by the Client:

a) Financial Model used for EBITDA Projections

CRISIL sought the Financial Model (the “Model”) used for EBITDA Projections from the Client for assessing the rationale/assumptions/logic followed in the Model and to ascertain the mathematical accuracy of the Model. No mathematical inaccuracies found in the Model.

b) Operational Details such as Capacity, No. of Units and CoD

It has been observed that the wind capacity under consideration was /is getting commissioned in phased manner. The Model considers the phase wise commissioning of the capacity and for the purpose of computation, the Model considers the operations of the capacity from beginning of the month after the month in which commissioning of individual phase occurred.

CRISIL examined the capacity and commissioning dates provided by the Client (incl. commissioning certificates issued by relevant agencies) and commissioning dates considered in the Model and found that those were in line with the commissioning certificates issued by relevant agencies for operational projects and Management Representation for projects which are expected to get commissioned shortly. Project wise observations have been deliberated in Chapter 6.

c) Net Saleable Energy

CRISIL sought the WEA reports and SEA Report from the Client and analysed them for energy estimated under different confidence levels.

For wind projects, net saleable energy assumptions considered in the Model at the P75 and P90 estimates as given in the WEA. So was the case with solar projects.

It has been observed that the SEA report for WIPL solar power project estimates energy based on 77 MW_p capacity. Management represented that additional 1.8 MW capacity has been installed resulting in a cumulative capacity of 78.8 MW_p for the project. As a result of that, the net saleable energy is likely to be proportionately higher than the net saleable energy provided in the SEA due to higher DC capacity installed at the project site. Accordingly, net saleable energy for WIPL-Solar considered in the Model is proportionately higher than the net saleable energy estimated in the SEA.

Similarly, it has been observed that the WEA report for WIPL wind power project estimates energy based on 75 turbines (75X2 MW). Management represented that the actual number of turbines installed are 74 (74X2 MW). Accordingly, the net saleable energy for WIPL-wind considered in the Model is proportionately lower than the net saleable energy estimated in the WEA.

It has also been observed that the WEA report for RTPL wind power project estimates energy based on 24 turbines (24X2.1 MW). Management represented that the actual number of turbines installed are 12 (12X2.1 MW). Accordingly, the net saleable energy for RTPL wind considered in the Model is proportionately lower than the net saleable energy estimated in the WEA.

Degradation factor considered for Solar projects in the Model was compared with the factor provided in Management Representation. It has been found in line with no difference.

The diversification benefit considered in the Model was in line with the portfolio benefit reported in the portfolio analysis report without any difference. Project wise observations have been deliberated in Chapter 6.

d) Generation based incentives (GBI)

Based on the GBI Registration certificates from IREDA, it is observed that entire capacity of BWPDPL (except for 6.3 MW), DJEPL, and UUPPL are registered to avail GBI benefits.

It has been observed that the 6.3 MW capacity of BWDPL does not have a long term PPA under the feed-in-tariff ("FiT"). Therefore, the said capacity is not eligible for GBI. Management represented that the Appellate Tribunal for Electricity ("APTEL"), New Delhi has ruled in its favour and directed the state utility i.e. MSEDCL to execute forthwith Energy Purchase Agreements (EPAs) to be made effective from the respective dates of submission of application for registration with the state nodal agency MEDA. Accordingly, management represented that revenue from GBI is considered for the 6.3 MW capacity in accordance with the APTEL judgement.

The GBI rate assumptions in the Model were in line with the GBI rate mentioned in GBI guidelines issued by IREDA without any difference. The GBI income was in line with the Management Representation without any difference. Project wise observations have been deliberated in Chapter 6.

k) Renewable Energy Certificates (REC)

Based on the information available on REC Registry Website and Energy Injection Report from GETCO, it is observed that 18 MW capacity of CGEIPPL is accredited and registered with REC Registry to avail REC benefits. The REC rate assumptions in the Model were in line with the non-solar rate determined by CERC without any difference. The income from REC was in line with the Management Representation without any difference. Project wise observations have been deliberated in Chapter 6.

e) Open Access Charges applicable for consumer sale

It has been observed that the Client has been selling energy from the select capacity under consideration in Tamil Nadu and Gujarat directly to the Industrial consumers and plans to sell in Madhya Pradesh from its under construction project. CRISIL compared the category wise open access charges applicable to the consumers in the Model with approved open access charges as per prevailing orders and regulations of SERCs provided by the Client. They have been found in line without any difference. Project wise observations have been deliberated in Chapter 6.

f) Tariffs

For each project selling power to electricity utilities, tariffs considered in the Model were compared with the tariffs basis specified in the PPAs and noted those were in line without any difference.

It has been observed that 6.3 MW capacity of BWDPL does not have a long term PPA under FiT. Management represented that, for the said 6.3 MW capacity, FiT applicable as on date of submission of application for registration with MEDA is considered in accordance with the APTEL judgement. The tariff considered in the Model were in line with the management representation.

For the select capacity under consideration selling power directly to consumers, CRISIL sought the Management Representation for the Grid Tariff applicable for individual customers as considered in the tariff calculation basis PPA terms. The Grid Tariffs of the customers were compared with the Grid Tariff assumed in the Model. They have been found in line with no difference.

Management represented that the PPAs due for expiry during the projection period will be extended close to the date of expiry of the current agreement on terms similar to the current agreement.

Additionally, considering the pass-through formula, various tariffs and charges such as a) the Grid Tariffs and open access charges applicable customers at the time of signing of the PPA; b) prevailing Grid Tariffs and open access charges; and (c) formula for increase or decrease in customer benefit depending on the change in the Grid Tariffs and open access charges were

compared with the Grid Tariffs, open access charges, and pass-through formula considered in the Model. They have been found in line with no difference. Project wise observations have been deliberated in Chapter 6.

g) O&M expenses

It has been observed that some of the SPVs have signed O&M Agreements for their respective projects. It is pertinent to note that no O&M agreement is due to expire during the projection period. For remaining SPVs, the key terms of the O&M agreement have been agreed as part of the Letters of Awards for EPC contracts even though the O&M Agreements are yet to be signed.

CRISIL compared the O&M expenses and annual escalation factors specified in the O&M agreements/Management Representation with those considered in the Model. They have been found in line with no difference.

For all projects, the Model considers first date of the quarter in which such O&M start date lies as the start date of the O&M contract for annual escalation to compute O&M expenses.

Also 18% GST on O&M expenses has been considered in the Model which is as per the currently applicable GST rate and applicable sharing of tax expenses as specified in the O&M agreements.

Project wise observations have been deliberated in Chapter 6.

h) Other Operational expenses such as Maintenance Expense, F&S Deviation Charge, Annual Statutory fees, Employee, Administrative and Insurance expenses

CRISIL compared the other operational expenses such as maintenance expense, F&S deviation charge, annual statutory fees, employee, administrative and insurance expenses considered in Model with the Management Representation. They have been found in line with no difference.

Project wise observations have been deliberated in Chapter 6.

Following chapters discuss the various details about the EBITDA projections, rationale/assumptions/logic along with the observations/findings.

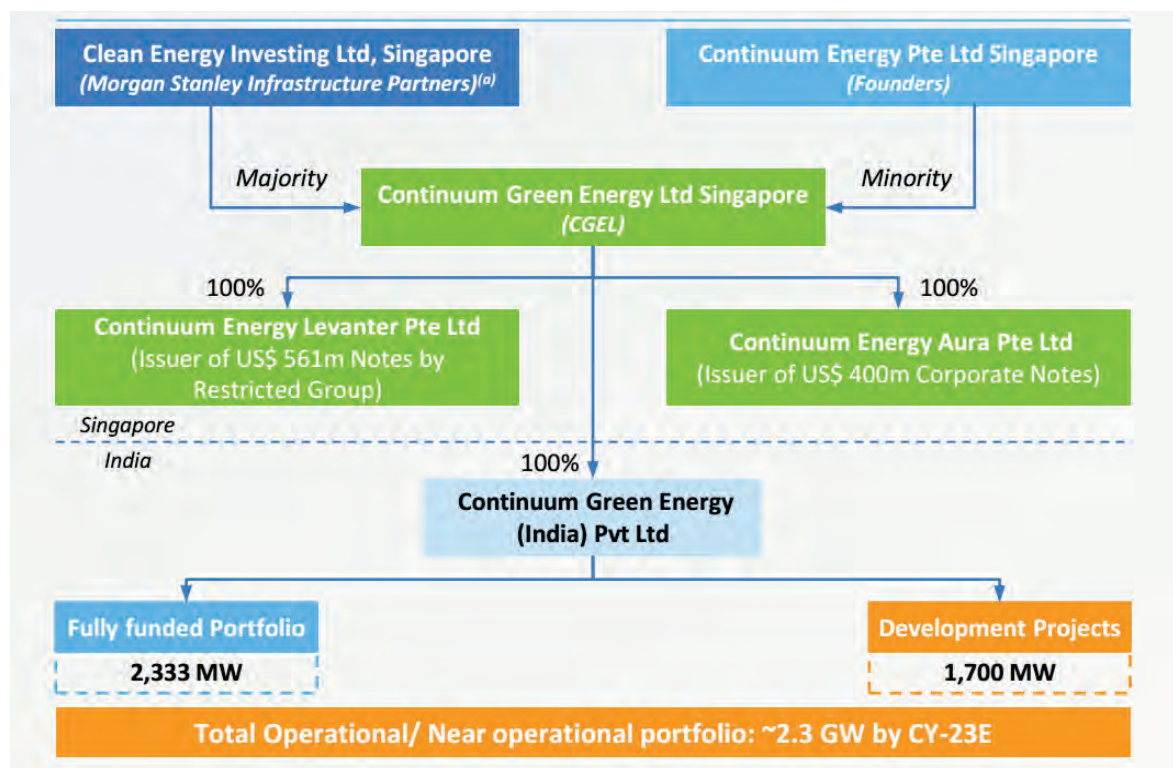
3. Introduction

3.1 Background

The Client is an independent power producer which owns and operates portfolio of wind and wind-solar Hybrid based power generation assets in India.

The Client has proposed offering of U.S. dollar-denominated bonds under Rule 144A and/or pursuant to Regulation S under the U.S. Securities Act of 1933, as amended. Accordingly, the Client has prepared the EBITDA projections for the Portfolio.

The total capacity of the “Portfolio” is ~2.12 GW. Holding Structure of the Client for the Portfolio as provided by the Management is shown below.



Source: The Client, CRISIL Analysis

Out of above 2,333 MW capacity, the Client has considered following scenarios for the purpose of EBITDA projections:

Sr. No.	Nomenclature	Total Capacity	Wind	Solar
1	Restricted Group	722.9 MW	644.1 MW	78.8 MW _p
2	Portfolio (1.3 GW)	1,299.8 MW	1,081.0 MW	218.8 MW _p
3	Portfolio (2.1 GW)	2,123.0 MW	1,418.5 MW	704.5 MW _p

Source: The Client, CRISIL Analysis

Project wise details of the above capacity is discussed in detail in **Chapter 5** below:

3.2 EBITDA Projections

The Client has computed the EBITDA projections for the Portfolio. **Chapter 6** of this Report provides the details of project wise capacity considered in the projections. The Model prepared by the Client has provided the project wise as well as consolidated EBITDA projections for the Portfolio and financial information including:

- Annual operating parameters
- Degradation factor, net saleable energy, tariffs, consumer benefits,
- Annual operating revenues
- Annual operating expenses
- Earnings before interest, taxes, depreciation and amortization ("EBITDA")

It is pertinent to note that CRISIL has only verified the rationale/assumptions/logic and mathematical accuracy of the Model. CRISIL has not verified the adherence of the projections of EBITDA as well as revenues estimated in the Model with applicable accounting principles including generally accepted accounting principles ("GAAP"), Indian GAAP ("Ind AS") or IFRS.

It also pertinent to note that the estimations have been consolidated assuming ownership as shown in above figure in the Portfolio without taking minority interests, tax impact on movement of funds outside India, into account.

4. Consolidated Financial Projections

4.1 Financial Projections

Based on the Model prepared by the Client and the assumptions used therein, the consolidated financial projections for the Portfolio for different scenarios are summarised below:

1) Restricted Group (722.9 MW)

Particulars	1 st January 2024 to 31 st December 2024			
	(INR Million)		(USD Million ¹)	
Confidence Level	P75	P90	P75	P90
Total Capacity (MW)	722.9	722.9	722.9	722.9
Net Saleable Energy (MUs)	1,829.9	1,746.0	1,829.9	1,746.0
Revenue				
Revenue from sale of power	10,622.3	10,138.7	130.2	124.2
Revenue from GBI	302.1	291.3	3.7	3.6
Revenue from REC	-	-	-	-
Carbon Revenue	-	-	-	-
Net Revenue	10,924.4	10,430.0	133.9	127.8
Expenses				
Open Access Charges	1,061.9	1,027.7	13.0	12.6
O&M Expenses	822.7	797.1	10.1	9.8
BoP Maintenance	204.7	204.7	2.5	2.5
Employee Expenses	155.3	155.3	1.9	1.9
Administrative Expenses	114.4	114.4	1.4	1.4
F&S Deviation Charge	53.1	50.7	0.7	0.6
Insurance Expenses	108.0	108.0	1.3	1.3
Annual Statutory Fee	31.3	31.3	0.4	0.4
Predictive Analytics Fee	1.1	1.1	0.0	0.0
Rebate in invoice for early payment	-	-	-	-
Total Expenses	2,552.5	2,490.2	31.3	30.5
EBITDA	8,371.9	7,939.7	102.6	97.3
EBITDA Margin	76.6%	76.1%	76.6%	76.1%

1. Exchange rate used USD 1=INR 81.6126

Source: The Client, CRISIL Analysis

2) Portfolio (1.3 GW)

Particulars	1 st January 2024 to 31 st December 2024			
	(INR Million)		(USD Million ¹)	
Confidence Level	P75	P90	P75	P90
Total Capacity (MW)	1,299.8	1,299.8	1,299.8	1,299.8
Net Saleable Energy (MUs)	3,455.8	3,309.3	3,455.8	3,309.3
Revenue				
Revenue from sale of power	17,333.9	16,605.0	212.4	203.5
Revenue from GBI	302.1	291.3	3.7	3.6
Revenue from REC	45.2	45.2	0.6	0.6
Carbon Revenue	-	-	-	-
Net Revenue	17,681.2	16,941.5	216.6	207.6
Expenses				
Open Access Charges	1,879.8	1,825.0	23.0	22.4
O&M Expenses	927.9	902.2	11.4	11.1
BoP Maintenance	246.1	246.1	3.0	3.0
Employee Expenses	458.5	458.5	5.6	5.6
Administrative Expenses	172.5	172.5	2.1	2.1
F&S Deviation Charge	86.7	83.0	1.1	1.0
Insurance Expenses	182.7	182.3	2.2	2.2
Annual Statutory Fee	50.0	50.0	0.6	0.6
Predictive Analytics Fee	5.0	5.0	0.1	0.1
Rebate in invoice for early payment	31.5	30.3	0.4	0.4
Total Expenses	4,040.6	3,954.9	49.5	48.5
EBITDA	13,640.5	12,986.6	167.1	159.1
EBITDA Margin	77.1%	76.7%	77.1%	76.7%

1. Exchange rate used USD 1=INR 81.6126
Source: The Client, CRISIL Analysis

3) Portfolio (2.1 GW)

Particulars	1 st January 2024 to 31 st December 2024			
	(INR Million)		(USD Million ¹)	
Confidence Level	P75	P90	P75	P90
Total Capacity (MW)	2,123.0	2,123.0	2,123.0	2,123.0
Net Saleable Energy (MUs)	5,247.6	5,036.3	5,247.6	5,036.3
Revenue				
Revenue from sale of power	26,799.5	25,728.6	328.4	315.3
Revenue from GBI	302.1	291.3	3.7	3.6
Revenue from REC	45.2	45.2	0.6	0.6
Carbon Revenue	-	-	-	-
Net Revenue	27,146.8	26,065.1	332.6	319.4
Expenses				
Open Access Charges	3,303.6	3,214.0	40.5	39.4
O&M Expenses	1,049.5	1,023.8	12.9	12.5
BoP Maintenance	293.7	293.7	3.6	3.6
Employee Expenses	501.3	501.3	6.1	6.1
Administrative Expenses	255.1	255.1	3.1	3.1
F&S Deviation Charge	134.0	128.6	1.6	1.6
Insurance Expenses	280.0	279.0	3.4	3.4
Annual Statutory Fee	62.0	61.6	0.8	0.8
Predictive Analytics Fee	10.1	10.1	0.1	0.1
Rebate in invoice for early payment	31.5	30.3	0.4	0.4
Total Expenses	5,920.8	5,797.6	72.5	71.0
EBITDA	21,226.0	20,267.5	260.1	248.3
EBITDA Margin	78.2%	77.8%	78.2%	77.8%

1. Exchange rate used USD 1=INR 81.6126

Source: The Client, CRISIL Analysis

Various rationale/assumptions/logic used for various operational parameters, revenue and expense estimation for the select capacity/portfolio under consideration are discussed below:

4.2 The portfolio capacity and commissioning details

CRISIL sought the details of commissioning of wind as well as solar capacities. The Client provided commissioning certificates for all operational projects and Management Representation for schedule of commissioning for shortly operational projects. The commissioning dates considered in the Model were in line with the Management Representation and commissioning certificates without any discrepancy.

The Model considers the phase wise commissioning of the capacity and for the purpose of computation, the Model considers the operations of the capacity from beginning of the month after the month in which commissioning of individual phase occurred.

4.3 Operational parameters

4.3.1 Wind power capacity

CRISIL sought the WEA reports from the Client for the wind capacity under consideration. The Client provided the WEA reports prepared by 3TIER, Entura, Vaisala 3TIER and UL for all the wind projects.

Considering the uncertainty involved in wind pattern, the WEA report provides the expected wind energy generation considering the different confidence levels known as P99, P95, P90, P75 and P50. This term provides the probability of the actual generation exceeding the estimated generation. For e.g., a P75 denotes that there is a 75% probability that actual generation will be higher than the estimated generation. Hence, P90 estimates are lower than P75 estimates which are lower than P50 estimates.

In wind power projects, a unit substation which steps-up the voltage of power generated is generally located at every turbine. The project substation, located at a distance from individual turbines, is where power is pooled from all unit substations through internal transmission lines. The project substation further steps-up the voltage of pooled power and feeds it into an external transmission line which connects the project substation to the grid substation located further away. This transmission of power from the wind turbine to the grid substation results in loss of a fraction of the energy generated by wind turbines.

It has been observed that the WEA report estimates the net saleable energy at the project substation. For the wind capacity under consideration, the net saleable energy considered in the Model was in line with the WEA reports without any difference.

4.3.2 Solar Power Capacity

CRISIL sought the SEA reports from the Client for the solar capacity under consideration. The Client provided the SEA reports prepared by Vaisala 3TIER and Arbutus Consultants.

Considering the uncertainty involved in solar irradiation, the SEA report provides the expected solar energy generation considering the different confidence levels known as P99, P95, P90, P75 and P50. This term provides the probability of the actual generation exceeding the estimated generation. e.g., a P75 denotes that there is a 75% probability that actual generation will be higher than the estimated generation. Hence, P90 estimates are lower than P75 estimates which are lower than P50 estimates.

It has been observed that the net saleable energy has been adjusted to account for degradation factor. For the solar capacity under consideration, the net saleable energy considered in the Model was in line with the SEA reports without any difference.

Diversification benefit considered in the Model was in line with the portfolio benefit reported in the portfolio analysis reports prepared by Hendrickson Renewables India Private Limited without any difference.

4.4 Assumptions for Revenue Projections

4.4.1 Revenue from Sale of Electricity

There are two types of sale models for revenue generation for the Portfolio.

- a) Sale to electricity utilities
- b) Direct sale to industrial consumers

4.4.2 Sale to electricity utilities

BWDPL, DJEPL, UUPPL, CTN, MWDPL and 16.5 MW capacity of CGEIPPL have long-term PPAs with state electricity utilities. The Utilities have signed long-term PPA for tenures of 13 years (Maharashtra) to 25 years (other states). For CTN, 126 MW capacity was contracted with SECI. However, SECI has sent termination letter on 14 April 2023 for the entire capacity due to delay in commissioning and the same has been accepted by the Client. As part of the said letter, SECI has advised that they are consulting with MNRE on the possibility of continuing to purchase electricity from 88 MW out of 126 MW, which was commissioned, and power was being purchased by SECI for the said capacity till the date of termination. Since 20 April 2023 after the termination by SECI, CTN project have realized ~INR 5.0/- per kWh by selling power on electricity exchanges. However, for the purpose of EBITDA projection, conservatively, the Client has considered INR 2.51/- per kWh as long term tariff, basis the terms of the PPA signed with SECI with a levelized tariff fixed for 25 years.

The PPAs for BWDPL, DJEPL, UUPPL and CGEIPPL are under the Feed-in-tariff mechanism wherein the SERCs determine the tariffs for purchase of energy generated from Renewable Energy (RE) sources. The RE generator is paid the FiT for the entire duration of the PPA. The Tariffs considered in the Model were in line with the tariffs provided in the PPAs without any difference. For MWDPL, the PPA with SECI is under competitive bidding with a levelized tariff fixed for 25 years (with provisions for change in law).

4.4.3 Direct sale to industrial consumers

The various projects under Portfolio are located in Gujarat, Tamil Nadu and Madhya Pradesh. The respective SPVs have signed PPAs with various Industrial Consumers from the respective States for sale of power.

The PPAs are signed for a period ranging from 3 years to 20 years with Industrial consumers.

The Electricity Act 2003 provides for open access to electricity distribution and transmission networks to eligible consumers on payment of certain charges. Therefore, under the direct sale of electricity to industrial consumer arrangement, the consumers are subject to various charges such as cross subsidy surcharge, additional surcharge, transmission charges and losses, wheeling charges and losses, banking charges, etc. (collectively known as "open access charges") which need to be paid to local Transmission/ Distribution Company (as the case may be) in whose area the consumer is situated. The open access charges are determined by the respective SERCs.

The Grid Tariffs as well as open access charges for Tamil Nadu and Madhya Pradesh have been considered as per the latest Tariff Orders for FY23-24 issued by TNERC and MPERC. For Gujarat, fuel power purchase price adjustment charges and additional charges are revised periodically by GERC; hence tariffs for FY22-23 have been considered as base.

Various open access charges used in the Model for the respective State while computing the EBITDA are discussed in the following Tables.

Open access charges applicable to consumers in Tamil Nadu as of July 2023.

S. No.	Particulars	Unit	Value	Reference
1	T&D Loss	%	2.34% (110 kV) 3.06% (33kV) 4.24% (22kV) 4.29% (11kV)	TANGEDCO True-Up, ARR and Tariff Order, 2022 dated 09-09-2022
2	Transmission Charge	INR per MW per Day	5,365.6	TNERC Order dated 30/06/2023
3	Wheeling (Distribution) Charge applicable to consumers connected at 33kV or lower voltages	INR per kWh	1.00	TNERC Order dated 30/06/2023
4	Cross Subsidy Surcharge for non-Group captive open access sale	INR per kWh	1.86	TNERC Order dated 30/06/2023
5	Additional Surcharge for non-Group captive open access sale	INR per kWh	0.83	TNERC Order in M.P.No. 41 of 2022 dated 24-02-2023
6	Brokerage and other charges	INR per kWh	0.05	As per Management Representation
7	Concession on Transmission Charge / Wheeling (Distribution) Charge	%	50%	TNERC Order No. 8 of 2020 dated 07-10-2020 (for Wind) Order No. 9 of 2020 dated 16-10-2020 (for Solar)
8	Concession on Cross Subsidy / Additional Surcharge, for Captive sale	%	100%	The Electricity Act 2003 as well as various Judgments of different judicial authorities
9	Concession on Cross Subsidy / Additional Surcharge, for non-Captive sale	%	40% (Wind) & 30% (Solar)	TNERC Order No. 8 of 2020 dated 07-10-2020 (for Wind) Order No. 9 of 2020 dated 16-10-2020 (for Solar)
10	Banking Charges	%	14% of banked units (In kind)	TNERC Order No. 8 of 2020 dated 07-10-2020 (for Wind)
11	Scheduling Charges	INR per day per transaction	161	TNSLDC True-Up, ARR and Tariff Order, 2022 dated 09/09/2022
12	System Operation Charges	INR Per MW per day	69.84	for MTOA & LTOA, TNSLDC True-Up, ARR and Tariff Order, 2022 dated 09/09/2022
13	Self-Generation Tax for captive sales	INR per kWh	0.10	Tamil Nadu Electricity Duty Act, 1939 as amended from time to time

Source: The Client, TNERC Orders, CRISIL Analysis

Open access Charges applicable to consumers in Gujarat as of March 2023.

S. No.	Particulars	Unit	Value	Reference
1	Transmission Loss	%	3.84%	Average transmission loss as per Gujarat SLDC for the past twelve months (Upto Mar-2023)
2	Transmission Charge	INR per MW per Day	4047.6	GERC Tariff Order Truing-Up for FY2020-21 and Determination of Tariff for FY2022-23 for GETCO dated 20 March 2022 in Case No.2026 of 2021
3	Wheeling (Distribution) Loss including transmission loss – applicable to consumers connected at 33kV or lower voltages only	%	10.00%	GERC Tariff Order Truing-Up for FY2020-21 and Determination of Tariff for FY2022-23 for Paschim Gujarat Vij Company Limited (PGVCL) dated 31 March 2022 in Case No.2031 of 2021
4	Wheeling (Distribution) Charge – applicable to consumers connected at 33kV or lower voltages only	INR per kWh	0.1827	GERC Tariff Order Truing-Up for FY2020-21 and Determination of Tariff for FY2022-23 for Paschim Gujarat Vij Company Limited (PGVCL) dated 31 March 2022 in Case No.2031 of 2021
5	Cross Subsidy Surcharge for non-Group captive open access sale	INR per kWh	1.50	GERC Tariff Order Truing-Up for FY2020-21 and Determination of Tariff for FY2022-23 for Paschim Gujarat Vij Company Limited (PGVCL) dated 31 March 2022 in Case No.2031 of 2021
6	Additional Surcharge for non-Group captive open access sale	INR per kWh	0.28	Average of previous 2 approved additional surcharges on semi-annual basis in FY2023
7	Brokerage and other charges	INR per kWh	0.05	As per Management Representation
8	Electricity Duty	%	0%	As per Gujarat Wind Policy 2016 and Gujarat Wind Solar Hybrid Policy 2018
9	Concession on Transmission Charge / Wheeling (Distribution) Charge for Captive sale	%	50% on Wheeling Charges and Losses	As per Gujarat Wind Policy 2016 and Gujarat Wind Solar Hybrid Policy 2018
10	Concession on Transmission Charge / Wheeling (Distribution) Charge for non-Captive sale	%	0%	As per Gujarat Wind Policy 2016 and Gujarat Wind Solar Hybrid Policy 2018
11	Concession on Cross Subsidy / Additional Surcharge, for Captive sale	%	100%	As per Gujarat Wind Policy 2016 and Gujarat Wind Solar Hybrid Policy 2018
12	Concession on Cross Subsidy / Additional Surcharge, for non-Captive sale	%	50%	As per Gujarat Wind Policy 2016 and Gujarat Wind Solar Hybrid Policy 2018

S. No.	Particulars	Unit	Value	Reference
13	Banking Charges	%	0%	As per Gujarat Wind Solar Hybrid Policy 2018
14	SLDC Charges	INR	800	As per tariff order
15	Application Fee for Open Access	INR	25000	As per GETCO Procedure for making application for grant of medium-term open access to intra-State transmission system (STS)

Source: The Client, GERC Orders, CRISIL Analysis

Open access charges applicable to consumers in Madhya Pradesh as of July 2023.

S. No.	Particulars	Unit	Value	Reference
1	Transmission Loss	%	2.42%	MPERC Transmission MYT Order for FY 2019-20 to FY 2023-24 dated 19 th May 2021
2	Transmission Charge	INR per kWh	0.41	MPERC Transmission MYT Order for FY 2019-20 to FY 2023-24 dated 19 th May 2021
3	Wheeling (Distribution) Loss – applicable to consumers connected at 33kV or lower voltages only	%	4.17% for 33 kV	MPERC Retail Supply Tariff Order for FY 2023-24 dated 28 th March, 2022
4	Wheeling (Distribution) Charge – applicable to consumers connected at 33kV or lower voltages only	INR per kWh	0.17	MPERC Retail Supply Tariff Order for FY 2023-24 dated 28 th March, 2022
5	Cross Subsidy Surcharge for non-Group captive open access sales	INR per kWh	1.38	MPERC Retail Supply Tariff Order for FY 2023-24 dated 28 th March, 2022
6	Additional Surcharge for non-Group captive open access sales	INR per kWh	1.28	MPERC Retail Supply Tariff Order for FY 2023-24 dated 28 th March, 2022
7	Concession on Wheeling (Distribution) Charge	%	50% in Wheeling Charges	MP RE Policy 2022
8	Concession on Cross Subsidy / Additional Surcharge, for Captive sales	%	100%	The Electricity Act 2003 and various Orders/Judgements
9	SLDC Charges/Connection Fees	INR	1,00,000	SLDC Tariff Order for FY 2022-23 dated 25 th July 2022
10	Harit Tax	INR per kWh	0.10	MP RE Policy 2022
11	Brokerage and other charges	INR per kWh	0.05	As per Management Representation

Source: The Client, MPERC Orders; CRISIL Analysis

CRISIL sought various PPAs signed by the Client for the select Capacity under consideration. There are 3 types of PPAs:

- Variable discount PPAs:** As per the PPAs, the power is sold to customers at agreed tariff ("PPA Tariff") computed by adjusting an amount defined under the PPA ("Customer Benefit") from the variable tariff charged by electricity distribution companies of the customers' area ("Grid Tariff"). The PPAs also have a provision for periodic change in the customer benefit linked to corresponding change in Grid Tariff and open access charges. For example, in the case of some of the PPAs, 50% of the increase or decrease in Grid Tariff is passed on to the customer through a corresponding increase or decrease in customer benefit on an annual revision basis. The Grid Tariffs and open access charges are approved by the SERCs through periodic tariff orders.
- Fixed discount PPAs:** In the fixed discount arrangement, the customer benefit shall remain the same irrespective of the change in the Grid Tariffs as well as open access charges. The applicable PPA tariff is determined by deducting the agreed customer benefit from the prevailing Grid Tariff on monthly basis.
- In the case of the bus bar tariff arrangement,** the PPA tariff will be at the delivery point and all the open access charges shall be on account of the consumer.

The Grid Tariff consists of energy charges, time of use charges, power factor rebate, fuel cost adjustment, rebate for customers connected at extra high voltage, electricity duty, etc. Therefore, the Grid Tariff depends on the consumption pattern of the consumers. The following table provides an illustration of the difference in Grid Tariff for customers in the same period depending on their consumption pattern. The figures provided in the table below are only illustrative and do not represent the actual figures as per the terms of the PPA or tariff orders issued by the SERCs. Actual figures have not been provided to protect the confidentiality of the Client and its customers.

Revised PPA tariffs applicable considering consumer benefit in Madhya Pradesh as of July 2023

Sr. No.	Particulars	Formula	Units	Consumer A	Consumer B

Tariff applicable at the time of signing of PPA

A	Grid Tariff		INR/kWh	7.20	6.90
B	Customer Benefit		INR/kWh	2.10	2.00
C	Connected voltage		kV	33	33
D	PPA Tariff	A-B	INR/kWh	5.10	4.90
E	Contracted Energy		Mn kWh	5.0	5.0

Open Access Charges applicable at the time of signing of PPA

F	Transmission Loss		%	2.78%	2.78%
G	Transmission Charges		INR/kWh	0.43	0.43
H	Wheeling Loss		%	5.06%	5.06%
I	Wheeling Charge		INR/kWh	0.17	0.17
J	Concession on Wheeling Charges		%	50%	50%
K	Harit Tax		INR/kWh	-	-
L	Share in Increase / Decrease in Customer Benefit with change in Grid Tariff and Open Access Charges as per PPA		%	50%	50%

Tariff Applicable as on 1 July 2023

M	Revised Grid Tariff	INR/kWh	7.40	7.15

Open Access Charges applicable as on 1 July 2023

Sr. No.	Particulars	Formula	Units	Consumer A	Consumer B
N	Transmission Loss		%	2.42%	2.42%
O	Transmission Charges		INR/kWh	0.41	0.41
P	Wheeling Loss		%	4.17%	4.17%
Q	Wheeling Charge		INR/kWh	0.08	0.08
R	Harit Tax			0.10	0.10

Computation of adjustment in Customer Benefit

S	Sharing of Grid Tariff	$L^*(M-A)$	INR/kWh	0.10	0.13
T	Sharing of Transmission Charges	$L^*(O-G)$	INR/kWh	-0.01	-0.01
U	Sharing of Transmission Loss	$L^*((1-F)/(1-N)-1)*D$	INR/kWh	-0.01	-0.01
V	Sharing of Wheeling Loss	$L^*(P-H)*D$	INR/kWh	-0.02	-0.02
W	Sharing of Wheeling Charges	$L^*(Q-I)$	INR/kWh	-0.05	-0.05
X	Harit Tax	$L^*(R-K)$	INR/kWh	0.05	0.05
Y	Adjustment in Customer Benefit	$\text{sum}(S:X)$	INR/kWh	0.06	0.09
Z	Revised PPA Tariff	$M-(M-D-X)$	INR/kWh	5.16	4.99

Source: The Client, MPERC Orders, CRISIL Analysis

For various SPVs selling power to C&I consumers, CRISIL sought Management Representation on the Grid Tariff applicable for the consumers as considered in the tariff calculation basis PPA terms. It has been observed that the computation of consumer benefit and PPA tariff applicable were as specified in the PPAs. The weighted average of the PPA Tariffs were in line with the Management Representation without any difference.

The Electricity Rules, 2005 specify that for projects to be considered as captive generating plant, the consumers must hold at least 26% of equity in the project and consume at least 51% of the power generated on an annual basis. Further, the captive users need to consume power in proportion to their share in ownership of the power plant within a variation not exceeding 10%. Management represented that equity shareholding of users may be adjusted in projection period to reflect the proportionate consumption of power from the plant so as to maintain the group captive generating plant status. Management also represented that equity shareholding of customers in the projects will always remain above 26%.

Power sale under group captive structure and third-party open access in Tamil Nadu

The Electricity Act 2003 exempts wind and solar based captive generating stations from applicability of cross subsidy surcharge and additional surcharge.

TNERC has provided for cross subsidy surcharge and additional surcharge at 60% and 70% of the charges applicable to conventional power for projects selling power under third party open access route in Tamil Nadu. Further, the TNERC Order No.07 of 2022 in T.P. No.1 of 2022 dated 09 September 2022 provides for losses for Open Access transactions to individual customers (between 2.34% and 4.29% of energy injected into the grid) for Tamil Nadu.

TNERC has allowed banking facility to projects commissioned prior to 31 March 2018 over financial year i.e., from April to March. The unutilized banked energy as on 31st March gets encashed at the rate of 75% of the applicable wind energy tariff fixed by TNERC. Additionally, the energy banked in the non-peak hours cannot be consumed during the peak hours, as per the TNERC Wind Tariff Orders. Further, Hon'ble APTEL has ordered in an Appeal filed by the Client, that annual banking over financial year will also be available for the 94 MW capacity of the Client commissioned after 31 March 2018. Banking facility for remaining 10 MW of capacity sold on third party basis is only available on monthly basis. Thus, entire 148 MW wind capacity of WIPL is eligible for banking (annual banking for 138 MW and monthly for 10 MW).

CRISIL sought the possibility of lapse of unutilized energy considering the seasonality of wind generation, tenure of PPAs and applicability of banking for the financial year. Management represented that ~16.75% of total energy from WIPL is estimated to get banked during a financial year, basis historical experience. The Management further represented that, based on historical experience, the entire generation including the banked energy from the projects shall be sold to customers without any lapse.

Further, TNERC order dated 13 April 2018 provides for banking charges (14% of the banked energy in kind). The same shall be applicable to 148 MW wind capacity of WIPL. Further, TNERC has provided for grid losses ranging from 2.34% to 4.29% depending on the drawal voltage. While estimating net saleable energy for the projection period, the grid losses and banking charges have been considered.

For group captive projects, Tamil Nadu Generation and Distribution Company Limited ("TANGEDCO") and Tamil Nadu Transmission Company Limited ("TANTRANSCO") levy few other charges, namely – (a) reactive energy charges, (b) system operations charges, (c) transmission charges, (d) O&M charges, (e) meter rent charges, (f) wheeling charges and (g) self-generation tax referred to, collectively, as "Open Access Charges". The open access charges considered in the Model are in line with the relevant orders/circulars issued by TNERC and the State Utilities.

Power sale under third party open access route in Gujarat

For the portfolio capacity under consideration selling power under third party open access route in Gujarat, cross subsidy surcharge and additional surcharge of 50% are levied on Wind and wind-Solar hybrid projects. As per GERC tariff order dated 31 March 2021, the applicable wheeling losses are 10.00%. As represented by the management, the average of the applicable transmission losses for the past 12 months (upto Mar-23) were 3.84%.

For open access projects, Gujarat state Discoms and GETCO levy few other charges, namely – (a) reactive energy charges, (b) system operations charges, (c) transmission charges, (d) O&M charges, (e) meter rent charges and (f) wheeling charges, referred to collectively, as "Open Access Charges". The open access charges considered in the Model are in line with the relevant orders/circulars issued by GERC and the State Utilities.

4.5 Income from generation based incentive (GBI)

CRISIL referred to the operational guidelines for implementation of 'extension scheme for generation based incentive for grid connected wind power projects' ("Operational Guidelines") and noted the requirements for availing GBI. As per the said guidelines, the wind power projects commissioned between 1 April 2012 and 31 March, 2017 (including both the dates) and selling power to electricity utilities under the FiT mechanism are eligible for GBI. Eligible wind power projects need to register the projects with IREDA, a Govt. of India enterprise and nodal agency for registering and issuance of GBI for availing the GBI. As per GBI operational guidelines, the projects are eligible to receive GBI at a rate of INR 0.50 per kWh of electricity fed into the grid with a maximum limit of INR 10.00 million per MW. The total disbursement in the year will be limited to INR 2.50 million per MW during the first four years. This incentive is over and above the tariff approved by SERCs in various states.

It has been observed that IREDA has issued GBI registration letters for the entire capacity of BWPDL (except for 6.3 MW which has been assumed basis favorable APTEL order as per management representation), DJEPL and UPPL. For these projects, CRISIL obtained management representation from the Client for likely revenue from GBI during the projection period. Project wise observations have been deliberated in Chapter 6.

4.6 Income from renewable energy certificates (REC)

Renewable energy certificate ("REC") mechanism is a market-based instrument to promote renewable energy ("RE") and facilitate compliance of renewable purchase obligations ("RPO"). It is aimed at addressing the mismatch between availability of RE resources in state and the requirement of the obligated entities to meet the RPO.

CRISIL referred to the CERC (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 ("REC Regulations") and noted the requirements of eligibility for issuance of REC. As per the said REC Regulations, a renewable energy generator ("REG") is eligible for issuance of certificate if the tariff of such REGs, for part or full capacity, has not been either determined or adopted under section 62 or section 63 of the Act respectively, or the electricity generated is not sold directly or through an electricity trader or in the power exchange, for RPO compliance by an obligated entity. One REC is treated as equivalent to 1 MWh. REC would be traded in power exchange within the forbearance price and floor price determined by CERC from time to time. The floor and forbearance price as determined by CERC are as under:

Particulars	Non solar REC (INR per MWh) w.e.f. - 01.04.2017
Forbearance Price	3,000
Floor Price	1,000

Source: The Client, CERC Order, CRISIL Analysis

Based on the information available on REC Registry website and energy injection report issued by GETCO, it is observed that 18 MW capacity of CGEIPPL is accredited and registered to avail REC benefits. For this project, CRISIL obtained Management Representation from the Client for likely revenue from REC during the projection period. Project wise observations have been deliberated in Chapter 6.

4.7 Assumptions for operating expenditure projections

It has been observed that the wind power projects in the Portfolio have signed agreements for operation & maintenance ("O&M") with Suzlon Energy Limited, Vestas Wind Technology India Private Limited, Inox Wind Infrastructure Services Limited, GE India Industrial Pvt Ltd, Servion India Wind Power Services LLP and Siemens Games Renewable Private Limited. The solar projects in the Portfolio have signed agreements/Letter of Awards (LOAs) for O&M/ BOS with Larsen and Toubro Limited, Waaree Renewables Technologies Limited, Gensol Engineering Limited. It has been observed that the SPVs have signed O&M Agreements/LOAs for their respective projects. It is pertinent to note that no O&M agreement is due to expire during the projection period.

CRISIL compared the O&M expenses and annual escalation factors specified in the O&M agreements/Letters of Awards/Management Representation with those considered in the Model. They have been found in line with no difference. It has been observed that 18% GST on O&M expenses has been considered in the Model which is as per the prevailing GST rate and applicable sharing of tax expenses as specified in the O&M agreement.

Additionally, there are balance of plant ("BoP") maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee, administrative and insurance expenses (with GST applicable at 18%) which are required for day-to-day operation of the capacity. As per the Management Representation, these are estimated based on historical experience and projected internally using their experience in operating such projects. GST has been considered wherever applicable as per prevailing rates. These expenses were in line with the Management Representation and the same have been used in the Model without any difference. Project wise observations have been deliberated in Chapter 6.

5. Portfolio and Projections

The Client, through its subsidiaries, owns and operates a portfolio of wind and solar assets. The Client has made projections for select operational and upcoming wind and solar power capacity of Portfolio located in various states of India with an aggregate capacity of ~2.12 GW with following details.

Portfolio and capacity under consideration

Sr. No.	Project	Type	SPV	Location	Capacity (MW)
1	Surajbari I	Wind	CGEIPL	Gujarat	16.5
	Surajbari II	Wind	CGEIPL	Gujarat	18.0
2	Bothe	Wind	BWDPL	Maharashtra	80.0
		Wind	BWDPL	Maharashtra	119.7
3	Ratlam 1	Wind	DJEPL	Madhya Pradesh	94.0
		Wind	UUPPL	Madhya Pradesh	76.0
4	Periyapatti – Wind	Wind	WIPL	Tamil Nadu	148.0
	Periyapatti – Solar	Solar	WIPL	Tamil Nadu	78.8
5	Rajkot 1	Wind	TWHPPL	Gujarat	101.2
6	Rajkot 2A	Wind	RTPL	Gujarat	25.2
7	Rajkot 2B	Wind	KWDPL	Gujarat	28.0
8	Dayapar	Wind	CTN	Gujarat	126.0
9	Morjar 1	Wind	MWDPL	Gujarat	148.5
10	Rajkot 3 – Wind	Wind	CTRPL	Gujarat	99.9
	Rajkot 3 – Solar	Solar	CTRPL	Gujarat	140.0
Total operational					1299.8
11	Ratlam 2 – Wind	Wind	CMPWDPL	Madhya Pradesh	99.9
	Ratlam 2 – Solar	Solar	CMPWDPL	Madhya Pradesh	150.1
12	Dalavaipuram – Wind	Wind	DRPL	Tamil Nadu	118.8
	Dalavaipuram – Solar	Solar	DRPL	Tamil Nadu	153.6
13	Bhavnagar – Wind	Wind	CHEPL	Gujarat	110.7
	Bhavnagar- Solar	Solar	CHEPL	Gujarat	170.0
	Bhavnagar – Digvijay – Wind	Wind	CGESDC	Gujarat	8.1
	Bhavnagar – Digvijay – Solar	Solar	CGESDC	Gujarat	12.0
Total shortly operational					823.2
Total capacity under consideration					2,123.0

Source: The Client, CRISIL Analysis

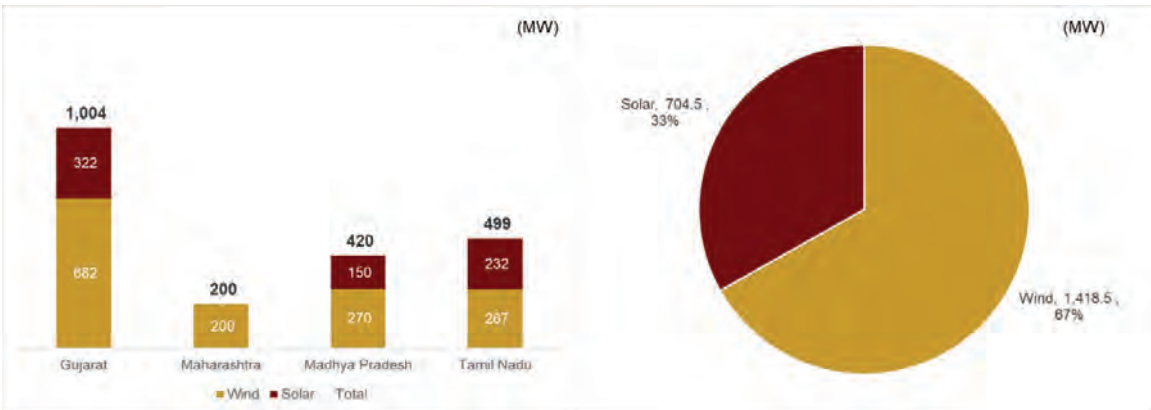
For EBITDA projection purpose the Client has considered following scenarios:

Sr. No.	Nomenclature	Projects from above List	Total Capacity	Wind	Solar
1	Restricted Group	Sr. no 2 to 6	722.9 MW	644.1 MW	78.8 MW _p
2	Portfolio (1.3 GW)	Sr. No. 1 to 10	1,299.8 MW	1,081.0 MW	218.8 MW _p
3	Portfolio (2.1 GW)	Sr. No. 1 to 13	2,123.0 MW	1,418.5 MW	704.5 MW _p

Source: The Client, CRISIL Analysis

Projects considered in the Portfolio are located across four states of India. Details of the capacity distribution by states, status of project and technology is shown in following figure:

Source wise, state wise capacity (MW)



Source: The Client, CRISIL Analysis

Following Chapter deliberates the specific observations for the capacity of Portfolio under consideration wherein the project overview and key findings about the various assumptions/rationale/basis have been discussed related to the capacity, performance, revenue and expenses.

6. Project Level Description and Observations

The following section summarises the project level descriptions and observations for the Portfolio of ~2.12 GW Capacity.

6.1 Continuum Green Energy (India) Private Limited (CGE IPL)

6.1.1 Project Overview

Continuum Green Energy (India) Private Limited ("CGE IPL") is a 34.5 MW operational wind project in Surajbari (Kutch, Gujarat). The Project was commissioned in phases from Sep-2007 to Dec-2012. The Client has signed PPA with Gujarat Discom for 16.5 MW capacity and PPAs with different industrial consumers for 18.0 MW capacity. For EBITDA projection purpose total capacity of 34.5 MW of the said wind projects is considered.

Continuum Green Energy (India) Private Limited (CGE IPL)	
Installed Capacity	34.5 MW
Procurer	16.5 MW PPA with Gujarat Discom 18.0 MW PPAs with Industrial Consumers

It has been observed that the Client has executed a 7-year Maintenance, Service and Availability Agreement with M/s. Vestas Wind Technology India Pvt. Ltd for 16.5 MW of wind capacity. With amendment dated 30 May 2022, the same is renewed and extended for the period of 6 years from April 2022.

It has also been observed that the Client has executed a 10-year Service and Availability Agreement with M/s. Vestas Wind Technology India Pvt. Ltd for 18 MW of wind capacity. Subsequently, an Addendum to this agreement was executed for a period of 10 years effective from 12th March 2018.

Continuum Green Energy (India) Pvt Ltd has executed a turbine operations monitoring system ("TOMS") solution agreement with Bahwan Cybertek Pvt Ltd for basic reporting and predictive analytics.

In addition, there are BoP maintenance expenses, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on Management's experience in operating similar projects.

6.1.2 Key Findings

- CRISIL compared the AC capacity of CGE IPL in the Model with the capacity specified in the commissioning certificates and found it in line.
- The wind capacity was commissioned in phased manner. The CoDs considered in the Model were in line with the commissioning certificates.
- Net saleable energy of the Project at P75 and P90 was in line with the WEA report provided by the Client.
- WEA does not consider auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.

- e) The diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- f) Grid Tariffs considered in the Model were in line with the Management Representation. No escalation has been considered in the Grid Tariff. Tariff considered in the Model for sale to Utility was in line with the PPA.
- g) 18 MW capacity of CGEIPPL is accredited and registered on REC Registry India to avail REC benefits. Base price for REC considered in the Model is as per the prevailing rates determined by CERC. No escalation is considered in base price for REC.
- h) Management represented that the open access charges are based on charges prevailing as on 31 March 2023 and no escalation has been considered for the charges for the projection period. The OA charges considered in the Model were in line with the relevant orders issued by GERC and the Management Representation without any differences.
- i) The O&M expenses and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M considered in the Model were also in line with the escalation rate in the O&M agreement without any difference.
- j) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.2 Bothe Windfarm Development Pvt. Ltd. (BWDPL)

6.2.1 Project Overview

Bothe Wind Farm Development Pvt Ltd ("BWDPL") is an operational wind power project located in Maharashtra with a capacity of 199.7 MW. The Project got commissioned in phases from June 2013 to December 2014.

Bothe Windfarm Development Pvt. Ltd. (BWDPL)	
Installed Capacity	199.7 MW
Procurer	Maharashtra State Electricity Distribution Co. Ltd.

It has been observed that the BWDPL has signed a 10-years O&M Agreement with M/s. Vestas Wind Technology India Pvt. Ltd (VWTIPL) for 80 MW capacity.

It has been observed that BWDPL has executed Maintenance Agreement as well as Operation and Management Agreement with M/s Suzlon Energy Ltd. (SEL) for 84 MW and 35.7 MW wind capacities, respectively, for the period of 12 years. As per the agreements with SEL, O&M commencement date is 16 December 2016. As per the agreements with VWTIPL, O&M charges commencement date is 01 August 2016. Management represented that annual escalation in O&M expense pertaining to O&M agreements with VWTIPL shall be 4% during the Projection Period. It has been observed that the O&M charges start date considered in the Model is the beginning of the quarter i.e., 01 October 2021 for amended agreement with SEL, on a conservative basis. It has been observed that the O&M charges start date considered in the Model is the beginning of the quarter i.e., 01 January 2019 for amended agreement with VWTIPL, on a conservative basis.

Continuum Green Energy (India) Pvt. Ltd. has executed a turbine operations monitoring system ("TOMS") solution agreement with Bahwan Cybertek Pvt Ltd for basic reporting and predictive analytics.

In addition, there are BoP maintenance expenses, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on Management's experience in operating similar projects.

6.2.2 Key Findings

- a) CRISIL compared the capacity of BWDPL in the Model with the capacity specified in the commissioning certificates and found it in line.
- b) The wind capacity was commissioned in phased manner. The CoDs considered in the Model were in line with the commissioning certificates.
- c) Net saleable energy of the project at P75 and P90 was in line with the WEA Report provided by the Client.
- d) WEA Report does not consider auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.
- e) Diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- f) It has been observed that 6.3 MW capacity of BWDPL does not have a long term PPA under the FiT mechanism. Management represented that as per favorable APTEL Judgement, the said 6.3 MW capacity is considered under FiT regime.
- g) Due to lack of long term PPA under the FiT, the said capacity of 6.3 MW is not eligible for GBI. However, Management represented that revenue from GBI is also considered for the said 6.3 MW capacity in accordance with the APTEL Judgement.
- h) The GBI rate assumptions in the Model were in line with the GBI rate mentioned in GBI guidelines issued by IREDA without any difference. The GBI income was in line with the Management Representation without any difference.
- i) Tariff considered in the Model was in line with the PPA.
- j) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreement without any difference.
- k) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.3 DJ Energy Pvt. Ltd. (DJEPL)

6.3.1 Project Overview

DJ Energy Pvt Ltd ("DJEPL") is an operational wind power project located in Madhya Pradesh having capacity of 94 MW. The Project was commissioned in phases from June 2015 to December 2015.

DJ Energy Pvt. Ltd. (DJEPL)	
Installed Capacity	94 MW
Procurer	Madhya Pradesh Power Management Co. Ltd. ("MPPMCL")

It has been observed that DJEPL has executed a 12-year O&M Agreement with M/s. Inox Wind Infrastructure Services Ltd. Further, the agreement has a free O&M term of 42 months from the date of commencement of the respective lot. The O&M charges are payable post expiry of the free O&M term. The weighted average O&M charges commencement date of the wind capacity is 31 March 2019. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the financial year i.e., 1 April 2019 post expiry of 42 months of free O&M period.

Continuum Green Energy (India) Pvt. Ltd. has executed a turbine operations monitoring system ("TOMS") solution agreement with Bahwan Cybertek Pvt Ltd for basic reporting and predictive analytics.

In addition, there are BoP maintenance expenses, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on Management's experience in operating similar projects.

6.3.2 Key Findings

- CRISIL compared the capacity of DJEPL in the Model with the capacity specified in the commissioning certificates and found it in line.
- The wind capacity was commissioned in phased manner. The CoDs considered in the Model were in line with the commissioning certificates.
- Net saleable energy of the project at P75 and P90 was in line with the WEA report provided by the Client.
- WEA report does not consider auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.
- Diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- Tariff considered in the Model was in line with the PPA.
- The GBI rate assumptions in the Model were in line with the GBI rate mentioned in GBI guidelines issued by IREDA without any difference. The GBI income was in line with the Management Representation without any difference.
- The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreement without any difference.
- BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.4 Uttar Urja Projects Pvt. Ltd. (UUPPL)

6.4.1 Project Overview

Uttar Urja Projects Pvt Ltd (“UUPPL”) is an operational wind power project located in Madhya Pradesh having a capacity of 76 MW. The Project was commissioned in phases from September 2015 to December 2015.

Uttar Urja Projects Pvt. Ltd. (UUPPL)	
Installed Capacity	76 MW
Procurer	Madhya Pradesh Power Management Co. Ltd. (“MPPMCL”)

It has been observed that UUPPL has executed a 12-year O&M Agreement with M/s. Inox Wind Infrastructure Services Ltd. The agreement has a free O&M term of 42 months from the date of commencement of the respective lot. The O&M charges are payable post expiry of the free O&M term. The agreement has a provision of further extension of the contract period for another 5 years from the expiration of the 10th year. The weighted average O&M charges commencement date of the wind capacity is 30 June 2019. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the quarter i.e., 1 July 2019 post expiry of 42 months of free O&M period.

Continuum Green Energy (India) Pvt. Ltd. has executed a turbine operations monitoring system (“TOMS”) solution agreement with Bahwan Cybertek Pvt Ltd for basic reporting and predictive analytics.

In addition, there are BoP maintenance expenses, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on Management’s experience in operating similar projects.

6.4.2 Key Findings

- CRISIL compared the capacity of UUPPL in the Model with the capacity specified in the commissioning certificates and found it in line.
- The wind capacity was commissioned in phased manner. The CoDs considered in the Model were in line with the commissioning certificates.
- Net saleable energy of the project at P75 and P90 was in line with the WEA report provided by the Client.
- WEA report does not consider auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.
- Diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- Tariff considered in the Model was in line with the PPA.
- The GBI rate assumptions in the Model were in line with the GBI rate mentioned in GBI guidelines issued by IREDA without any difference. The GBI income was in line with the Management Representation without any difference.

- h) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreement without any difference.
- i) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.5 Watsun Infrabuild Pvt. Ltd. (WIPL)

6.5.1 Project Overview

Watsun Infrabuild Pvt Ltd ("WIPL") is an operational project having 148 MW wind capacity and 78.8 MW solar capacity located in Tamil Nadu. The wind capacity was commissioned in phases from December 2017 to December 2018 whereas the solar capacity got commissioned in March 2021.

Watsun Infrabuild Pvt. Ltd. (WIPL)	
Installed Capacity	226.8 MW 148 MW (Wind) and 78.8 MW _p (Solar)
Procurer	Various Industrial Consumers in Tamil Nadu

It has been observed that WIPL has executed a 10-year O&M Agreement for 77 MW_p of solar project with M/s. Larsen & Toubro Ltd. Vide its amendment dated 8th October 2021, capacity has been revised to 78.8 MW_p.

It has been observed that WIPL has executed a 5-year Service and Availability agreement for 150 MW of wind power project with M/s Vestas Wind Technology India Pvt. Ltd dated 23rd December 2014. Subsequently, the parties have executed first amendment of the agreement dated 6th June 2016 and thereafter the second amendment dated 28 February 2017 which amended the agreement term from 5 years to 15 years. As per the said amendments to the agreement, the commencement of the services is effective from the commencement date of the last WTG of each lot. The agreement has a provision of 2 years of free O&M period from the date of commencement.

The weighted average O&M charges commencement date of the wind capacity is 30 June 2020. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the quarter i.e., 1 July 2020 post expiry of 2 years of free period. Similarly, the O&M charges commencement date of the solar capacity is considered as 31 March 2021. It has been observed that the O&M charges start date considered for solar project in the Model is the beginning of the quarter i.e., 1 April 2021.

Continuum Green Energy (India) Pvt Ltd has executed a turbine operations monitoring system ("TOMS") solution agreement with Bahwan Cybertek Pvt Ltd for basic reporting and predictive analytics.

In addition, there are BoP maintenance expense, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on Management's experience in operating similar projects.

6.5.2 Key Findings

- a) CRISIL compared the capacity of WIPL in the Model with the capacity specified in the commissioning certificates and found it in line.

- b) The wind as well solar capacity was commissioned in phased manner. The CoDs considered in the Model were in line with the commissioning certificates.
- c) Net saleable energy of the wind project at P75 and P90 was in line with the WEA reports provided by the Client.
- d) It has been observed that the SEA report for WIPL solar power project estimates energy based on 77 MW_p capacity. Management represented that additional 1.8 MW capacity has been installed resulting in a cumulative capacity of 78.8 MW_p for the project. As a result of that, the net saleable energy is likely to be proportionately higher than the net saleable energy provided in the SEA due to higher DC capacity installed at the project site. Accordingly, net saleable energy for WIPL-Solar considered in the Model is proportionately higher than the net saleable energy estimated in the SEA.
- e) Similarly, it has been observed that the WEA report for WIPL wind power project estimates energy based on 75 turbines (75X2 MW). Management represented that the actual number of turbines installed are 74 (74X2 MW). Accordingly, the net saleable energy for WIPL-wind considered in the Model is proportionately lower than the net saleable energy estimated in the WEA.
- f) SEA as well as WEA reports do not consider auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.
- g) Diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- h) Grid tariffs considered in the Model were in line with the Management Representation. No escalation has been considered in the Grid Tariff. The Grid Tariff payable by the consumers considered in the Model was in line with management's representation without any difference.
- i) TNERC Order dated 13 April, 2018 mandated for banking charges (14% of the banked energy) to WIPL. Management represented that 16.75% of net energy export is expected to be banked and there would not be any impact on energy sales to customers due to change in banking regulations and the project would be able to sell the entire energy generated to customers without any lapse.
- j) Management represented that the open access charges are based on charges prevailing as on 1 July 2023 and no escalation has been considered for the charges for the projection period. The open access charges considered in the Model were in line with the relevant orders issued by TNERC and the Management Representation without any differences.
- k) The Electricity Rules, 2005 specify that for projects to be considered as captive generating plant, the consumers must hold at least 26% of equity in the project and consume at least 51% of the power generated on an annual basis.
- l) Management represented that equity shareholding of management in the project will always be at above 26% and the consumer shall consume at least 51% of the power generated on an annual basis in compliance with norms specified under Electricity Rules, 2005
- m) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreement without any difference.
- n) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.6 Trinethra Wind and Hydro Power Pvt. Ltd. (TWHPPPL)

6.6.1 Project Overview

Trinethra Wind & Hydro Power Pvt Ltd (“TWHPPPL”) is an operational wind power project located in Gujarat having capacity of 101.2 MW. The Project was commissioned in phases from June 2019 to December 2019.

Trinethra Wind and Hydro Power Pvt. Ltd. (TWHPPPL)	
Installed Capacity	101.2 MW
Procurer	Various Industrial Consumers in Gujarat

It has been observed that TWHPPPL has signed a 15-year O&M Agreement with M/s. Vestas Wind Technology India Pvt. Ltd. The agreement has a free O&M term of 24 months from the date of commencement of the respective lot. The O&M charges are payable post expiry of the free O&M term. The weighted average O&M charges commencement date of the wind capacity is 31 August 2021. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the quarter i.e., 1 Jun 2021 post expiry of 2 years free period.

Continuum Green Energy (India) Pvt. Ltd. has executed a Turbine Operations Monitoring System (“TOMS”) solution agreement with Bahwan Cybertek Pvt Ltd for basic reporting and predictive analytics.

In addition, there are BoP maintenance expense, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on management’s experience in operating similar projects.

6.6.2 Key Findings

- CRISIL compared the capacity of TWHPPPL in the Model with the capacity specified in the commissioning certificates and found it in line.
- The wind capacity was commissioned in phased manner. The CoDs considered in the Model were in line with the commissioning certificates.
- Net saleable energy of the wind project at P75 and P90 was in line with the WEA report provided by the Client.
- WEA Report does not consider Auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.
- The diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- Grid tariffs considered in the Model were in line with the Management Representation. No escalation has been considered in the Grid Tariff. The Grid Tariff payable by the consumers considered in the Model was in line with management’s representation without any difference.
- Management represented that the open access charges are based on charges prevailing as on 31 March 2023 and no escalation has been considered for the charges for the projection period. The OA

charges taxes considered in the Model were in line with the relevant orders issued by GERC and the management representation without any differences.

- h) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreement without any difference.
- i) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.7 Renewables Trinethra Pvt. Ltd. (RTPL)

6.7.1 Project Overview

Renewables Trinethra Pvt Ltd ("RTPL") is a wind power project located in Gujarat having a capacity of 25.2 MW. The Project was commissioned in phases from March 2020 to June 2020.

Renewables Trinethra Pvt. Ltd. (RTPL)	
Installed Capacity	25.2 MW
Procurer	Various Industrial Consumers in Gujarat

It has been observed that RTPL has executed a 10-year O&M Agreement with M/s. Siemens Gamesa Renewable Power Pvt. Ltd. As per the said Agreement, date of commencement of the services is the date on which the first turbine gets commissioned. The Management represented that the weighted average O&M charges commencement date of the wind capacity is 31 May 2022. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the quarter i.e., 1 June 2022 post expiry of 2 years free period.

Continuum Green Energy (India) Pvt. Ltd. has executed a turbine operations monitoring system (TOMS) solution agreement with Bahwan Cybertek Pvt Ltd for basic reporting and predictive analytics.

In addition, there are BoP maintenance expense, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on management's experience in operating similar projects.

6.7.2 Key Findings

- a) CRISIL compared the capacity of RTPL in the Model with the capacity specified in the commissioning certificates and found it in line.
- b) The Wind capacity was commissioned in phased manner. The CoDs considered in the Model were in line with the commissioning certificates.
- c) Net saleable energy of the project at P75 and P90 was in line with the WEA Report provided by the Client.
- d) It has also been observed that the WEA report for RTPL wind power project estimates energy based on 24 turbines (24X2.1 MW). Management represented that the actual number of turbines installed are 12

(12X2.1 MW). Accordingly, the net saleable energy for RTPL wind considered in the Model is proportionately lower than the net saleable energy estimated in the WEA.

- e) WEA report does not consider Auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.
- f) Diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- g) Grid tariffs considered in the Model were in line with the Management Representation. No escalation has been considered in the Grid Tariff. The Grid Tariff payable by the consumers considered in the Model was in line with Management's Representation without any difference.
- h) Management represented that the open access charges are based on charges prevailing as on 31 March 2023 and no escalation has been considered for the charges for the projection period. The open access charges considered in the Model were in line with the relevant orders issued by GERC and the Management Representation without any differences.
- i) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreement without any difference.
- j) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.8 Kutch Windfarm Development Pvt. Ltd. (KWDPL)

6.8.1 Project Overview

Kutch Windfarm Development Pvt. Ltd. ("KWDPL") is an operational wind power project located in Gujarat having capacity of 28 MW. The Project was commissioned in phases from September 2021 to March 2022.

Kutch Windfarm Development Pvt. Ltd. (KWDPL)	
Installed Capacity	28 MW
Procurer	Various Industrial Consumers in Gujarat

It has been observed that KWDPL has signed a 20-year O&M Agreement with M/s. INOX Wind Infrastructure & Services Limited. As per the said Agreement, date of commencement of the services is the date on which the first turbine gets commissioned. The weighted average O&M charges commencement date of the wind capacity is 31 January 2025. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the quarter i.e., 1 January 2025 post expiry of 3 years free period.

Continuum Green Energy (India) Pvt. Ltd. has executed a turbine operations monitoring system ("TOMS") solution agreement with Bahwan Cybertek Pvt Ltd for basic reporting and predictive analytics.

In addition, there are BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on Management's experience in operating similar projects.

6.8.2 Key Findings

- a) CRISIL compared the capacity of KWDPL in the Model with the capacity specified in the commissioning certificates and found it in line.
- b) The wind capacity was commissioned in phased manner. The CoDs considered in the Model were in line with the Management Representation.
- c) Net saleable energy of the project at P75 and P90 was in line with the WEA report provided by the Client.
- d) WEA report does not consider Auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.
- e) Diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- f) Grid Tariffs considered in the Model were in line with the Management Representation. No escalation has been considered in the Grid Tariff. The Grid Tariff payable by the consumers considered in the Model was in line with management's representation without any difference.
- g) Management represented that the open access charges are based on charges prevailing as on 31 March 2023 and no escalation has been considered for the charges for the projection period. The open access charges considered in the Model were in line with the relevant orders issued by GERC and the Management Representation without any differences.
- h) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreement without any difference.
- i) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.9 Continuum Power Trading (TN) Pvt. Ltd. (CTN)

6.9.1 Project Overview

Continuum Power Trading (TN) Pvt. Ltd. ("CTN") is an operational wind power project located in Gujarat having a capacity of 126 MW. The 126 MW capacity was commissioned in phases from June 2021 to June 2023.

Continuum Power Trading (TN) Pvt. Ltd. (CTN)	
Installed Capacity	126 MW
Procurer	Solar Energy Corporation of India Ltd. ("SECI")

It has been observed that CTN has signed a 20 year O&M Agreement with M/s. INOX Wind Infrastructure & Services Limited. As per the said Agreement, date of commencement of the services is the date on which the first turbine gets commissioned. The weighted average O&M charges commencement date of the wind capacity is 30 April 2025. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the quarter i.e., 1 April 2025 post expiry of 3 years free period.

Continuum Green Energy (India) Pvt. Ltd. has executed a turbine operations monitoring system ("TOMS") solution agreement with Bahwan Cybertek Pvt Ltd for basic reporting and predictive analytics.

In addition, there are BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on Management's experience in operating similar projects.

6.9.2 Key Findings

- a) CRISIL compared the capacity of CTN in the Model with the capacity specified in the commissioning certificates and found it in line.
- b) The wind capacity is getting commissioned in phased manner. The CoDs considered in the Model were in line with the Management Representation.
- c) Net saleable energy of the project at P75 and P90 was in line with the WEA report provided by the Client.
- d) WEA report does not consider auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.
- e) Diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- f) Tariff considered in the Model was in line with the PPA. For CTN, 126 MW capacity was contracted with SECI. However, SECI has sent termination letter on 14 April 2023 for the entire capacity due to delay in commissioning and the same has been accepted by the Client. As part of the said letter, SECI has advised that they are consulting with MNRE on the possibility of continuing to purchase electricity from 88 MW out of 126 MW, which was commissioned, and power was being purchased by SECI for the said capacity till the date of termination. Since 20 April 2023 after the termination by SECI, CTN project have realized ~INR 5.0/- per kWh by selling power on electricity exchanges. However, for the purpose of EBITDA projection, conservatively, the Client has considered INR 2.51/- per kWh as long term tariff, basis the terms of the PPA signed with SECI with a levelized tariff fixed for 25 years.
- g) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreement without any difference.
- h) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.10 Morjar Windfarm Development Pvt Ltd. (MWDPL)

6.10.1 Project Overview

Morjar Windfarm Development Pvt Ltd. ("MWDPL") is an operational wind power project located in Gujarat having capacity of 148.5 MW. The wind capacity got commissioned in phases from September 2022 to June 2023.

Morjar Windfarm Development Pvt Ltd. (MWDPL)	
Installed Capacity	148.5 MW
Procurer	Solar Energy Corporation of India Ltd. ("SECI")

It has been observed that MWDPL has signed a 17-year full-service agreement with M/s. GE India Industrial Pvt Ltd. As per the said Agreement, date of commencement of the services is the date on which the first turbine gets commissioned. The weighted average O&M charges commencement date of the wind capacity is 31 January 2026. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the quarter i.e., 1 January 2026 post expiry of 3 years free period.

Continuum Green Energy (India) Pvt. Ltd. has executed a turbine operations monitoring system ("TOMS") solution agreement with Bahwan Cybertek Pvt. Ltd. for basic reporting and predictive analytics.

In addition, there are BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on management's experience in operating similar projects.

6.10.2 Key Findings

- CRISIL compared the capacity of MWDPL in the Model with the capacity specified in the commissioning certificates and found it in line.
- The wind capacity got commissioned in phased manner. The CoDs considered in the Model were in line with the Management Representation.
- Net saleable energy of the project at P75 and P90 was in line with the WEA report provided by the Client.
- WEA Report does not consider auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.
- Diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- Tariff considered in the Model was in line with the Management Representation. The PPA tariff is INR. 2.82/kWh, however, the Management represented that it is expecting an additional ~INR 0.12/kWh as Change in Law compensation against additional GST.
- The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M

considered in the Model were also with the escalation rate in the O&M agreement without any difference.

- h) BoP Maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.11 Continuum Trinethra Renewables Pvt. Ltd. (CTRPL)

6.11.1 Project Overview

Continuum Trinethra Renewables Pvt. Ltd. ("CTRPL") is an operational 239.9 MW capacity project having 99.9 MW wind capacity and 140 MW solar capacity located in Gujarat. The capacity was commissioned in phases from September 2022 to June 2023.

Continuum Trinethra Renewables Pvt. Ltd. (CTRPL)	
Installed Capacity	239.9 MW
	99.9 MW (Wind) and 140 MW _p (Solar)
Procurer	Various Industrial Consumers in Gujarat

It has been observed that CTRPL has signed a 17-year full-service agreement with M/s. GE India Industrial Pvt Ltd. As per the said Agreement, date of commencement of the services is the date on which the first turbine gets commissioned. The weighted average O&M charges commencement date of the wind capacity is 31 December 2025. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the quarter i.e., 1 January 2026 post expiry of 3 years free period.

It has been observed that CTRPL has signed a 5-year O&M Agreement with M/s. Waaree Renewable Technologies Limited. As per the said Agreement, it is effective from commencement date i.e., the date of issuance of NTP ("Notice to Proceed") under the said Agreement. The Management represented that the weighted average O&M charges commencement date of the solar capacity is 31 March 2023. It has been observed that the O&M charges start date considered for solar capacity in the Model is the beginning of the quarter i.e., 1 January 2023.

Continuum Green Energy (India) Pvt. Ltd. has executed a turbine operations monitoring system ("TOMS") solution agreement with Bahwan Cybertek Pvt. Ltd. for basic reporting and predictive analytics.

In addition, there are BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on Management's experience in operating similar projects.

6.11.2 Key Findings

- a) CRISIL compared the capacity of CTRPL in the Model with the capacity specified in the commissioning certificates and found it in line.
- b) The wind as well as solar capacity got commissioned in phased manner. The CoDs considered in the Model were in line with the Management Representation.

- c) Net saleable energy of the project at P75 and P90 for both wind and solar capacity was in line with the WEA and SEA reports provided by the Client.
- d) As per the Management Representation, an annual degradation factor of 0.5% is considered for solar capacity. The same was used in the Model.
- e) WEA and SEA reports do not consider auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual Statutory fees.
- f) Diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- g) Grid Tariffs considered in the Model were in line with the Management Representation. No escalation has been considered in the Grid Tariff. The Grid Tariff payable by the consumers considered in the Model was in line with management's representation without any difference.
- h) Management represented that the open access charges are based on charges prevailing as on 31 March 2023 and no escalation has been considered for the charges for the projection period. The open access charges considered in the Model were in line with the relevant orders issued by GERC and the management representation without any differences.
- i) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreements without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreements without any difference.
- j) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.12 Continuum MP Windfarm Development Pvt. Ltd. (CMPWDPL)

6.12.1 Project Overview

Continuum MP Windfarm Development Pvt. Ltd. ("CMPWDPL") is an upcoming wind solar hybrid project in Madhya Pradesh. The Project would be commissioned in phases and is expected to get fully commissioned by 31st December 2023.

Continuum MP Windfarm Development Pvt. Ltd. ("CMPWDPL")	
Installed Capacity	99.9 MW (Wind) and 150.1 MW _p (Solar)
Procurer	Various Industrial Consumers in Madhya Pradesh

It has been observed that CMPWDPL has executed a 20-year full service agreement for 99.9 MW of Wind project with M/s. GE India Industrial Pvt. Ltd. The Management represented that the O&M charges commencement date of the wind capacity is 30 September 2026. It has been observed that the O&M expense start date considered for WTG in the Model is the beginning of the quarter i.e., 1 October 2026 post expiry of 3 years of free period.

For the Solar capacity under consideration the CMPWDPL has executed any BOS Agreement with Waaree Renewable Technologies Limited. The O&M charges commencement date of the solar capacity

is considered as 30 November 2023. It has been observed that the O&M charges start date considered for solar project in the Model is the beginning of the quarter i.e., 1 October 2023.

Continuum Green Energy (India) Pvt. Ltd. has executed a Turbine Operations Monitoring System ("TOMS") solution agreement with Bahwan Cybertek Pvt. Ltd. for basic reporting and predictive analytics.

In addition, there are BoP maintenance expense, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on Management's experience in operating similar projects.

6.12.2 Key Findings

- a) It has been observed that the total capacity considered in the Model is 250.0 MW out of which 99.9 MW is from wind and 150.1 MW_p is from solar.
- b) The solar capacity is getting commissioned in phased manner. The CoDs considered in the Model were in line with the Management Representation.
- c) Net saleable energy of the Wind and Solar capacity at P75 and P90 was in line with the WEA and SEA reports provided by the Client.
- d) WEA as well as SEA reports do not consider auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.
- e) The diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- f) Grid Tariffs considered in the Model were in line with the Management Representation. No escalation has been considered in the Grid Tariff. The Grid Tariff payable by the consumers considered in the Model was in line with Management's Representation without any difference.
- g) Management represented that the open access charges are based on charges prevailing as on March 31, 2023 and no escalation has been considered for the charges for the projection period. The open access charges considered in the Model were in line with the relevant orders issued by MPERC and the management representation without any differences.
- h) The Electricity Rules, 2005 specify that for projects to be considered as captive generating plant, the consumers must hold at least 26% of equity in the project and consume at least 51% of the power generated on an annual basis.
- i) Management represented that equity shareholding of management in the Project will always be at above 26% and the consumer shall consume at least 51% of the power generated on an annual basis in compliance with norms specified under Electricity Rules, 2005
- j) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreement without any difference.
- k) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.13 Dalavaipuram Renewables Pvt. Ltd. (DRPL)

6.13.1 Project Overview

Dalavaipuram Renewables Pvt Ltd. ("DRPL") is an upcoming 272.4 MW wind solar hybrid project in Tamil Nadu. The Project would be commissioned in Phases and is expected to get fully commissioned by 31st December 2023.

Dalavaipuram Renewables Pvt Ltd. ("DRPL")	
Installed Capacity	Wind: 118.8 MW Solar: 153.6 MW _p
Procurer	Various Industrial Consumers in Tamil Nadu

It has been observed that DRPL has executed a 20-year full-service agreement for 118.8 MW of Wind project with M/s. GE India Industrial Pvt. Ltd. The Management represented that the O&M commencement date of the wind capacity is 30 September 2026. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the quarter i.e., 1 October 2026 post expiry of 3 years of free period.

For the Solar capacity under consideration, the DRPL has executed BOS Agreement with Waaree Renewable Technologies Limited. The O&M charges commencement date of the solar capacity is considered as 30 September 2023. It has been observed that the O&M charges start date considered for solar project in the Model is the beginning of the quarter i.e., 1 October 2023.

Continuum Green Energy (India) Pvt. Ltd. has executed a turbine operations monitoring system ("TOMS") solution agreement with Bahwan Cybertek Pvt. Ltd. for basic reporting and predictive analytics.

In addition, there are BoP maintenance expense, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on Management's experience in operating similar projects.

6.13.2 Key Findings

- It has been observed that the total capacity considered in the Model is 272.4 MW out of which 118.8 MW is from wind and 153.6 MW_p is from solar.
- The CoDs considered in the Model were in line with the Management Representation.
- Net saleable energy of the wind and solar capacity at P75 and P90 was in line with the WEA and SEA reports provided by the Client.
- WEA and SEA report does not consider auxiliary consumption of the project. Management represented that for all projects, the charges against auxiliary consumption have been considered under annual statutory fees.
- The diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.

- f) Grid Tariffs considered in the Model were in line with the Management Representation. No escalation has been considered in the Grid Tariff. The Grid Tariff payable by the consumers considered in the Model was in line with management's representation without any difference.
- g) Management represented that the open access charges are based on charges prevailing as on 1 July 2023 and no escalation has been considered for the charges for the projection period. The open access charges considered in the Model were in line with the relevant orders issued by TNERC and the Management Representation without any differences.
- h) DRPL has not considered any banking of energy in its Model and assumed that the entire energy would be consumed during the same month.
- i) The Electricity Rules, 2005 specify that for projects to be considered as captive generating plant, the consumers must hold at least 26% of equity in the project and consume at least 51% of the power generated on an annual basis.
- j) Management represented that equity shareholding of management in the Project will always be at above 26% and the consumer shall consume at least 51% of the power generated on an annual basis in compliance with norms specified under Electricity Rules, 2005
- k) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreement without any difference.
- l) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.14 Bhavnagar 280.7 MW WSH project (CHEPL)

6.14.1 Project Overview

The Client is in the process of setting up a 300.8 MW wind solar hybrid (WSH) project in Bhavnagar, in the state of Gujarat, India. For CGE Hybrid Energy Pvt. Ltd. (CHEPL) a total capacity of 280.7 MW is considered out of which ~110.7 MW capacity is from wind and ~170 MW is from solar. The Client has signed PPAs with various industrial consumers for sale of power from the above WSH Capacity under third party arrangement. For balance 20.1 MW capacity, CGESDC has signed a PPA with an industrial consumer under captive arrangement. The Project is expected to get commissioned by 31st December 2023.

CGE Hybrid Energy Pvt. Ltd. (CHEPL)	
Installed Capacity	Wind:110.7 MW Solar:170.0 _p MW
Procurer	Various industrial consumers in Gujarat

It has been observed that CHEPL has signed a 20 year O&M Agreement with Senvion India Wind Power Services LLP. As per the said agreement, the O&M services shall commence from the date of commissioning of the first wind turbine generator (WTG) under the project. Further, the said agreement also specifies that the first 24 months shall be O&M free period i.e., the Client shall not pay any O&M

fees for the first two years from the average commissioning date of the Project. The Management represented that the weighted average O&M charges commencement date of the plant is 30th September 2025. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the quarter i.e., 1st October 2025 post expiry of 2 years free period, on a conservative basis.

For the Solar capacity under consideration, CHEPL has executed BOS Agreement with Gensol Engineering Limited. The O&M charges commencement date of the solar capacity is considered as 30 September 2023. It has been observed that the O&M charges start date considered for solar project in the Model is the beginning of the quarter i.e., 1 October 2023.

Continuum Green Energy (India) Pvt. Ltd. has executed a turbine operations monitoring system ("TOMS") solution agreement with Bahwan Cybertek Pvt. Ltd. for basic reporting and predictive analytics.

In addition, there are BoP maintenance expense, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on Management's experience in operating similar projects.

6.14.2 Key Findings

- a) It has been observed the total capacity considered in the Model is 280.7 MW for the WSH Project.
- b) The CoDs considered in the Model were in line with the Management Representation.
- c) Net saleable energy of the WSH at P75 and P90 for both wind and solar capacity was in line with the SEA and WEA Reports provided by the Client.
- d) As per the Management Representation, an annual degradation factor of 0.5% is considered for solar capacity. The same was used in the Model.
- e) Diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- f) Tariffs considered in the Model were in line with the Management Representation.
- g) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement/Management Representation without any differences. The escalation rates for O&M considered in the Model were also with the escalation rate in the O&M agreement/Management Representation without any difference.
- h) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.

6.15 Bhavnagar 20.1 MW WSH Project (CGESDC)

6.15.1 Project Overview

The Client is in the process of setting up a 300.8 MW WSH Project in Bhavnagar, in the state of Gujarat, India. For CGE Shree Digvijay Cement Green Energy Pvt. Ltd (CGESDC) a total capacity of capacity of 20.1 MW is considered out of which ~8.1 MW capacity is from wind and ~12 MW_p is from

solar. The Client has signed PPA of ~8.1 MW capacity with Shree Digvijay Cement Co. Ltd. (SDCCL), an industrial consumer for sale of power from the WSH capacity under captive arrangement. The Project is expected to get commissioned in September 2023 quarter.

CGE Shree Digvijay Cement Green Energy Pvt. Ltd (CGESDC)	
Installed Capacity	Wind:8.1 MW Solar:12 MW _p
Procurer	Industrial consumer in Gujarat

For the Balance capacity of 280.7 MW, the CHEPL has signed PPAs with various industrial consumers for sale of power as discussed above.

The Electricity Rules, 2005 specify that for projects to be considered as captive generating plant, the consumers must hold at least 26% of equity in the project and consume at least 51% of the power generated on an annual basis. As per the provisions of the PPA, SDCCL has agreed to invest upto 27% in the equity share of CGESDC. Accordingly, SDCCL has signed the share purchase and shareholders agreement. The said Agreement provides that during the term of the agreement, SDCCL shall ensure a) holding of minimum 26% equity share capital and b) consuming not less than 51% of the total electricity generated from the plant determined on a financial year basis.

Management also represented that equity shareholding of the consumer in the WSH capacity under consideration will always remain above 26% and the consumer shall consume at least 51% of the power generated on an annual basis in compliance with norms specified under Electricity Rules, 2005.

It has been observed that the CGESDC has signed a 20 year O&M Agreement with Servion India Wind Power Services LLP. As per the Agreement, the O&M Services shall commence from the date of commissioning of the first Wind Turbine Generator (WTG) under the project. Further, the O&M agreement also specifies that the first 24 months shall be O&M free period i.e., the Client shall not pay any O&M fees for the first two years from the average commissioning date of the Project. The Management represented that the weighted average O&M charges commencement date of the wind capacity is 31st August 2025. It has been observed that the O&M charges start date considered for WTG in the Model is the beginning of the quarter i.e., 1st July 2025 after expiry of free period of 2 years.

For the Solar capacity under consideration, CGESDC has not executed any O&M Agreement. The O&M charges commencement date of the solar capacity is considered as 30 June 2023. It has been observed that the O&M charges start date considered for solar project in the Model is the beginning of the quarter i.e., 1 July 2023.

Continuum Green Energy (India) Pvt. Ltd. has executed a turbine operations monitoring system ("TOMS") solution agreement with Bahwan Cybertek Pvt. Ltd. for basic reporting and predictive analytics.

In addition, there are BoP maintenance expense, F&S deviation charge, annual statutory fee, employee expense, administrative expense and insurance expense based on management's experience in operating similar projects.

6.15.2 Key Findings

- It has been observed the total Capacity considered in the Model is 20.1 MW for the WSH Project.
- The CoDs considered in the Model were in line with the Management Representation

- c) Net saleable energy of the WSH at P75 and P90 for both wind and solar capacity was in line with the SEA and WEA reports provided by the Client.
- d) As per the Management Representation, an annual degradation factor of 0.5% is considered for solar capacity. The same has been used in the Model.
- e) Diversification benefit considered in the Model was in line with the Portfolio Benefit reported in the portfolio analysis report without any difference.
- f) Tariff considered in the Model were in line with the PPA.
- g) The O&M expense and applicable taxes considered in the Model were in line with the cost mentioned in the O&M agreement/Management Representation without any differences. The escalation rates for O&M considered in the Model are also with the escalation rate in the O&M agreement/Management Representation without any difference.
- h) BoP maintenance expense, predictive analytics fee, F&S deviation charge, annual statutory fees, employee expense, administrative expense, and insurance expense considered in the Model were in line with the Management Representation without any difference.
- i) The Electricity Rules, 2005 specify that for projects to be considered as captive generating plant, the consumers must hold at least 26% of equity in the project and consume at least 51% of the power generated on an annual basis.
- j) Management represented that equity shareholding of management in the WSH capacity under consideration will always be at above 26% and the consumer shall consume at least 51% of the power generated on an annual basis in compliance with norms specified under Electricity Rules, 2005.

7. Conclusion

Based on the Model prepared by the Client and the assumptions used therein, the consolidated financial projections for the Portfolio for different scenarios are summarised below:

1) Restricted Group (722.9 MW)

Sr. No.	Particulars	1 st January 2024 to 31 st December 2024			
		(INR Million)		(USD Million ²)	
		P75	P90	P75	P90
1.	Confidence Level				
2.	Net Revenue	10,924.4	10,430.0	133.9	127.8
3.	Total Expenses	2,552.5	2,490.2	31.3	30.5
4.	EBITDA	8,371.9	7,939.7	102.6	97.3
5.	EBITDA (%)	76.6%	76.1%	76.6%	76.1%

2: Exchange rate used USD 1=INR 81.6126

Source: The Client, RBI, CRISIL Analysis

2) Portfolio (1.3 GW)

Sr. No.	Particulars	1 st January 2024 to 31 st December 2024			
		(INR Million)		(USD Million ²)	
		P75	P90	P75	P90
1.	Confidence Level				
2.	Net Revenue	17,681.2	16,941.5	216.6	207.6
3.	Total Expenses	4,040.6	3,954.9	49.5	48.5
4.	EBITDA	13,640.5	12,986.6	167.1	159.1
5.	EBITDA (%)	77.1%	76.7%	77.1%	76.7%

2: Exchange rate used USD 1=INR 81.6126

Source: The Client, RBI, CRISIL Analysis

3) Portfolio (2.1 GW)

Sr. No.	Particulars	1 st January 2024 to 31 st December 2024			
		(INR Million)		(USD Million ²)	
		P75	P90	P75	P90
1.	Confidence Level				
2.	Net Revenue	27,146.8	26,065.1	332.6	319.4
3.	Total Expenses	5,920.8	5,797.6	72.5	71.0
4.	EBITDA	21,226.0	20,267.5	260.1	248.3
5.	EBITDA (%)	78.2%	77.8%	78.2%	77.8%

2: Exchange rate used USD 1=INR 81.6126

Source: The Client, RBI, CRISIL Analysis

8. Appendix 1: Management Representation



CONTINUUM GREEN ENERGY (INDIA) PRIVATE LIMITED
(Formerly known as Continuum Wind Energy (India) Private Limited)

6 August 2023

CRISIL Limited,
CRISIL House,
Central Avenue,
Hiranandani Business Park,
Powai, Mumbai - 400 076

Subject: Management representation on certain assumptions used in the financial model for projecting EBITDA for 1st January 2024 to 31st December 2024 ("Projection Period") for the Portfolio.

Dear Sirs,

This refers to the engagement letter dated 6th Aug 2023 ("Proposal") between Continuum Energy Aura Pte Limited, Continuum Green Energy (India) Private Limited and Continuum Green Energy Limited (together and individually referred to as "Company" or "Client") and CRISIL Limited ("CRISIL") where CRISIL was appointed for preparation of Independent Consultant's Report.

This representation letter is provided in connection with the services carried out in accordance with the Proposal. The Client has proposed offering of U.S. dollar-denominated bonds under Rule 144A and/or pursuant to Regulation S under the U.S. Securities Act of 1933, as amended. Few of the assumptions provided in the financial model for the Portfolio are based on management inputs provided by an affiliate of Continuum Green Energy (India) Private Limited, which is covered in the definition of "Other Beneficiaries" as per the terms of the Proposal.

Accordingly, Continuum Green Energy (India) Private Limited makes the representation on such assumptions as listed below, which are true to the best of our knowledge.

Capacity installation

— The capacities and commercial operation dates ("COD") for the Portfolio is summarised in following table.

Sr. No.	Project	Type	SPV	Capacity (MW)	COD in Quarter
1	Surajbari I	Wind	CGE IPL	16.5	From Sep-2007 to Dec-2007
	Surajbari II	Wind	CGE IPL	18.0	From Jun-2012 to Dec-2012
2	Bothe	Wind	BWDPL	80.0	From Jun-2013 to Dec-2014
		Wind		119.7	
3	Ratlam 1	Wind	DJEPL	94.0	From Jun-2015 to Dec-2015
		Wind	UUPPL	76.0	
4	Periyapatti	Wind	WIPL	148.0	From Dec-2017 to Dec-2018
		Solar		78.8	Mar-2021
5	Rajkot 1	Wind	TWHPPL	101.2	From Jun-2019 to Dec-2019
6	Rajkot 2A	Wind	RTPL	25.2	From Mar-2020 to Jun-2020
7	Rajkot 2B	Wind	KWDPL	28.0	From Sep-2021 to Mar-2022
8	Dayapar	Wind	CTN	126.0	From Jun-2021 to Jun-2023
9	Morjar 1	Wind	MWDPL	148.5	From Sep-2022 to Jun-2023
10	Rajkot 3	Wind	CTRPL	99.9	From Sep-2022 to Jun-2023

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Sr. No.	Project	Type	SPV	Capacity (MW)	COD in Quarter
		Solar		140.0	From Sep-2022 to Jun-2023
Total Operational				1,299.8	
11	Ratlam 2	Wind	CMPWDPL	99.9	By 31 st December 2023
		Solar		150.1	By 31 st December 2023
12	Dalavaipuram	Wind	DRPL	118.8	By 31 st December 2023
		Solar		153.6	By 31 st December 2023
13	Bhavnagar	Wind	CHEPL	110.7	By 31 st December 2023
		Solar		170.0	By 31 st December 2023
	Bhavnagar - Digvijay	Wind	CGESDC	8.1	By 31 st December 2023
		Solar		12.0	By 30 th June 2023
Total Shortly Operational				823.2	
Total				2,123.0	

Note: All Solar project capacities are in MW_{DC}

For EBITDA projection purpose following scenarios need to be considered:

Sr. No.	Nomenclature	Projects from above List	Total Capacity	Wind	Solar
1	Restricted Group	Sr. no 2 to 6	722.9 MW	644.1 MW	78.8 MW _p
2	Portfolio (1.3 GW)	Sr. No. 1 to 10	1,299.8 MW	1,081.0 MW	218.8 MW _p
3	Portfolio (2.1 GW)	Sr. No. 1 to 13	2,123.0 MW	1,418.5 MW	704.5 MW _p

Grid Tariffs

— The grid tariffs as well as open access charges for Tamil Nadu and Madhya Pradesh have been considered as per the latest Tariff Orders for FY23-24 issued by TNERC and MPERC. For Gujarat, fuel power purchase price adjustment charges and additional charges are revised periodically by GERC; hence average tariffs for FY22-23 have been considered as base.

Income from GBI

— The estimated GBI income for eligible projects for projection period have been considered as summarised in following table.

Income from GBI (INR Million)		
Project	Eligible Capacity	GBI Income (P90 Level)
BWDPL	199.7 MW*	109.7
DJEPL	94 MW	100.4
UUPPL	76 MW	81.2

*6.3 MW capacity of BWDPL does not have a long term PPA under the Feed-in-Tariff (FiT); however, GBI is considered for the said 6.3 MW capacity also in accordance with the APTEL Judgement.

Income from REC

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— The estimated REC income for eligible projects for projection period have been considered as summarised in following table.

Income from REC (INR Million)		
Project	Eligible Capacity	REC Income (P90 Level)
CGEIPL	18 MW	45.2

— Price for the REC is considered as per CERC Order.

— No escalation is considered in REC Price.

Start dates for commissioning and O&M

— Following dates for commencement of plant O&M may be considered.

Effective date for commencement of O&M agreement and its amendments	
Project	Plant O&M
CGEIPL	31 March 2018 and 30 April 2022
BWDPL	01 August 2016 and 16 December 2016
DJEPL*	31 March 2019
UUPPL*	30 June 2019
WIPL@	Wind: 30 June 2020 Solar: 31 March 2021
TWHPPL@	31 August 2021
RTPL@	31 May 2022
KWDPL#	31 January 25
CTN#	28 February 2025
MWDPL#	30 November 2025
CTRPL#	30 November 2025
CMPWDPL#	Wind: 30 Sep 2026 Solar: 30 Nov 2023
DRPL#	Wind: 30 Sep 2026 Solar: 30 Sep 2023
CHEPL@	Wind: 30 Sep 2025 Solar: 30 Sep 2023
CGESDC@	Wind: 31 Aug 2025 Solar: 30 June 2023

Free O&M Period * 3.5 Yrs; @ 2.0 Yrs and # 3 Years

PLF and annual degradation factor

— For all Projects, P75 and P90 estimate as per energy assessment reports issued by independent engineer has been considered as PLF. For solar capacity, annual output degradation of 0.50% has been considered.

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BoP maintenance expenses, F&S deviation charges, annual statutory fees, predictive analytics fees, employee expenses, administrative expenses and insurance expenses

- Auxiliary consumption related expenses have been considered in the annual statutory fee for the project.
- BoP maintenance expenses, F&S deviation charges, annual statutory fees, predictive analytics fees, employee expenses, administrative expenses and insurance expenses at P90 level for the Projects have been considered as provided in the following table (during the projection period).

Various project level expenses inclusive of GST (INR million)		
Project	BoP maintenance expenses, annual statutory fees, predictive analytics fees, employee* and admin expenses, insurance expenses	F&S deviation charges
		(%age of Revenue)
CGE IPL	283.9	0.50%
BWDPL	272.6	0.50%
DJEPL	74.9	0.50%
UUPPL	60.1	0.50%
WIPL	126.6	0.50%
TWHPPL	64.9	0.50%
RTPL	15.7	0.50%
KWDPL	14.9	0.50%
CTN	37.4	0.50%
MWDPL	91.3	0.50%
CTRPL	72.2	0.50%
CMPWDPL	64.9	0.50%
DRPL	85.6	0.50%
CHEPL	126.2	0.50%
CGESDC	9.7	0.50%

* Site level employee expenses for SPVs.

Continuum Green Energy (India) Pvt Ltd has executed a Turbine Operations Monitoring System (TOMS) solution agreement with Bahwan Cybertek Pvt Ltd for basic reporting and predictive analytics for all SPVs of the Project, present and future.

Continuum Green Energy (India) Private Limited (CGE IPL)

- The 12 Nos PPAs executed between the customers and CGE IPL so far shall be serviced by CGE IPL.
- Weighted average tariff payable by consumers is ~INR 6.46/kWh
- No escalation has been considered in the Grid Tariff.
- PPAs due for expiry during the Projection Period (if any) will be extended at same terms and conditions.
- Annual escalation rate for O&M charges 3.50% p.a. for 16.5 MW and 4% for 18 MW wind Capacity.

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- Open access charges are based on charges prevailing as on 31 March 2023. No escalation has been considered for these charges during the Projection Period.
- Open access charges are inclusive of brokerage and other charges of INR 0.05 per kWh. These are based on management's internal estimates and past experience.
- Transmission losses are considered based on average transmission loss as per Gujarat SLDC for the twelve month period up to March 2023.
- Additional Surcharge considered for open access sales as average of previous 2 (two) approved additional surcharge figures by GERC for semi-annual periods in FY2023.

Bothe Windfarm Development Pvt. Ltd. (BWDPL)

- 6.3 MW capacity of BWDPL does not have a long term PPA. The Appellate Tribunal For Electricity (APTEL), New Delhi has ruled in favour the Company and directed MSEDCL to immediately execute PPA. Accordingly, 6.3 MW capacity is considered for Revenue as well as O&M expenses in accordance with the said APTEL Judgement.
- Annual escalation rate for O&M charges 4% p.a. for 80 MW and 5% for 119.7 MW wind Capacity.

Watsun Infrabuild Pvt. Ltd. (WIPL)

- The 53 Nos PPAs executed between the customers and WIPL so far shall be serviced by WIPL.
- Grid Tariff Payable by the consumers to TANGEDCO as on 1 July 2023 is INR 7.74 per kWh. No escalation has been considered in the Grid Tariff.
- PPAs due for expiry during the Projection Period (if any) will be extended at same terms and conditions.
- For solar project, additional 1.8 MWDC capacity has been installed beyond the capacity mentioned in the SEA resulting in a cumulative capacity of 78.8 MWDC for the project. As a result of that, the Net Saleable Energy is likely to be proportionately higher than the Net Saleable Energy provided in the SEA.
- As per prevailing TNERC Regulations banking charges (14% of banked energy in kind) are applicable to entire 148 MW wind capacity of WIPL (annual banking for 138 MW and monthly for 10 MW). Considering 16.75% of net energy export from the entire wind project capacity as banked energy, the banking charges are estimated at 2.35% for the net energy export.
- WIPL sells power to Open Access consumers to meet only a portion of their total energy requirement. There would not be any impact on energy sales to the consumers due to change in banking regulations. The project would be able to sell the entire energy generated to customers without any lapse.
- Open access charges are based on charges prevailing as on 1 July 2023. No escalation has been considered for these charges during the Projection Period.
- Open access charges are inclusive of brokerage and other charges of INR 0.05 per kWh. These are based on management's internal estimates and past experience.
- Equity shareholding of few users may be adjusted during the Projection Period to reflect the proportionate consumption of power from the plant to maintain the group captive generating plant status.
- It is expected that the equity shareholding of consumers in the Project will always remain above 26%.

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Trinethra Wind and Hydro Power Pvt. Ltd. (TWHPPPL)

- The 47 Nos PPAs executed between the customers and TWHPPPL so far shall be serviced by TWHPPPL.
- Weighted average tariff payable by consumers is INR 6.77/kWh
- No escalation has been considered in the Grid Tariff.
- PPAs due for expiry during the Projection Period (if any) will be extended at same terms and conditions.
- Open access charges are based on charges prevailing as on 31 March 2023. No escalation has been considered for these charges during the Projection Period.
- Open access charges are inclusive of brokerage and other charges of INR 0.05 per kWh. These are based on management's internal estimates and past experience.
- Transmission losses are considered based on average transmission loss as per Gujarat SLDC for the twelve month period up to March 2023.
- Additional Surcharge considered for open access sales as average of previous 2 (two) approved additional surcharge figures by GERC for semi-annual periods in FY2023.

Renewables Trinethra Pvt. Ltd. (RTPL)

- The 19 Nos PPAs executed between the customers and RTPL so far shall be serviced by RTPL.
- Weighted average tariff payable by consumers is INR 6.71/kWh
- No escalation has been considered in the Grid Tariff.
- PPAs due for expiry during the Projection Period (if any) will be extended at same terms and conditions.
- Open access charges are based on charges prevailing as on 31 March 2023. No escalation has been considered for these charges during the Projection Period.
- Open access charges are inclusive of brokerage and other charges of INR 0.05 per kWh. These are based on management's internal estimates and past experience.
- Transmission losses are considered based on average transmission loss as per Gujarat SLDC for the twelve month period up to March 2023.
- Additional Surcharge considered for open access sales as average of previous 2 (two) approved additional surcharge figures by GERC for semi-annual periods in FY2023.

Kutch Windfarm Development Pvt. Ltd. (KWDPL)

- The 16 Nos PPAs executed between the customers and KWDPL so far shall be serviced by KWDPL.
- Weighted average tariff payable by consumers is INR 6.73/kWh

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- No escalation has been considered in the Grid Tariff.
- PPAs due for expiry during the Projection Period (if any) will be extended at same terms and conditions.
- Open access charges are based on charges prevailing as on 31 March 2023. No escalation has been considered for these charges during the Projection Period.
- Open access charges are inclusive of brokerage and other charges of INR 0.05 per kWh. These are based on management's internal estimates and past experience.
- Transmission losses are considered based on average transmission loss as per Gujarat SLDC for the twelve month period up to March 2023.
- Additional Surcharge considered for open access sales as average of previous 2 (two) approved additional surcharge figures by GERC for semi-annual periods in FY2023.

Morjar Windfarm Development Pvt Ltd. (MWDPL)

- The PPA tariff for the Project is INR. 2.82 per kWh. However, Management expects additional ~INR 0.12 per kWh as Change in Law compensation against additional GST as per the provisions of the PPA.

Continuum Power Trading (TN) Pvt. Ltd. (CTN)

- For CTN, 126 MW capacity was contracted with SECI. However, SECI has sent termination letter on 14 April 2023 for the entire capacity due to delay in commissioning and the same has been accepted by the Company. As part of the said letter, SECI has advised that they are consulting with MNRE on the possibility of continuing to purchase electricity from 88 MW out of 126 MW, which was commissioned, and power was being purchased by SECI for the said capacity till the date of termination. Since 20 April 2023 after the termination by SECI, CTN project have realized ~INR 5.0/- per kWh by selling power on electricity exchanges. However, for the purpose of EBITDA projection report, conservatively, the Company has considered INR 2.51/- per kWh as long term tariff, basis the terms of the PPA signed with SECI with a levelized tariff fixed for 25 years.

Continuum Trinethra Renewables Pvt. Ltd. (CTRPL)

- The 36 Nos PPAs executed between the customers and CTRPL so far shall be serviced by CTRPL.
- Weighted average tariff payable by consumers is INR 6.38/kWh
- No escalation has been considered in the Grid Tariff.
- PPAs due for expiry during the Projection Period (if any) will be extended at same terms and conditions.
- Open access charges are based on charges prevailing as on 31 March 2023. No escalation has been considered for these charges during the Projection Period.
- Open access charges are inclusive of brokerage and other charges of INR 0.05 per kWh. These are based on management's internal estimates and past experience.
- Transmission losses are considered based on average transmission loss as per Gujarat SLDC for the twelve month period up to March 2023.
- Additional Surcharge considered for open access sales as average of previous 2 (two) approved additional surcharge figures by GERC for semi-annual periods in FY2023.

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Continuum Madhya Pradesh Windfarm Development Pvt. Ltd. (CMPWDPL)

- The 26 Nos PPAs executed between the customers and CMPWDPL so far shall be serviced by CMPWDPL.
- Weighted average tariff payable by consumers is INR 4.89/kWh
- No escalation has been considered in the Grid Tariff.
- Annual escalation rate for O&M charges 3.00% p.a. for 99.9 MW wind and 4.00% for 150.1 MWDC solar Capacity.
- Transmission Losses has been considered as 2.42% and transmission charges as INR 0.41/kWh based on historical experience.
- Open access charges are based on charges prevailing as on 1 July 2023. No escalation has been considered for these charges during the Projection Period.
- Equity shareholding of few users may be adjusted during the Projection Period to reflect the proportionate consumption of power from the plant to maintain the group captive generating plant status.
- It is expected that the equity shareholding of consumers in the Project will always remain above 26%.

Dalavaipuram Renewables Private Limited

- The 35 Nos PPAs executed between the customers and DRPL so far shall be serviced by SRPL.
- Grid Tariff Payable by the consumers to TANGEDCO as on 1 July 2023 is INR 7.74 per kWh. No escalation has been considered in the Grid Tariff.
- PPAs due for expiry during the Projection Period (if any) will be extended at same terms and conditions.
- DRPL sells power to Open Access consumers to meet only a portion of their total energy requirement. There would not be any impact on energy sales to the consumers due to change in banking regulations. The project would be able to sell the entire energy generated to customers without any lapse.
- Open access charges are based on charges prevailing as on 1 July 2023. No escalation has been considered for these charges during the Projection Period.
- Open access charges are inclusive of brokerage and other charges of INR 0.05 per kWh. These are based on management's internal estimates and past experience.
- Equity shareholding of few users may be adjusted during the Projection Period to reflect the proportionate consumption of power from the plant to maintain the group captive generating plant status.
- It is expected that the equity shareholding of consumers in the Project will always remain above 26%.

CGE Hybrid Energy Private Limited (CHEPL)

- The 51 Nos PPAs executed between the customers and CHEPL so far shall be serviced by CGE Hybrid Energy Private Limited.
- Weighted average tariff payable by consumers is INR 6.23/kWh

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- No escalation has been considered in the Grid Tariff during the projection period.
- Open access charges are based on charges prevailing as on 31 March 2023. No escalation has been considered for these charges during the projection period.
- Transmission losses are considered based on average transmission loss as per Gujarat SLDC for the twelve-month period up to March 2023.
- Additional Surcharge considered for open access sales as average of previous 2 (two) approved additional surcharge figures by GERC for semi-annual periods in FY2023.

CGE Shree Digvijay Cement Green Energy Pvt. Ltd. (CGESDC)

- Open access charges are based on charges prevailing as on 31 March 2023. No escalation has been considered for these charges during the projection period.
- Transmission losses are considered based on average transmission loss as per Gujarat SLDC for the twelve-month period up to March 2023.
- Additional Surcharge considered for open access sales as average of previous 2 (two) approved additional surcharge figures by GERC.
- Equity shareholding of user may be adjusted during the projection period to reflect the proportionate consumption of power from the plant to maintain the group captive generating plant status.
- Equity shareholding of customers in the project will always remain above 26%.

For and on behalf of **Continuum Green Energy (India) Private Limited**

Name: Arvind Bansal
Title: Director
Date: 6th August 2023

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