

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. 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, Emirates NBD Bank PJSC, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (“**HSBC**”), J.P. Morgan Securities plc, 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 Levanter Pte. Ltd. (the “**Issuer**”), Continuum Green Energy Limited (the “**Parent**”) 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.



US\$561,000,000 4.50% Senior Notes due 2027

Issued by

Continuum Energy Levanter Pte. Ltd

(incorporated in Singapore with limited liability)

A wholly owned subsidiary of

Continuum Green Energy Limited

(incorporated in Singapore with limited liability)

Continuum Energy Levanter Pte. Ltd. (the “Issuer”), a wholly owned subsidiary of Continuum Green Energy Limited (the “Parent”), is offering US\$561,000,000 in aggregate principal amount of its 4.50% Senior Notes due 2027 (the “Notes”). The Issuer will pay interest on the Notes semi-annually in arrears on each February 9 and August 9, commencing on August 9, 2021. The Notes will mature on February 9, 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), 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, 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 (i) a first-priority share charge by the Parent over the capital stock of the Issuer, (ii) prior to the release therefrom, a first-priority security interest in the Escrow Accounts (as defined below), and (iii) a first-priority security interest in the Offshore Cash Account as described in “Description of the Notes — Offshore Cash Account.” The capital stock of the Issuer and the Offshore Cash Account will also be charged as collateral to secure certain hedging obligations.

At any time prior to February 9, 2024, the Issuer may, on any one or more occasions, redeem all or 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 a “make whole” premium as described in this Offering Memorandum. At any time on or after February 9, 2024, the Issuer may redeem on any one or more occasions all or any portion of the Notes at the redemption prices set forth in this Offering Memorandum. In addition, at any time prior to February 9, 2024, the Issuer may on any one or more occasions redeem 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. The Notes are subject to partial mandatory amortization redemptions and partial MCS amortization redemptions, on the dates set forth in this Offering Memorandum, at the principal amount thereof plus accrued and unpaid interest and additional amounts, if any.

On the closing date, the Issuer will deposit the net proceeds of this offering into two escrow accounts (the “Escrow Accounts”), which will be released from time to time for the Issuer to subscribe to senior secured non-convertible debentures (“NCDs”) to be issued by certain Restricted Subsidiaries (as defined in the Indenture) (the “Onshore Debt”) and to redeem the Notes or to use as otherwise described under “Description of the Notes — Escrow Accounts”.

If on the date that is three months after the Original Issue Date (as defined in the Indenture), any debt of the Restricted Subsidiaries intended to be refinanced with the proceeds of the Notes remains outstanding, the Issuer will be required to redeem the Notes in full at a redemption price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to (but not including) the redemption date. See “Description of the Notes — Special Mandatory Redemption.”

Under the terms of the NCDs, the NCDs may not be redeemed within three years from the date of their issuance, except as permitted by applicable law.

Investing in the Notes involves a high degree of risk. See “Risk Factors” beginning on page 33.

Price: 100%

It is expected that delivery of the Notes will be made through the facilities of The Depository Trust Company (“DTC”) on or about February 9, 2021 (the “Closing Date”). Approval in-principle has been received from 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 Singapore Exchange Securities Trading Limited (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, any of their subsidiaries or their 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 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, on the Closing Date, to be rated “BB+” by Fitch Ratings Limited and “Ba2” by Moody’s Investors Service Singapore Pte. Limited. 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
Deutsche Bank
Green
Structuring Agent

Emirates NBD
Capital

Joint Bookrunners and Joint Lead Managers
HSBC

J.P. Morgan

Standard
Chartered Bank

The date of this Offering Memorandum is February 2, 2021

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, Emirates NBD Bank PJSC, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (“**HSBC**”), J.P. Morgan Securities plc, 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.

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 Notes Collateral Agent, 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, Trustee, Paying Agent, Registrar or Transfer Agent whether as to the past or the future. To the fullest extent permitted by law, none of the Initial Purchaser accept any responsibility for the contents of this Offering Memorandum or for any statement made or purported to be made by the Initial Purchasers, Trustee, the Notes Collateral Agent, the Common Collateral Agent, the Paying Agent, the Registrar or the Transfer Agent or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Initial Purchasers, the Trustee, the Notes Collateral Agent, 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 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 seller of the Notes 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, New York, New York, 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.

Note regarding the Amended Preliminary Offering Memorandum: The Amended Preliminary Offering Memorandum dated February 2, 2021 supersedes the Preliminary Offering Memorandum dated January 29, 2021 by including the signed Independent Audit Report for the fiscal years ended March 31, 2018, 2019 and 2020 and the Independent Review Report for the nine months ended December 31 2020 both of which are dated January 30, 2021 and adding the place and date information on the respective signature blocks for S R B C & CO LLP and the Issuer. No changes have been made to any other information contained herein (including financial information and the F-pages).

PRESENTATION OF FINANCIAL AND OTHER DATA

Unless otherwise specified or the context provides otherwise:

- “Issuer” refers to Continuum Energy Levanter Pte. Ltd.;
- “Parent” refers to Continuum Green Energy Limited;
- “Group” or “Continuum” refers to Continuum Green Energy Limited and its subsidiaries;
- “Indian Restricted Subsidiary” and “Indian Restricted Subsidiaries” refers to one or more of 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;
- “Restricted Group” and “Restricted Subsidiaries” refers to the Issuer, 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;
- “Sponsor” refers to Clean Energy Investing Limited;
- “We,” “us,” or “our” or words of similar import refers to the Restricted Group or the Indian Restricted Subsidiaries as the context requires. Unless the context indicates otherwise, “we”, “us” or “our” for the purposes of “Overview”, “Competitive Strengths”, “Strategy” refer to the business of the Group, including the Restricted Group, otherwise, references to “we”, “us” or “our” for the purposes of “Our Business” section refer to only the Restricted Group; 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 special purpose combined financial statements and the notes thereto of the Restricted Group for the fiscal years ended March 31, 2018, 2019 and 2020 (the “Special Purpose Combined Financial Statements”). The Special Purpose Combined Financial Statements have been prepared in accordance with the recognition, measurement and disclosure principles specified in the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with Companies (Accounting Standard) Amendment Rules, 2016 (together referred as “**Indian GAAP**”), except for disclosure requirement of AS-20 Earnings Per Share, and the guidance note on combined and carve-out financial statements issued by the Institute of Chartered Accountants of India (ICAI) (“The Guidance Note”).

Further, this Offering Memorandum also includes the special purpose unaudited combined financial statements and the notes thereto of the Restricted Group for nine months ended December 31, 2020 (the “Special Purpose Unaudited Combined Financial Statements”) The Special Purpose Unaudited Combined Financial Statements have been prepared in accordance with AS 25 “Interim Financial Reporting” and other accounting standards notified under Section 133 of the Companies Act, 2013, read together with Companies (Accounting Standard) Amendment Rules, 2016 (together referred as “Indian GAAP”), except for disclosure requirement of AS-20 Earnings Per Share, and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India (“The Guidance Note”) and have been subject to limited review by S R B C & CO LLP as per auditing Standard on Review Engagements (SRE) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by ICAI.

As Indian GAAP does not provide specific guidance for the preparation of Combined Financial Statements and, accordingly, in preparing these special purpose combined financial statements, accounting conventions commonly used for the preparation of Consolidated Financial Statements in accordance with AS 21 Consolidated Financial Statements have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same special purpose combined financial statements are prepared on a basis that combines the results and assets and liabilities of each entity of the Restricted Group and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business. As we did not constitute a separate legal group of entities for the periods presented, the Special Purpose Combined Financial Statements are not necessarily indicative of our financial performance, financial position and cash flows that would have occurred if we had operated as a standalone group of entities during the periods presented, nor are they indicative of the Restricted Group's future performance. The Special Purpose Combined Financial Statements 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 report thereon is included herein.

Indian GAAP differ from generally accepted accounting principles in the United States 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 at and for the years ended March 31, 2020, 2019 and 2018 and as at and for the nine months period ended December 31, 2020 is derived from the Special Purpose Combined Financial statements and Special purpose unaudited combined financial statements. Unless context requires otherwise, financial information for the nine months period ended December 31, 2019 is derived from comparative included in Special purpose unaudited combined financial statements.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

This Offering Memorandum contains measures and ratios, including EBITDA, Adjusted EBITDA and Adjusted EBITDA margin, (Collectively Non GAAP) are a supplemental measure of our performance and liquidity, that are not required by “Indian GAAP”, “IFRS”, US 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 US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period 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 US GAAP. In addition, EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are not standardised 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 operating profit before depreciation and tax;

- “Adjusted EBITDA” is calculated as EBITDA excluding one-off non-cash provisions and common overheads to be paid out of Distribution Account; and
- “Adjusted EBITDA margin” is calculated as Adjusted EBITDA divided by revenue.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin and related ratios 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 period 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, Adjusted EBITDA and Adjusted 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, Adjusted EBITDA and Adjusted 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 Special Purpose Combined Financial Information 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.

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 Restricted 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:

“**APTEL**” refers to the Appellate Tribunal for Electricity;

“**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;

“**GoI**” refers to the Government of India;

“**Independent Consultant**” refers to KPMG India Services LLP;

“**LTM**” refers to last twelve months;

“**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.;

“**NCDs**” refers to non-convertible debentures to be issued by the Indian Restricted Subsidiaries to the Issuer pursuant to the terms as described in Appendix A (“Non-Convertible Debentures Term Sheet”);

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

“**Onshore Debt**” refers to the NCDs that will be issued by the Restricted Subsidiaries other than the Issuer.;

“**RBI**” refers to the Reserve Bank of India;

“**SERC**” refers to a State Electricity Regulatory Commission;

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

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;

“**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;

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

“**VER**” refers to verified emission reduction; 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 January 2021 (the “Report”) that the Company has commissioned from CRISIL Risk and Infrastructure Solutions 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.

Disclaimer of CRISIL Risk and Infrastructure Solutions Limited

The information presented in the “Industry Overview” section has been extracted from an industry report entitled “India Renewable Energy Market” dated January 2021 (the “Report”) that the Issuer has commissioned from CRISIL Risk and Infrastructure Solutions Limited (“CRISIL”).

CRISIL 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 the Data or the Report. The Report is not a recommendation to invest or 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 or 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-compliance for use of the Report or part thereof outside India. CRISIL operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Limited’s Research Division, which may, in their regular operations, obtain information of a confidential nature. The views expressed in the Report are that of CRISIL and not of CRISIL Ratings Limited / CRISIL Limited’s Research Division. No part of the Report may be published/reproduced in any form without CRISIL’s prior written approval.

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;
- outbreaks of contagious diseases such as the recent outbreak of COVID-19 may have a material adverse effect on our business operations, cash flows, financial condition and results of operations;
- 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;
- 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;
- 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 Cash Flows, 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

Approval in-principle has been received from 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 the 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 Chapter 289) 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.

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY	1
THE OFFERING	21
SUMMARY SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS AND OTHER DATA ...	27
RISK FACTORS	33
USE OF PROCEEDS	90
CAPITALIZATION	94
ENFORCEABILITY OF CIVIL LIABILITIES	96
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	98
DESCRIPTION OF THE ISSUER	130
INDUSTRY OVERVIEW	132
OUR BUSINESS	153
REGULATION	198
MANAGEMENT	205
PRINCIPAL SHAREHOLDERS	211
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	212
DESCRIPTION OF OTHER INDEBTEDNESS	215
DESCRIPTION OF THE NOTES	249
TAXATION	306
CERTAIN ERISA CONSIDERATIONS	313
INDIAN GOVERNMENT FILINGS AND APPROVALS	315
PLAN OF DISTRIBUTION	317
TRANSFER RESTRICTIONS	325
LEGAL MATTERS	328
INDEPENDENT AUDITORS	329
DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN INDIAN GAAP AND IFRS	330
INDEX TO FINANCIAL STATEMENTS	F-1
APPENDIX A — ONSHORE DEBT TERMS AND CONDITIONS	A-1
APPENDIX B — PROJECTIONS REPORT	B-1
APPENDIX C — GREEN BOND SECOND OPINION	C-1

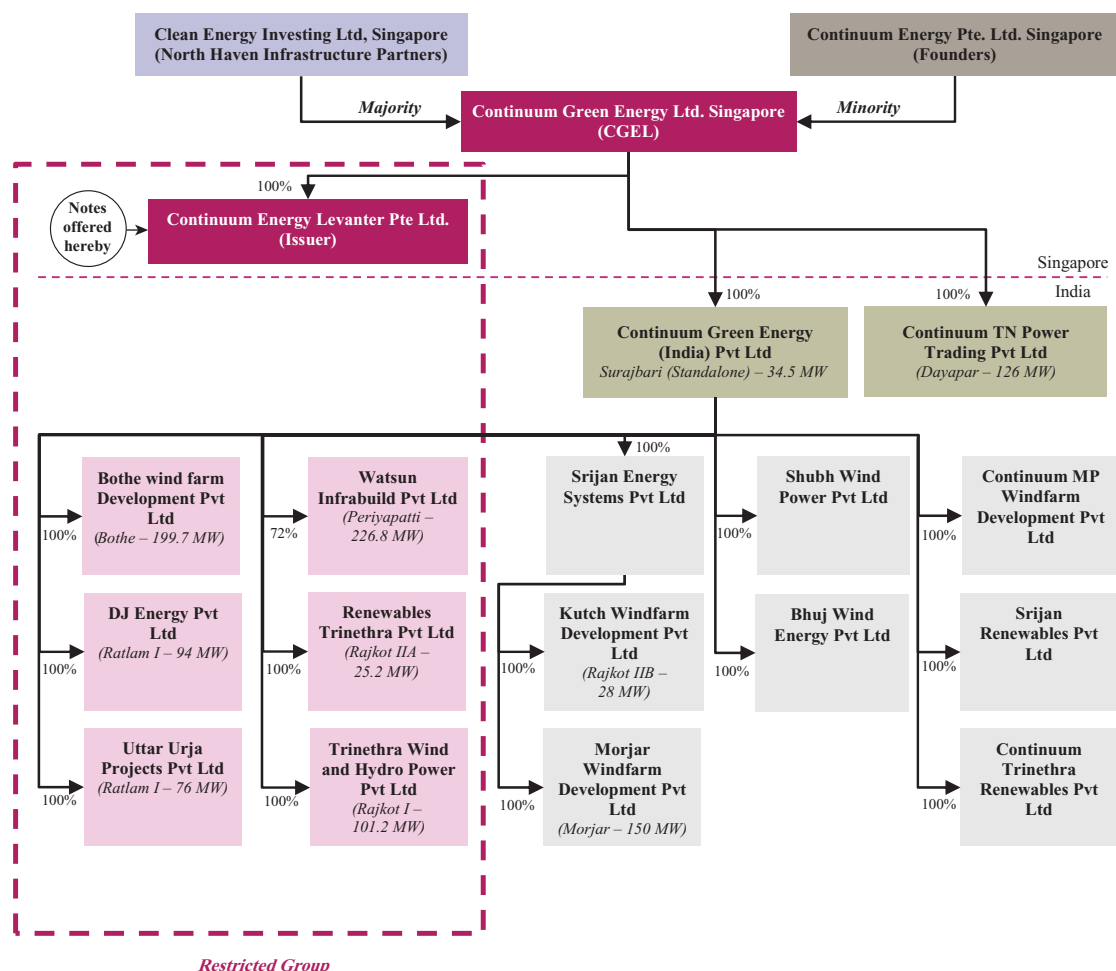
SUMMARY

Overview

We own and operate three large wind farms and one large wind-solar co-located hybrid farm in India, which we believe positions us well to take advantage of India's abundant wind energy resources, the growth potential of India's renewable energy industry and the country's favorable regulatory framework for renewable energy. Our Bothe, Ratlam-I, Rajkot I and Rajkot IIA wind farms are located in the states of Maharashtra, Madhya Pradesh and Gujarat, respectively. Our Periyapatti wind-solar co-located hybrid farm is located in the state of Tamil Nadu. The Restricted Group refers to the Issuer, 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. We own all of the Restricted Group companies except for Watsun Infrabuild Pvt Ltd, 28% of which is held by our group captive C&I consumers.

Corporate Structure

The following diagram shows the corporate structure of Continuum, including the Restricted Group and the projects held by them.



As of December 31, 2020, the total installed and commissioned capacity was 722.9 MW comprising 644.1 MW wind generation capacity and 78.8 MWp of solar generation capacity. Out of this, PPAs have been executed with distribution utilities for 363.4 MW capacity and with C&I consumers in respect of 353.2 MW and PPAs are pending for 6.3 MW capacity. As of December 31, 2020, we have incurred a total combined capital expenditure of Rs. 47,593 million to develop the Bothe, Ratlam-I and Rajkot I and IIA wind farms and the Periyapatti wind-solar co-located hybrid farm.

From our Bothe and Ratlam projects, we sell electricity under the feed-in-tariff PPAs to distribution utilities i.e. MSEDCL and MPPMCL, respectively and realizing a tariff, fixed for the duration of the PPAs, of (i) Rs. 5.81 per kWh for 101.0 MW and Rs. 5.70 per kWh for 92.4 MW of electricity generated at the Bothe wind farm; and (ii) Rs. 5.92 per kWh for the 170 MW of electricity generated at the Ratlam-I wind farm. In addition, we also receive GBI benefits of Rs. 0.50 per kWh up to a cumulative value of Rs. 10 million per MW for each of these projects.

For our Rajkot I, Rajkot IIA and Periyapatti projects selling to 89 C&I consumers, we have varying tariffs under individual PPAs executed with the C&I customers. Tariffs 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 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.

The following table sets forth certain key operational data of our projects:

	Status	Location	Total Capacity (MW)	Commissioning date
Bothe	Operational	Maharashtra	199.7	Between May 2013 and December 2014
Ratlam-I	Operational	Madhya Pradesh	170.0	Between May 2015 to December 2015
Rajkot I and IIA	Operational	Gujarat	126.4	Between April 2019 to July 2020
Periyapatti	Operational	Tamil Nadu	148.0 (Wind) 78.8 (Solar)	November-December 2017 for 54MW of wind; November-December 2018 for 94 MW of wind; and June 2020 for 78.8 MWp of solar
Total			722.9	

Competitive Strengths

Attractive Industry Dynamics and Economics

According to the World Bank, India is the world's third largest economy by purchasing power parity, with an average growth GDP of 7.9% from 2009 to 2019. According to IMF, India's real GDP is expected to be

contracted by c.10.3% in 2020 and to rebound by c.8.8% in 2021. Similarly, the World Bank predicts that the Indian economy will contract by c.9.6% in fiscal 2020-21 and recover by c.5.4% in fiscal 2021-22. 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 16.0% between fiscal 2017 to fiscal 2022 and CEA expects energy demand to grow at a CAGR of 6.3% to 1,611 billion kWh by fiscal 2022 and further by 5.8% to 2,131 billion kWh by fiscal 2027, according to the Load Generation Balance Report, 2016. Renewable power is also expected to rise from 59GW in fiscal 2017 to 122GW in fiscal 2022 at a CAGR of 16.5% per annum.

The Indian power sector has traditionally been more dependent on conventional thermal fuel sources, such as coal and gas, than on renewable sources. 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. Steep declines in solar panel prices over the last five years, improving efficiency of wind turbines and rising cost of coal-based power has resulted in more competitive wind and solar power tariffs. 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.

Furthermore, 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. In its support of the global preference to encourage clean energy technologies, the GoI gave a voluntary commitment at the United Nations Framework Convention on Climate Change to reduce India's carbon intensity by 20% to 25% below its 2005 level by 2020. Furthermore, the GoI also 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 rich states (host state), strengthen intra state and interstate transmission systems to accommodate increasing amount of intermittent generation from renewable energy resources. The GoI has also rolled out a plan to adopt the reverse auction-based determination of tariffs for wind and solar energy projects through centralised procurement by Solar Energy Corporation of India Limited, NTPC Limited and NHPC Limited for onward sales to several state distribution utilities.

State Governments have also introduced promotional policies and procurement schemes for large scale deployment of renewable energy in their respective states. For example, in May 2018, the Ministry of New and Renewable Energy of the GoI issued the National Wind- Solar Hybrid policy that provides a framework for the promotion of large grid-connected wind-solar photovoltaic hybrid systems for efficient utilization of transmission infrastructure and land. This policy aims to provide for the integration of both wind and solar energy sources. In addition, in recent years, the GoI has enhanced its commitment to fight climate change by targeting the installation of 175 GW of renewable energy capacity by 2022, which includes 60 GW of wind capacity, the installation of 450 GW of renewable energy capacity by 2030, reduction in emission intensity by 33% to 35% by 2030 from the 2005 level, and 40% of electric power installed capacity from non-fossil fuel sources by 2030. The Electricity Act, 2003 has several provisions which promote renewable energy development efforts. It 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 and 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.

The Indian Electricity Grid Code, 2010, exempts renewable energy from the merit order dispatch mechanism and scheduling regulations by according renewable energy (except biomass power plants with installed capacity of 10 MW and above) must-run status which played a crucial role in partly offsetting operational risk and facilitating growth of the renewable sector in India.

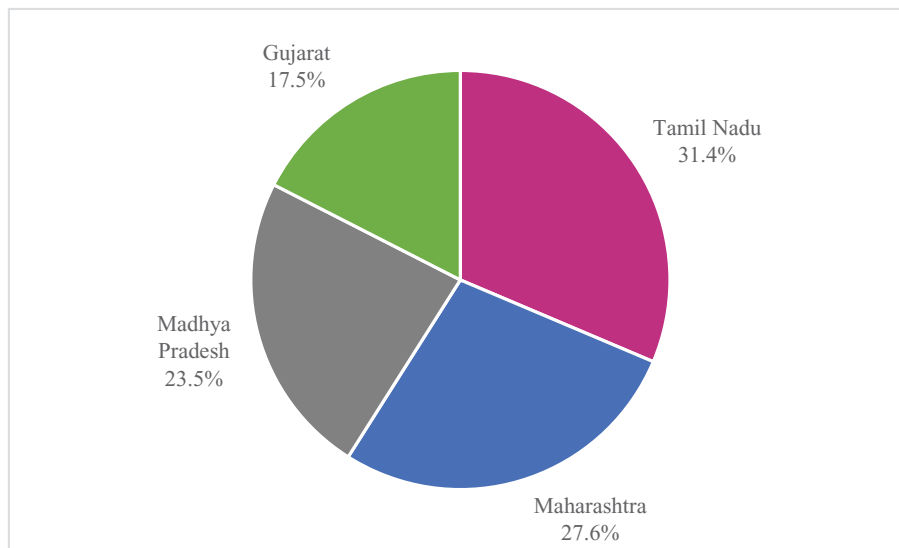
Furthermore, the Ministry of Power has also proposed a draft Electricity (Amendment) Bill, 2020 which include, (i) determination of tariffs that are reflective of costs, to enable distribution utilities to recover their costs and a proposal that tariff be determined by state electricity regulatory commissions without taking into account the subsidy, which will be given directly by the government to the consumers; (ii) establishment of Electricity Contract Enforcement Authority having sole authority and having original jurisdiction to adjudicate upon matters regarding specific performance of contracts related to purchase or sale of power between a generating company and a licensee or between licensees; and contracts related to transmission of electricity between a generating company and a licensee or between licensees; (iii) empowering Load Dispatch Centres to oversee the establishment of adequate payment security mechanism before scheduling dispatch of electricity, as per contracts; (iv) preparation and notification of a National Renewable Energy Policy by the Central Government after consultation with the State Governments, as may be considered necessary, for the promotion of generation of electricity from renewable sources of energy and also prescribe a minimum percentage of purchase of electricity from hydro sources of energy; and (v) progressive reduction of cross subsidy and other surcharges on sale of power on open access.

We believe these measures provide a favorable environment to own and operate wind and solar farms in India.

Diversified Portfolio of Clean Energy Assets

We own and operate three large wind farms and one large wind-solar co-located hybrid farm in India, with a total portfolio of 722.9 MW of generation capacity. We mitigate our resource risks through our presence across wind-rich states in India. As seen in the diagram below, our wind farm projects are located in Maharashtra, Madhya Pradesh and Gujarat which account for 27.6%, 23.5% and 17.5% of the generation capacity respectively, and our Periyapatti wind-solar co-located hybrid farm project is located in the state of Tamil Nadu accounts for 31.4% of the generation capacity.

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



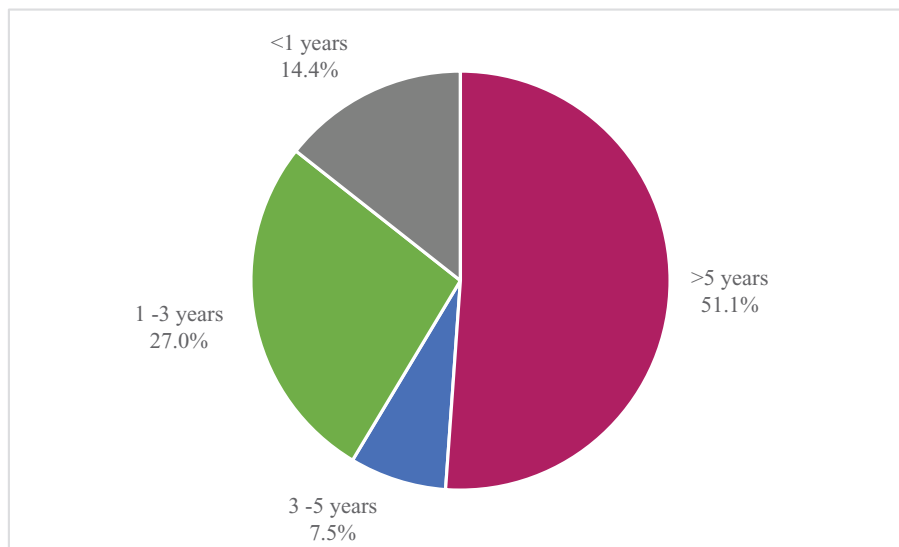
We purchase equipment from reputable turbine and solar module suppliers such as Inox Wind, Suzlon, Vestas, Siemens Gamesa and Adani Solar. Certain turbine models which we have purchased from these suppliers have already had several years of successful operational history.

We have deployed 40 Vestas V100_95, 40 Suzlon S97_90 and 17 Suzlon S97_80 wind turbines at the Bothe wind farm, 85 Inox DF/2000/100_92 wind turbines at the Ratlam-I wind farm. 46 Vestas V120_120 and 12 Siemens Gamesa SG122_127 wind turbines at the Rajkot I and Rajkot IIA wind farm, respectively, 60 Vestas V100_95 and 14 Vestas V110_110 and Adani Solar modules at the Periyapatti wind-solar co-located hybrid farm.

Long and demonstrated track record of the operating assets

All of projects are operational and with an operating history of more than one year, excluding 78.8 MW of solar capacity and 25.2 MW of wind capacity, and have no construction risks or major capital expenditure requirements. As seen in the diagram below, the average life of the portfolio of assets is ~4 years and over 51% of the capacity has an operating history of over 5 years.

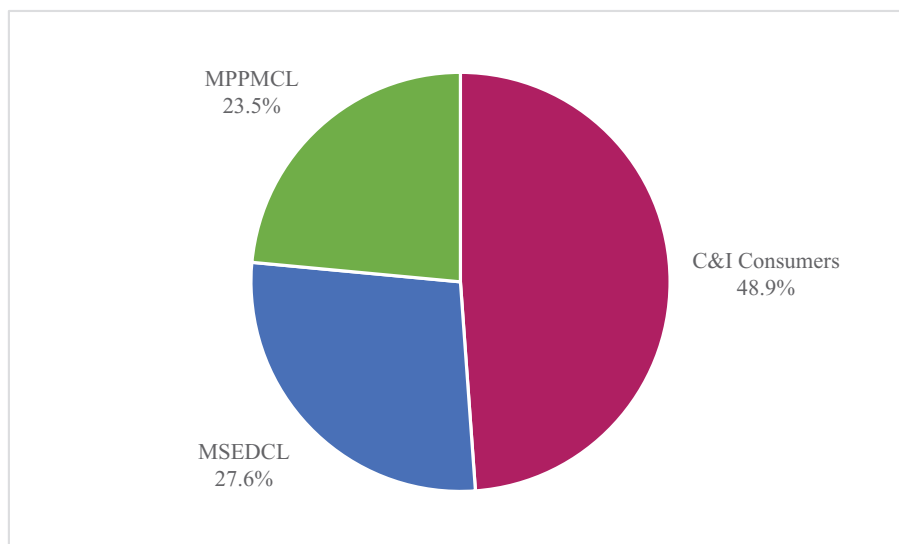
Long track record & experience in operating projects (by capacity)



Distinctive Business Model with Diversified Off-taker Mix and Earnings Visibility through Long-term PPAs

As seen in the diagram below, our diversified mix of PPAs comprises of fixed tariffs (for the term of the PPAs) PPAs with MSEDCL distribution utility in Maharashtra and MPPMCL distribution utility in Madhya Pradesh and C&I tariff PPA with 89 C&I consumers in Gujarat and Tamil Nadu, each accounting for 27.6%, 23.5% and 48.9% of the mix of PPAs respectively.

Off-takers mix (by capacity)

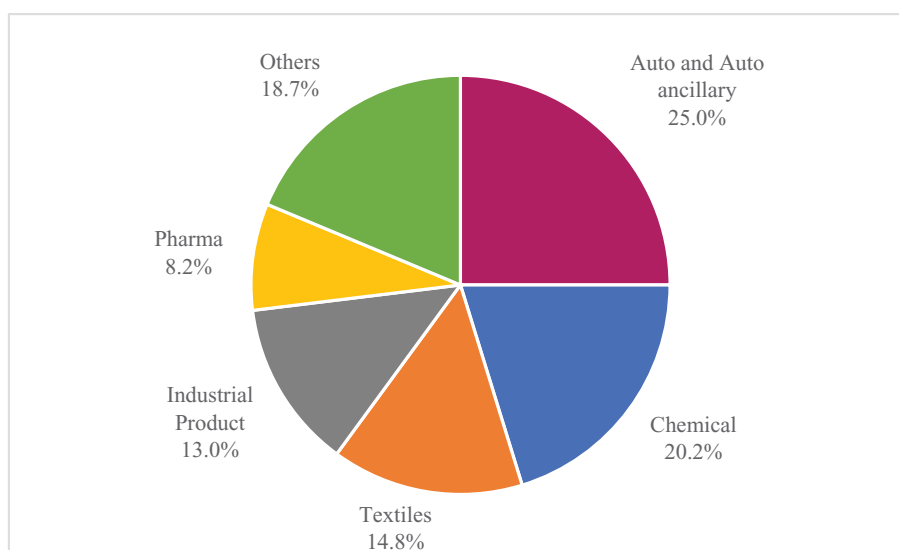


For fiscal 2020, we generated 59.43% of our total revenue from the sale of electricity from MPPMCL and MSEDCL. Additionally, the Bothe and Ratlam projects are eligible for GBI benefits from the GoI (paid by IREDA) which constituted 5.10% of our total revenue in fiscal 2020. The PPAs with MSEDCL and MPPMCL are structured on the basis of fixed feed-in-tariffs (FITs) and have a term of 13 and 25 years respectively, which

ensure off-take security and high visibility of our future financial performance. Furthermore, the MSEDCL distribution utility and MPPMCL (west) distribution utility are rated 'A' by ICRA as per the framework approved by the Ministry of Power, GoI.

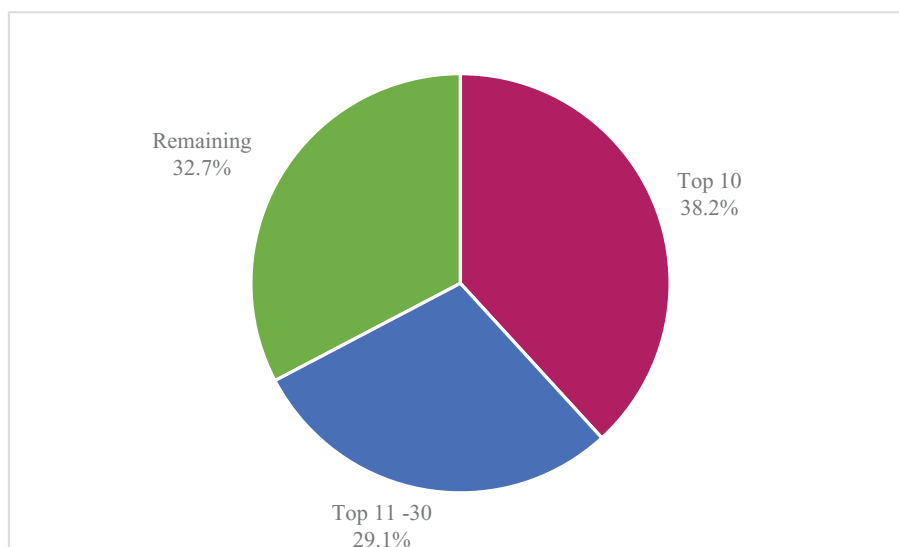
For fiscal 2020, we generated 35.47% of our total revenue from the sale of electricity from our PPAs with C&I consumers. PPAs with C&I consumers are generally for three to 20 years, at tariffs set at a level lower than their alternative variable cost of power purchase from distribution utilities and cater to only 50-60% of an individual consumer's demand of electricity, which ensures off-take security and high visibility of our future financial performance. 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.

Off-taker industries (by capacity)



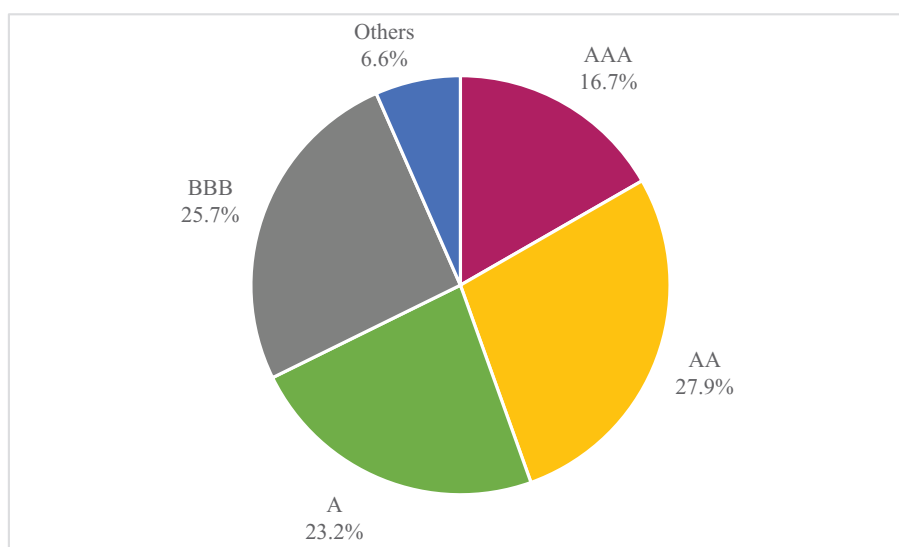
Further, in our C&I business, we face reduced customer concentration risk with no C&I customer accounting for more than 6.7% of our C&I business and 3.3% of our overall business.

Off-taker industries (by capacity)



We have entered into PPAs with high quality C&I consumers — as seen in the diagram below, more than 67.7% of our consumers are rated ‘A’ or higher by independent, regulated credit rating agencies in India and all others are either unrated or rated investment grade or above (BBB-). 35.2% of our C&I sales are made to consumers are part of multinational companies and 32.9% to companies belonging to marquee and large Indian industrial groups.

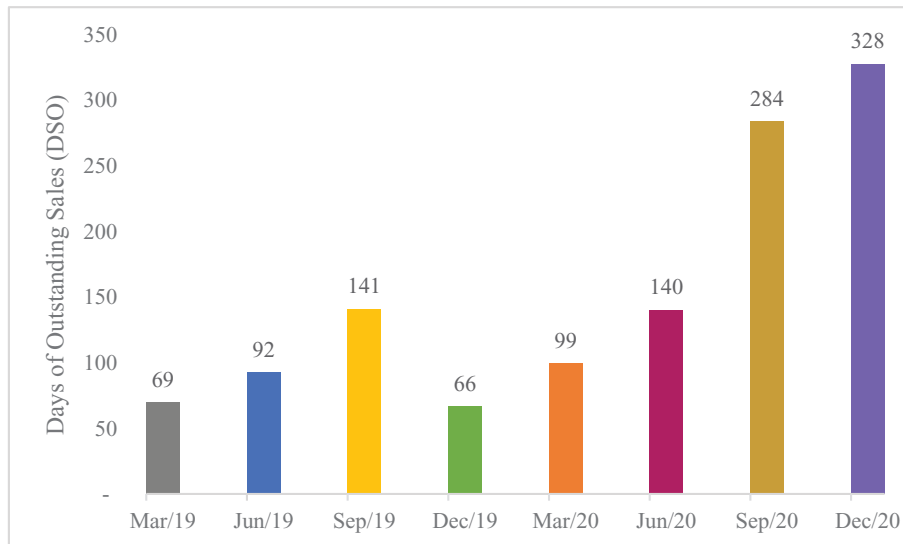
Off-taker credit ratings (by capacity)



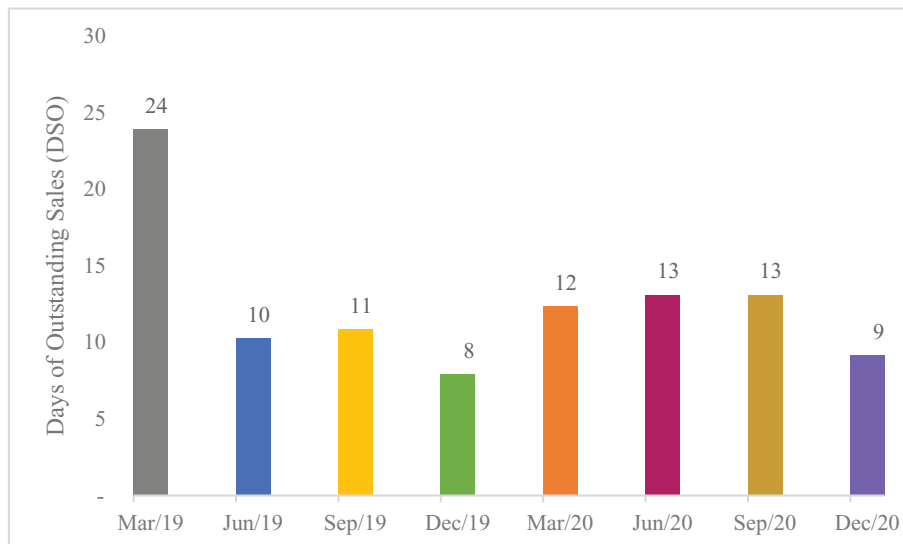
The high quality and diversified customer base helped us during the lockdowns imposed during March to July 2020 in the wake of COVID-19. Even during this period, 94.4% of our total saleable generation from C&I projects was accounted for by consumption by our C&I consumers and the balance was sold to distribution utilities at predetermined tariffs. During fiscal 2018, 2019 and 2020 and the period since August 2020, almost 100% of our total saleable generation from C&I projects was accounted for by consumption by our C&I consumers.

Receivables position

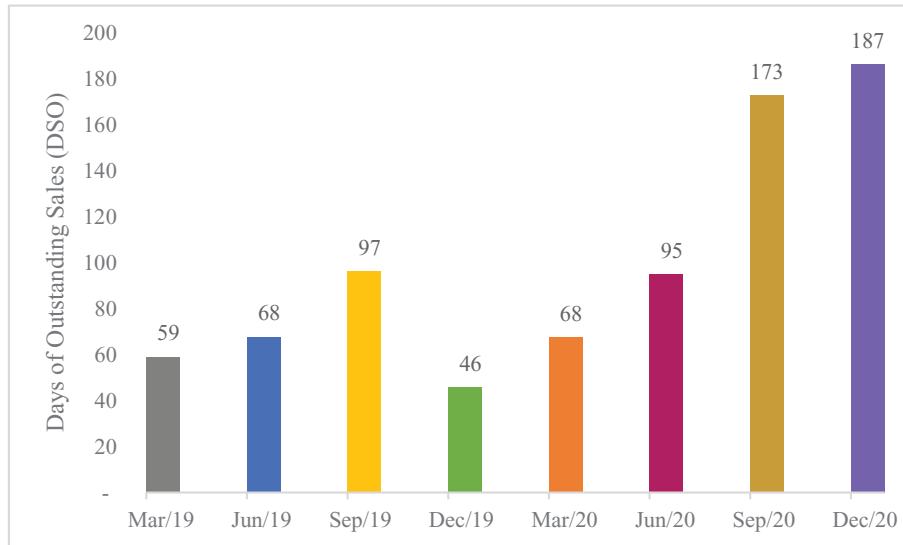
We sell all of our electricity to MSEDCL, MPPMCL and 89 C&I consumers. MSEDCL and MPPMCL (west) are amongst the better rated electricity distribution utilities in India with a rating of 'A' by Ministry of Power, GoI in 2019. As a result, we have a better receivable history than our peers selling to other weaker distribution utilities, as shown below since March 2019. Receivables history with these distribution utilities has been five months or less in this period except for the extension in payment days in recent past due to the impact of COVID-19.



With our C&I consumers, we carry receivables of 24 days or less as shown below since March 2019:



Due to the diversification between the fixed tariff PPAs with MSEDCL and MPPCL on one hand and C&I tariff PPAs with 89 C&I consumers, we carry receivables of about three months or less generally, which has expanded to about six months due to the impact of COVID-19 on the distribution utilities, MPPMCL and MSEDCL.



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 conducted external and in-house micro-siting studies and layout planning to reduce wake effects and maximize generation at our project sites. For example, the Bothe wind farm was selected after relying on up to eight years of wind data from 11 on-site wind masts and the Ratlam-I wind project was selected after relying on up to five years of wind data from seven on-site wind masts. The Rajkot I and Rajkot IIA wind farms were selected after relying on up to three years of wind data from five on-site wind masts while the Periyapatti wind-solar co-located hybrid farm was selected after relying on up to six years of wind data from 10 on-site wind masts.

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, our project companies own the entirety of our wind/solar farms (However, minority ownership of voting securities of Watsun Infrabuild Pvt Ltd, which owns 100% of the 148 MW wind and 78.8 MWp solar capacity, is held by our group captive C&I consumers) 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. 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 farms.

We also have strong partnerships with reputable O&M operators and suppliers such as Inox Wind, Suzlon, Vestas, Siemens Gamesa, Larsen & Toubro etc.

We use superior quality electrical components to reduce our wind farm and solar park transmission loss and improve our turbine availability. For example, we have deployed rolled steel joist poles and galvanized square cross-sectional poles to ensure good mechanical strength of the turbines 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 deployed double circuit 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.

Our wind power and solar power projects are operational and require low levels of expenditure to operate and maintain them. For our windfarms, we have comprehensive O&M contracts for periods of 10 to 20 years. 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 with Larsen & Toubro Ltd for our solar farm at Periyapatti include a warranty for two years, performance ratio guarantees for up to eight years, starting at 81.55% and a comprehensive O&M contract for 10 years.

In several of our O&M contracts for our wind farms and in the O&M contract for our solar park, instead of paying a fixed fee per year per MW of capacity, 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 O&M contractor's interest in maximizing generation.

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 forecasting practice, efficient vendor agnostic turbine selection and a centrally dedicated asset monitoring team for superior portfolio monitoring practice. Our Turbine Operations Monitoring System (also installed on our solar farm) collects several gigabytes of data every day and along with several 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. Until August 2020, the system had raised such 1,015 alerts across our windfarms.

For example:

- On May 20, 2020, our system identified an abnormal increase in busbar temperature of one of Inox make wind turbines at our Ratlam windfarm compared to other turbines even though no failure or mal

performance had happened. Upon investigation, the issue was rectified by June 1, 2020 before any failure could occur;

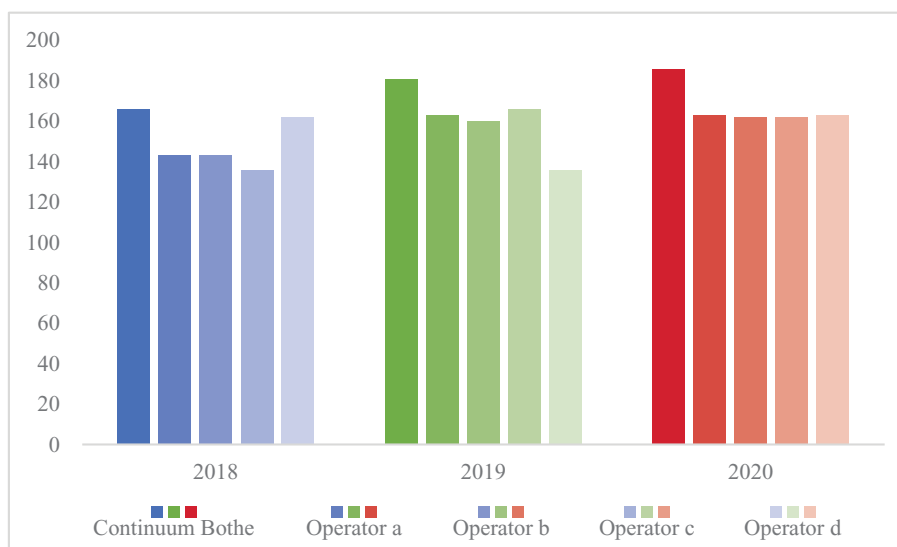
- On July 27, 2020, our system identified an abnormal issue with VCP board in a Vestas make turbine at our Rajkot windfarm. Corrective actions could be taken and rectified by July 30, 2020;
- On Jan 5, 2019, the system identified higher than normal temperatures (even though within operating envelope) in bottom control section of a Vestas turbine and the issue was addressed the same day preventing a failure that could have occurred later had it not been addressed in advance.

Our O&M team was able to resolve these issues in a few days and helped us avoid generation losses during peak wind season and potential downtime. We continue to take similar corrective actions on other turbines as well.

Under the terms of our O&M contracts and due to our complete ownership of our wind farms, we have the ability to switch between wind turbine suppliers 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 farms.

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 Dispatch Centre, the Bothe project achieves higher monthly generation per MW of installed capacity than our competitors.

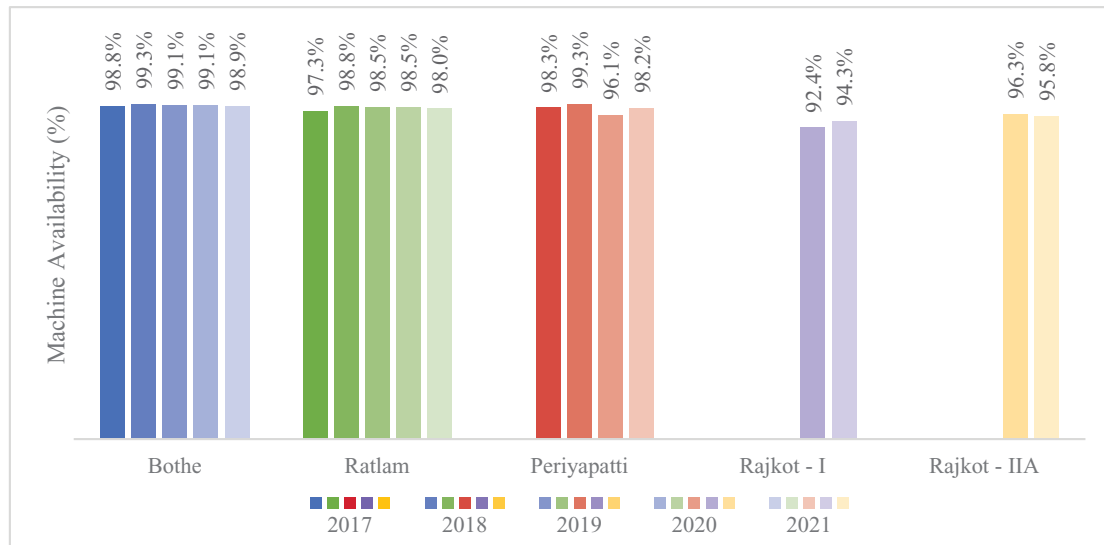
Our generation compared to our peers



Source: MSEDCL, Maharashtra SLDC

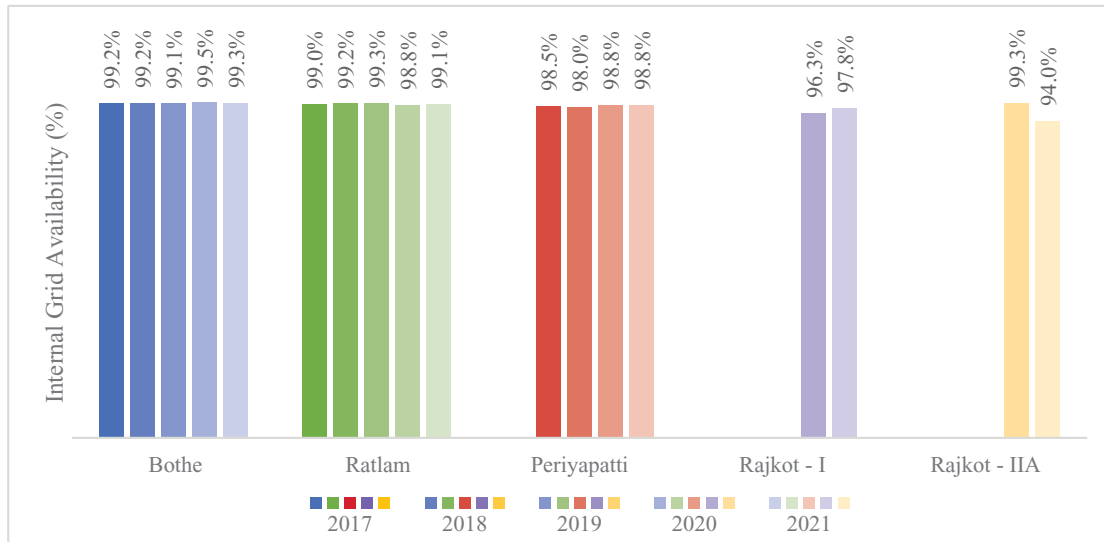
Some of the KPIs we track at our projects are wind turbine availability, internal grid availability, external grid availability and Mean Time Between Inspections (“MTBI”). Higher MTBI indicates fewer needs for maintenance personnel to attend to turbines and indicate better turbine health and lower downtimes. Wind turbine availability and internal grid availability are a function of quality of our own windfarms and quality of our maintenance. We believe we have achieved industry leading availabilities and MTBI:

Machine Availability (%)

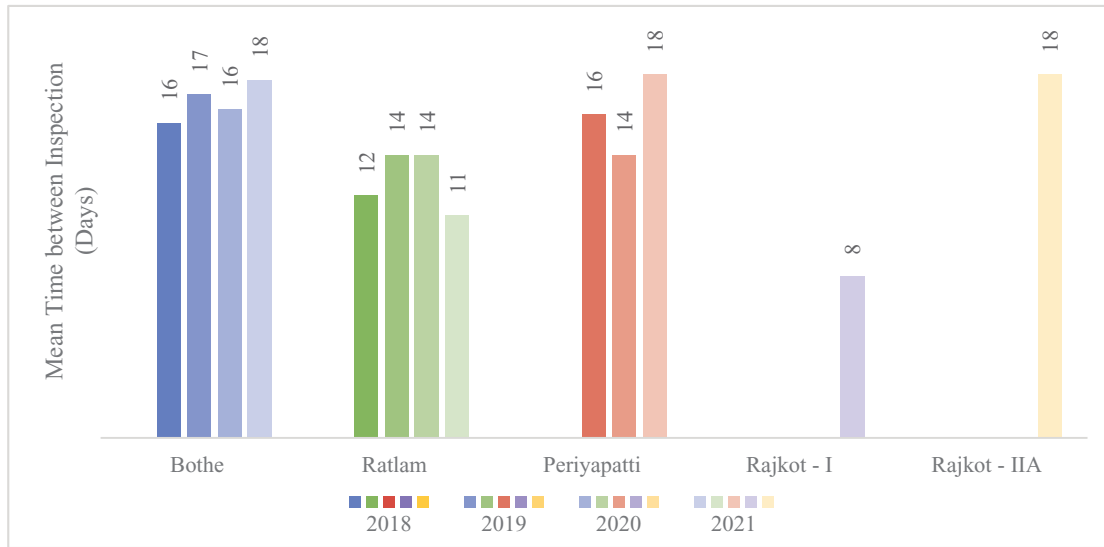


Note to the above charts: The availability at Periyapatti windfarm and Rajkot I windfarm was lower in fiscal 2020 due to precautionary shutdowns/derating of wind turbines at these sites, as a result of a fire in Vestas make wind turbine at Rajkot site. Had this not occurred, the availability could have been ~99%.

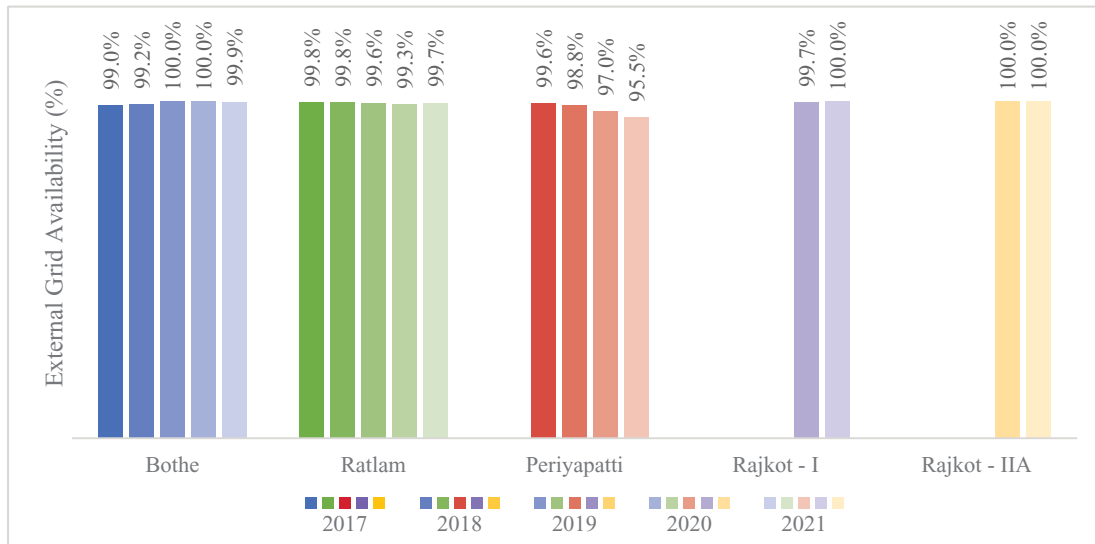
Internal Grid Availability (%)



Mean Time Between Inspections



The external grid availability is largely a function of the quality of electricity grid that our windfarms and solar park are connected to. We do not build windfarm or solar park unless 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 capex upfront, our windfarms in Bothe, Ratlam and Rajkot have not faced any curtailment of energy. We have faced some curtailment of energy at our Periyapatti windfarm because the 400 kV green corridor grid that we are connected to is not entirely complete and a small section of 4 km line works (out of several hundred km of works) are pending completion. Upon completion, this project will get two alternative high capacity corridors (inter-state as well as intra-state) for evacuation of power and will, likely not face curtailment.



Robust Financial Profile Bolstered by Attractive Credit Metrics

We benefit from a robust balance sheet, which we leverage prudently to support our growth.

	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
	(Rs. in million)		
Operational Capacity @ year end (MW)	423.7 MW	517.7 MW	627.3 MW
Adjusted EBITDA (A)	4,182	5,741	6,706
Less: Interest on borrowings (B)	2,472	2,753	3,076
Less: Direct taxes paid (net) (C)	31	228	—
FFO (D = A-B-C)	1,679	2,760	3,630
Less: Aggregate of movements in working capital as per cashflow statements (E)	(446)	(2,017)	45
Less: interest income (net of interest received as per cashflow statements) (F)	14	35	(3)
FCF (G = A-C-E-F)	4,583	7,495	6,664
Adjusted borrowings (H)	24,644	27,069	35,727
Adjusted borrowings/Adjusted EBITDA (H/A) ratio	5.9	4.7	5.3
FFO to Adjusted borrowings (D/H) (%)	6.81%	10.20%	10.16%
FCF Conversion (G/A) (%)	109.59%	130.55%	99.37%

FFO (Funds from Operations) is defined as Adjusted EBITDA less Interest on borrowings less Tax paid. FCF (Free Cash Flow) is defined as Adjusted EBITDA less Tax paid less aggregate of movements in working capital less interest income (net of interest received). Adjusted borrowings includes long term borrowings from banks and financial institutions, short term borrowings from banks and financial institutions and interest accrued but not amounts due on borrowings. FFO, FCF 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. The definition of FFO used here differs from the definition of FFO used in the Onshore Debt. See "Appendix A — Onshore Debt Terms and Conditions.

Wind farm and solar park'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, 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, etc. over such 20 year period. EBITDA from our projects has been higher than expected EBITDA at P90 generation levels in fiscal 2019 and fiscal 2020.

Continuum Group has invested Rs. 15,012 million to date in the Indian Restricted Subsidiaries' projects in addition to outstanding Long-term borrowings from Bank and Financial Institution of Restricted Group is Rs. 33,989 million as of December 31, 2020.

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.

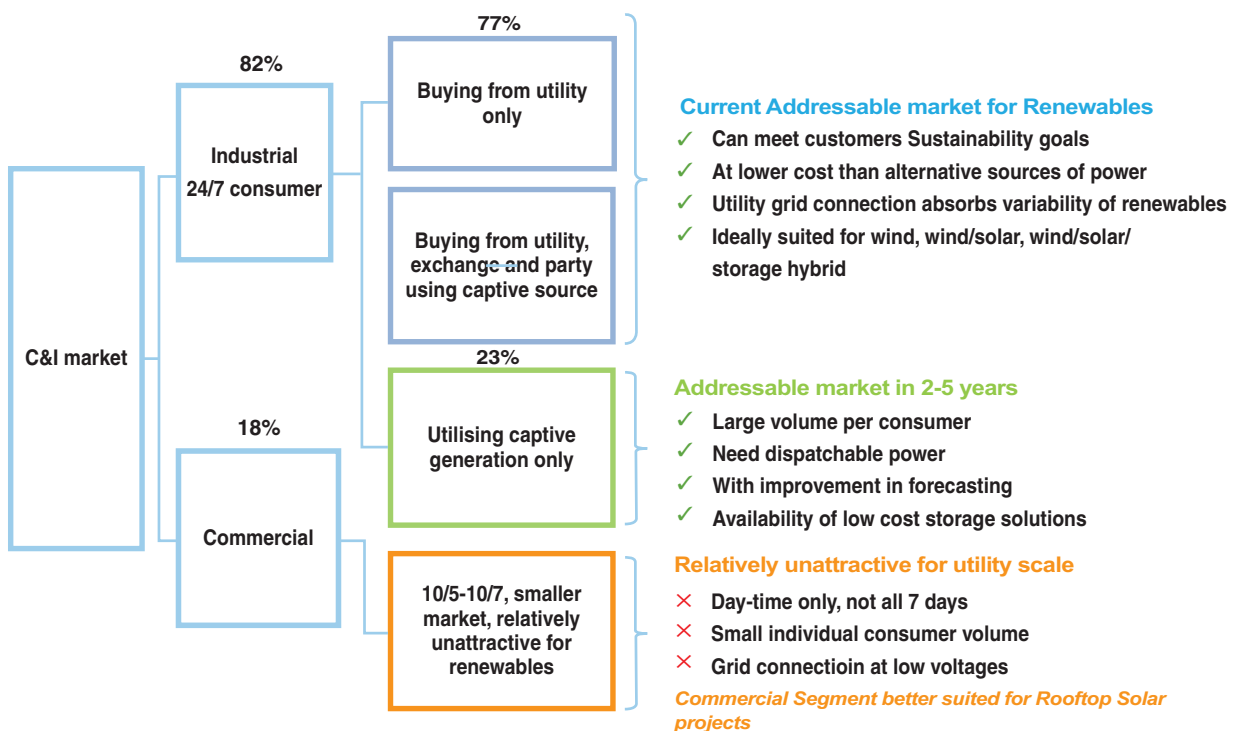
Highly Experienced Management Team

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, Mr. Tarun Bhargava and Mr. N.V. Venkataramanan, has combined experience of approximately 30 years in the renewable power industry. In addition, members of the management team possess complementary skills and have extensive experience and knowledge of the power industry. The experience of Continuum's operation and maintenance team lends significant expertise for operation and maintenance of our projects.

C&I Business Strategy

Our current strategy of selling renewable energy under open access centers around selling to industrial consumers. Industrial consumers constitute for a majority of the electrical consumption in the C&I segment. Industrial consumers usually consume electricity 24X7 unlike commercial consumers who consume during day time and week days. Since wind farms and solar farms are designed to produce all days of the year and wind farms produce energy at all times of the day, 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 later category of consumers are usually larger and present an attractive market in the future when the costs of electricity storage solution have reduced 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, are more suitable for rooftop solar sources of energy.



Attractiveness of wind energy and wind-solar hybrid energy

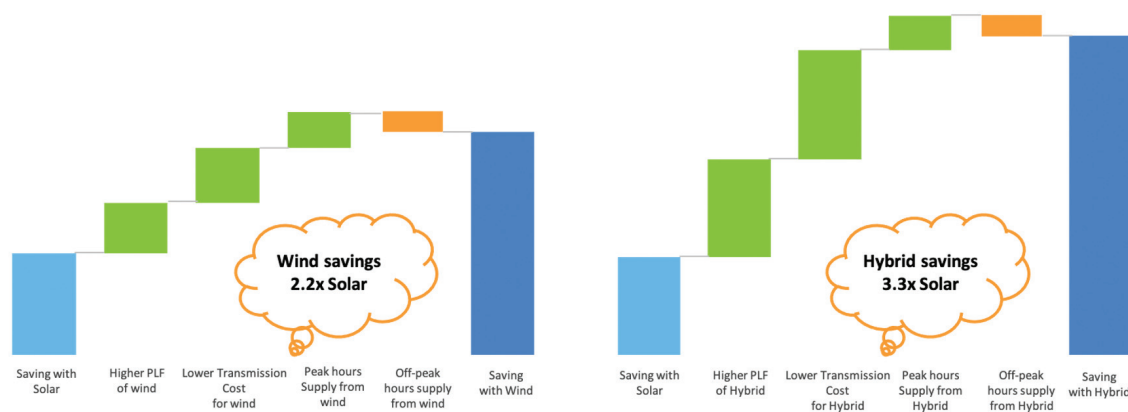
Distribution utilities or inter-state grids are large capacity grids and can absorb large quantities of energy supply. However, a C&I consumer has a defined capacity of electrical connection to the utility grid which limits the amount of electricity that a consumer can purchase and consume at a give point. For example, if a consumer has a 10 MW connection to the utility grid, it can only source and consume up to 10 MW of electricity at any instant. In other words, it can purchase only 10 MW of electricity at any time from amongst all sources of electricity – grid connection as well as open access sources of electricity.

Since we price our PPAs at an agreed discount per kWh to the variable cost of purchase of 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. Wind energy projects produce significantly higher amount of electricity per MW of installed capacity than solar projects. When you multiply the agreed discount per kWh with the volume of energy supplied per MW, the consumer makes higher absolute amount of annual savings in its electricity costs by purchasing the same MW of wind energy on open access compared to purchasing same MW amount of solar energy on open access.

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

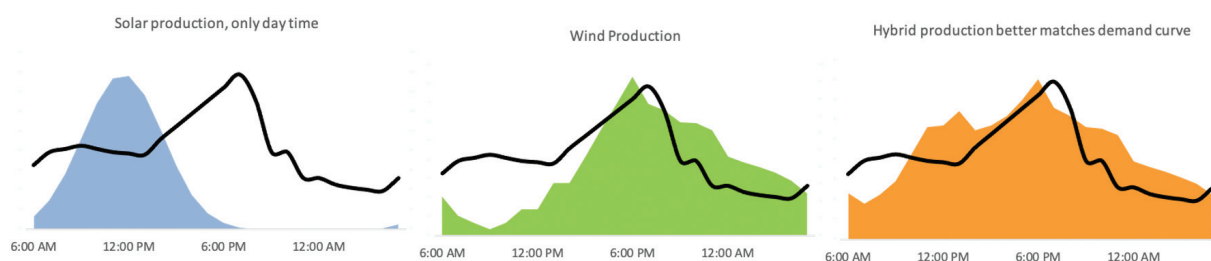
Additionally, in India, in many states, the peak demand for electricity occurs during morning hours (6 am to 10 am) and evening hours (6 pm to 10 pm) when solar projects produce nil to a small percentage of their overall output. The distribution utilities charge a premium tariff to the consumers during peak demand hours compared to day time tariff and a lower tariff at night (off-peak hours) than during day time. Since wind farms produce significant portion of their energy during the morning and evening peak demand hours, the consumer is able to offset higher cost energy from distribution utilities during these hours by buying from wind farms compared to solar farms. However, at the same time, some of this benefit is negated by the production of wind energy at night hours, when the distribution utility tariff is lower.

The sum total of annual savings to a consumer, at a tariff set at a given discount to distribution utility tariff, from (a) higher PLF of wind farms compared to solar plants (b) lower per kWh open access costs for wind energy than solar (c) higher savings from wind by offsetting higher peak hour distribution utility tariffs (d) reduced savings at night time off-peak hour tariffs, the annual savings to a consumer from our windfarms is higher the annual savings by buying solar energy on open access basis. Therefore, we believe that wind energy is more suitable for open access purchases than solar energy for industrial consumers.



The benefits to a consumer are further increased if the supplier is a wind-solar hybrid plant than a standalone windfarm or standalone solar farm. This is because, a hybrid plant produces still higher energy (kWh) per MW, or has a higher PLF, than a standalone windfarm or standalone solar farm.

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 farms and have exclusive dedicated interconnection facilities (such as pooling substation and EHV transmission lines). Further, our projects are connected to higher voltage grids (220kV or higher) which are generally higher capacity grids. The hybrid project help 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. By combining wind and solar capacities in appropriate ratios (specific to each site and grid), the supply curve of electricity during a day can be closely matched to the demand curve of electricity, thereby reducing the amount of storage investment required. Additionally, sharing the common infrastructure in a hybrid project helps realize savings in capital expenditure as well as operation expenditure per kWh on evacuation infrastructure, internal roads, internal 33KV transmission feeders, operating costs, security costs, etc.



Therefore, we plan to add solar and solar-storage capacity to our existing wind farms over time and increase the value to our customers as well as to ourselves. These capacities will be set up in new SPV(s) without disturbing the debt and asset structure of our Restricted Group.

We believe that our advantages of being able to convert our wind projects into wind-solar hybrids, in addition to other project specific competitive advantages, provide us competitive advantages in the C&I market.

Our projects in Periyapatti and Rajkot operate at amongst 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 the proximity to our project. Our Periyapatti project is the only co-located Wind – Solar hybrid project in the state which helps make our project more attractive to C&I consumers and its attraction can be enhanced in future by adding electricity storage. In our Rajkot and Bothe projects, 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.

Each of our projects is connected to the transmission grids at 220kV - 230kV network (Extra High Voltage), ensuring lower transmission loss compared to most other projects which are connected to lower voltage levels.

Our projects enjoy some benefits under the state and central policies. For example,

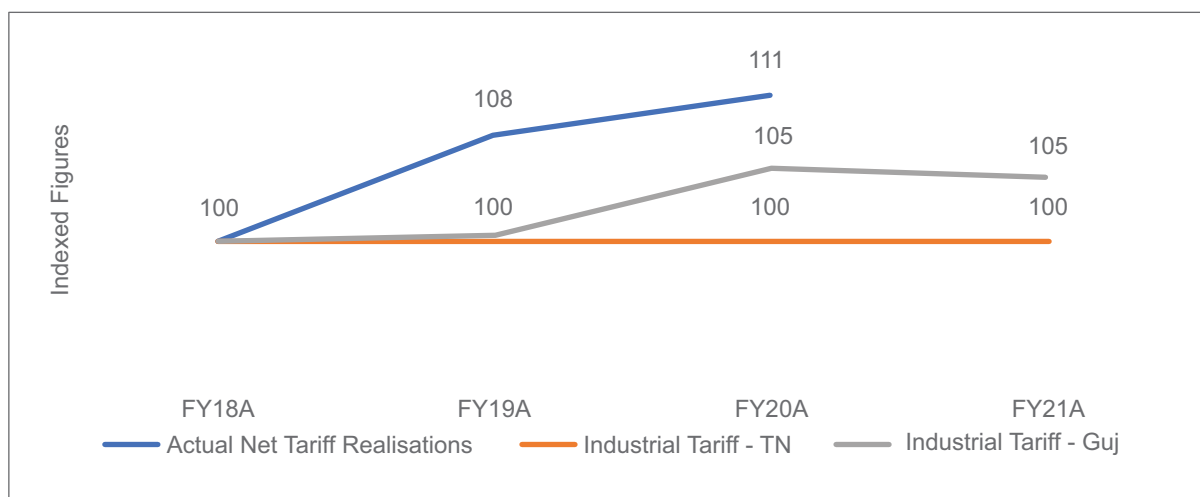
1. in Rajkot, we enjoy 50% waiver on cross subsidy surcharge and additional surcharge for 25 years (which amounts to a waiver of ~ INR 1/kWh at current levels of these charges);
2. in Periyapatti project, as per the Electricity Act, cross subsidy surcharge and additional surcharge is not applicable to captive/group captive sales; and
3. 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 the above policy benefits act as barrier to entry to new competition. The 50% waiver on cross subsidy surcharge and additional surcharge available in Rajkot project is not available for (i) any new wind energy project commissioned post June 2021, upon the expiry of the current wind power policy in the state of Gujarat and (ii) any solar project commissioned after December 31, 2020. Additionally, the lack of high wind speed sites, expensive land and right of way costs are likely to make newer projects less competitive.

		Perivapatti	Rajkot I & IIA	Bothe
		226.8MW sales to 48 captive industrial consumers	126.4MW sales to 41 industrial consumers	199.7MW sales to group captive industrial consumers after FY27
	Competitive position & high exit barriers	- Only wind-solar hybrid - Highest PLF amongst all renewable projects in the state - One of the few projects connected to 220 kV grid - lowest grid charges - GC consumers have to hold minimum 26% equity in the entity and OA approval has been taken for the period of 20 years by the entity	- Sustained advantage of ~1.06 / kWh due to policy certainty - Highest PLF amongst all open access renewable projects - Only OA project connected to 220 kV grid - lowest grid charges - Ability to add solar hybrid - OA approval for the consumer for 3 years - consumers are bound by the approval for the period to the generator	- Highest 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 entry barriers	- No banking facility for new wind or solar projects - Other existing wind/ solar projects unable to hybridise - Very expensive land and right of way to build new capacity	- No other wind site to commission by June 2021 - Various airports in Gujarat limit land for bigger turbines. - Other projects unable to hybridise due shared evacuation infra	- Remaining windy sites require larger turbines to achieve PLF - Expensive land & right of way to build new capacity - Other existing wind / solar projects unable to hybridise
	Policy outlook	100% CSS and AS waiver for GC projects as per Electricity Act - Intense Policy Advocacy as ~4000 MW is Captive/GC mode - State policy concessions are only ~Rs. 0.25 / kWh	50% rebate in CSS & AS for 25 years for capacity commissioned by June 2021. - No other concession in banking, wheeling / transmission charge - CSS at @20%. Can increase only with increase in industrial tariff	100% CSS and AS waiver for GC projects as per Electricity Act - No other concessions / incentives in state policies - CSS at @20%. Can increase only with increase in industrial tariff
Landed cost	% lower as compared to purchase from Discom	Up to 35.5%	Up to 19.5%	Up to 7.0%
	% lower as compared to purchase from Exchange	Up to 9.5%	Up to 14.0%	Up to 19.5%

Note: CSS stands for Cross Subsidy Surcharge, AS for Additional Surcharge, GC for Group Captive and OA for Open Access

Our net tariff realisations after deducting the applicable open access charges across the open access projects in Continuum Group, have been increasing over the last 3 years.



90% of our PPAs for our capacity under open access have been executed since FY2018. During this period, in the e-reverse auctions for PPAs carried out by Solar Energy Corporation of India Limited (SECI) or by NTPC Ltd (NTPC) for bulk supply of renewable energy for 25 years, PPAs have been won at tariffs of INR 2.50 - 3.00/kWh. The net tariff realisations in open access PPAs have been higher compared to these auction tariffs because of a variety of reasons such as:

- The alternative cost of procurement for C&I consumer from distribution utilities is higher than landed cost of purchase in our C&I PPAs;
- Individual C&I consumers purchase smaller quantity of power and they do not have similar buying power as SECI or NTPC; and
- Purchase of renewable energy by distribution utilities under PPAs through competitive auctions is subsidized by Government of India in the form of waiver of all inter-state grid transmission charges & losses for the entire period of 25 years, in case of projects commissioned on or before June 30, 2023.

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 Levanter Pte. Ltd.
Notes Offered	US\$561,000,000 4.50% Senior Notes due 2027.
Maturity Date	February 9, 2027
Interest	4.50% per annum, payable semi-annually in arrears on each February 9 and August 9, commencing on August 9, 2021.
Amortization	The Notes are subject to partial mandatory amortization redemptions and partial MCS amortization redemptions, on the dates set forth under “Description of the Notes — Mandatory Amortization Redemption” and “Description of the Notes — MCS Amortization Redemption,” respectively, at the principal amount thereof plus accrued and unpaid interest and additional amounts, if any.
Restricted Subsidiaries	The Restricted Subsidiaries on the date of the Indenture will be the Issuer, Bothe Windfarm Development Private Limited, DJ Energy Private Limited and Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited.
Restricted Group	The Restricted Group means, at any date, all the Restricted Subsidiaries at that date.
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 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

The Notes will be secured on the Original Issue Date by the following Collateral:

- a first-priority share charge by Continuum Green Energy Limited over the capital stock of the Issuer (the “Share Charge”);
- a first-priority security interest in the Offshore Cash Accounts (together with the Share Charge, the “Pari Passu Collateral”); and
- prior to the release therefrom, a first-priority security interest in the Escrow Accounts, in order to secure the obligations of the Issuer under the Notes and the Indenture.

See “Description of the Notes — Security.”

Escrow Accounts

The Issuer will establish one or more a U.S. dollar accounts in the name of the Issuer with Deutsche Bank AG, Singapore Branch. The Issuer, for the benefit of the Holders, will charge to the Notes Collateral Agent, the Escrow Accounts, on the Original Issue Date in order to secure the obligations of the Issuer under the Notes and the Indenture. On the Original Issue Date, the Issuer will deposit the net proceeds from this offering in the Escrow Accounts. Amounts in the Escrow Accounts will be released from time to time for the purposes specified under the caption “Use of Proceeds” in this Offering Memorandum.

Offshore Cash Account

The Issuer will establish a U.S. dollar account in the name of the Issuer with Deutsche Bank AG, Singapore Branch. On or prior to the first Incurrence of any Indebtedness permitted to share in the Pari Passu Collateral (other than Additional Notes), the Issuer, for the benefit of the Holders and certain hedge counterparties, will charge to the Common Collateral Agent, the Offshore Cash Account, in order to secure the obligations of the Issuer under the Notes and the Indenture and certain hedging obligations. The Offshore Cash Account will be utilized by the Issuer to receive funds from the trust and retention accounts pursuant to the Trust and Retention Account Agreements, for the payment of payment of interest, principal or other amounts due on the Notes, amounts due to hedge counterparties under Permitted Pari Passu Indebtedness and certain other expenses incurred by the Issuer related to the establishment and/or maintenance of the Issuer’s corporate existence.

Intercreditor Agreement

On or prior to the first Incurrence of any Indebtedness permitted to share in the Pari Passu Collateral (other than Additional Notes), the Trustee and the Common Collateral Agent will enter into an Intercreditor Agreement, without requiring any instruction or consent from the Holders, with the Issuer, the Parent and the holders of such Indebtedness (or their representatives). The Intercreditor Agreement will provide, among other things, that (1) the parties thereto shall share equal priority and pro rata entitlement in and to the Pari Passu Collateral; (2) the conditions that are applicable to the release of or granting of any Lien on such Pari Passu Collateral; and (3) the conditions under which the parties thereto will enforce their rights with respect to such Pari Passu 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 by or on behalf of the Issuer will be made 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 a Relevant Taxing Jurisdiction (as defined in “Description of the Notes — Additional Amounts”) unless required by law. If the Issuer is required by law to withhold or deduct for taxes in a Relevant Taxing Jurisdiction with respect to a payment to the holders of Notes, it will pay the additional amounts necessary so that the net amount received by the holders after the withholding or deduction is equal to the amount that they would have received in the absence of the withholding or deduction, subject to certain exceptions. 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 9, 2024, the Issuer may redeem on one or more occasions all or a portion of the Notes at a price of 100% of the principal amount of the Notes redeemed, plus the Applicable Premium and accrued and unpaid interest, if any.

Prior to February 9, 2024, on one or more occasions, the Issuer may also redeem up to 40% of the aggregate principal amount of the Notes with the net cash proceeds from one or more Equity Offerings.

On or after February 9, 2024, the Issuer may redeem on one or more occasions all or a portion of the Notes at the prices set forth under “Description of the Notes — Optional Redemption.”

See “Description of the Notes — Optional Redemption.”

Special Mandatory Redemption

If on the date that is three months after the Original Issue Date (the “SMR Measurement Date”) any debt of the Restricted Subsidiaries intended to be refinanced with the proceeds of the Notes remains outstanding, the Issuer will be required to redeem the Notes in full (a “Special Mandatory Redemption”), at a redemption price of 101% of their principal amount plus accrued and unpaid interest to (but not including) the redemption date (the “Special Mandatory Redemption Price”).

Certain Covenants

The Indenture will contain certain covenants that, among other things, limit the Issuer’s ability to engage in any business activity except:

- the offering, sale or issuance of the Notes;
- subscription for the Onshore Debt;
- hedging transactions related to the Onshore Debt;

- the Incurrence of Subordinated Shareholder Debt;
- holding cash and Temporary Cash Equivalents;
- activity directly related to the establishment and/or maintenance of the Issuer's corporate existence; and
- certain other activities related to the foregoing.

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

The Indian Restricted Subsidiaries have agreed to a number of undertakings and covenants. See Appendix A ("Onshore Debt Terms and Conditions").

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 "Transfer Restrictions."

Form, Denomination and Registration

The Notes will be issued only in fully registered form, without coupons, in minimum denominations of US\$200,000 of principal amount and integral multiples of US\$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 "Description of the Notes — Book-Entry, Delivery and Form."

Delivery of the Notes

The Issuer expects to make delivery of the Notes on or about February 9, 2021. See "Plan of Distribution."

Trustee, Notes Collateral Agent and Common Collateral Agent

DB International Trust (Singapore) Limited

Paying Agent, Transfer Agent and Registrar

Deutsche Bank Trust Company Americas

Listing

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation for of 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 US\$200,000 (or its equivalent in other currencies) for as 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 “BB+” by Fitch Ratings Limited and “Ba2” by Moody’s Investors Service Singapore Pte. Limited. 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 “Risk Factors” and the other information included in this Offering Memorandum before deciding whether to invest in the Notes.
CUSIP	Rule 144A Global Note: 21218M AB1 Regulation S Global Note: Y1753Q AB8
ISIN	Rule 144A Global Note: US21218MAB19 Regulation S Global Note: USY1753QAB87
Common Code	Rule 144A Global Note: 229596870 Regulation S Global Note: 229596926

SUMMARY SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS AND OTHER DATA

The tables below set forth the summary combined financial data of the Restricted Group as of March 31, 2018, 2019 and 2020 derived or calculated from the Special Purpose Combined Financial Statements and for the nine months ended December 31, 2020 derived or calculated from the Special Purpose Unaudited Combined Financial Statements 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 Cash Flows, Financial Condition and Results of Operations,” and the Special Purpose Combined Financial Statements included elsewhere in this Offering Memorandum.

The Special Purpose Combined Financial Statements have been prepared in accordance with the recognition, measurement and disclosure principles of Indian GAAP, except for disclosure requirement of AS-20 Earnings Per Share and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India; however, as Indian GAAP does not provide specific guidance for the preparation of Combined Financial Statements and, accordingly, in preparing these special purpose combined financial statements, accounting conventions commonly used for the preparation of Consolidated Financial Statements in accordance with AS 21 Consolidated Financial Statements have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same special purpose combined financial statements are prepared on a basis that combines the results and assets and liabilities of each entity of the Restricted Group and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business.

The Restricted Group’s summary financial information as at and for the years ended March 31, 2018, 2019 and 2020 presented below should be read in conjunction with the audited special purpose combined financial statements as at and for the years ended March 31, 2018, 2019 and 2020 and the notes thereto included elsewhere in this offering memorandum and “Management’s Discussion and Analysis of Cash Flows, Financial Condition and Results of Operations.

The Restricted Group’s summary financial information as at and for nine months ended December 31, 2020 presented below should be read in conjunction with the special purpose unaudited combined financial statements as at and for nine months ended December 31, 2020 and the summary financial information presented below as at and for nine months ended December 31, 2019 has been derived from the comparative amounts presented in the Restricted Group’s special purpose unaudited combined financial statements for nine months ended December 31, 2020 and the notes thereto included elsewhere in this offering memorandum and “Management’s Discussion and Analysis of Cash flows, Financial Condition and Results of Operations.

Unless context requires otherwise, financial information as at and for the years ended March 31, 2020, 2019 and 2018 and as at and for the nine months period ended December 31, 2020 is derived from the Special Purpose Combined Financial statements and Special purpose unaudited combined financial statements. Unless context requires otherwise, financial information for the nine months period ended December 31, 2019 is derived from comparative included in Special purpose unaudited combined financial statements.

As we do not constitute a separate legal group of entities for the periods presented, the Special Purpose Combined Financial Statements are not necessarily indicative of our financial performance, financial position and cash flows that would have occurred if it had operated as a standalone group of entities during the periods presented, nor are they indicative of the Restricted Group’s future performance.

	For the fiscal year ended March 31,				For the nine months ended December 31,		
	2018	2019	2020	2020	2019	2020	2020
	(Rs. in millions)			(US\$ in millions) ⁽¹⁾	(Rs. in millions)		(US\$ in millions) ⁽¹⁾
Combined Summary Statement of Profit or Loss							
Income							
Revenue from operations	4,704	6,332	7,636	104.53	6,416	6,238	85.39
Other income	214	297	474	6.49	265	473	6.47
Total income	4,918	6,629	8,110	111.01	6,681	6,711	91.86
Expenses							
Operating and maintenance expenses	349	513	863	11.81	647	797	10.91
Employee benefits expense	74	92	112	1.53	78	87	1.19
Other expense	450	462	747	10.23	387	341	4.67
Total expenses	873	1,067	1,722	23.57	1,112	1,225	16.77
Earnings before interest, tax, depreciation and amortisation (EBITDA)⁽²⁾							
	4,045	5,562	6,388	87.44	5,569	5,486	75.10
Depreciation expense	1,063	1,351	1,613	22.08	1,192	1,338	18.32
Finance costs	3,061	3,414	3,985	54.55	2,801	3,361	46.01
Profit/(loss) before tax	(79)	797	790	10.81	1,576	787	10.77
Tax expenses							
Current tax	63	163	—	—	—	—	—
Minimum Alternate Tax (MAT) credit entitlement	(63)	(160)	—	—	—	—	—
MAT credit entitlement of prior year	(32)	(1)	—	—	—	—	—
MAT credit entitlement charge	—	—	256	3.50	256	—	—
Deferred tax	338	197	(466)	(6.38)	(291)	202	2.77
Total tax expenses	306	199	(210)	(2.87)	(35)	202	2.77
Profit/(loss) after tax	(385)	598	1,000	13.69	1,611	585	8.01
Share of profit/(loss) attributable to minority shareholders' funds							
	(67)	28	31	0.42	83	76	1.04
Profit /(loss) for the year/period	(318)	570	969	13.27	1,528	509	6.97

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.
- (2) For further information on EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin, see "Presentation of Financial and Other Data — EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin" and "Other Financial Data" below.

Reconciliation of Profit/(loss) for the year/period to EBITDA

	For the fiscal year ended				For the nine months ended		
	March 31,				December 31,		
	2018	2019	2020	2020	2019	2020	2020
			(US\$ in		(Rs. in		(US\$ in
	(Rs. in millions)		millions) ⁽¹⁾		millions)		millions) ⁽¹⁾
Profit/(loss) for the year/period	(318)	570	969	13.27	1,528	509	6.97
Add: Share of profit/(loss) attributable to minority							
shareholders' funds	(67)	28	31	0.42	83	76	1.04
Add: Total tax expenses	306	199	(210)	(2.87)	(35)	202	2.77
Add: Finance costs	3,061	3,414	3,985	54.55	2,801	3,361	46.01
Add: Depreciation expense	1,063	1,351	1,613	22.08	1,192	1,338	18.32
EBITDA	4,045	5,562	6,388	87.44	5,569	5,486	75.10

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.

	As of March 31,				As of December 31,	
	2018	2019	2020	2020	2020	2020
	(Rs. in millions)			(US\$ in millions) ⁽¹⁾	(Rs. in millions)	(US\$ in millions) ⁽¹⁾
Combined Summary Balance Sheet						
Equity and Liabilities						
Combined shareholders’ fund — Restricted Group						
Combined Share Capital	3,958	4,479	5,346	73.18	5,338	73.07
Combined Reserves and Surplus and others	(1,323)	(768)	(524)	(7.17)	(13)	(0.18)
	<u>2,635</u>	<u>3,711</u>	<u>4,822</u>	<u>66.01</u>	<u>5,325</u>	<u>72.89</u>
Minority Shareholders’ funds	21	48	81	1.11	164	2.24
Compulsory fully convertible debentures (“CFCDs”)						
	6,780	7,286	7,844	107.37	7,844	107.37
Non-current liabilities						
Long term borrowings	23,272	26,503	34,220	468.42	34,190	468.01
Deferred tax liability (net)	586	783	317	4.34	519	7.10
Other long-term liabilities	369	686	507	6.94	829	11.35
Long term provisions	7	8	12	0.16	15	0.21
	<u>24,234</u>	<u>27,980</u>	<u>35,056</u>	<u>479.87</u>	<u>35,553</u>	<u>486.67</u>
Current liabilities						
Short term borrowings	801	973	979	13.40	1,977	27.06
Trade payables						
Outstanding dues of micro & small enterprises	0	1	1	0.01	2	0.03
Outstanding dues to other than micro & small enterprises	64	69	168	2.30	214	2.93
Other current liabilities	1,846	1,761	3,453	47.27	3,261	44.64
Short term provisions	54	5	7	0.10	11	0.15
	<u>2,765</u>	<u>2,809</u>	<u>4,608</u>	<u>63.08</u>	<u>5,465</u>	<u>74.81</u>
Total	36,435	41,834	52,411	717.43	54,351	743.99
Assets						
Non-current assets						
Property, plant and equipment	26,474	31,757	37,399	511.94	39,752	544.15
Goodwill attributable to Identified Subsidiaries	315	315	315	4.31	315	4.31
Capital work in progress	463	288	2,375	32.51	85	1.16
Non-current investments	131	50	1,088	14.89	1,088	14.89
Long-term loans and advances	3,016	2,553	4,410	60.37	3,682	50.40
Other non-current assets	459	623	879	12.03	1,222	16.73
	<u>30,858</u>	<u>35,586</u>	<u>46,466</u>	<u>636.05</u>	<u>46,144</u>	<u>631.65</u>
Current Assets						
Trade receivables	3,034	1,013	1,407	19.26	3,766	51.55
Cash and bank balances	1,884	4,303	3,560	48.73	3,471	47.51
Short-term loans and advances	143	309	187	2.56	136	1.86
Other current assets	516	623	791	10.83	834	11.42
	<u>5,577</u>	<u>6,248</u>	<u>5,945</u>	<u>81.38</u>	<u>8,207</u>	<u>112.34</u>
Total	36,435	41,834	52,411	717.43	54,351	743.99

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.

	For the fiscal year ended March 31,				For the nine months ended		
					December 31,		
	2018	2019	2020	2020	2019	2020	2020
	(Rs. in millions)		(US\$ in millions) ⁽¹⁾		(Rs. in millions)		(US\$ in millions) ⁽¹⁾
Combined Summary Cash Flow Statement							
Net cash flows from operating activities	4,251	7,057	5,987	81.95	5,391	2,789	38.18
Net cash flows (used in)/from investing activities	(5,390)	(7,122)	(12,694)	(173.76)	(8,324)	283	3.87
Net cash flows from/(used in) financing activities	1,028	1,058	5,737	78.53	3,884	(2,503)	(34.26)
Foreign currency translation reserve	0	3	2	0.03	0	1	0.01
Cash and cash equivalents at the beginning of the year/period	1,181	1,070	2,066	28.28	2,066	1,098	15.03
Cash and cash equivalents at the end of the year/period (refer note 2 & 3 below)	1,070	2,066	1,098	15.03	3,017	1,668	22.83

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.
- (2) The cash and cash equivalent of Rs. 1,098 million (March 31, 2019; Rs. 2,066 million and March 31, 2018; Rs. 1,070 million) and other bank balance of Rs. 2,462 million (March 31, 2019; Rs. 2,237 million and March 31, 2018; Rs. 814 million) forms part of the cash and bank balance of Rs. 3,560 million (March 31, 2019; Rs. 4,303 million and March 31, 2018; Rs. 1,884 million) as disclosed in Special purpose combined balance sheet.
- (3) The cash and cash equivalent of Rs. 1,668 million (March 31, 2020 Rs. 1,098 million) and other bank balance of Rs. 1,803 million (March 31, 2020 Rs. 2,462 million) forms part of the cash and bank balance of Rs. 3,471 million (March 31, 2020 Rs. 3,560 million) as disclosed in Special Purpose Unaudited Combined Balance Sheet.

	For the fiscal year ended				For the nine months ended		
	March 31,				December 31,		
	2018	2019	2020	2020	2019	2020	2020
				(US\$ in			(US\$ in
	(Rs. in millions)			millions) ⁽¹⁾	(Rs. in millions)		millions) ⁽¹⁾
Other Financial Data							
Total Income (A)	4,918	6,629	8,110	111.01	6,681	6,711	91.86
Reconciliation of EBITDA to Adjusted EBITDA and Adjusted EBITDA Margin							
EBITDA	4,045	5,562	6,388	87.44	5,569	5,486	75.10
Adjustments							
Provision towards litigation and contingencies	—	—	127	1.74	—	—	—
Common overheads (Common overheads to be paid out of Distribution Account)	137	179	191	2.61	148	129	1.77
Adjusted EBITDA (B)	4,182	5,741	6,706	91.80	5,717	5,615	76.86
Adjusted EBITDA Margin ⁽³⁾ (B/A)	85.03	86.60	82.69	—	85.57	83.67	—
Capital Expenditure	4,024	6,459	9,342	127.88	8,470	1,403	19.21

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.
- (2) Adjusted “EBITDA” is calculated as EBITDA excluding one-off non-cash provisions and common overheads to be paid out of Distribution Account.
- (3) Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by total income.
- (4) Capital expenditure is a sum of property, plant and equipment and, capital work-in-progress incurred for the respective fiscal years.

Certain Operating Data

The total capacity of the operational projects of the Indian Restricted Subsidiaries is 722.9 MW as at December 31, 2020. The tables below set forth the total gross generation and total PLF of the Indian Restricted Subsidiaries for the periods indicated:

Total

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Operational Capacity (MW)	423.7	517.7	627.3
Gross Generation (GWh)	735	1,071	1,326
PLF %	21.8%	24.9%	25.6%

Turbine availability

The annual turbine availability for fiscal 2020 at the wind farms is 97.3%.

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 and the quality of grid connectivity.

Wind Energy Projects: 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 particular 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 2021, for the period between April to September, the Bothe project recorded lowest wind speed of 6.06 m/s in the last 5 years, which is lower by 11.2% compared to average wind speed for the same period in the 4 previous year, similarly Ratlam project recorded lowest wind speed of 6.26 m/s in the last 5 years, which is lower by 10.3% compared to average wind speed for the same period in the 4 previous year.

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); 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 wind 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 wind and solar 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 downtime for maintenance, natural disasters etc. 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.

Solar Energy Projects: We base our investment decisions with respect to each solar energy project on the findings of related 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. Unfavorable weather and atmospheric conditions could impair the effectiveness of our 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 or lightning strikes or 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 a 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 shall be impacted by 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. 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 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 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 are acquired or leased in connection with the development of a wind farm by a power producer. Currently, there are regulatory constraints specifying the minimum inter-turbine distances to minimize such wake-effects. However, in case such regulatory 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. Such developments may reduce the operational performance of our wind farms, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

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.

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

The recent outbreak of a novel strain of coronavirus (“COVID-19”) has 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. In particular, since February 2020, the COVID-19 outbreak has caused stock markets worldwide to lose significant value and has impacted economic activity worldwide. COVID-19 poses a serious public health threat as the number of infected cases and fatalities continue to rise. On March 11, 2020, the World Health Organisation (the “WHO”) declared the outbreak of COVID-19 to be a pandemic. A number of governments have revised GDP growth forecasts for 2021 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the outbreak of COVID-19, particularly the new strains of the COVID-19 virus and the fresh rounds of lockdowns globally will cause a prolonged global economic crisis, recession or depression despite monetary and fiscal interventions by governments and central banks globally. India's GDP fell 24% in the April to June 2020 financial quarter; this was the largest GDP decline during the same period among major economies.

Concerns about the outbreak and rapid spread of such contagious diseases, including COVID-19, have caused governments to take measures to prevent the spread of the virus. The recent outbreak of COVID-19 has resulted in restrictions in India on travel and transportation and prolonged closures of workplaces, businesses and schools, with employees being asked to work from home and citizens being advised to stay at home, which could have a material adverse effect on our business operations. While power generation has been classified as essential services in India and our power plants continue to operate, there can be no assurance that our customers will not face financial constraints due to lower power consumption as a result of closures of non-essential services and industries, which may in turn adversely impact our cash flows, financial condition and results of operation. There is no assurance how long such restrictions or advisories may be in place or whether electricity consumption will return to pre-pandemic levels even after such restrictions or advisories are lifted.

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 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, to July 2020, 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 have 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 has caused delays of three to five months in completion of two of the Group's 154 MW projects (comprising of the 126 MW project (Dayapar) and the 28.0 MW project (Rajkot — IIB) that are under-construction due to manpower and supply chain constraints. The transmission companies building transmission infrastructure for our other under-construction projects and ready-for-construction projects outside of the Restricted Group also were affected by

the COVID-19 outbreak and have notified us of delay from these force majeure conditions which affected the timelines for a 150 MW project otherwise ready for construction. Accordingly, the commercial operation dates for those projects have been delayed and/or extended by the issuing authorities for a period of five months and capital expenditure plans for this 150 MW project have been deferred accordingly. Some of our customers, particularly the distribution utilities, suffered losses due to reduction of offtake by commercial and industrial customers (“C&I customers”) resulting from weak economic situation and this caused significant delays in payments by the distribution utilities towards our invoices. Even though the Government of India extended a liquidity support scheme for the distribution utilities to tide over the tight financial situation, this scheme requires the distribution utilities and state governments to undertake substantive reforms in the electricity sector. PFC and REC Limited have been 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. As of September 30, 2020, approximately Rs. 705.9 billion of such liquidity support loans out of the total of Rs. 1.2 trillion have been approved and Rs. 247.4 billion out of such approved loans have been disbursed to the utilities. In the event the relevant distribution utilities/state governments do not agree to such conditions and do not apply for the liquidity support from Government of India, our receivables collections from the distribution utilities may suffer delays or may be reduced. For example, liquidity support has been approved for MSEDCL, to whom we sell electricity from our 199.7 MW Bothe project, but the state government and MSEDCL have yet to execute the loan agreements to draw down on the facility.

The Reserve Bank of India permitted Indian banks and financial institutions to provide moratorium on all dues under the loans, subject to certain conditions, between March 2020 to August 2020. Some of our projects companies — Bothe Windfarm Development Private Limited, DJ Energy Private Limited and Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, 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 have been added back as repayments due at the end of the current loan periods for the respective companies. The interest payment dues have been converted into loans to be amortised 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. While the group has prepaid such loans in case of WIPL, a sum of Rs. 1,192 million (including deferred Principle instalments of Rs. 369 million and deferred interest of Rs. 823 million) is payable by the remaining companies and these companies had total cash and bank balances of Rs. 2,237 million as of December 31, 2020.

In addition, the GoI and Indian state governments are taking 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 Restricted Group's or Group's employees are identified as a possible source of spreading COVID-19, Swine Flu, Avian Flu or any other similar epidemic, the Restricted Group or 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.

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

Our PPAs, except in case of the Ratlam project, do not cover the entire anticipated economic life of our projects. Some of our PPAs with our C&I customers provide for termination without cause by either party in addition to for cause upon default. 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 MSEDCL for Bothe project, with MPPMCL for Ratlam project and with 89 C&I customers for our Periyapatti and Rajkot projects for the supply of electricity, such agreements maybe 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 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.

For the Bothe project, we entered into energy purchase agreements with MSEDCL and for the Ratlam project we entered into two PPAs with MPPMCL. Details of the PPAs are as follows:

Capacity (MW)	Average start date	Tenure	Fiscal 2020 tariff (per unit)
Bothe wind farm — EPAs with MSEDCL			
101.0	Fiscal 2014	13 years — until fiscal 2027	Rs. 5.81
92.4	Fiscal 2015	13 years — until fiscal 2028	Rs. 5.70
Ratlam wind farm — PPAs with MPPMCL			
94.0	Fiscal 2016	25 years — until fiscal 2041	Rs. 5.92
76.0	Fiscal 2016	25 years — until fiscal 2041	Rs. 5.92

In case we are unable to procure new PPAs, we may have to sell the electricity at spot prices thereby exposing us to price realisation 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, except in case of the Ratlam project, do not cover the entire anticipated economic life of our projects. For example, MSEDCL PPA corresponding to 84.2 MW capacity in Bothe Project, is expected to expire during the period from May 2026 to February 2027, which coincides with the maturity of the Notes. Therefore, after 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. Under the MSEDCL PPAs in the Bothe Project, we will be required to first offer electricity to MSEDCL at the existing tariff, or such other lower tariff as set by the MERC. The enforceability of this clause is not clear, and also since MERC no longer sets such tariffs, we believe that this condition no longer applies. However, if such condition is enforceable, we may be required to sell electricity at such lower tariffs. 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 realisation risk on the sale of electricity from our projects.

We do not have energy purchase agreements signed in respect of 6.3 MW out of 199.7 MW capacity at our Bothe windfarm and the matter is being considered by APTEL. 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 of 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 has 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 EPAs for such capacity and making 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 EPAs on prospective basis at the tariff discovered in most recent competitive bid. APPC as well as the tariff discovered in most recent competitive bid are significantly lower than the Rs. 5.70/kWh that we expected for the EPA. We have appealed against the order and the matter is being considered by APTEL.

As a result of the unexecuted EPAs, GBI of Rs. 30 million was outstanding as of December 31, 2020 and was recorded as unbilled revenue. We expect to receive the unbilled revenue once the EPAs are executed with MSEDCL. If we are unable to execute the EPAs with MSEDCL or are unable to recover the unbilled revenues, our business, financial condition, results of operations and prospects could be adversely affected. As at December 31, 2020, unbilled revenue of the Restricted Group with respect to the 6.3 MW was Rs. 400 million which comprise unbilled revenue towards sale of electricity amounting to Rs. 370 million and Rs. 30 million towards GBI. These relate to power sold from January, 2015 to date.

Our PPAs with C&I consumers are subject 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 the regulatory risk.

48.9% of the Restricted Group capacity is selling electricity to 89 C&I consumers under Open Access with varying tariffs from Periyapatti, Rajkot I and Rajkot IIA project. Tariffs 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 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 is subject vary basis the variation in the tariff charged to the consumer by the electricity distribution utilities, and the variation in the open access charges and losses. The said variation could lead to 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 Regulation Commission upon independent review of the request by electricity distribution utilities. Although there are agreed standard for determination of these charges and losses and there is only minor variation 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 two years the Additional Surcharges has varied between nil to Rs. 0.69 per kWh at different time. Further, under the UDAY scheme the electricity distribution utilities have agreed to revise the electricity prices charged to the consumers on annual basis, however in many instance including political pressure do not increase the electricity prices. For example, in Tamil Nadu the electricity distribution utilities have not revised the electricity prices for the industry for over the last 4 years. Artificially keeping these tariffs lower 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 any 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 in Periyapatti and Rajkot, both we and our customers are expected to obtain and maintain several regulatory approvals, licenses and clearances. In case 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 case of Bothe and Ratlam-I windfarms, we depend on a single customer each for all of our cashflow and sell 100% of the wind power generated at the Bothe and Ratlam-I windfarms 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 Bothe and Ratlam-I wind farms to MSEDCL and MPPMCL, respectively. While MSEDCL and MPPMCL are committed to purchase power from us under the

executed PPAs, should MSEDCL or MPPMCL 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 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 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 such as the ongoing COVID-19 pandemic, 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 Bothe and Ratlam projects is sold under long-term PPAs with the distribution utilities, i.e, MSEDCL and MPPMCL and the power generated by our Rajkot and Periyapatti projects is sold to 89 C&I customers. As such, substantially all of our revenues are derived from the Bothe, Ratlam, Periyapatti and Rajkot projects. The ability of MSEDCL, MPPMCL 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 the ongoing COVID-19 pandemic. If, for these or any other reasons, MSEDCL, MPPMCL 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.

In addition, while MSEDCL and MPPMCL or our C&I customers are committed to purchase power from us under the executed PPAs, should MSEDCL and/or MPPMCL 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.

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. We have experienced significant delays in receivable settlements with our customers and have not been able to recover payment charges for the delay from MPPMCL and MSEDCL, 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 199.7 MW of wind capacity at the Bothe wind farm and 170.0 MW of wind capacity at the Ratlam wind farm, the receivable cycle for the contracted tariffs under the energy purchase

agreements from MSEDCL and MPMCL, respectively has been delayed significantly and we have yet to receive payments from MSEDCL for electricity sold since November 2019 and from MPPMCL for electricity sold since March 2020 due to losses suffered by MSEDCL and MPPMCL in the wake of COVID-19. As of December 31, 2020 we had trade receivables due from MSEDCL, MPPMCL, IREDA (for GBI payments) and our 89 C&I customers of Rs. 2,253 million, Rs. 1,275 million, Rs. 159 million and Rs. 79 million respectively, up from Rs. 559 million, Rs. 230 million, Rs. 115 million and Rs. 50 million respectively as of December 31, 2019.

Furthermore, the Ministry of New and Renewable Energy as well as various state departments have issued orders notifying the restrictions placed by the Government of India 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 members of the Restricted Group during the lockdown periods of April to July 2020 are no longer subsisting, there can be no assurance that the Restricted Group's customers will not be impacted in future and not invoke application of force majeure provisions under the PPAs entered into with the Restricted Group.

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, 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, environmental and labor laws and other legislations enacted by the GoI and the relevant state governments in India. Our business 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.

In addition, any unfavorable interpretation by regulatory authorities may also have an adverse effect on the Restricted Group's business 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, Honourable Maharashtra Electricity Regulatory Commission (MERC) ruled that while cross subsidy surcharge is not applicable, the additional purchase 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 have since appealed in the Supreme Court of India. The Honourable Supreme Court has not examined the merits of the case but in August 2020 has stayed the order of APTEL in the interim. If the Supreme Court rules that additional surcharge is applicable, it may become applicable on our sale of electricity from Periyapatti Project in Tamil Nadu to group captive consumers. Even though the additional surcharge in Tamil Nadu is currently nil, Tamil Nadu regulators may specify a non-zero additional surcharge in

future and the matter of determination of additional surcharge in Tamil Nadu is currently being heard by the Tamil Nadu Electricity Regulatory Commission.

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 that 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 open access basis from our Rajkot project are, under the Wind Power Policy 2016 of the Government of Gujarat, a beneficiary of 50% waiver of cross subsidy surcharge and 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 June 2021), together amounting to a benefit of about Rs. 1.00/kWh. 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.

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.

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. On October 1, 2020, GoI proposed certain amendments in rules relating, *inter alia*, to “must run” status primarily aimed at compliance with “must run” status and for payment of compensation in the event of violation of “must run” rules. However, there is no certainty that such amendments will be enacted into law in their current form or at all.

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, wind 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. If governmental authorities do not continue supporting, or reduce or eliminate their support for, the development of renewable energy projects, it may become more difficult to obtain financing, our economic return on certain projects may be reduced and our financing costs may increase. 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 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 in Rajkot and Periyapatti 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 case of our PPAs with MSEDCL for Bothe Project and with MPPMCL for Ratlam project, our tariffs are fixed for the term of the PPAs and have been set by respective state electricity regulatory commissions. However, in case of our open access projects in Rajkot and Periyapatti 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 and 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 in Rajkot and Periyapatti provide that, subject to certain conditions, 50% of such variations shall be to the account of our C&I customers and 50% to our account. We carry the risk that some or all of our C&I customers may object to absorbing such 50% variation, especially in case of adverse variation.

As our tariff is fixed under the PPAs with MPPMCL and MSEDCL and the tariff formula are set in open access projects in Rajkot and Periyapatti, 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 realise 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.

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 turbines or engage EPC contractors for our solar farm, our contracts with the vendors typically include the provision of comprehensive O&M service for a period of 10-15 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 case of turbines and a performance ratio guarantee in 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 or the total fees payable for the O&M services. Losses in excess of these caps would be our responsibility.

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 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, inflation in 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. In case of our solar project in Periyapatti, we have faced a delay of approximately nine months to date in obtaining group captive open access and wheeling permission from Tamil Nadu Generation and Distribution Corporation Limited (“Tangedco”) and, as a result, we are still unable, as yet, to sell and bill electricity from this project to our group captive customers. While we have been operating the project since July 2020, the electricity is being supplied free of cost to Tangedco until we receive the said group captive open access and wheeling permission from Tangedco. 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 imposition of Cross Subsidy Surcharge 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 Fiscal 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 financial years 2018, 2019 and 2020. However, Tangedco has not yet completed the verification and we do not have knowledge of the outcome of this verification process. Some industry associations have also appealed to APTEL on several aspects of the detailed procedure announced in January 2020. The matter is still under consideration by the tribunal and the outcome of the judgement and/or the verification done by Tangedco may have adverse impact on our business and financial performance of our Periyapatti project.

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

Load dispatch 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 Centre has historically imposed curtailment without providing valid reasons of grid safety or emergency. Even though the Central Electricity Authority 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 favourable outcome. Any future curtailment of renewable energy production may interrupt our operations, subject us to making 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.

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 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 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 dispatch 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 all projects which are part of the Restricted Group, we may enter into arrangements with third parties to share this infrastructure and may be exposed to associated risks.

The absence of this availability and access, 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 may not be able to develop our projects and we may have significant write-offs.

Though our projects in the Restricted Group are fully operational, we aim to improve our operational efficiency and add solar power capacity to our wind power plants by setting up such projects in SPVs outside the Restricted Group. 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 concluding and executing PPAs with distribution companies and/or C&I customers, which can result in delays in project commissioning.

Developing and constructing projects involve numerous risks and uncertainties, such as delays, labor strikes and land procurement amongst others. Our operations may experience disruptions in their operations due to disputes or other problems with labour, 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 neighbouring 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, neighbouring villagers had protested against the operation of the Bothe wind farm due to a fatal accident that occurred near the Bothe wind farm 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:

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

- failure to obtain capital to develop our projects;
- shortage of skilled labor;
- inclement weather conditions;
- adverse environmental and geological conditions; and
- force majeure or other events out of our control.

Any of these factors could also prevent us from completing 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 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. 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 en-cashed, 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.

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 the debt and equity to finance our 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. For example, the Bothe project is financed by a group of lenders including State Bank of India, L&T Infrastructure Finance Company Limited and Power Finance Corporation Limited. Similarly, the Ratlam project is financed by a group of banks including IFC, IIFCL, India Infradebt Limited and L&T Infrastructure Finance Company Limited while the Rajkot projects are financed by both Power Finance Corporation and ICICI Bank. The Periyapatti project is financed by the State Bank of India, PTC India Financial Services Ltd. and Indian Renewable Energy Development Agency Limited. For more details on our project financing, see “Description of Other Indebtedness.”

Our ability to obtain financing to finance development 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.

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 Madhya Pradesh Electricity Regulatory Commission, 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 no history in developing or operating solar power projects.

We have no history in developing or operating projects in the solar sector. The Periyapatti project is the first wind-solar co-located hybrid farm. Our ability to successfully commission hybrid wind energy and solar projects may be hampered due to our lack of experience in managing challenges, decreasing solar tariffs, 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 wind energy and no history in developing or 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.

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 Sessions Court in Satara is yet to commence trial proceedings in the case. 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 I (Vestas turbine) and Rajkot I (Vestas turbine) windfarms respectively wherein we suffered loss of property and

suspension/derating of performance until the cause of the fire was analysed 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.

We have made insurance claims for the damages caused to the property and loss of profits due to business interruptions following the incident near Bothe windfarm in 2015. The insurance company has disputed our claim of approximately Rs. 283 million for loss of profits due to business interruptions and the matter is pending 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 recognised 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 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 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 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 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 case of our open access projects in Periyapatti and Rajkot, 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 SEBs. Furthermore, the Ministry of Power has also proposed a draft Electricity (Amendment) Bill, 2020. The major amendments proposed to the Electricity Act, 2003 include, (i) determination of tariffs that are reflective of costs, to enable distribution utilities to recover their costs and a proposal that tariff be determined by state electricity regulatory commissions without taking into account the subsidy, which will be given directly by the government to the consumers; (ii) establishment of Electricity Contract Enforcement Authority having sole authority and having original jurisdiction to adjudicate upon matters regarding specific performance of contracts related to purchase or sale of power between a generating company and a licensee or between licensees; and contracts related to transmission of electricity between a generating company and a licensee or between licensees; (iii) empowering Load Dispatch Centres to oversee the establishment of adequate payment security mechanism before scheduling dispatch of electricity, as per contracts; (iv) preparation and notification of a National Renewable Energy Policy by the Central Government after consultation with the State Governments, as may be considered necessary, for the promotion of generation of electricity from renewable sources of energy and also prescribe a minimum percentage of purchase of electricity from hydro sources of energy; and (v) progressive reduction of cross subsidy and other surcharges on sale of power on open access.

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.

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 one of our companies, WIPL, the company carrying our group captive supply of electricity from our Periyapatti project. 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.

Failure to maintain least 26% of the voting equity of the customers in our co-located wind and solar project in Periyapatti, selling power to the customers under captive / group captive norms as per the Electricity Rules, 2003, could lead to imposition of cross subsidy surcharge and additional surcharge on our Customers.

For our co-located wind and solar project in Periyapatti, 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 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 meet 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 imposition of cross subsidy surcharge and additional surcharge on our C&I customers and this may lead to disputes or obligations on us to bear some or all of such costs.

Although Electricity Act, 2003 mandates that the supply of electricity to captive consumers will not be subject to surcharges, however Honourable Maharashtra Electricity Regulatory Commission (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 have since appealed in the Supreme Court of India. The Honourable Supreme Court has not examined the merits of the case but in August 2020 has stayed the order of APTEL in the interim. If the Supreme Court rules that additional surcharge is applicable, it may become applicable on our sale of electricity from Periyapatti Project in Tamil Nadu to group captive consumers. Even though the additional surcharge in Tamil Nadu is currently nil, Tamil Nadu regulators may specify a non-zero additional surcharge in future and the matter of determination of additional surcharge in Tamil Nadu is currently being heard by the Tamil Nadu Electricity Regulatory Commission.

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, 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, 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.

For example, Bothe Windfarm Development Private Limited is party to litigations with respect to some parcel of land, which is still pending consideration by courts in India. Additionally, a charge sheet has been filed against two then 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 completion of construction of Bothe project) of Bothe Windfarm Development Private Limited and are involved in an ongoing police investigation with respect to a fatal accident that occurred near the Bothe wind farm in January, 2015. Trial is yet to commence in the said case. 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.

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.

We depend on Continuum's management team to manage our business and any failure by our Parent's 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's subsidiaries have incurred a substantial amount of debt, which is likely to increase as it continues developing its projects. Our Parent's subsidiaries may not be able to service its debt, which could result in a change of control or our Parent'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 its ability to undertake certain type of transactions which could adversely affect our prospects.

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

Our Parent and the Issuer are incorporated in Singapore. As of the date of this Offering Memorandum, all of our 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 us and our 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 our companies. See "Enforceability of Civil Liabilities."

The Restricted 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.

The Restricted Group companies are not listed companies and their shares are not traded on any stock exchange. 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.

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 the operational projects held by the Restricted Group (collectively, the “Reviewed Projects”). Our Statutory Auditors 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 in the Restricted Group and the related assumptions contained therein. The Independent Consultant has also assumed that the contractual arrangements, including the PPAs, would not be terminated, prior to their termination date. 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. 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 construction of the projects. 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. 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 are calculated based on an assumed P90 confidence level for PLF. A P90 generation estimate represents that there is a 90% probability 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. 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 B, “The Independent Consultant’s Report”.

The Special Purpose Combined Financial Statements may not accurately reflect the results of any legal group.

We have not formed a separate legal group comprising of restricted group entities nor are there any plans to form such a legal group in the near future. The Special Purpose Combined Financial Statements have been prepared in accordance with the recognition, measurement and disclosure principles of Indian GAAP, except for disclosure requirement of AS-20 Earnings Per Share and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India; however, as Indian GAAP does not provide specific guidance for the preparation of Combined Financial Statements and, accordingly, in preparing these special purpose combined financial statements, accounting conventions commonly used for the preparation of Consolidated Financial Statements in accordance with AS 21 Consolidated Financial Statements have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same special purpose combined financial statements are prepared on a basis that combines the results and assets and liabilities of each entity of the Restricted Group and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business. The Special Purpose Combined Financial Statements are, therefore, not necessarily indicative of our financial performance, financial position and cash flows that would have occurred if it had operated as a separate standalone group of entities during the years presented, nor are they indicative of our future performance. As a result, it may not be a suitable benchmark to make an investment decision based on the future performance of these entities as a legal group.

Significant differences exist between Indian GAAP, IND-AS and other accounting principles, such as U.S. 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 Special Purpose Combined Financial Statements and the Special Purpose Unaudited Combined Financial Statements have been prepared in accordance with Indian GAAP and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India; however, as Indian GAAP does not provide specific guidance for the preparation of Combined Financial Statements and, accordingly, in preparing these special purpose combined financial statements, accounting conventions commonly used for the preparation of Consolidated Financial Statements in accordance with AS 21 Consolidated Financial Statements have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same special purpose combined financial statements are prepared on a basis that combines the results and assets and liabilities of each entity of the Restricted Group and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business. However, if the Restricted

Subsidiaries are required to prepare the financial statements 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 and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India (“The Guidance Note”), 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.

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 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.

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 villages nearby with respect to the fatal accident near the Bothe wind farm 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.

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. 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 external commercial borrowings 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 India

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 on 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 and Ratlam projects, our Restricted Subsidiaries, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Renewables Trinethra Private Limited and Trinethra Wind and Hydro Power Private Limited only have the right to use the land 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 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 growth rate of India's GDP was 8.2%, 7.2% and 6.1% during fiscal years 2018, 2019 and 2020, respectively. For more details, see "Industry Overview". 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, cash flows 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 recent 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 being 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.

Further, negative economic developments, such as 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 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 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. India has witnessed localized terrorist attacks, including the terrorist attacks in Mumbai in 2008 and 2011, in New Delhi in 2011 and in Pathankot in 2016. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business.

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. 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.

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 and financial performance, and the trading price of the Notes. See “— Risks Relating to the Notes 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 Civil Procedure Code, 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.

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.

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 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 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 Restricted Subsidiary, the Notes Issuer may be precluded from being a part of the committee of creditors in case of an insolvency of a Restricted Subsidiary.

In case of an institution and admission of an insolvency resolution process with respect to a Restricted Subsidiary under the provisions of the Bankruptcy Code, a committee of creditors of the insolvent 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 the insolvent 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 Restricted Subsidiary is a subsidiary) from participating in the committee of creditors. As the Restricted Subsidiaries and the Issuer are subsidiaries of the Sponsor, the Issuer would be a related party of the 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 a Restricted Subsidiary. Even in case of a change of control of the Notes Issuer, given that at the time of the extension of the Onshore Debt by the Notes Issuer to the Restricted Subsidiaries the Notes Issuer was a “related party” (as defined in the Bankruptcy Code) of the insolvent Restricted Subsidiary, it is possible that the adjudicating authority under the Bankruptcy Code may nonetheless preclude the Notes Issuer from participating in the committee of creditors of the insolvent Restricted Subsidiary.

The new tax reforms could adversely affect the 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; (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. an arrangement shall be presumed, 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.

Risks Relating to the Notes, the Collateral and the Hedging Transactions

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 the nature of the Notes, the Onshore Debt 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 the related hedging transactions that the Issuer intends to enter into and value or recovery from the Onshore Debt will affect the pay-out and value of the Notes. 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, the Onshore Debt and the related hedging transactions that the Issuer intends to enter into 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 may be adversely affected by the offering structure and our corporate organization structure.

The Issuer is not the holding company of any of the Indian Restricted Subsidiaries, has no equity interest in any Indian Restricted Subsidiary and is not expected to have any material assets other than its receivables under the Onshore Debt. The Notes are not guaranteed by the Parent or any other entity, and the Issuer is not an operating company and its primary source of income will be interest payments on the Onshore Debt and related hedging payments. The Indenture does not require the Issuer to retain any cash after the release of proceeds from the Escrow Accounts. To the extent the Issuer does not receive payments on the 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. The Issuer and CGEIPL, the direct holding company of the Indian Restricted Subsidiaries, are sister

companies that are each wholly-owned by the Parent. CGE IPL is not subject to the covenants of the Indenture, can transfer its equity interests in the Indian Restricted Subsidiaries to other subsidiaries of the Parent and 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 security entered into in connection with the Onshore Debt. In the event of such a sale or other disposition, any proceeds received by CGE IPL may be used by it for any purpose and will not be available to service the Notes. In addition, the Parent and CGE IPL are not subject to the restrictive covenants in the Indenture, and neither of them will be restricted from incurring additional indebtedness. The net proceeds from this offering are expected to be on-lent to the Indian Restricted Subsidiaries through subscription by the Issuer for Onshore Debt being issued by the Indian Restricted Subsidiaries.

Except for the amount of loan to shareholder described under “*Use of Proceeds — Onshore Debt Proceeds*,” the aggregate principal amount of the Onshore Debt incurred by the relevant Restricted Subsidiary may only be in an amount equal to the amount necessary to repay indebtedness that is being repaid by such Restricted Subsidiary and all or some of the Restricted Subsidiaries may require consent from their existing lenders or investors to repay such indebtedness, incur the Onshore Debt and/or to take certain actions in connection with the incurrence of the Onshore Debt, such as opening bank accounts, amending articles and creating security. The Restricted Subsidiaries have held discussions with existing lenders but have not yet applied for consents for repayment. Failure to obtain such consents will restrict the ability of the relevant Indian Restricted Subsidiaries to incur the Onshore Debt, and there is no certainty that the Indian Restricted Subsidiaries will be able to obtain such consents from existing lenders in order to incur any Onshore Debt or take other required actions.

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 Issuer will rely upon each of the Indian Restricted Subsidiary’s timely payment under the Onshore Debt and any related hedging proceeds for interest payments under the Notes. The Indian Restricted Subsidiaries might not make payments under the Onshore Debt in a timely manner or at all, and a default in payment of interest on the Onshore Debt will not constitute a default under the Notes. Any delay or default in payment by any Restricted Subsidiary under any Onshore Debt may cause delay or default in payment by the Issuer under the Notes. In addition, the Onshore Debt will be denominated in Indian rupee and any depreciation in the value of the Indian rupee relative to the U.S. dollar, to the extent not fully hedged, may result in the Issuer receiving amounts under such Onshore Debt insufficient to make payments of interest and principal on the Notes.

The inability to incur Onshore Debt may result in a Special Mandatory Redemption.

If any Restricted Subsidiary is unable to repay its existing indebtedness (other than existing subordinated shareholder loans) in full, such Restricted Subsidiary may not be able to incur any Onshore Debt until such debt is repaid or discharged. If, on the date that is three months after the date of the Indenture, the total aggregate amount of Onshore Debt incurred by the Restricted Subsidiaries and subscribed for by the Issuer is less than the amount set forth under “*Use of Proceeds*,” the Issuer will be required to redeem the Notes in full. See “*Description of the Notes — Special Mandatory Redemption*.” The claim of the Issuer, as holder of the Onshore Debt will be limited to the aggregate principal amount of Onshore Debt issued by such Restricted Subsidiary.

Noteholders will not have any direct interests in the Onshore Debt.

The investors in the Notes will not have any direct rights in respect of 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. If, following an event of default under the Notes, the Issuer (or a broker on its behalf) sells the Onshore Debt, Noteholders 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, by purchasing them from such person, but a Noteholder's bid might not be successful in such case.

The Onshore Debt is scheduled to mature after the Notes.

Investors should note that the scheduled maturity date of the Onshore Debt falls after the scheduled maturity date of the Notes. As a result, the Issuer is not scheduled to receive any redemption proceeds under the Onshore Debt prior to the maturity date of the Notes, which may lead to a shortfall in meeting its obligations under the hedging transactions and the Notes.

On or after the date falling 12 Business Days prior to the Maturity Date, the Issuer will deliver a notice to each Restricted Subsidiary that has issued Onshore Debt to require the such Restricted Subsidiaries to redeem all of the Onshore Debt pursuant to the section titled “*Redemption at the option of the Debenture holder*” in the Onshore Debt Terms and Conditions (the “**Put Option Redemption**”). Investors should note that if, for any reason the Issuer does not deliver the notice to the Restricted Subsidiary that has issued Onshore Debt and a Put Option Redemption is not triggered in respect of all of the Onshore Debt or if the Restricted Subsidiaries that have issued Onshore Debt fail to redeem the Onshore Debt in connection with such Put Option Redemption, the Issuer may face a shortfall in meeting its obligations under the hedging transactions and Notes and investors may suffer losses on their investment.

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. It is possible that the Notes could, for example, be treated as indebtedness of the Issuer or, alternatively, be treated as an equity interest in the Issuer. To the extent it is required to do so, the Issuer intends to take the position that the Notes are characterized as indebtedness for U.S. federal income tax purposes. However, the Issuer's determination is not binding on the U.S. Internal Revenue Service (the “**IRS**”). If the Notes are not treated as indebtedness of the Issuer, U.S. investors could be subject to adverse U.S. federal income tax consequences, which could be material. For example, U.S. holders could be treated as holding equity interests in a passive foreign investment company (“**PFIC**”), which could subject such holders to materially adverse United States federal income tax consequences, including with respect to any gain realized from a disposition of the Notes. 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 11/2018 entitled “Extension of Tax Concessions for Promoting the Debt Market” issued by the

Monetary Authority of Singapore (“MAS”) on May 31, 2018, 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.

The Notes will be effectively subordinated to secured obligations of the Issuer to the extent of the assets serving as security for such obligations.

Except with respect to the security created in respect of the Collateral, the Notes will be effectively subordinated to any secured obligations of the Issuer, to the extent of the assets serving as security for such secured obligations. In a bankruptcy of the Issuer, the holder of a security interest with respect to any assets of the Issuer 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 interests of the Issuer’s shareholders may conflict with your interests and our shareholders could change

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

If the Issuer defaults on the Notes, your recourse will be limited to the assets of the Issuer.

The Issuer is the only party required to make payments on the Notes. The Issuer is not expected to have any material income other than interest payments from the Onshore Debt and payments under the hedge agreements. The Notes are solely the Issuer’s obligation, payable solely from the Issuer or, in certain circumstances set forth in the Indenture, the proceeds of enforcement upon the Collateral as applied in accordance with the priority of the payment set out in the Indenture.

The Issuer might not have sufficient assets to service the Notes.

The Issuer is not expected to have any material income other than interest payments from the Onshore Debt and payments under the hedge agreements. The Notes are solely the Issuer’s obligation, payable solely from the Issuer or, in certain circumstances set forth in the Indenture, the proceeds of enforcement upon the Collateral as applied in accordance with the priority of the payment set out in the Indenture.

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 Notes Collateral Agent, on behalf of the Trustee, or 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 through the Notes Collateral Agent or the Common Collateral Agent, as the case may be.

The Onshore Debt is secured over certain assets of the respective Restricted Subsidiary but proceeds from the sale or redemption of any Onshore Debt or any enforcement of Onshore Debt will not be secured in favor of the Holders. In addition, such security will be put in place after the Original Issue Date which in certain cases requires consents from third parties. Also, in the case of Onshore Debt proceeds, which will be used to refinance existing indebtedness, pre-existing security granted in favor of the previous lenders will need to be released prior to the creation of security in relation to such Onshore Debt. In order to take any enforcement action with respect to the Onshore Debt, the Collateral Agent must first enforce the share charge of the Issuer under Singapore laws.

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 (i) a first-priority share charge over the capital stock of the Issuer (the “**Share Charge**”), (ii) a first-priority security interest in the Offshore Cash Account (together with the Share Charge, the “**Pari Passu Collateral**”) and (iii) prior to the release of all funds therefrom, a first-priority security interest in the Escrow Accounts (the “**Notes Collateral**”). 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 Pari Passu Collateral will be shared on a *pari passu* basis by the holders of the Notes and any other creditors with respect to permitted *pari passu* secured indebtedness, 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 of the Pari Passu Collateral, any foreclosure 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. Holders of the Notes will not have recourse to the Parent as pledger or any of the Parent’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.

There may be a delay of one business day between the time the funds are released from the Escrow Accounts and the Issuer completing subscription for the Onshore Debt as described in “*Use of Proceeds*.” In such event, during that one business day, the Holders’ security in the Escrow Accounts will not include the net proceeds from this offering, nor will the Issuer possess the Onshore Debt.

The enforceability of the security granted as collateral for the Onshore Debt will be subject to Indian law and the value of such security may not be sufficient to satisfy amounts in respect of the Onshore Debt, and it may be difficult to realize the value of such security.

The Issuer, as the creditor of the Onshore Debt, is intended to have the benefit of security over certain assets of the Restricted Subsidiaries incurring the Onshore Debt including a first ranking charge certain immovable and movable properties of such Restricted Subsidiaries (other than current assets where only a second ranking charge will be provided, and certain specified accounts) and a first ranking pledge over 100% (one hundred percent) of the equity shares of each Restricted Group Issuer (other than in case of Watsun Infrabuild Private Limited where

a first ranking pledge shall be created over 51% (fifty one percent) of the equity shares of Watsun Infrabuild Private Limited). Such assets may or may not include material contracts including power purchase agreements depending upon the provisions of such contracts and Indian stamp taxes and associated costs. Third party consents, including consents from governmental and regulatory authorities, may be required for the creation of such security, and the process for obtaining such consents and creating and perfecting security is to be completed within timelines specified in the Onshore Debt Term Sheet from the incurrence date of the Onshore Debt, and the Issuer will not have the benefit of such security during such time. Further in case of Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited, the creation and perfection of security over certain immovable properties requires consents of certain Government Authorities, the Restricted Subsidiaries will create the charge within 90 days of the receipt of such consents, which consents may never be obtained.

Upon the occurrence of an event of default under the Onshore Debt, the bond trustee or security trustee under the Onshore Debt will be able to sell the assets provided by way of security in accordance with the Onshore Debt documents. Depending upon the nature of security provided, such sale can be by way of private sale or through a court-assisted sale process. The exercise by the bond trustee or security trustee under the Onshore Debt of the powers and remedies conferred on it under the Onshore Debt documents or otherwise vested in it by Indian law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorizations or orders. It is not unusual for court proceedings in India to continue for years. Disposition of cases may be further subject to various delays including multiple levels of appellate adjudication. Any such enforcement could take a significant amount of time.

Any prospective buyer who acquires the assets that are sold following an enforcement of security will need to obtain requisite permits and consents in order to use the assets to generate electricity. Such buyer may also need to enter into material contracts, including power purchase agreements or other arrangements to sell electricity generated.

However, if a Restricted Subsidiary defaults on the payments due on the Onshore Debt and the bond trustee or security trustee forecloses on and sells the security, the Issuer might not receive all amounts that it is owed on the Onshore Debt. In addition, if the bond trustee or security trustee were to attempt to foreclose upon our assets, there are certain project assets that the bond trustee or security trustee may not be able to effectively foreclose upon without the consent of third parties, such as governmental authorities. If the bond trustee or security trustee forecloses on a Restricted Subsidiary's assets, the bond trustee or security trustee might not be able to obtain all third-party approvals necessary to obtain or transfer ownership of all assets necessary to operate the projects. Furthermore, if the bond trustee or security trustee forecloses on the security, then, in connection therewith, transferring required permits to a purchaser or new operator of the projects may require additional governmental approvals or proceedings, which could result in delays. Accordingly, there may not be sufficient proceeds from the security to pay all or any of the amounts due on the Onshore Debt.

There may be a delay in the operationalization of the Project Accounts of the Restricted Group Issuers.

The operationalization of the Project Accounts under the trust and retention accounts deed to be entered into by the Restricted Group Issuers would require the closure and shutdown of existing trust and retention accounts of the Restricted Group Issuers. Such closure would, amongst other things, depend on receipt of no-dues from the lenders of the Existing Indebtedness on the repayment of the Existing Indebtedness. Delay in receipt of no-dues from the lenders of the Existing Indebtedness would delay the closure and shutdown of existing trust and retention accounts and the operationalization of the Project Accounts.

The Onshore Debt may not be extended under the VRR.

Under the VRR, a Foreign Portfolio Investor (“FPI”) may invest in Rupee denominated corporate bonds (such as the Onshore Debt) issued in India. The limit on investments by FPIs under the VRR is presently capped at Rs. 150,000 crore and will be available until the limits are exhausted or as may be prescribed. The limit on investments by FPIs is available for allocation among government bonds, corporate bonds and a combined category comprising both government and corporate bonds, as may be decided by the RBI from time to time. Allocation of limits will be undertaken on tap on a “first come, first-served” basis. No FPI shall be allotted an investment limit greater than 50% of the amount offered for each allotment by tap or auction in case there is a demand for more than 100% of amount offered. If the aforementioned investment limits, or any revised limit as may be prescribed by the RBI are fully utilised prior to the issuance of the Onshore Debt, the Onshore Debt cannot be issued.

On the occurrence of an event of default, an early redemption/prepayment event or a mandatory redemption/prepayment event, the Issuer may not be able to repatriate the entire amount received by the Issuer from the Restricted Subsidiaries without obtaining appropriate regulatory approvals.

While applying for the allocation of limits under the VRR, an FPI must commit to a time period during which it will retain its committed portfolio size in India (the “CPS”) as may be notified by the RBI at the time of allocation of such limit, which minimum time, as on the Initial Issue Date is three years. During the committed retention period, upon a prepayment or redemption of the Onshore Debt, the FPI shall not be permitted to repatriate proceeds of such repayment or redemption, such that its investment falls below 75% of its CPS, without prior regulatory approval. However, in order to liquidate its investment under the VRR and repatriate its investment, the FPI may sell/transfer the Onshore Debt to another FPI if 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 Onshore Debt 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 Onshore Debt and the Onshore Debt holders may not be able to repatriate the proceeds from the redemption/ prepayment of the Onshore Debt in a timely manner on the occurrence of an event of default or on an early repayment within the committed retention period.

Any regulatory approvals required for such early redemption of the Onshore Debt may be delayed or may not be received at all. This may have an adverse effect on the Issuer’s ability to realize any proceeds from the Onshore Debt or bond trustee or security trustee’s enforcement of the NCDs which would adversely affect the Issuer’s ability to redeem the Notes or make payments on the Notes in case of an event of default or occurrence of a mandatory redemption event under the Notes.

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 Noteholders. See below the risk factor entitled “The Issuer is exposed to the risks relating to the termination of the hedging transactions.” 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.

Any enforcement under the Share Pledge Agreement may result in the revocation of the Issuer's FPI registration, resulting in delays in recovery of proceeds from the Restricted Subsidiaries.

Any enforcement under the Share Pledge Agreement that results in a change of control in relation to the Issuer or change in material information provided by the Issuer at the time of its FPI registration may trigger notifications requirements to the designated depository participant of the Issuer in India. In such circumstances, the designated depository participant may seek additional information and may seek to make a determination as to whether or not the Issuer continues to be eligible for FPI registration. There is no certainty that a positive determination shall be made. If the designated depository participant determines that the Issuer is not eligible to continue to be registered as an FPI, then it shall not be permitted to make any further investments in Indian securities and may be required to surrender its FPI registration. This may result in delays in recovery of proceeds from the Restricted Subsidiaries.

The Issuer may not have sufficient funds to make the Special Mandatory Redemption.

If on the date that is three months after the date of the Indenture, any debt of the Restricted Subsidiaries intended to be refinanced with the proceeds of the Notes remains outstanding, the Issuer will be required to redeem the Notes in full at a redemption price of 101% of their principal amount plus accrued and unpaid interest. See “Description of the Notes — Special Mandatory Redemption.” If a Special Mandatory Redemption occurs, the Issuer might not have sufficient funds to pay the Special Mandatory Redemption Price and may need external financing to do so. The Issuer might not have access to such external financing at that time. Therefore, the Issuer may be unable to make the Special Mandatory Redemption if the obligation arises. In addition, such redemption may give rise to a termination or early unwind of hedging agreements entered into up to such date, which may result in termination payments being due by the Issuer to the hedge counterparties and may thus reduce the amount available to be paid to Noteholders. See below the risk factor entitled “The Issuer is exposed to the risks relating to the termination of the hedging transactions.” Therefore, the Issuer may be unable to make the Special Mandatory Redemption if the obligation arises.

If we are unable to comply with the covenants of the Indenture, the Onshore Debt, 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 Issuer or any of the Indian Restricted Subsidiaries is unable to comply with the covenants in the Indenture, the Onshore Debt, or future debt obligations and other agreements, there could be a default under the terms of these agreements. In addition, there will be no restrictions on the Parent's ability to incur indebtedness but a default by the Parent on indebtedness over a certain threshold is an event of default under the Onshore Debt. 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.

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 adverse 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 the Restricted Subsidiaries in India are denominated in Indian rupee and the interest and principal payments under the Onshore Debt, and which the Issuer expects to be a primary source of funds to fulfill its payment obligations under the Notes, are also 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 and the Issuer's ability to satisfy its obligations under the Notes.

The Notes are subject to risks relating to currency and foreign exchange hedging transactions.

The Notes are denominated in U.S. dollars and the Issuer intends to invest the proceeds of the issue of the Notes in Onshore Debt. The Onshore Debt is denominated in rupees and will be settled in rupees. The interest and principal payments made in rupees on the Onshore Debt shall be used by the Issuer to make the interest and principal payments on the Notes. As a result, the Issuer is exposed to fluctuations in the U.S. dollar/rupee exchange rate and any weakening of the rupee against the U.S. dollar will result in a residual exposure of the Issuer to currency and exchange rate fluctuations and a reduction in funds available for the Issuer to meet its obligations under the Notes.

Prospective investors should be aware that the Issuer intends, on or before the subscription to the Onshore Debt, to enter into hedging transactions with one or more hedging counterparties. Each hedging transaction will be documented and pursuant to customary ISDA documentation and hedging arrangements in place thereunder that comprise (i) a call spread on the interest payments due under the Notes on each Interest Payment Date to fully protect the Issuer against any depreciation in the Indian Rupee to the U.S. Dollar occurring after the date of each Incurrence of Onshore Debt; and (ii) a call spread option on the principal amount of the Notes that (a) will fully protect the Issuer against any depreciation in the Indian Rupee to the U.S. Dollar occurring after the date of each Incurrence of Onshore Debt if the Indian Rupee to U.S. Dollar spot rate is between the current spot rate in effect on the date of such Incurrence and the strike rate (which is at least up to the at the money forward) (the "Hedge Limit"), and (b) partially protect the Issuer (by receiving the same fixed payment) against any depreciation in the Indian Rupee occurring after the date of each Incurrence of Onshore Debt if the Indian Rupee to U.S. Dollar spot rate is above the strike rate (which is at least up to the at the money forward), in each case on the payment of principal due under the Notes at maturity. The hedging transactions will only partially hedge the currency exposure of the Issuer with respect to the principal payment and consequently investors may suffer a loss if the Indian rupee depreciates against the U.S. dollar below the Hedge Limit (i.e. the USD/INR spot rate is greater than the Hedge Limit) as in such circumstance, the amounts received by the Issuer under the Onshore Debt will not provide the Issuer with sufficient funds to redeem the Notes in full.

The only sources of funds for the Issuer to meet its obligations under the Notes will be the interest and principal payments under the Onshore Debt and the payments (if any) under the hedging transactions. While the hedging transactions are intended to ensure that the Issuer has sufficient funds to pay interest payments under the Notes, in the case of extreme volatility and depreciation in the rupee, payments under the hedging transactions upon redemption or on maturity may not provide sufficient funds to enable the Issuer to pay principal under the Notes. In such circumstances, even if the Issuer receives the full payment of the principal under the Onshore Debt, the Issuer may not have the equivalent in U.S. dollars to repay the principal on the Notes, and an Event of Default will occur under the Notes without any default having occurred under the Onshore Debt. While the Noteholders will have a right of recourse against the Issuer, the Issuer will have no assets other than the Onshore Debt and the

contracts (including the hedging transactions) which it has entered into. Accordingly, there can be no assurance that Noteholders will not lose all or part of their investment as a result. See “— *The Issuer’s ability to pay the principal and interest on the Notes may be adversely affected by the offering structure and our corporate organization structure.*” The exchange rate between the U.S. dollar and the rupee may significantly fluctuate over time. Recently, exchange rates have been volatile and such volatility is also expected in the near future. Political, economic or stock exchange developments in India or globally could lead to significant and sudden fluctuations in the exchange rate between the rupee and the U.S. dollar (see “— *The Issuer is exposed to the risks relating to the termination of the hedging transactions*”).

In the event of a hedging transaction being terminated, the relevant currency protection provided by the hedging transaction to the Issuer will be lost and the currency exposure of the Issuer will become unhedged as a result. This could result in a total or substantial loss of the investment made by the Issuer in the Onshore Debt, such as U.S. dollar losses incurred by the Issuer resulting from the depreciation of the rupee, and consequently an equivalent loss in respect of the investors’ investment in the Notes.

Prospective investors should ensure that they have considered and fully understand the significantly increased risks of investing in the Notes where payment of principal and interest may rely on the performance of derivative contracts such as the hedging transaction. In particular, prospective investors should be aware that the hedging transactions are likely to impact the risk profile of the Notes, including increasing the market price volatility of the Notes.

The Issuer is exposed to risks relating to the creditworthiness of the counterparties to the hedging transactions and to the fluctuation in value of the hedging transactions.

The Issuer is exposed to fluctuations in the value of the hedging transactions and to the creditworthiness of each relevant counterparty. The value of the hedging transaction(s) to the Issuer may increase or decrease from time to time during the term of the Notes, the Issuer may be “out-of-the-money” on the hedging transactions throughout that term and the value of the hedging transaction to the Issuer will have a significant impact on the value of the Notes and the amount that Noteholders may receive upon redemption of the Notes.

The Noteholders rely on the creditworthiness of each relevant hedge counterparty in respect of the performance of its obligations to make payments pursuant to any hedging agreement. Default by the relevant counterparty may result in termination of the hedging transaction and, in such circumstances, termination amount may be payable to the counterparty or any amount due to the Issuer upon such termination may not be paid in full.

Risk relating to the lack of obligation of the Issuer to provide non-public information about the hedge counterparties to investors.

The Issuer makes no representation as to the credit quality of any hedge counterparty. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information in relation to such hedge counterparty. The Issuer is under no obligation to make such information directly available to Noteholders. The Issuer is under no obligation to make available any information relating to, or keep under review on the Noteholders’ behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of any hedge counterparty or conduct any investigation or due diligence thereon.

The Issuer is exposed to the risks relating to the termination of the hedging transactions.

Noteholders should be aware that the termination of any hedging transaction may adversely affect the ability of the Issuer to meet its obligations with respect to the Notes.

A hedging transaction will terminate early if either party to the hedging agreement designates an early termination date in respect of all or any hedging transaction or an early termination date otherwise occurs (or is deemed to have been designated), in any case, in accordance with the terms of such hedging agreement. Upon the termination of any hedging transaction, an amount may be payable from one party to the other in accordance with the terms of the hedging agreement in respect of such termination (such termination payment, an “**Early Termination Amount**”).

Therefore, if the rupee has appreciated against the U.S. dollar (when compared to the rate at the time the hedging transaction was entered into), any Early Termination Amount is likely to be due from the Issuer to the counterparty. If the U.S. dollar has appreciated against the rupee (when compared to the rate at the time the hedging transaction was entered into), any Early Termination Amount is likely to be due from the counterparty to the Issuer.

The impact of the early termination of the hedging transaction (and any corresponding Early Termination Amount) on the Noteholders will depend on the market conditions at the time of the designation of such early termination and it may also be affected by decisions taken by the Noteholders and or the counterparty. In a number of circumstances, termination of a hedging transaction may lead to early redemption of the Notes and the Noteholders receiving less (possibly substantially less or zero) than the principal amount of the Notes.

If a hedging transaction terminates prior to the occurrence of an early redemption or an Event of Default under the Notes, such termination may adversely affect the ability of the Issuer to continue meeting its ongoing obligations in respect of the Notes. This may occur, for example, in situations where a hedging transaction has been terminated early and (i) the interest payments received by the Issuer on the Onshore Debt are less than the interest payments due under the Notes; and/or (ii) the Issuer is the party required to pay an Early Termination Amount to the counterparty under the hedging agreement.

In the event of a hedging transaction being terminated, the relevant currency protection provided by the hedging transaction to the Issuer will be lost and the currency exposure of the Issuer will become unhedged as a result. This could also result in a total or substantial loss of the investment made by the Issuer in the Onshore Debt, such as U.S. dollar losses incurred by the Issuer resulting from the depreciation of the Indian rupee, and consequently an equivalent loss in respect of the investors’ investment in the Notes.

Currency Risks arising from settlement of Notes prior to the Issuer subscribing for the Onshore Debt.

For a period of three months following the date of the Indenture, the Issuer will use the U.S. dollar net proceeds of the Notes to subscribe for the Onshore Debt to be issued by the Restricted Subsidiaries. Relevant portions of the U.S. dollar net proceeds will be converted into Indian rupees at the prevailing spot rate at the time of such subscriptions which will be effected in several stages and related currency hedging transactions hedging periodic coupon payments and redemption of principal will be concluded on the date of such incurrence of Onshore Debt. As India maintains a managed floating exchange rate system under which market forces determine the exchange rate for the Indian rupee, this introduces a number of risks related to an adverse movement in the U.S. dollar/ Indian rupee exchange rate between the Original Issue Date and the date of each such subscription or loan. If the Indian rupee appreciates significantly against the U.S. dollar (when compared to the rate at the Original Issue Date, this may result in the U.S. dollar proceeds when converted into Indian rupees not being sufficient to repay in full the existing indebtedness of the Restricted Subsidiaries. If the Indian rupee depreciates significantly against the U.S. dollar (when compared to the rate at the Original Issue Date), the protection given by and any costs of the hedge transactions may be set at levels less favorable than what they would have been if traded on the Original Issue Date.

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

The Notes 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 ability of the Restricted Subsidiaries to generate cash depends on many factors beyond our control and the Restricted Subsidiaries may not be able to generate cash required to service the Onshore Debt. Interest payments on the Onshore Debt is expected be the primary source of income for the Issuer.

The Issuer's ability to make scheduled payments on the Notes and to meet its other debt service obligations or to refinance its debt depends on the Indian Restricted Subsidiaries' ability to make payments on the Onshore Debt, which in turn is dependent on such Restricted Subsidiaries' operating and financial performance and ability to generate cash. This will be affected by the ability of the 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 the Onshore Debt, obtain additional financing, delay capital expenditures or sell assets. The Restricted Subsidiaries might not be able to generate sufficient cash through any of the foregoing. If the 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 Restricted Subsidiaries may not be able to satisfy their obligations with respect to their debt, including the 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 Restricted Subsidiaries may not be sufficient to pay such amounts. Failure of the Restricted Subsidiaries to make any payments under the Onshore Debt may in turn affect the debt service obligations of the Issuer under the Notes. For additional information about our financial condition as of December 31, 2020, see "Summary Special Purpose Combined Financial Statements and Other Data" and the Special Purpose Combined Financial Statements included elsewhere in this Offering Memorandum.

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

The Indenture and the Onshore Debt contain, 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 Issuer's ability to, engage in any business activity except:

- the offering, sale or issuance of the Notes;
- subscription for the Onshore Debt;
- hedging transactions related to the Onshore Debt;
- the Incurrence of Subordinated Shareholder Debt;
- holding cash and Temporary Cash Equivalents;

- activity directly related to the establishment and/or maintenance of the Issuer's corporate existence; and
- certain other activities related to the foregoing.

The Onshore Debt restricts the Restricted Subsidiaries' (other than the Issuer's) 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;
- 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.

The Onshore Debt may be amended without the consent of any holder of the Notes.

The terms and conditions of the Onshore Debt subscribed for by the Issuer using the proceeds of the Notes and any additional debt issued by the Restricted Subsidiaries subscribed for by the Issuer in accordance with the Indenture can be amended in certain circumstances without the consent of any holder of the Notes.

The Issuer may be unable to repurchase the Notes as required upon a Change of Control Triggering Event.

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 excluding) 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 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.

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 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 is 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 is incorporated under the laws of Singapore, an insolvency proceeding relating to the Issuer, 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 may result in a material adverse effect on the Noteholders.

There can be no assurance that the Issuer or Parent 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, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on Noteholders. Without being exhaustive, below are some matters that could have a material adverse effect on Noteholders.

Where the Issuer is insolvent or close to insolvent and the Issuer 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. 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 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 lifted with court permission. Additionally, where the Issuer is in judicial management the relevant moratorium can also be lifted with the consent of the judicial manager. 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 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 is insolvent or close to insolvent and undergoes insolvency or restructuring procedures or if the Parent 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), these may likewise trigger, or provide the basis for, moratoria on certain actions or proceedings against the Parent, which may stay the enforcement of the first-priority fixed share charge provided by the Parent 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, Noteholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated 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) 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 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 (Act 40 of 2018) (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 right of the Issuer to receive payments under the Onshore Debt, and the rights of Holders to receive payments on the Notes, will be junior to certain tax and other liabilities preferred by law on an insolvency of a Restricted Subsidiary.

The Onshore Debt and the Notes will be subordinated to certain permitted liens, including certain liabilities preferred by law such as claims on account of taxes and certain other liabilities incurred in the ordinary course of the Restricted Subsidiaries’ business.

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 incurrence of the Onshore Debt may result in a potential event of default under the terms of existing debt documentation of the Restricted Subsidiaries until the existing debt is prepaid.

Certain terms of our existing debt documentation prohibit us from incurring new debt. As a result, in order to incur new debt, including the Onshore Debt, and taking certain related actions (including but not limited to opening of bank accounts) in connection with the incurrence of the Onshore Debt, we will require prior consents from the relevant existing lenders. There can be no assurance that any such consents will be applied for or obtained by the Restricted Subsidiaries. If such consents are not obtained prior to engaging in any of the restricted activities, it may result in a potential event of default under our existing debt documentation, until the existing debt is prepaid which is expected to be done within one business day of incurring the Onshore Debt.

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 six months (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. If the Collateral is voided for any reason, holders of Notes would have only an unsecured claim against the Issuer.

The Issuer is not a U.S. entity and the enforcement of the Notes 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 is incorporated under the laws of Singapore. Substantially all of its directors and officers are resident outside of the United States and substantially all of the Issuer's assets and substantially all of the assets of the Issuer'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 or such persons within the United States or to enforce against the Issuer 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 has received approval in-principle 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.

Remittance of funds outside India pursuant to indemnification by the Restricted Subsidiaries in relation to the Onshore Debt requires prior RBI approval.

Remittance of funds outside India by the Restricted Subsidiaries pursuant to indemnity clauses under the Onshore Debt documents or any other agreements in relation to the Onshore Debt requires prior RBI approval under the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder. Any approval, if and when required, for such remittance of funds outside India is at the discretion of the RBI and no assurance can be provided that such approval will be obtained.

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

As of December 31, 2020, we had Rs. 35,966 million of indebtedness including long-term debt, current portion of long-term debt and short term debt on a combined basis, Rs. 207 million towards interest accrued on indebtedness and Rs. 3,586 million of loans and dues to related parties. As of December 31, 2020, after giving effect to the application of proceeds of this offering as described under “*Use of Proceeds*”, the Restricted Group on a combined basis would have had Rs. 41,346 million of outstanding indebtedness comprising of Rs. 41,000 million of Notes offered hereby and Rs. 346 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 prohibit us from incurring new debt. As a result, in order to incur debt, including the Onshore Debt, secure or guarantee the Onshore Debt and take certain actions in connection with the incurrence of the Onshore Debt (including opening of accounts and amendments of constitutional documents), 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 Onshore 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.

The failure of the Restricted Group to properly create, perfect and register the security interests in the collateral securing the Onshore Debt could result in an event of default under the Onshore Debt, which in turn would result in an event of default under the Notes and could impair the ability of the holders of the Notes to seek repayment; and the Onshore Debt may not be secured by a first ranking charge over all assets of the Restricted Group, which could result in the security not being sufficient to satisfy amounts in respect of the Onshore Debt.

The Restricted Subsidiaries will be obligated to create, perfect and register the security interest in the collateral securing the Onshore Debt no later than the respective time periods described in the Non-Convertible Debentures Debt Term Sheets set forth in Appendix A hereto. These timelines in certain circumstances will coincide with or occur after the SMR Measurement Date. The creation, perfection and registration of the security interest in certain instances is subject to various consents, approvals and authorizations from governmental authorities, power purchase agreements counterparties and existing lenders and such consents, approvals or authorizations may not be obtained in a timely manner, or may not be obtained at all, or may be subject to fulfilment of certain conditions. For example, a part of the project land of Renewables Trinethra Pvt. Ltd. and the Trinethra Wind and Hydro Power Private Limited is revenue land obtained on lease from the government of Gujarat, and prior permission of the relevant government authority is required for creation of mortgage over such land. In the past, permission for creation of mortgage over such land has been provided by the governmental authority based on the condition that the lender (for whose benefit the mortgage is being created) will provide an undertaking in the required format prior to sanctioning the credit facility. A similar condition may be imposed by the government authority while providing permission for creation of mortgage to secure the Onshore Debt. There can be no assurance that the trustee appointed in relation to the Onshore Debt, or the holder of the Onshore Debt shall be able to comply with such conditions.

The timeline for creation of security in certain instances is linked to the receipt of the required consent, which consents may never be obtained. Specifically, for (i) Trinethra Wind and Hydro Power Private Limited, security over certain immovable properties held by the Restricted Subsidiary would be created only after receipt of approval from the local authority for the creation and perfection of security by way of mortgage on the revenue land, and (ii) Renewables Trinethra Private Limited, security over certain immovable properties held by the Restricted Subsidiary would be created only after receipt of approval from the local authority for the creation and perfection of security by way of mortgage on the revenue land. Towards receipt of such consents, Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited shall be required to make applications to the relevant Government Authority for including the trustee for the NCDs as an approved security holder and for creation and perfection of the security in favour of the trustee for securing the Onshore Debt. Such approvals may or may not be granted.

The collateral documents to be executed in relation to the Onshore Debt, are proposed to be entered into no later than the respective time periods described in the Non-Convertible Debentures Term Sheets. Until the collateral documents are entered into, and the collateral underlying such Onshore Debt is created and perfected, the Onshore Debt will be unsecured. If any of the Restricted Subsidiaries fail to create, perfect and register the applicable collateral within the specified time period, an Event of Default will occur under the Non-Convertible Debentures Debt Term Sheets and the Onshore Debt trustee may accelerate the Onshore Debt and enforce the security interest over any collateral for which a security interest has been perfected, pursuant to such acceleration. Such declaration of an Event of Default under the Onshore Debt automatically leads to an Event of Default under the Notes pursuant to the Indenture. In such circumstances, the applicable Restricted Subsidiary may not have sufficient resources to repay the Onshore Debt, in full or at all. Moreover, any claim of the Onshore Debt trustee(s) in a bankruptcy or similar proceeding would be unsecured to the extent that the applicable Restricted Subsidiary has failed to or was not required to create, perfect and register any collateral securing the Onshore Debt, which could limit any recovery by the Issuer in any such proceeding. As of December 31, 2020,

the aggregate outstanding amount under the Restricted Group's non-current borrowings, current maturities of long-term borrowings and current borrowings was Rs. 35,966 million and Rs. 207 million towards interest accrued on indebtedness to the extent that any of this secured indebtedness remains outstanding after the issue/drawdown date of the Onshore Debt, the creditors of such secured indebtedness will be effectively senior to the obligations due under the Onshore Debt, until security over the Onshore Debt is created and perfected. Further, the Onshore Debt constitutes direct, unconditional and unsubordinated obligations of the respective issuers/borrowers, which will, within the respective time periods described the Non-Convertible Debentures Term Sheets, be secured pursuant to the collateral documents. The Onshore Debt will be effectively subordinated to any other secured indebtedness of the issuers/borrowers which ranks pari passu with the Onshore Debt, to the extent of the value of the assets over which the Issuer does not have security, securing that other indebtedness.

Further, the working capital lenders will have a first ranking charge over the current assets, book debts, certain accounts and receivables and the Onshore Debt will be secured by a second ranking charge over such assets. The working capital lenders will have a second ranking security interest over the other fixed and movable assets of the Restricted Subsidiaries (excluding certain accounts which are exclusively charged to secure the Onshore Debt) and the Onshore Debt will be secured by a first ranking charge over such assets. The working capital lenders will also have a second ranking pledge over 100% (one hundred percent) of the equity shares of each Restricted Group Issuer (other than in case of Watsun Infrabuild Private Limited where a second ranking pledge shall be created over 51% (fifty one percent) of the equity shares of Watsun Infrabuild Private Limited) and the Onshore Debt will be secured by a first ranking charge over such shares. In the event of a bankruptcy, liquidation, reorganization or other winding up of any of the applicable Restricted Subsidiary, such entity's assets that secure its senior secured indebtedness will be available to pay obligations on the Onshore Debt only after all indebtedness secured by a charge senior to the charge created for securing the Onshore Debt, together with accrued interest, has been repaid. If any of the issuers/borrowers is unable to repay its secured indebtedness, the lenders of such issuers/borrowers could foreclose on substantially all of its assets which serve as collateral. In such event, the senior secured lenders would be entitled to be repaid in full from the proceeds of the liquidation of those assets before those assets are available for distribution to other creditors, including holders of the Onshore Debt. The holders of the Onshore Debt will participate in the proceeds of the liquidation of the remaining assets of such issuer, ratably with holders of it secured indebtedness that is deemed to be of the same class as the Onshore Debt which would include the lenders issuing the debt service reserve bank guarantees in some cases.

The enforceability of the security created for the Onshore Debt and the guarantees granted for the benefit of the holder of the Onshore Debt will be subject to Indian law.

The laws of India may limit (i) the ability of the Restricted Subsidiaries to guarantee the Onshore Debt, 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 a guarantor of the Onshore Debt to receive adequate corporate benefit from the financing, financial assistance rules, rules governing preservation of share capital and fraudulent transfer principles. The courts of India have also laid down various judicial principles which govern invocation and release of guarantees. Accordingly, if the Issuer were to enforce the security or the guarantees of the Onshore Debt, its claims may be limited. If these limitations were not observed, the security created and the guarantees provided in relation to the Onshore Debt could be subject to legal challenge. Furthermore, although we believe that the security created and the guarantees of the Onshore Debt are enforceable (subject to local law restrictions), a third party creditor may challenge the security and/or the guarantees of the Onshore Debt and prevail in court. Any enforcement of the security or the guarantees after an insolvency event of any of the security providers or the guarantors of the Onshore Debt will be subject to

the insolvency and administrative laws of India, or the insolvency laws of the country where the center of main interests of guarantor of the Onshore Debt is situated.

In addition, if a bond trustee/security trustee were to foreclose upon its assets, there may be certain assets that the bond trustee/security trustee may not be able to effectively foreclose upon without the consent of third parties, such as governmental authorities or lenders. There can be no assurance that upon such foreclosure, the bond trustee/security trustee will be able to obtain all of the third-party approvals necessary to obtain or transfer ownership of all assets. Accordingly, there may not be sufficient proceeds from the secured assets to pay all or any of the amounts due on the Onshore Debt.

With respect to creation and perfection of the security interest over certain lands of the Restricted Subsidiaries as security for the Onshore Debt, the consent of the owner of the land may not be received or may be subject to onerous conditions.

In case of certain lands used by Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited, consent of the local revenue authorities is required for the creation and perfection of mortgage on such land. In case the local revenue authorities decline the consent request for the creation and perfection of a mortgage on such lands by Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited for securing the Onshore Debt, the Onshore Debt will not be secured by a mortgage over these lands. Further, in the past, when seeking consent for creation of mortgage on such lands, certain onerous conditions have been imposed in the consent which inter alia have included the lender of the debt to the relevant Restricted Subsidiary providing an undertaking for payment of all dues in connection with the land to the local government, a first right of the local government to recover all dues before permitting the lender to appropriate any recoveries made pursuant to any enforcement of the mortgage etc. Therefore, even if the consent is obtained from the local government, such consent could impose onerous conditions. There can be no assurance that the bond trustee/security trustee appointed in relation to the Onshore Debt, or the Issuer shall be able to comply with such conditions. Such conditions could also affect or impact any recoveries made by the Issuer on the enforcement of the mortgage in case of a default in the repayment of the Onshore Debt. Towards receipt of such consents, Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited shall be required to make applications to the relevant Government Authority for including the trustee for the NCDs as an approved security holder and for creation and perfection of the security in favour of the trustee for securing the Onshore Debt. Such approvals may or may not be granted.

Amounts received by the Issuer under the guarantees issued by the Restricted Subsidiaries for guaranteeing the Onshore Debt may not be sufficient to discharge the liabilities of the Restricted Subsidiaries to the Issuer for the Onshore Debt.

Under the guarantees to be issued by each Restricted Subsidiary, each Restricted Subsidiary shall guarantee the payment of all sums payable in relation to the Onshore Debt availed by the Indian Restricted Subsidiaries if the Indian Restricted Subsidiaries fail to pay any sum payable by it or them on the date specified for such payment. Any amounts recovered under the Guarantees will be applied in accordance with the order of payments specified for the Onshore Debt, under which the trustee appointed for the Onshore Debt may deduct certain amounts owing to the trustee and other administrative appointed for the Onshore Debt, the agents and other appointees of the trustee appointed for the NCDs. Further the guarantees would also guarantee the working capital facilities availed by the Restricted Subsidiaries. All amounts recovered under the guarantees will be shared on a pro rata basis (based on the outstanding amount) between the trustee appointed for the NCDs (for the payment of the Onshore Debt), and the lenders to the working capital facilities. As a result, in case such amounts are deducted from the amounts recovered under the guarantees or shared with other lenders of the Restricted Subsidiaries, the amounts received by Issuer may not be sufficient to discharge the entire amount of the Onshore Debt.

The value of the assets of the Restricted Subsidiaries or the shares of the Restricted Subsidiaries over which the security for the Onshore Debt shall be created and perfected may not be sufficient to cover the entire amount of the Onshore Debt.

No appraisals of the assets of the Restricted Subsidiaries or the shares of the Restricted Subsidiaries over which the security for the Onshore Debt shall be created and perfected have been or will be prepared. The value of the assets and the shares at any time will depend on market and other economic conditions, including the availability of suitable buyers for the assets or the shares. By its nature, the assets or the shares may be illiquid and may have no readily ascertainable market value. Likewise, the assets or the shares might not be saleable or, if saleable, there could be substantial delays in its liquidation.

In case of a Continuum Group Restructuring, the re-creation and the perfection of the security for the Onshore Debt may be delayed.

In case of a Continuum Group Restructuring, the security created for the benefit of the holders of Onshore Debt may have to be released, and the surviving Restricted Subsidiaries may have to re-create and re-perfect security over the assets of the surviving Restricted Subsidiaries and the Pledgor may have to re-create and re-perfect security over the shares of the surviving Restricted Subsidiaries for securing the Onshore Debt. Until the completion of the re-creation and re-perfection of such security, the Onshore Debt may be fully or partially unsecured. Further, at the time of such re-creation and re-perfection, third party consents, including consents from governmental and regulatory authorities, may be required for the re-creation and re-perfection of such security, and such consents may not be obtained at all. Please also refer to risk factor titled “*The failure of the Restricted Group to properly create, perfect and register the security interests in the collateral securing the Onshore Debt could result in an event of default under the Onshore Debt, which in turn would result in an event of default under the Notes and could impair the ability of the holders of the Notes to seek repayment; and the Onshore Debt may not be secured by a first ranking charge over all assets of the Restricted Group, which could result in the security not being sufficient to satisfy amounts in respect of the Onshore Debt.*” in relation to risks if the Onshore Debt is unsecured.

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. 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 US\$549 million in net proceeds from this offering after deducting the Initial Purchasers' discounts and our estimated offering fees and expenses.

The Issuer intends to use the net proceeds from this offering to subscribe for the NCDs issued by the Indian Restricted Subsidiaries as described below under “*Onshore Debt Proceeds*.” The Indian Restricted Subsidiaries intend to use the proceeds to repay existing indebtedness (other than the existing shareholders loans) in full; to repay loans received from subsidiaries of our Parent; to extend loans to subsidiaries of our Parent; to pay transaction fees and expenses; and to the extent any proceeds remain, for general corporate purposes including to finance working capital requirements.

On the Closing Date, the Issuer will deposit the net proceeds from this offering into the Escrow Accounts. Amounts in the Escrow Accounts will be released in multiple instalments for the Issuer to incur the Onshore Debt.

Notes Proceeds

The expected estimated sources and uses of the proceeds from the Notes is shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including the actual amount of Notes issued, accrued interest on debt being repaid, changes in the dollar-rupee exchange rate and differences from our estimates of fees and expenses associated with the transactions.

Sources of Funds	Amount	Uses of Funds	Amount
	(US\$ in millions)		(US\$ in millions)
Proceeds from the Notes ⁽¹⁾	561	Subscription of NCDs ⁽¹⁾⁽²⁾	549
	—	Expenses	12
Total sources	<u>561</u>	Total uses	<u>561</u>

Notes:

(1) Assumes an aggregate principal amount of US\$549 million of NCDs will be subscribed for at a discount to par of US\$561 million.

(2) Issued by the Indian Restricted Subsidiaries.

Onshore Debt Proceeds

The expected estimated sources and uses of the proceeds from the Onshore Debt is shown in the table below. Actual amounts will vary from estimated amounts depending on several factors, including the actual amount of Notes issued, accrued interest on debt being repaid, differences in the dollar — rupee exchange rate and differences from our estimates of fees and expenses associated with the transactions.

Sources of Funds	Amount	Uses of Funds	Amount
	(US\$ in millions)		(US\$ in millions)
Proceeds from NCDs			
Bothe Windfarm Development Private Limited ⁽¹⁾	125		
DJ Energy Private Limited ⁽¹⁾	93	Repay external debt and prepayment costs thereon ⁽²⁾	504
Uttar Urja Projects Private Limited ⁽¹⁾	75	Repay inter-corporate loans ⁽³⁾	44
Watsun Infrabuild Private Limited ⁽¹⁾	134		
Trinethra Wind and Hydro Power Private Limited ⁽¹⁾	101		
Renewables Trinethra Private Limited ⁽¹⁾	22		
		Loan to shareholder ⁽⁴⁾	1
Total sources	549	Total uses	549

Notes:

* 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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.

- (1) Assumes an aggregate principal amount of US\$549 million of NCDs will be subscribed for at a discount to par of US\$561 million.
- (2) Includes US\$121.01 million, US\$90.42 million, US\$73.17 million, US\$123.72 million, US\$68.93 million and US\$15.07 million outstanding under the external term loan and working capital loan facilities as of December 31, 2020 for 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 respectively. Further, It include net amount payable towards non fund based facility of Renewables Trinethra Private Limited of US\$0.48 million.
- (3) Inter-corporate loans advanced by CGEIPPL and its subsidiaries to the Restricted Group Companies, redemption of certain non-convertible debentures issued by Renewables Trinethra Private Limited, accumulated interest payable by the Restricted Group Companies on loans provided by CGEIPPL and CCDs subscribed by CGEIPPL in the Restricted Group Companies, certain amounts payable by Restricted Group Companies to CGEIPPL for expenses incurred by CGEIPPL.
- (4) Proceeds to be used for general corporate purposes and investments in new projects falling outside the Restricted Group.

There can be no assurance that any Onshore Debt will be incurred in such amount, or at all. If on the date that is three months after the date of the Indenture, any debt of the Indian Restricted Subsidiaries intended to be refinanced with the proceeds of the Notes remains outstanding, the Issuer shall be required to redeem the Notes in full. See “Risk Factors — Risks Relating to the Notes and the Collateral — The Issuer’s ability to pay the principal and interest on the Notes may be adversely affected by the offering structure and our corporate organization structure”, “Risk Factors — Risks Relating to the Notes and the Collateral — The inability to incur Onshore Debt may result in a Special Mandatory Redemption”, “Description of the Notes — Escrow Accounts” and “Description of the Notes — Special Mandatory Redemption.”

Green Bond Framework Overview

Introduction

Continuum Green Energy (“Continuum” or the “Company”) is focused on the development, design, construction and operation of renewable energy projects in India. Continuum is committed to sustainably generating and providing clean power by optimizing the use of clean energy resources and thereby supporting the community.

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 for the financing and/or refinancing of “Eligible Green Projects”, in whole or in part, that provide clear environmental benefits. “Eligible Green Projects” must meet the one of the following eligibility criteria:

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

Selection and evaluation of eligible green projects

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

Projects to be financed or re-financed using the Green Bond net proceeds will be selected using the criteria set out in the “Use of Proceeds” section of the Framework.

Management of Proceeds

Continuum will establish a Green Project Portfolio that will track the allocation of net proceeds from any Green Bond issued to Eligible Green Projects. Project must meet the eligible criteria outlined Framework throughout the term of the Green Bond. The Green Project Portfolio will be monitored by the Treasury team and Committee.

Continuum intends to allocate an equivalent amount of proceeds of each Green Bond to Eligible Green Projects. Prior to full allocation, or if early repayment occurs, proceeds will be held in accordance with Continuum’s general liquidity guidelines in cash, cash equivalents, and/or other liquid marketable instruments.

Reporting

Continuum intends to publish a “Green Bond Report” on the own website within one year of issuance, and will then be updated on an annual basis. The Green Bond Report will include an allocation reporting and an impact report.

Allocation reporting details the total amount of outstanding Green Bonds, the share of proceeds used for financing vs re-financing, as well as the balance of unallocated proceeds.

Impact reporting details the environmental impact of the Green Projects financed by the Green Bond net proceeds on a best effort basis.

Assurance

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 and provided the CICERO’s “Dark Green” rating.

CAPITALIZATION

The following table sets forth our combined cash and bank balance as derived from Special Purpose Unaudited Combined Financial Statements as at and for the nine months ended December 31, 2020 and Capitalization of the Restricted Group as at December 31, 2020:

- on an actual basis; and
- as adjusted to give effect to the issuance of the Notes offered hereby and the application of the proceeds therefrom to repay indebtedness as described under “*Use of Proceeds*” (assuming all of the amounts deposited in the Escrow Amount have been used to incur Onshore Debt and the full amount of indebtedness intended to be refinanced with the proceeds of the Notes is repaid).

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

	As of December 31, 2020			
	Actual		As Adjusted	
	(Rs. in millions)	(US\$ in millions) ⁽¹⁾	(Rs. in millions)	(US\$ in millions) ⁽¹⁾
Cash and bank balance	3,471	47.51	3,471	47.51
Deposit with remaining maturity for more than 12 months	471	6.45	471	6.45
Investment in mutual funds (quoted)	50	0.68	50	0.68
Total	3,992	54.64	3,992	54.64
Indebtedness:				
Borrowings from banks and financial institutions	35,966	492.32	— ⁽⁵⁾	—
Interest accrued but not due on borrowings	207	2.83	— ⁽⁵⁾	—
Notes offered hereby	—	—	41,000	561.23
Loans and dues to related parties ⁽³⁾	3,586	49.09	346 ⁽⁵⁾	4.74
Total indebtedness(a)	39,759	544.24	41,346	565.97
Compulsory fully convertible debentures (“CFCDs”)(b)	7,844	107.37	7,844	107.37
Combined shareholders’ funds — Restricted Group(c) ⁽⁴⁾	5,325	72.89	5,325	72.89
Capitalization (a+b+c)	52,928	724.51	54,515	746.23

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.
- (2) Borrowings from banks and financial institutions does not include Non fund based facility availed of Rs. 39 million as on December 31, 2020. Further, against the said facility Renewables Trinethra Private Limited has given cash margin of Rs. 4 million. Therefore, net amount payable against non fund based facility as on December 31, 2020 is Rs. 35 million.
- (3) Loans and dues to related parties includes loan from related parties amounting to Rs. 1,905 million, non-convertible debentures amounting to Rs. 283 million, dues to related parties amounting to Rs. 556 million and Interest Accrued but not due on borrowings (related parties) amounting to Rs. 842 million.

- (4) Combined shareholders' funds includes Combined Share Capital amounting to Rs. 5,338 million and Combined Reserves and Surplus and others to Rs. (13) million.
- (5) Adjusted for repayment of Borrowings from Banks and Financial Institutions of Rs. 35,966 million, Interest accrued but not due on borrowings of Rs. 207 million and certain portions of Loans and dues from related parties of Rs. 3,240 million

Except for the foregoing, there has been no material adverse change in our capitalization since December 31, 2020.

ENFORCEABILITY OF CIVIL LIABILITIES

India

All of the Restricted Subsidiaries 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 Restricted Subsidiaries reside in 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 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.

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 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 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 combined assets of the Issuer and our Parent are located outside the United States. Although the Issuer and our Parent 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 combined assets owned by the Issuer and our Parent are located outside the United States, any judgment obtained in the United States against the Issuer and our Parent 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 or their respective directors and officers. Singapore courts would not recognize or enforce judgments against the Issuer, our Parent 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

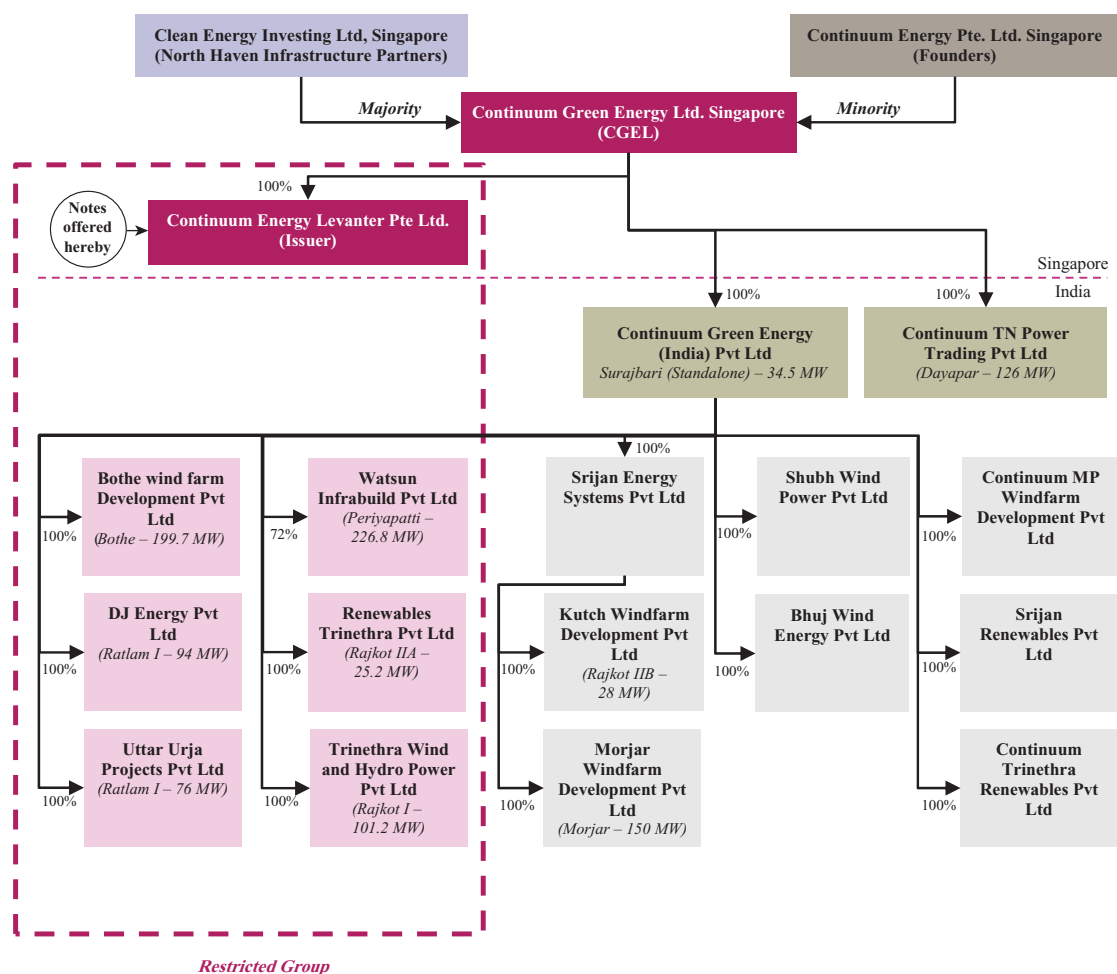
The following discussion should be read in conjunction with the Special Purpose Combined Financial Statements, included elsewhere in this Offering Memorandum. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those 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 Special Purpose Combined Financial Statements have been prepared in accordance with the recognition, measurement and disclosure principles of Indian GAAP, except for disclosure requirement of AS-20 Earnings Per Share and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India; however, as Indian GAAP does not provide specific guidance for the preparation of Combined Financial Statements and, accordingly, in preparing these special purpose combined financial statements, accounting conventions commonly used for the preparation of Consolidated Financial Statements in accordance with AS 21 Consolidated Financial Statements have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same special purpose combined financial statements are prepared on a basis that combines the results and assets and liabilities of each entity of the Restricted Group and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business. As we did not constitute a separate legal group of entities for the periods presented, the Special Purpose Combined Financial Statements are not necessarily indicative of our financial performance, financial position and cashflows that would have occurred if we had operated as a standalone group of entities during the periods presented, nor are they indicative of our future performance.

Overview

We own and operate three large wind farms and one large wind-solar co-located hybrid farm in India, which we believe positions us well to take advantage of India's abundant wind energy resources, the growth potential of India's renewable energy industry and the country's favorable regulatory framework for renewable energy. Our Bothe, Ratlam-I, Rajkot I and Rajkot IIA wind farms are located in the states of Maharashtra, Madhya Pradesh and Gujarat, respectively. Our Periyapatti wind-solar co-located hybrid farm is located in the state of Tamil Nadu. The Restricted Group refers to the Issuer, 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. We own all of the Restricted Group companies except for Watsun Infrabuild Pvt Ltd, 28% of which is held by our group captive C&I consumers.

Corporate Structure



As of December 31, 2020, the total installed and commissioned capacity was 722.9 MW comprising 644.1 MW wind generation capacity and 78.8 MWp of solar generation capacity. Out of this, PPAs have been executed with distribution utilities for 363.4 MW capacity and with C&I consumers in respect of 353.2 MW and PPAs are pending for 6.3 MW capacity. As of December 31, 2020, we have incurred a total combined capital expenditure of Rs. 47,593 million to develop the Bothe, Ratlam-I and Rajkot I and IIA wind farms and the Periyapatti wind-solar co-located hybrid farm.

From our Bothe and Ratlam projects, we sell electricity under the feed-in-tariff PPAs to distribution utilities i.e. MSEDCL and MPPMCL, respectively and realizing a tariff, fixed for the duration of the PPAs, of (i) Rs. 5.81 per kWh for 101.0 MW and Rs. 5.70 per kWh for 92.4 MW of electricity generated at the Bothe wind farm; and (ii) Rs. 5.92 per kWh for the 170 MW of electricity generated at the Ratlam-I wind farm. In addition, we also receive GBI benefits of Rs. 0.50 per kWh up to a cumulative value of Rs. 10 million per MW for each of these projects.

For our Rajkot I, Rajkot IIA and Periyapatti projects selling to 89 C&I consumers, we have varying tariffs under individual PPAs executed with the C&I customers. Tariffs 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 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.

The following table sets forth certain key operational data of our projects:

	<u>Status</u>	<u>Location</u>	<u>Total Capacity (MW)</u>	<u>Commissioning date</u>
Bothe	Operational	Maharashtra	199.7	Between May 2013 and December 2014
Ratlam-I	Operational	Madhya Pradesh	170.0	Between May 2015 to December 2015
Rajkot I and IIA	Operational	Gujarat	126.4	Between April 2019 to July 2020
Periyapatti	Operational	Tamil Nadu	148.0 (Wind) 78.8 (Solar)	November-December 2017 for 54MW of wind; November-December 2018 for 94 MW of wind; and June 2020 for 78.8 MWp of solar
Total			722.9	

Recent Development

Covid-19 Impact assessment of Restricted Group

The Restricted Group has considered the possible effects that may result from the pandemic relating to COVID-19 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 Restricted Group has evaluated the performance till the date of this Offering Memorandum along with internal and external sources on the expected future performance of the Restricted Group. The Restricted Group, based on the recent performance and considering current estimates expects the carrying amount of these property, plant and equipment, Investments, receivables and other current assets are fairly stated and fully recoverable. Considering, the Restricted 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 Special Purpose Combined Financial Statements for the year ended March 31, 2018, 2019 and 2020 and the Special Purpose Unaudited Combined Financial Statements for nine months ended December 31, 2020 which forms part of F pages included elsewhere in this Offering Memorandum is 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 solar energy projects are directly correlated with wind and solar conditions at its project sites. Variations in wind conditions occur as a result of fluctuations in wind currents on a daily, monthly and seasonal basis and, over the long-term, as a result of more general 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 during this period. 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. 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 turbines to suppliers, we are also building in-house O&M skills to oversee the operations and maintenance of our turbines and have been able 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 has invested in a sophisticated TOMS, a software platform that enables us to monitor the performance of our wind turbines over a large number of performance parameters and indicators. All our wind turbines, solar inverters and the dedicated substations are connected to TOMS 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. TOMS 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 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, 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 our solar farm, 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 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 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. Our O&M solar contract cover performance ratio guarantees for up to eight years, starting at 81.55%. For further details see “*Our Business — O&M*”.

Significant Recent Growth

The following table sets forth the capacity of our projects as of December 31, 2019 and 2020, and as of March 31, 2018, 2019 and 2020:

	As of December 31,	
	2019	2020
	(Capacity MW)	
Operational projects	<u>618.9</u>	<u>722.9</u>

	As of March 31,		
	2018	2019	2020
	(Capacity MW)		
Operational projects	<u>423.7</u>	<u>517.7</u>	<u>627.3</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 (MPPMCL and MSEDCL) and to C&I customers. While the PPAs with MPPMCL and MSEDCL reduce exposure to volatility in the market price for power, the predictability of our operating results and cash flows vary by project based on the negotiated terms of these agreements, in particular the tariffs. Our PPAs with MPPMCL and 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 C&I consumers are generally for 10 to 15 years, at tariffs set at a level lower than their alternative variable cost of electricity purchase from distribution utilities and cater to only 50-60% 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 or C&I customers. 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. While we do not have under-construction or under-development projects in the Restricted Group, capital expenditures are necessary to maintain and improve the operating conditions of our projects and meet regulatory and prudential operating standards. Future costs will be highly dependent on the cost of components and availability of contractors that can perform the necessary work to 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 Rs. 5.76 per unit for the 193.4 MW of electricity generated at the Bothe wind farm, a tariff of Rs. 5.92 per unit for the 170 MW of electricity generated at the Ratlam-I wind farm, and our tariff for the Rajkot I and IIA wind farm and the Periyapatti wind-solar co-located hybrid farm are varied across our 89 C&I customers. In addition, the GBI scheme, which provides an incremental incentive of Rs. 0.5/kWh capped at Rs. 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-I projects for a minimum period of four years and up to a maximum period of 10 years. Our Indian Restricted Group projects benefit from preferential tariffs as well as GBI.

Post 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. A move towards competitive bidding may impact the tariffs that renewable energy projects receive under their PPAs, and we cannot predict the potential impact of such change. 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 wind 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 15.0% of India’s energy requirements to be derived from renewable energy sources by 2020 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. At the time of printing, 27 out of 29 states have already fixed these RPO targets, varying from approximately 0.25% to 10.0%. According to estimates by the World Institute of Sustainable Energy, the generation share of India’s target of 15.0% for renewable energy equates to a capacity of approximately 107,000 MW by 2020. The GoI has also recently signaled a shift from FIT to reverse auction-based tariffs for award of future wind energy projects.

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 have specific financial targets, in particular maintaining targets for debt gearing, net debt and EBITDA levels which are constantly monitored. Further, we have a conservative dividend policy with a priority on reinvesting cash to fund our growth. In addition, our hedging policy provides for full hedging 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 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.

Special Purpose Combined Statement of Profit and Loss

The following is a brief description of the principal line items that are included in the Special Purpose Combined Statement of Profit and Loss.

Revenue from Operations

Our revenue from operations consists of the sale of electricity, Generation based incentive and revenue loss recovered.

Sale of electricity

Revenue from the sale of electricity is dependent on the amount of power generated by our projects and is recognized on the basis of the number of units of power exported in accordance with joint meter readings undertaken with distribution companies at the eligible rates set forth in the respective PPA with such distribution utilities/customers under group captive mechanism/open access or as per the average power purchase cost (APPC) rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of Bothe's unsigned PPA's and the surplus power as per the rate prescribed by relevant state regulatory commission to state distribution utilities. Claims for delayed payment charges and other claims, if any, are recognized as per the terms of PPAs only when there is no uncertainty associated with the collectability of such claims.

Generation based incentive (GBI)

The GBI scheme, which provides an incremental incentive of Rs. 0.5/kWh capped at Rs. 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 GBI scheme. See "*Regulation — Generation Based Incentive Scheme.*"

Other Income

Other income includes interest income from bank deposits, tax refunds and unsecured loan to related parties. It also includes liquidated damages recovered from contractor, profit on sale of units of mutual funds, insurance claims received and other miscellaneous income.

Total Expenses

Total expenses comprises operating and maintenance expenses, employee benefits expense and other expenses.

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 benefit expenses primarily include salaries, wages and bonus, as well as payable, staff welfare expenses, contributions to provident fund and other funds, a provision for gratuity expenses and leave benefits.

Other expenses

Other expenses include common overheads, provision towards litigation and contingencies, legal and professional fees, insurance expense, travelling, lodging, and boarding expenses, rates and taxes, repairs and maintenance, rebates and discounts, office administration, communication cost, auditor remuneration, site development & site related expenses and other miscellaneous expenses.

Depreciation

Depreciation and impairment in value of property, plant and equipment

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

<u>Category of fixed assets</u>	<u>Method of Depreciation</u>	<u>Useful life</u>
Buildings	SLM	30 Years
Leasehold land	SLM	Over the lease term
Plant and equipment ⁽¹⁾	WDV	3 –15 Years
	SLM	25 – 40 years
Furniture and fixtures	WDV	10 Years
Vehicles	WDV	10 Years
Office equipment	WDV	15 Years
Computers	WDV	3 Years
Electricals fittings ⁽¹⁾	SLM	8 and 25 Years

Note:

- (1) The useful life of the plant and machinery (WTGs and solar farms) and electrical fittings are considered as 25 years which is higher 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 methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment

The Indian Restricted Subsidiaries assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Indian Restricted Subsidiaries estimate 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 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.

Further, 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 company estimates the asset's or cash-generating unit'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 amount 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 statement of profit and loss.

Finance Cost

Finance cost comprises interest on term loans, cash credit, CCD and unsecured loans from related parties. It also includes other borrowing costs and amortization of ancillary cost of borrowings.

Current tax (MAT Payable)

During fiscal 2019 to fiscal 2020, restricted subsidiaries have adopted new tax regime available under Section 115BAA, which has reduced base tax rate to 22% and provisions related to MAT are not applicable. Consequently, there was no tax payable for the financial year ended March 31, 2020 as there are sufficient brought forward tax losses.

Deferred tax

Net Deferred tax includes deferred tax liability recognized on account of timing differences of depreciation and deferred tax asset recognized on unabsorbed depreciation loss under the Indian Income Tax Act, 1961.

Results of Operations

The following table sets out select financial data derived from the Special Purpose Unaudited Combined Financial Statements for the nine months ended December 31, 2020 included elsewhere in this Offering Memorandum:

Nine Months Ended December 31, 2020 Compared to Nine Months Ended December 31, 2019

	Nine months ended		
	December 31,		
	2019	2020	2020
	(US\$ in		
	(Rs. in millions)	millions) ⁽¹⁾	
Combined Summary Statement of Profit or Loss			
Revenue from operations	6,416	6,238	85.39
Other income	265	473	6.47
Total income	6,681	6,711	91.86
Operating and maintenance expenses	647	797	10.91
Employee benefits expense	78	87	1.19
Other expenses	387	341	4.67
Total expenses	1,112	1,225	16.77
Earnings before interest, tax, depreciation and amortisation (EBITDA)	5,569	5,486	75.10
Depreciation expense	1,192	1,338	18.32
Finance costs	2,801	3,361	46.01
Profit before tax	1,576	787	10.77
MAT credit entitlement charge	256	—	—
Deferred tax	(291)	202	2.77
Total tax expenses	(35)	202	2.77
Profit after tax	1,611	585	8.01
Share of profit attributable to minority shareholders' funds	83	76	1.04
Profit for the period	1,528	509	6.97

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.

Revenue from operations

Revenue from operations decreased by 2.8% from Rs. 6,416 million for the nine months ended December 31, 2019 to Rs. 6,238 million for the nine months ended December 31, 2020. The following table sets forth the breakdown of our revenue from operations for the indicated periods:

	Nine months ended December 31,	
	2019	2020
	(Rs. in millions, unless otherwise stated)	
Sale of electricity	6,086	5,962
Generation-based incentive (GBI)	330	276
Revenue from operations	<u>6,416</u>	<u>6,238</u>
Installed capacity at beginning of period (MW)	517.7	627.3
Installed capacity at end of period (MW)	618.9	722.9
Generation (GWh)	1,113	1,141

Revenue from sale of electricity decreased by 2.0% from Rs. 6,086 million for the nine months ended December 31, 2019 to Rs. 5,962 million for the nine months ended December 31, 2020, which was primarily attributable to lower generation on account of higher decrease in wind speeds 2020 in some of the higher tariff projects compared to the decrease in some of the lower tariff projects. The decrease was partly set off by increase in revenue on account of addition of new project i.e. in Rajkot and full year operation of Rajkot I Project on account of fully operational turbines in nine months ending December 2020.

GBI decreased by 16.4% from Rs. 330 million for the nine months ended December 31, 2019 to Rs. 276 million for the nine months ended December 31, 2020 which was primarily attributable to lower generation on account of low wind speed. Also effective from April 1, 2020, revenue from 6.3 MW of Bothe is being recognised with APPC rate instead of PPA Rate & GBI.

Generation for the nine months ended December 31, 2019 and December 31, 2020 was 1,113 GWh and 1,141 GWh, respectively, which is an increase of 2.5%.

Other income

Other income increased by 78.5% from Rs. 265 million for the nine months ended December 31, 2019 to Rs. 473 million for the nine months ended December 31, 2020, primarily due to increased interest received on additional loans advanced to CGEIPL and other subsidiary companies in the group. The increase was partially set off by decrease in interest income earned on fixed deposits due to utilisation of cash during the period.

Total expenses

Total expenses increased by 10.2% from Rs. 1,112 million for the nine months ended December 31, 2019 to Rs. 1,225 million for the nine months ended December 31, 2020, primarily due to an increase in operating and maintenance expenditure of WTG for the project in Periyapatti, as there was a free O&M period for the maintenance of WTG's as per agreement ending in December 2019 for Phase 1 and July 2020 for Phase 2 and due to an increase in operating expense mainly transmission charges for Rajkot I which was not operating at full capacity, as the project was under construction during nine months ended December 2019 and Rajkot IIA

project as it was not operational during the nine months ending on September 2019. Further, on account of DSM charges which were being recovered from August 2019 for Rajkot 1 project and January 2020 for Bothe Project.

Depreciation

Depreciation expense increased by 12.2 % from Rs. 1,192 million for the nine months ended December 31, 2019 to Rs. 1,338 million for the nine months ended December 31, 2020, primarily due to increase in addition to property, plant and equipment on account of commissioning of Periyapatti solar project and Rajkot IIA Project. Further, during the nine months ended December 31, 2019, Rajkot 1 project was under construction which achieved commercial operation in December 2019, Consequently, in current period depreciation is provided for full period on total assets of Rajkot 1 project.

Finance costs

Finance costs increased by 20.0% from Rs. 2,801 million for the nine months ended December 31, 2019 to Rs. 3,361 million for the nine months ended December 31, 2020, primarily due to increase in term loans drawn down in Rajkot I, Periyapatti solar and Rajkot IIA project which were under construction during the nine month ended period December 31, 2019, additional loan drawdown in DJ Energy Private Limited and Uttar Urja Projects Private Limited, interest expense on unsecured loan and CCD accrued in Rajkot I project, post it achieved commercial operations in December 2019.

Profit/(Loss) before tax

For the reasons discussed above, profit before tax decreased from a profit of Rs. 1,576 million for the nine months ended December 31, 2019 to a profit of Rs. 787 million for the nine months ended December 31, 2020.

Current tax

Effective from April 01, 2019, Indian Restricted Subsidiaries have adopted new tax regime available under Section 115BAA, which has reduced base tax rate to 22% and provision of MAT are not applicable. Consequently, there is no tax payable for the nine months ended December 31, 2019 and December 31, 2020 as there are sufficient brought forward tax losses. For the period ended December 31, 2019, the group had decided to adopt new tax regime and consequently had written off MAT credit entitlement. Accordingly, tax expense Rs. 256 million was charged to profit and loss account.

Deferred tax

Deferred tax liability is recognised for the period ended December 31, 2020 for the timing difference of depreciation. During the period ended December 31, 2019, restricted subsidiaries have adopted new tax regime available under Section 115BAA, accordingly, it had to give up benefits available under Section 80IA. Consequently, deferred tax liability outstanding at April 01, 2019 was remeasured and one-time impact on account of creation of Deferred tax asset on unabsorbed depreciation losses was given to statement of profit and loss account.

Profit after tax

As a result of the foregoing, our profit after tax decreased from a profit after tax of Rs. 1,611 million for the nine months ended December 31, 2019 to a profit after tax of Rs. 585 million for the nine months ended December 31, 2020.

Share of profit attributable to minority shareholders

It represents the share of profit attributable to minority shareholders on account of profit reported in Watsun.

Profit for the period

As a result of the foregoing, our profit for the period decreased from a profit of Rs. 1,528 million for the nine months ended December 31, 2019 to a profit of Rs. 509 million for the nine months ended December 31, 2020.

Fiscal Year Ended March 31, 2020, 2019 and 2018

	Fiscal year ended March 31,			
	2018	2019	2020	2020
	(Rs. in millions)			(US\$ in millions) ⁽¹⁾
Combined Summary Statement of Profit or Loss				
Revenue from operations	4,704	6,332	7,636	104.53
Other income	214	297	474	6.49
Total income	4,918	6,629	8,110	111.01
Operating and maintenance expenses	349	513	863	11.81
Employee benefits expense	74	92	112	1.53
Other expenses	450	462	747	10.23
Total expenses	873	1,067	1,722	23.57
Earnings before interest, tax, depreciation and amortization (EBITDA)	4,045	5,562	6,388	87.44
Depreciation expense	1,063	1,351	1,613	22.08
Finance costs	3,061	3,414	3,985	54.55
Profit/(loss) before tax	(79)	797	790	10.81
Current tax	63	163	—	—
MAT credit entitlement	(63)	(160)	—	—
MAT credit entitlement of prior year	(32)	(1)	—	—
MAT credit entitlement charge	—	—	256	3.50
Deferred tax	338	197	(466)	(6.38)
Total tax expenses	306	199	(210)	(2.87)
Profit/(loss) after tax	(385)	598	1,000	13.69
Share of profit/(loss) attributable to minority shareholders' funds	(67)	28	31	0.42
Profit / (loss) for the year	(318)	570	969	13.27

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.

Fiscal 2020 Compared to Fiscal 2019

Revenue from operations

Revenue from operations increased by 20.6% from Rs. 6,332 million in fiscal 2019 to Rs. 7,636 million in fiscal 2020. The following table sets forth the breakdown of our revenue of operations for the indicated periods:

	As of March 31,	
	2019	2020
	(Rs. in millions, unless otherwise stated)	
Sale of electricity	5,929	7,247
Generation based incentive (GBI)	393	389
Revenue loss recovered from contractor ⁽¹⁾	10	—
Revenue from operations	6,332	7,636
Installed capacity at beginning of period (MW)	423.7	517.70
Installed capacity at end of period (MW)	517.7	627.3
Generation (GWh)	1,071	1,326

Note:

(1) Includes the generation loss recovered as compensation from one of our vendors.

Revenue from sale of electricity increased by 22.2% from Rs. 5,929 million in fiscal 2019 to Rs. 7,247 million in fiscal 2020, which was primarily due to the commissioning of windfarms in Rajkot I and IIA in fiscal 2020. Also, it comprises of increase due to full year operation of Phase-II of Periyapatti wind power project (94 MW) in fiscal 2020 as compared to fiscal 2019 as project fully commissioned in November 2018.

Generation based incentives decreased by 1.0% from Rs. 393 million in fiscal 2019 to Rs. 389 million in fiscal 2020, primarily due to marginal reduction in generation in Ratlam-I wind farms. Periyapatti, Rajkot I and IIA projects are not eligible for GBI benefits.

We recovered a loss of Rs. 10 million in fiscal 2019 from one of our vendors in respect of loss of revenue due to lower machine availability and exceeding reactive power drawn for Ratlam-I project.

Our generation for fiscal 2019 and fiscal 2020 was 1,071 GWh and 1,326 GWh, respectively, that is an increase of 23.81%.

Other income

Other income increased by 59.6% from Rs. 297 million in fiscal 2019 to Rs. 474 million in fiscal 2020, primarily due to liquidated damages received in Rajkot I and increased interest income on fixed deposits and unsecured loans given to related parties.

Total expenses

Total expenses increased by 61.4% from Rs. 1,067 million in fiscal 2019 to Rs. 1,722 million in fiscal 2020, primarily due to following reasons:

- (a) Increase in operating and maintenance expenses are increased as the free operating and maintenance period for WTG in case of Ratlam-I project and Periyapatti project got ended in December 2018 and in case of Phase I of Periyapatti project ended in December 2019 respectively. In addition to that, our operating expense for Rajkot I and IIA project got operationalised in fiscal 2019 and fiscal 2020 lead to increase in expenses which were not operational in fiscal 2018 to fiscal 2019.
- (b) Increase in employee benefits expense primarily due to annual increase in compensation.
- (c) Increase in other expenses mainly on account of Rajkot I and IIA project achieved commercial operation, certain one-time provisions relating to provision relating to unbilled revenue in case of Bothe and early commissioning incentive in Rajkot I project.

Depreciation expense

Depreciation expense increased by 19.4% from Rs. 1,351 million in fiscal 2019 to Rs. 1,613 million in fiscal 2020, primarily due to the Rajkot I project being commissioned leading to depreciation on turbines capitalised during the year. For Periyapatti project, depreciation on Fixed Asset for Phase II for full year has been considered in fiscal 2020 as opposed to fiscal 2019 where WTGs were capitalised in a phased manner between June 2018 to November 2018.

Finance costs

Finance costs increased by 16.7% from Rs. 3,414 million in fiscal 2019 to Rs. 3,985 million in fiscal 2020, primarily due to increase in term loans taken to meet the project fund requirements, interest on unsecured loan and CCD for the Rajkot I project from the period of commercial operation date and interest on CCDs in Watsun. Further, also on account of interest expenses and other borrowing cost being charged to profit and loss instead of capital work in progress due to commissioning of turbines for the Periyapatti project.

Profit before tax

For the reasons discussed above, we recorded a profit before tax of Rs. 797 million in fiscal 2019 and profit before tax of Rs. 790 million in fiscal 2020.

Current tax (MAT payable)

During fiscal 2019 to fiscal 2020, Indian Restricted Subsidiaries have adopted new tax regime available under Section 115BAA, which led to reduction in base tax rate to 22% and provision of MAT are not applicable. Consequently, there is no tax payable as there are sufficient brought forward tax losses. Consequently, Restricted Group had written off MAT credit entitlement Rs. 256 million in statement of profit and loss.

Deferred tax

During fiscal 2019 to fiscal 2020, restricted subsidiaries have adopted new tax regime available under Section 115BAA, accordingly, it had to give up benefits available under Section 80IA. Consequently, deferred tax liability outstanding at April 01, 2019 was remeasured and one-time impact on account of creation of a deferred tax asset on unabsorbed depreciation losses was given to statement of profit and loss account.

Profit after tax

For the reasons discussed above, we recorded a profit after tax of Rs. 598 million in fiscal 2019 and profit after tax of Rs. 1,000 million in fiscal 2020.

Share of profit attributable to minority shareholders' funds

It represents the share of profit attributable to minority shareholders' funds on account of profit reported in Watsun.

Profit for the year

As a result of the foregoing, our profit for the year increased from a profit of Rs. 570 million for the year ended March 31, 2019 to a profit of Rs. 969 million for the year ended March 31, 2020.

Fiscal 2019 Compared to Fiscal 2018

Revenue from operations

Revenue from operations increased by 34.6 % from Rs. 4,704 million in fiscal 2018 to Rs. 6,332 million in fiscal 2019. The following table sets forth the breakdown of our revenue from operations for the indicated periods:

	As of March 31,	
	2018	2019
	(Rs. in millions, unless otherwise stated)	
Sale of electricity	4,337	5,929
Generation-based incentive (GBI)	365	393
Revenue Loss recovered from contractor	2	10
Revenue from operations	<u>4,704</u>	<u>6,332</u>
Installed capacity at beginning of period (MW)	369.7	423.7
Installed capacity at end of period (MW)	423.7	517.7
Generation (GWh)	735	1,071

Sale of electricity increased by 36.7 % from Rs. 4,337 million in fiscal 2018 to Rs. 5,929 million in fiscal 2019, which was primarily attributable to full year of operation of Phase I of Periyapatti wind power project (54 MW) as the same was commissioned in December 2017 and commissioning of Phase II of Periyapatti wind power project (94 MW) in November 2018.

Generation based incentives increased by 7.7% from Rs. 365 million in fiscal 2018 to Rs. 393 million in fiscal 2019, primarily due to increased generation in fiscal 2019

Revenue loss recovered from contractors amounts to Rs. 10 million in fiscal 2019 which is towards lower machine availability and exceeding reactive power drawn from Ratlam-I wind farm and Revenue loss recovered from contractor amounts to Rs. 2 million for fiscal 2018 on similar grounds.

Generation in fiscal 2018 and fiscal 2019 was 735 GWh and 1071 GWh, respectively, which is an increase of 45.71 %.

Other income

Other income increased by 38.8% from Rs. 214 million in fiscal 2018 to Rs. 297 million in fiscal 2019, primarily due to increased interest income on fixed deposits.

Total expenses

Total expenses increased by 22.2% from Rs. 873 million in fiscal 2018 to Rs. 1,067 million in fiscal 2019, primarily due to an increase in expenses of Peryapatti project on account of commissioning of 47 more turbines in fiscal 2019 and whole year operations of 27 turbines commissioned in Dec 17. The increase was partially set off by decrease in expense of CELPL which were higher in fiscal 2018 due to Bond issue expenses.

Depreciation expense

Depreciation expense increased by 27.0% from Rs. 1,063 million in fiscal 2018 to Rs. 1,351 million in fiscal 2019, primarily on account of capitalization of 47 turbines in fiscal 2019 and whole year depreciation of 27 turbines commissioned in Dec 17.

Finance costs

Finance costs increased by 11.5% from Rs. 3,061 million in fiscal 2018 to Rs. 3,414 million in fiscal 2019, primarily due to increase in term loans through drawdowns taken to meet the project fund requirements for the Periyapatti Phase II. Further, also on account of interest and other borrowing cost being charged to the profit and loss account post commissioning of WTGs.

Profit/(Loss) before tax

For the reasons discussed above, profit before tax increased from a loss of Rs. 79 million in fiscal 2018 to a profit of Rs. 797 million in fiscal 2019.

Current tax (including MAT)

There was a current tax credit of Rs. 32 million in fiscal 2018 and there was tax expense of Rs. 2 million in fiscal 2019, primarily due to creation of MAT credit entitlement in fiscal 2018 of earlier years.

Deferred tax

Deferred tax decreased from Rs. 338 million in fiscal 2018 to Rs. 197 million in fiscal 2019, primarily due to the creation of a deferred tax asset on unabsorbed depreciation losses in Watsun.

Profit/(Loss) after tax

As a result of the foregoing, our profit after tax increased from a loss after tax of Rs. 385 million in fiscal 2018 to a profit after tax of Rs. 598 million in fiscal 2019.

Share of profit/(loss) attributable to minority shareholders

It represents the share of profit/(loss) attributable to minority shareholders on account of profit/(loss) reported in Watsun.

Profit for the year

As a result of the foregoing, our profit for the year increased from a loss of Rs. 318 million for the year ended March 31, 2018 to a profit of Rs. 570 million for the year ended March 31, 2019.

Liquidity and Capital Resources

Overview

As of March 31, 2020, our cash and bank balances were Rs. 3,560 million. Our financing requirements are primarily for:

- maintenance and operation of projects;
- financing and servicing of debt;
- funding working capital needs; and
- general overheads.

We fund our operations and capital requirements primarily through equity and CCD instruments and debt provided by CGEIPPL and debt financing facilities from commercial banks and financial institutions. We believe that our credit facilities, together with cash generated from our operations and cash from investments by our Parent 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.

As of March 31, 2020, we had trade receivables of Rs. 1,407 million. During the nine months ended December 31, 2020, we collected Rs. 1,004 million against our March 31, 2020 trade receivables balance, primarily in connection with the payments due from MSDDL.

Cash Flows

A summary of the Special Purpose Combined Cash Flow Statement is set forth below are derived from Special Purpose Unaudited Combined Cash Flow Statement for the nine months ended December 31, 2020 included elsewhere in this Offering Memorandum:

	Nine months ended December 31,		
	2019	2020	2020
	(Rs. in millions)		(US\$ in millions) ⁽¹⁾
Combined Summary Cash Flow Statement			
Net cash flows from operating activities	5,391	2,789	38.18
Net cash flows (used in)/from investing activities	(8,324)	283	3.87
Net cash flows (used in)/from financing activities	3,884	(2,503)	(34.26)
Foreign currency translation reserve	0	1	0.01
Cash and cash equivalents at the beginning of the year	2,066	1,098	15.03
Cash and cash equivalents at the end of the period ⁽²⁾⁽³⁾	3,017	1,668	22.83

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.
- (2) The cash and cash equivalent of Rs. 1,668 million (March 31, 2020 Rs. 1,098 million) and other bank balance of Rs. 1,803 million (March 31, 2020 Rs. 2,462 million) forms part of the cash and bank balance of Rs. 3,471 million (March 31, 2020 Rs. 3,560 million) as disclosed in special purpose combined balance sheet.
- (3) Cash and cash equivalents at the end of the financial period amounting to Rs. 3,017 million includes Cash in transit amounting to Rs. 1,075 million.

Net cashflow from/Net cash flow used in operating activities

For the nine months ended December 31, 2019, our net cash flows from operating activities was Rs. 5,391 million. This net cash inflow was primarily attributable to (i) Profit before tax of Rs. 1,576 million and Finance Costs of Rs. 2,801 million and Depreciation expense of Rs. 1,192 million and interest income of Rs. 257 million, and (ii) aggregate of movements in working capital of Rs. 53 million, aggregate of movements in working capital primarily includes a decrease in trade receivables of Rs. 59 million.

For the nine months ended December 31, 2020, our net cash flows from operating activities was Rs. 2,789 million. This net cash inflow was primarily attributable to (i) Profit before tax of Rs. 787 million and Finance Costs of Rs. 3,361 million and Depreciation expense of Rs. 1,338 million and interest income of Rs. 442 million, and (ii) aggregate of movements in working capital of Rs. 2,262 million, aggregate of movements in working capital primarily includes an increase in trade receivables of Rs. 2,359 million.

Net cashflow from/Net cashflow used in investing activities

For the nine months ended December 31, 2019, our net cash flows (used in) investing activities of Rs. 8,324 million primarily includes (i) Rs. 8,059 million in purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors and (ii) Rs. 1,038 million investment in optionally convertible redeemable preference shares. (iii) Rs. 411 million towards fixed deposits withdrawn (net), Rs. 77 million towards unsecured loans repaid by related party and (iv) Rs. 285 million interest received.

For the nine months ended December 31, 2020, our net cash flows from investing activities of Rs. 283 million primarily includes (i) Rs. 475 million used for purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors and (ii) Rs. 484 million towards fixed deposits withdrawn (net) and (iii) Rs. 221 million interest received.

Net cashflow from/Net cashflow used in financing activities

For the nine months ended December 31, 2019, our net cash flows from financing activities of Rs. 3,884 million was primarily attributable to proceeds from long term borrowings of Rs. 16,015 million, Repayment of long term borrowing of Rs. 8,987 million and Finance costs paid of Rs. 2,663 million.

For the nine months ended December 31, 2020, our net cash flow (used in) financing activities of Rs. 2,503 million was primarily attributable to proceeds from long-term borrowings of Rs. 2,949 million, Repayment of long-term borrowings of Rs. 4,203 million and Finance costs paid of Rs. 2,247 million.

	Fiscal year ended March 31,			
	2018	2019	2020	2020
	(Rs. in millions)			(US\$ in millions) ⁽¹⁾
Combined Summary Cash Flow Statement				
Net cash flows from operating activities	4,251	7,057	5,987	81.95
Net cash flows (used) in investing activities	(5,390)	(7,122)	(12,694)	(173.76)
Net cash flows from financing activities	1,028	1,058	5,737	78.53
Foreign Currency Translation Reserve	0	3	2	0.03
Cash and cash equivalents at the beginning of the year	1,181	1,070	2,066	28.28
Cash and cash equivalents at the end of the year ⁽²⁾	1,070	2,066	1,098	15.03

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.
- (2) The cash and cash equivalent of Rs. 1,098 million (March 31, 2019; Rs. 2,066 million and March 31, 2018; Rs. 1,070 million) and other bank balance of Rs. 2,462 million (March 31, 2019; Rs. 2,237 million and March 31, 2018; Rs. 814 million) forms part of the cash and bank balance of Rs. 3,560 million (March 31, 2019; Rs. 4,303 million and March 31, 2018; Rs. 1,884 million) as disclosed in special purpose combined balance sheet.

Net cashflow from/Net cashflow used in operating activities

In fiscal 2018, our net cash flows from operating activities was Rs. 4,251 million. This net cash inflow was primarily attributable to (i) loss before tax of Rs. 79 million and an interest income of Rs. 210 million and depreciation expense of Rs. 1,063 million and finance cost of Rs. 3,061 million, and (ii) aggregate of movements in working capital of Rs. 446 million. Aggregate of movements in working capital primarily includes an increase in trade receivables of Rs. 1,130 million and a decrease in other current assets and non-current assets of Rs. 1,636 million.

In fiscal 2019, our net cash flows from operating activities was Rs. 7,057 million. This net cash inflow was primarily attributable to (i) profit before tax of Rs. 797 million and interest income of Rs. 278 million and depreciation expense of Rs. 1,351 million and finance costs of Rs. 3,414 million, and (ii) aggregate of movements in working capital of Rs. 2,017 million. Aggregate of movements in working capital primarily includes a decrease in trade receivables of Rs. 2,021 million and an increase in other current assets and non current assets of Rs. 131 million.

In fiscal 2020, our net cash flows from operating activities was Rs. 5,987 million. This net cash inflow was primarily attributable to (i) profit before tax of Rs. 790 million, interest income of Rs. 350 million, finance costs of Rs. 3,985 million and depreciation expense of Rs. 1,613 million, and (ii) aggregate of movements in working capital of Rs. 45 million. Aggregate of movements in working capital primarily includes an increase in trade receivables of Rs. 394 million and an increase in other current assets and non-current assets of Rs. 288 million, an increase in other liabilities of Rs. 461 million and an increase in trade payable of Rs. 105 million.

Net cashflow used in investing activities

In fiscal 2018, our net cash flows (used in) investing activities of Rs. 5,390 million primarily includes (i) Rs. 4,946 million in purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors and (ii) Rs. 698 million towards Investment in fixed deposits and (iii) Rs. 196 million as interest received.

In fiscal 2019, our net cash flows (used in) investing activities of Rs. 7,122 million primarily includes (i) Rs. 6,007 million in purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors (ii) Rs. 1,522 million towards Investment in fixed deposits and (iii) Rs. 243 million as interest received.

In fiscal 2020, our net cash flows (used in) investing activities of Rs. 12,694 million primarily includes (i) Rs. 9,164 million in purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors (ii) Rs. 422 million towards Investment in fixed deposit and (iii) Rs. 2,423 million given as loan to related party and (iv) Rs. 353 million as interest received.

Net cashflow from/Net cashflow used in financing activities

In fiscal 2018, our net cash flows from financing activities of Rs. 1,028 million was primarily attributable to Rs. 16,761 million of proceeds from long-term borrowings, Rs. 13,649 million of repayments of long-term borrowings, offset by Rs. 1,815 million on account of proceeds from issuance of CFCDs, Rs. 544 million in repayment of short-term borrowings and an aggregate of Rs. 3,356 million towards finance costs paid.

In fiscal 2019, our net cash flows from financing activities of Rs. 1,058 million was primarily attributable to Rs. 9,887 million of proceeds from long-term borrowings and Rs. 172 million of proceeds from short-term borrowings, offset in part by Rs. 6,680 million in repayment of long-term borrowings and an aggregate of Rs. 3,231 million towards finance costs paid.

In fiscal 2020, our net cash flows from financing activities of Rs. 5,737 million was primarily attributable to Rs. 18,698 million of proceeds from long-term borrowings and Rs. 6 million of proceeds from short-term borrowings, offset by Rs. 9,367 million in repayment of long-term borrowings Rs. 56 million towards proceeds from non-convertible debentures and an aggregate of Rs. 3,656 million towards finance costs paid.

Indebtedness

As of March 31, 2020, we had aggregate outstanding indebtedness of Rs. 37,571 million and had an aggregate outstanding indebtedness of Rs. 38,154 million as of December 31, 2020. Indebtedness comprises of long-term and short-term borrowings from banks and financial institutions including current maturities of long-term borrowings, together with loans from related parties and non-convertible debentures (NCDs) and does not include interest accrued but not due on borrowings and dues from related parties.

Our borrowings are typically secured by a lien on the assets of the project to which they relate and a pledge of shares of the related 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. We intend to repay all of our existing indebtedness with the proceeds from this offering, as described more fully under “*Use of Proceeds*.”

In order to provide relief to borrowers due to Covid-19 Pandemic, Reserve Bank of India vide its circular no. RBI/2019-20/186 dated March 27, 2020 had announced certain measures under which Lenders were permitted to allow deferment of three months on debt servicing falling due between March 01, 2020 to May 31, 2020. Accordingly, certain term loan lenders of Bothe, DJEPL, UUPPL, Watsun and Trinethra have approved deferment of term loan instalment and interest falling due between March 01, 2020 to May 31, 2020.

Reserve Bank of India further extended benefit of this scheme vide its Circular no. RBI/2019-20/244 dated May 23, 2020 for the period from June 01, 2020 to August 31, 2020. Accordingly, certain lenders of Bothe and Trinethra approved deferment of principal and interest, whereas certain lenders of Watsun approved deferment of term loan instalments, falling due between June 01, 2020 to August 31, 2020.

The Group has made detailed disclosures regarding Moratorium availed by Indian Restricted Subsidiaries during the nine months ended December 31, 2020, with respect to amount of interest accrued converted into borrowings and revised repayment terms as per requirement of relevant GAAP in the Special Purpose Unaudited Combined Financial Statements for the nine months ended December 31, 2020 which forms part of F pages included elsewhere in this Offering Memorandum.

Capital Expenditures

We incurred Rs. 4,024 million, Rs. 6,459 million, Rs. 9,342 million and Rs. 1,403 million towards purchases of property, plant and equipment and capital work in progress during the years ended March 31, 2018, March 31, 2019, March 31, 2020 and during the nine months ended December 31, 2020 respectively. Capital expenditure is a sum of property, plant and equipment and, capital work-in-progress incurred for the respective fiscal years.

We do not expect to incur substantial capital expenditures as our projects are operational.

Contractual Obligations and Contingent Liabilities

In addition to payment obligations under borrowings, we have continuing obligations to make certain payments. As of December 31, 2020, capital expenditure contracted for but not yet incurred (excluding contingent liabilities) aggregated to Rs. 326 million.

The stated contingent liability as at December 31, 2020 is derived in accordance with Accounting Standard 29 — Provisions, Contingent Assets and Contingent Liabilities, issued by the Institute of Chartered Accountants of India. As of December 31, 2020, we had the following contractual obligations:

	Payment due by period as of December 31, 2020					
	Total	On Demand	Within one year	Between one and two years	Between two and five years	Over five years
Borrowings ⁽¹⁾	38,154	—	3,964	2,191	7,382	24,617
Trade payables	216	—	216	—	—	—
Other liabilities ⁽²⁾	2,129	—	1,285	—	844	—
Total	40,499	—	5,465	2,191	8,226	24,617

Notes:

- (1) Borrowings comprises the principal amount due under our loan facilities but not interest (long-term borrowings, short-term borrowings and current maturities of long-term borrowings together with loans from related parties and Non-convertible debentures (NCD)).
- (2) Other Liabilities includes other long term liabilities, capital creditors, Interest payable (accrued and not accrued), dues to related parties, provisions and other statutory dues payable.

We are subject to legal proceedings and claims which arise in the ordinary course of business. See “*Our Business — Governmental, Legal and Arbitration Proceedings.*” Although occasional adverse decisions or settlements may occur, the potential loss, if any, cannot be reasonably estimated. However, we believe that the final disposition of current matters will not have a material adverse effect on our financial position, results of operations or cash flow. We maintain liability insurance coverage to protect our assets from losses arising out of or involving activities associated with ongoing and normal business operations. We believe that we have adequately provided for contingencies which are likely to become payable. None of these contingencies is material to our financial condition, results of operations or cash flows.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements.

Critical Accounting Policies

The Special Purpose Combined Financial Statements are prepared in accordance with the recognition, measurement and disclosure principles of Indian GAAP, except for disclosure requirement of AS-20 Earnings Per Share which requires management to make estimates, judgments and assumptions that affect the amounts reported in the Special Purpose Combined Financial Statements and accompanying notes. Our management considers the following accounting policies to be critical because they are important to our cash flows, financial condition and results of operations and require significant judgment and estimates on the part of management in their application.

Use of estimates

The preparation of Special Purpose Combined Financial Statements in conformity with generally accepted accounting principles in India under 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.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Indian Restricted Subsidiaries 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 distribution utilities/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 unsigned PPA's and the surplus power as per the rate prescribed by relevant state regulatory commission to state distribution utilities.

Active and reactive charges are recorded as operating expenses and not adjusted against sale of electricity.

Unbilled revenue represents the revenue that Bothe recognises at eligible rates for the arrangement where Bothe has all approvals in place except that PPA is pending to be signed between Bothe and distribution utility.

Accrued revenue represents the revenue that the Group recognizes where the PPA is signed but invoice is raised subsequent to the balance sheet date.

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 equipments. Interest income is included under the head "other income" in the special purpose combined statement of profit and loss.

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.

Generation based incentive

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.

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 company 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 statement of profit and loss.

Property, plant and equipment

Property, plant and equipment 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 a tangible fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period 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 special purpose combined 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*.”

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 fixed assets.

<u>Category of fixed assets</u>	<u>SLM/WDV</u>	<u>Useful life</u>
Leasehold land	SLM	over the lease term
Building	SLM	30 Years
Plant and equipment*	WDV	3 – 15 years
Plant and equipment*	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 methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Goodwill attributable to Indian Restricted Subsidiaries

Goodwill attributable to Indian Restricted Subsidiaries represents the difference between the cost of investment in the Indian Restricted Subsidiaries, and CGE IPL’s share of net assets at the time of acquisition of share in the Indian Restricted Subsidiaries.

Borrowing costs

Borrowing costs include interest and amortization of ancillary cost incurred in connection with the arrangement of borrowings.

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 respective asset. All other borrowing costs are expensed in the period they occur.

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 company estimates the asset's or cash-generating unit'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 amount 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 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 statement of profit and loss on a straight-line basis over the lease term.

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 special purpose combined 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 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, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Indian Restricted Subsidiaries operates. 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 reflect 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 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 Indian Restricted Subsidiaries have 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.

MAT paid in a year is charged to the special purpose combined statement of profit and loss as current tax. The Indian Restricted Subsidiaries recognize MAT credit available as an asset only to the extent that there is convincing evidence that the Indian Restricted Subsidiaries 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 Indian Restricted Subsidiaries 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 special purpose combined statement of profit and loss and shown as “MAT Credit Entitlement.” The Indian Restricted Subsidiaries reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Indian Restricted Subsidiaries does not have convincing evidence that it will pay normal tax during the specified period.

All Indian Restricted Subsidiaries has opted the option available under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019.

Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the Special Purpose Combined Statement of Profit and Loss for the year when the contributions are due. The Indian Restricted Subsidiaries have 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 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 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 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 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 statement of profit and loss net of any reimbursement.

Cash and bank balances

Cash and cash equivalents comprise of cash at bank and on 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 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 Indian Restricted Subsidiaries 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 Indian Restricted Subsidiaries do not recognize a contingent liability but discloses its existence in the financial statements.

Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to 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 company 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.

Measurement of EBITDA

As permitted by the Guidance Note on the Schedule III to the Companies Act, 2013, the Indian Restricted Subsidiaries have elected to present EBITDA as a separate line item on the face of the special purpose combined statement of profit and loss. The Indian Restricted Subsidiaries measure EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Indian Restricted Subsidiaries do not include depreciation and amortization expense, finance costs, exceptional items and tax expense.

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 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 values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated 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 Special Purpose Combined Financial Statements are presented in Indian rupees. The functional currency applicable to us is also Indian rupees and we generate revenues and incur costs in Indian rupees.

Each hedging transaction will comprise (i) a full coupon swap on the interest payments due under the Notes in order to protect the Issuer against fluctuations in the USD/INR exchange rate on the payment of interest due under the Notes; and (ii) a call option, a call spread, or a combination thereof, on the principal amount plus any redemption premium due under the Notes that will mitigate, up to a USD/INR spot rate of 20% above the five year forward mid-rate (the “**Hedge Limit**”), the exposure of the Issuer to fluctuations in the USD/INR exchange rate on the payment of principal plus the redemption premium on the Notes upon redemption or maturity. The hedging transactions will only partially hedge the currency exposure of the Issuer with respect to the principal payment.

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 the majority of our non-current bank deposits do not carry any interest. 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 profit after tax for fiscal 2020 would have been lower or higher by Rs. 171 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.

	Nine months ended December 31,	
	2019	2020
	(Rs. in millions)	
Floating rate borrowing	31,814	33,916
Fixed rate borrowing	2,419	2,261
Increase by 50 basis points	159	170
Decrease by 50 basis points	(159)	(170)

	Fiscal year ended March 31,		
	2020	2019	2018
	(Rs. in millions)		
Floating rate borrowing	34,203	25,653	22,407
Fixed rate borrowing	2,389	2,252	2,388
Increase by 50 basis points	171	128	112
Decrease by 50 basis points	(171)	(128)	(112)

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 Levanter Pte. Ltd., is a private limited company incorporated in Singapore on May 30, 2017. The registered office of the Issuer is at 10 Changi Business Park Central 2. #05-01, Hansapoint@CBP, Singapore 486030, and the telephone number is +65 6571 1604.

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, is a professionally trained Independent Director in Australia and Singapore since 2001, an Independent Consultant in Singapore since 2006 with 10 years' integrated audit (financial, operations and IT audits) experience in Saudi Arabia, an Executive Advisor in East West World Private Equity Pty Ltd, Australia since 2010 and a Director of both Clean Energy Investing Ltd and our Parent since 2017. He is also a Non-executive Director in Hoe Leong Crawler Parts Pte Ltd, Singapore and Changzhou 3D Technological Complete Set Co. Ltd, China. He is also a Nominee Director at TSI International Holdings Pte Ltd and Houston Kemp Pte Ltd.

Before holding these appointments, he was the Chairman and CGO of ID Global, Singapore for two years; a Director of Ashcraft Holdings Pte. Ltd., Singapore for three years and the Chief Audit Executive and Audit Committee Secretary of Prima Limited, Singapore for four years. He holds a Degree of Doctor of Philosophy in Corporate Governance and Strategic Planning from Greenleaf University, USA; a Degree of Master of Business in Information Technology from Royal Melbourne Institute of Technology, Australia, a Company Directors Course Diploma from Australian Institute of Company Directors, a Company Directors Course Certificate from Singapore Institute of Directors, Advanced Diploma in Data Protection from Singapore Management University (SMU) Academy, Diploma in Marketing from Chartered Institute of Marketing (CIM), UK, Advanced Diploma in Business Administration from Association of Business Executives (ABE) and UK, Skills Future Singapore (SSG) – Workforce Skills Qualifications (WSQ) Diploma in Security Management from Temasek Polytechnic – Security Industry Institute (SII). Dr. Pan is a Fellow of Australian Institute of Public Accountants (IPA) and Fellow (FFA) of UK's Institute of Financial Accountants (IFA) and an Ordinary Member of Singapore Institute of Directors.

Marc Maria van't Noordende, is the Operating Partner, Infrastructure Partners of NHIP and a director of our Parent. 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 the 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.

Peter Farley Mitchell, is a director of our Parent. He 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 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.

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 27 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.

Capitalization

The Issuer has an issued and paid up share capital of US\$1,520,000 comprising 1,520,000 ordinary shares.

INDUSTRY OVERVIEW

Overview of India's Power Market

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 Central Electricity Regulatory Commission (“**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).

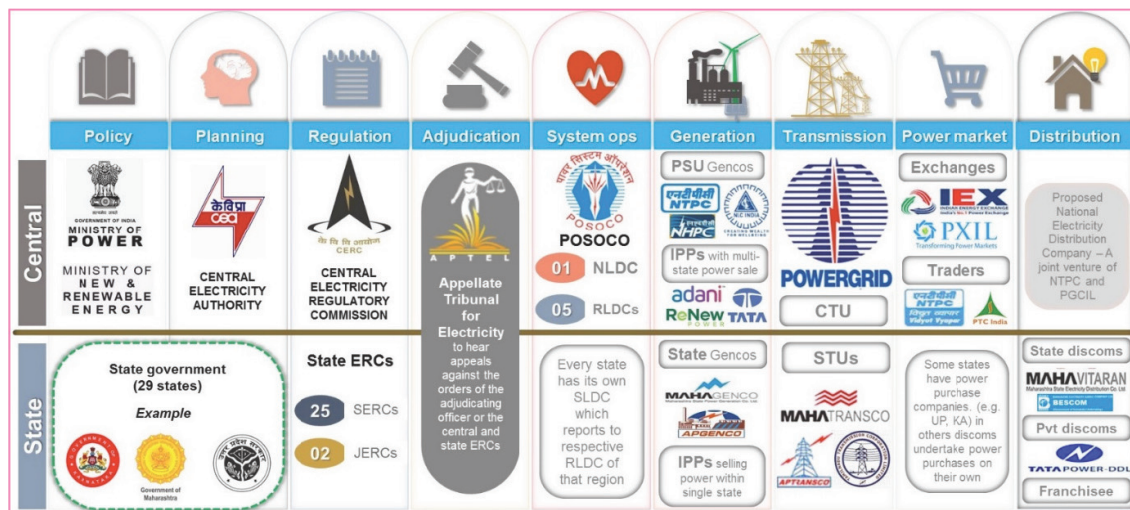
Power System Operation Corporation Ltd (“**POSOCO**”) manages the national and regional grid through the National Load Despatch Center (“**NLDC**”) and its five regional load-despatch centers (“**RLDCs**”). These entities operate in unison to ensure the integrated operation of the grid in a reliable, efficient and secure manner. While the NLDC controls the load flow within the country, the RLDC and state load despatch centers (“**SLDC**”) are responsible for ensuring the integrated operation of the power system in the concerned regions and states.

Power Grid Corporation India Ltd. (“**PGCIL**”) is the central transmission utility (“**CTU**”) and is responsible for planning the inter-state transmission system (“**ISTS**”), whereas 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 Central Electricity Authority (“**CEA**”) / CERC / SERC.

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.

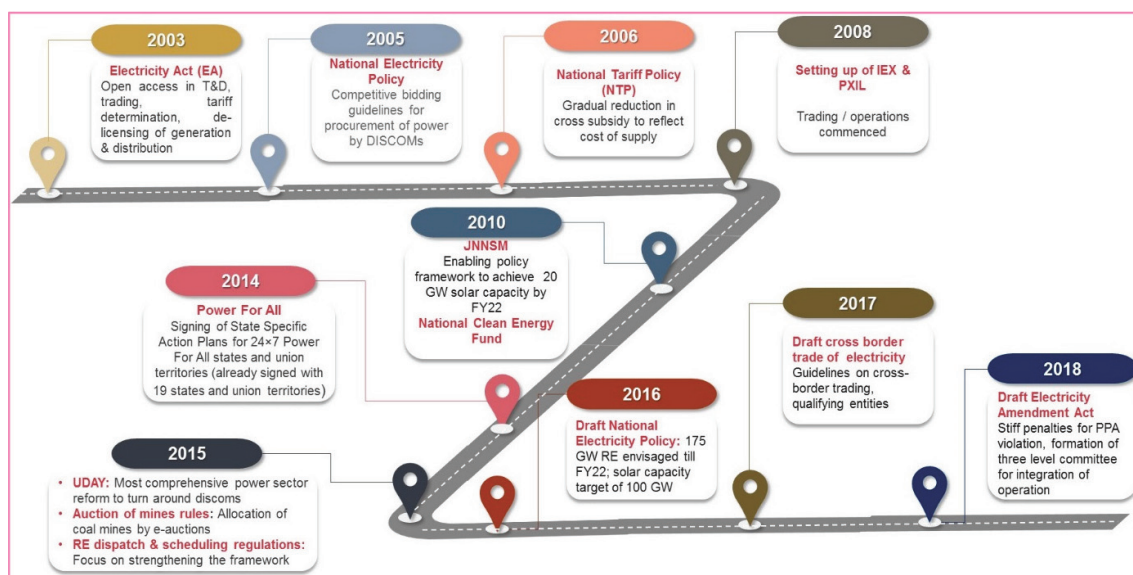
Power distribution system is the last leg of the electricity value chain. The main function of power distribution system is to provide power to the premises of individual consumers. Responsibility for distribution and supply of power to end-consumers rests with the states. The power distribution segment 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.

Planning & regulatory processes ensure coordination between Central & State government agencies



Source: CRISIL

Electricity Act 2003 and subsequent policies promote competition and market development



The enactment of the Electricity Act in June 2003 led to significant structural changes in the sector like:

- 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”).

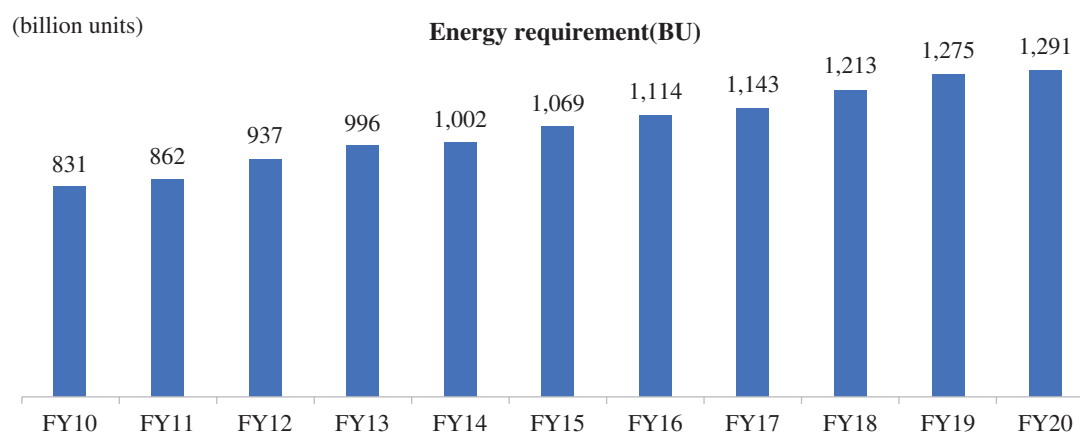
India is the world's¹ third-largest electricity producer, the country's need for energy continues to rise propelled by economic growth.

Over the past 10 years (fiscals 2010 to 2020), energy requirement grew at a 4.5% CAGR. This was driven by rising power availability, gradual improvement in electricity access, rapid urbanisation, 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. However, with a gradual pick-up in manufacturing activity, especially with the strong thrust on 'Make in India' and 'Atmanirbhar Bharat', 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 (billion units)



Source: CEA

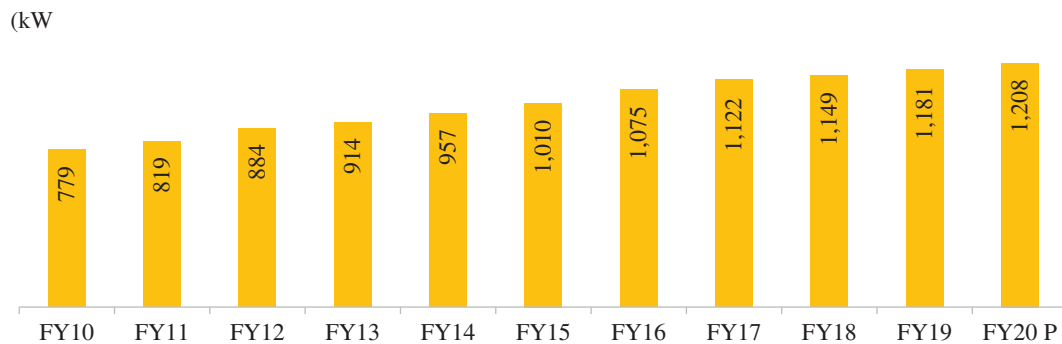
Led by growth in energy requirement, India's per-capita electricity consumption has been continuously rising over years, from 779 kWh in fiscal 2010 to 1,208 kWh² in fiscal 2020, an increase of ~4.5% CAGR over 10 years³.

¹ BP Statistical Review of World Energy 2019 Report

² Provisional data as per CEA report

³ Central Electricity Authority (CEA) Annual reports

Per capita electricity consumption trends in India (kWh)

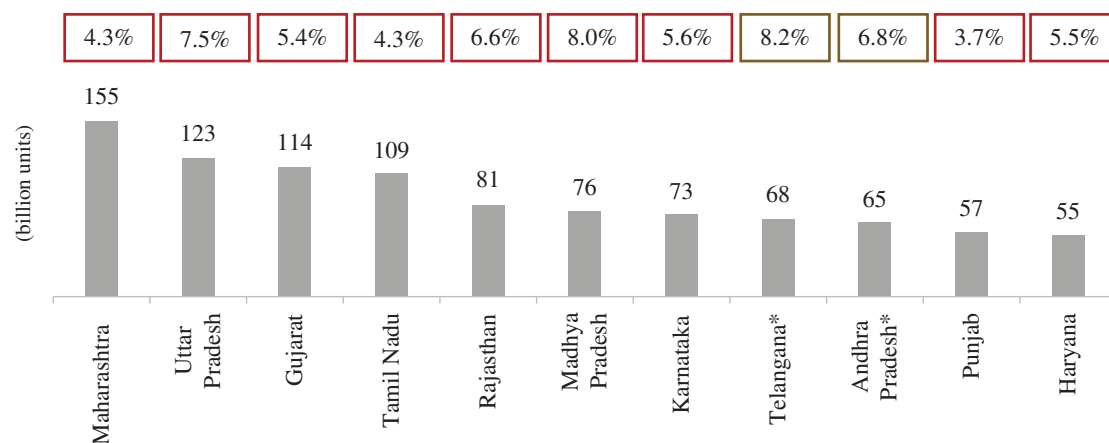


Source: CEA

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.

As of fiscal 2020, the top five states accounted for 45% of total energy requirement in the country in fiscal 2020, 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. On the other hand, CAGR over the past 10 years has been among the highest at 8%-12% in states, including Bihar, Chhattisgarh and Madhya Pradesh.

Energy requirement in key states in fiscal 2020 (billion units)



Note: Numbers in above boxes represent CAGR growth over FY10 to FY20; *: CAGR for Telangana and Andhra are for FY16 to FY20 as Telangana was formed in June 2014

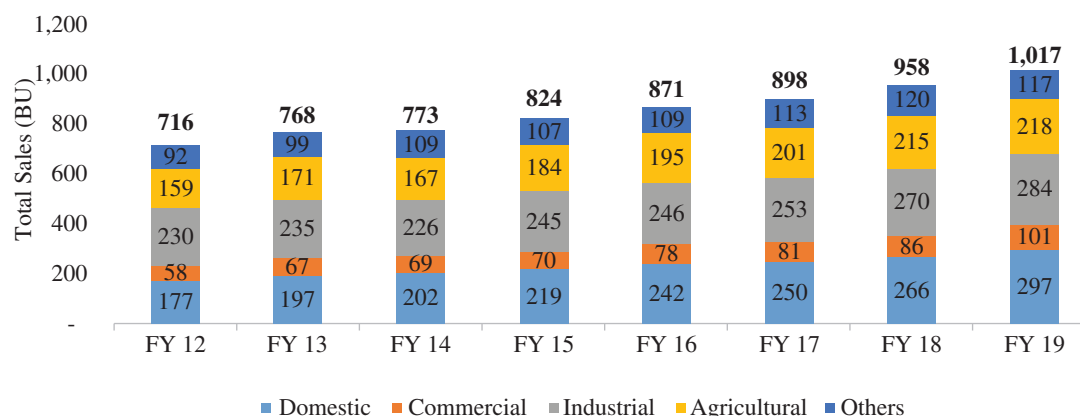
Source: CEA

Industrial consumers are the largest consumers of electricity in absolute terms. In fact, the C&I segment accounts for ~40% of total energy sales. Going forward, economic growth is expected to witness a healthy recovery thereby spurring electricity demand. The government's push towards promoting manufacturing in India —'Make

in India' and 'Atmanirbhar Bharat' schemes — is expected to drive demand from this segment. In fact, several sectors including automobiles, mobile handsets and tablets, 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.

Commercial activities are also expected to gather pace with rising consumption, increasing urbanization as well as build-out of smart cities across states. A confluence of these factors is expected to drive energy sales to the commercial consumer segment.

Consumer segment-wise energy sales FY12-FY19 (BU)



Source: PFC Report on Performance of State Power Utilities

Growth in domestic consumption has been the key driver in overall increase in energy demand. Between fiscals 2012 and 2019, domestic electricity consumption has grown at a CAGR of ~7.7%, from ~177 billion units to ~297 billion units. Various government initiatives have played key roles for such an increase in domestic consumption.

Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya), which was launched by the government of India in September 2017, has helped achieving 99.93% (only 3.2 lakh households remain unelectrified as of August 2020⁴ and in turn, drove electricity demand.

The programme 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 the agriculture sector grew at ~5.1% CAGR in 10 years to fiscal 2019, due to increased mechanization and modern irrigation practices. Government support, in terms of subsidy for agricultural consumption, has been one of the key enablers for increased agricultural consumption over years. The sector is expected to remain a key consumer segment for grid electricity, despite efforts by the government to promote off-grid solutions, such as solar pumps.

⁴ Lok Sabha, September 2020.

Over the past 10 years, C&I tariff increased at a CAGR of 8.5%, while agricultural tariff increased by 0.7% during the same period. Although the tariff for domestic consumers increased by 8% over the same period, it still remains highly cross-subsidized by C&I consumers.

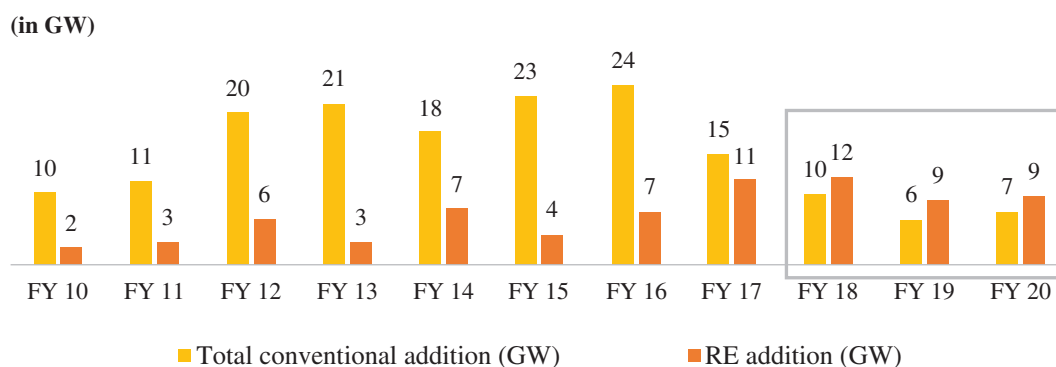
For instance, the cross-subsidy (average tariff as a percentage of the average cost of supply) level for commercial and industrial consumers were 145% and 101% respectively in fiscal 2009. With a faster increase in C&I tariff as compared to domestic and agricultural tariffs, the cross-subsidy level increased further. In fact, in fiscal 2019, cross-subsidization levels for C&I consumers have remained high at ~151% and ~127% respectively. As a result, in fiscal 2019, C&I users accounted for 38% of total sales and 61% of revenue (excluding subsidy accounted as revenue). On the other hand, domestic and agriculture segments accounted for almost half of total energy sold, but, only 28% of revenue (excluding subsidy accounted as revenue). Moreover, grid power is expected to remain costlier for C&I consumers with limited scope for tariff rationalization.

In India, to enhance competitiveness, there is a rising trend of C&I consumers procuring power through open access from independent power producers (“IPPs”). In fact, the Ministry of Power through open access regulations provide consumers with sanctioned load greater than 1 MW non-discriminatory access to the T&D network and is also promoting the same through varied business models and exemptions. Moreover, rapid decline in RE tariffs has led to lower landed cost of electricity from such sources under open access compared to grid tariffs in most states.

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 favorable policies and regulations.

In particular, between fiscals 2012 and 2016, conventional power capacity addition, particularly coal-based, rose at a break-neck speed with an addition of ~92 GW. Renewable energy made significant inroads in the subsequent period until fiscal 2020 with the addition of 41 GW.

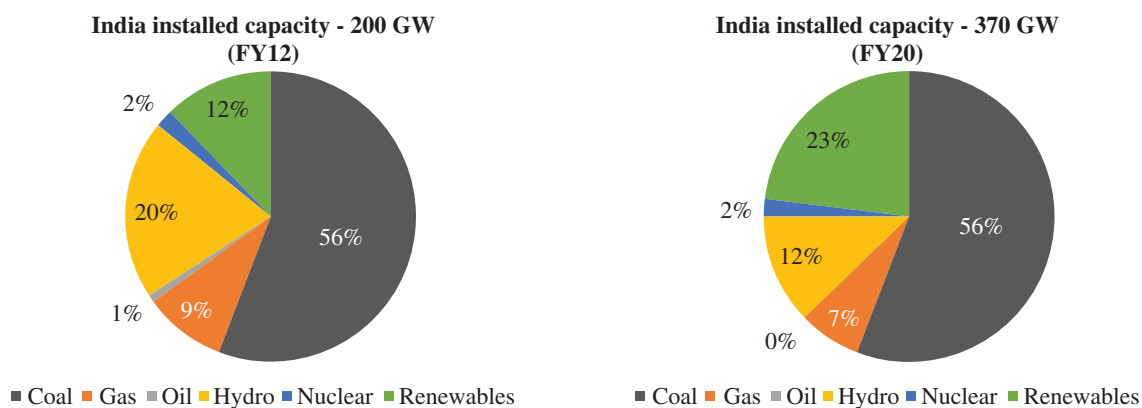
Thermal and RE capacity addition



Source: CEA, CRIS analysis

With continued government support, falling tariffs and strong investor interest, the share of RE is expected to rise further.

Fuel-wise breakup of generation capacity

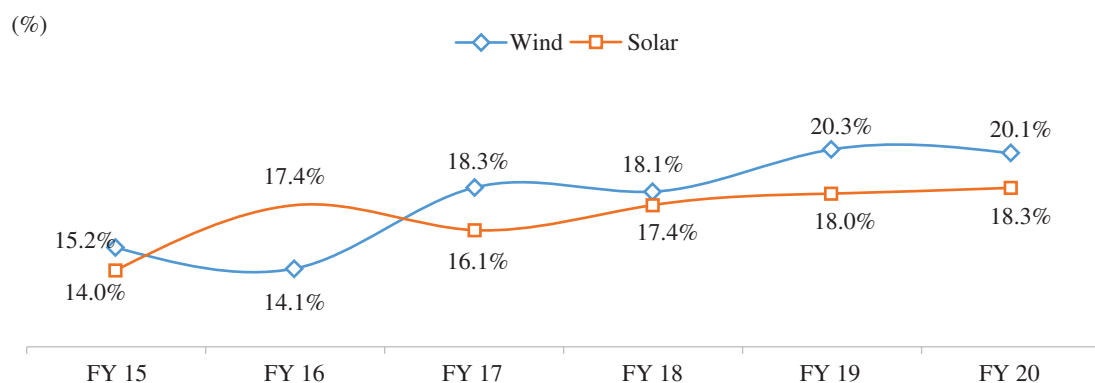


Source: CEA, CRIS analysis

RE PLFs improving led by ‘must-run’ status coupled with technology improvement

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 (already fallen to 70% in fiscal 2020 from 77% in 2012) on the back of rising RE penetration.

Wind and solar power PLFs — historical



Source: CEA; CRIS Analysis

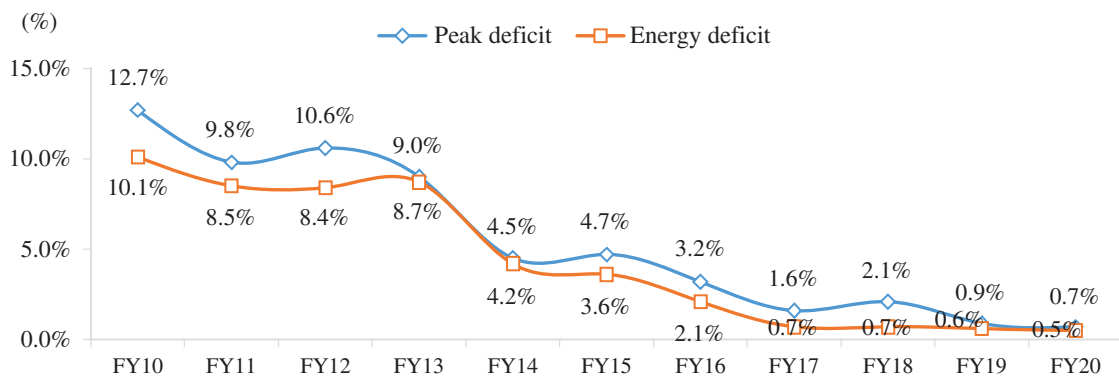
Renewable energy projects (except biomass power plants) have been granted “must-run” status under the CERC (Indian Electricity Grid Code) Regulations, 2010. A must-run status ensures that solar and wind power plants are not backed down for reasons other than technical and grid-security concerns. This has helped renewable energy projects, especially wind and solar to maximize utilization. Over the past five years, the average annual PLFs of solar and wind capacities have seen improvements, mainly driven by technological advancements, DC overloading, 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 0.7% in fiscal 2020, from 12.7% in fiscal 2010, whereas the energy shortage fell to 0.5% from 10.1% in the same period.

However, the power surplus is notional, given the large latent demand, load shedding as well as weak financial health of discoms. With the realization of latent demand because of intensive electrification, improved incomes of households and reduction in load-shedding due to network strengthening, the demand-supply scenario is expected to gradually change.

Energy and peak demand shortage trend during the past 12 years



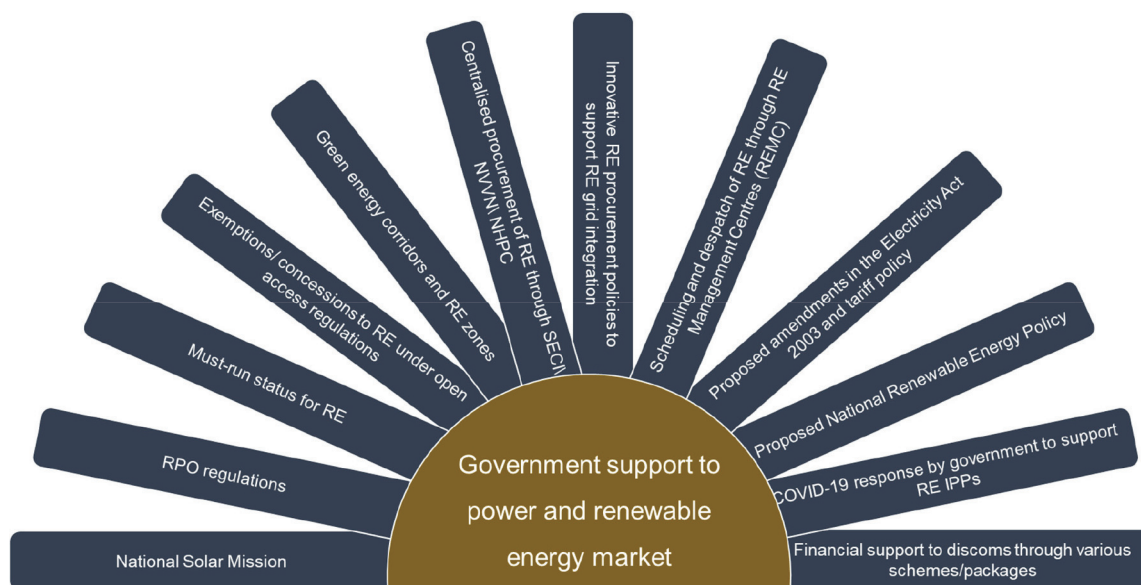
Source: CEA; CRIS analysis

Government support and initiatives

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 has set targets for renewable energy- 175 GW by 2022 and 450 GW by 2030 and 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.

Snapshot of government support to the power and renewable energy market in India



Source: CRIS analysis

National Solar Mission provides long-term clarity and helps 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 provides developers long-term clarity in terms of capacity allocation across phases.

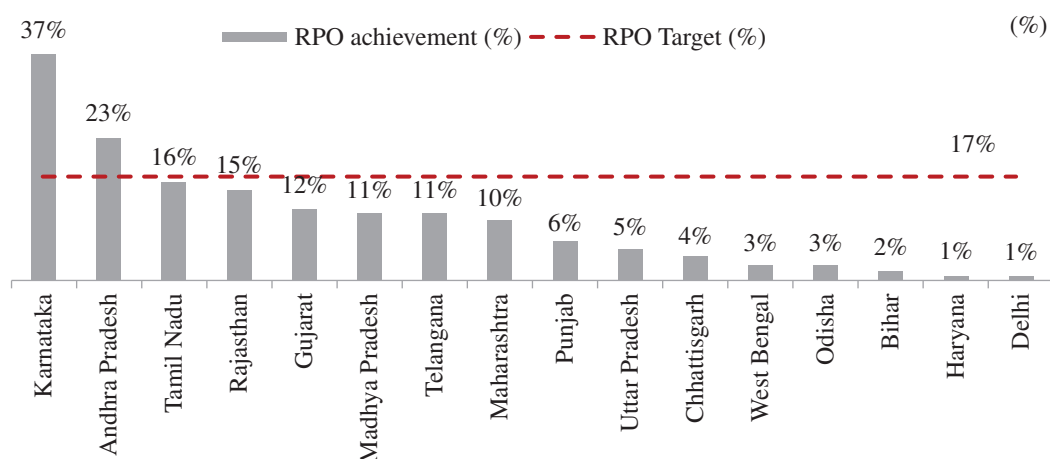
Also, centralised procurement through NTPC Vidyut Vyapar Nigam ("NVVN") and Solar Energy Corporation of India ("SECI") was adopted to offset the risk of power offtake and payment delays.

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

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 versus compliance across key states — FY19



Source: Ministry of Power

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 centres under the merit order dispatch mechanism by prioritising 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 by according RE (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.

Concessions available under open access to promote use of RE

Consumers opting to procure power under open access 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. 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 to promote the use of renewable energy among C&I consumers. For instance, Andhra Pradesh and Telangana have waived off the wheeling and transmission charges for renewable projects while Tamil Nadu has concessional cross-subsidy charges at 30% of conventional power. (For detailed state-wise benefits refer to ‘Open access market — A growing opportunity’.)

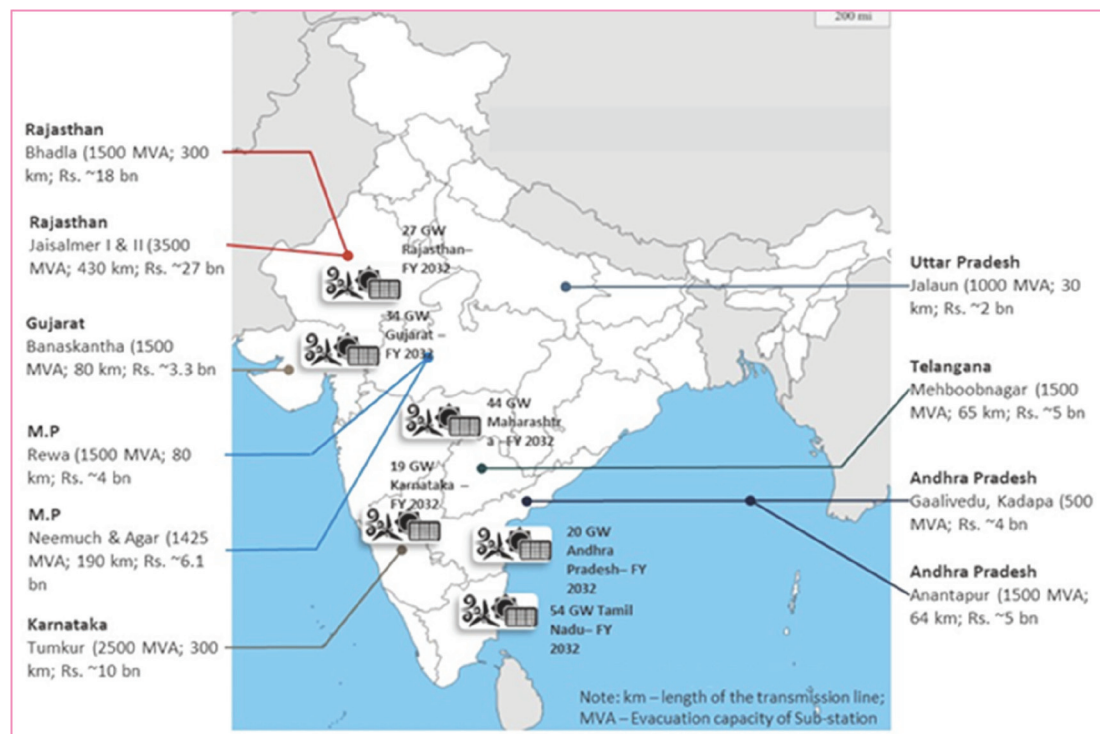
As per section 42(2) of the Electricity Act, 2003, captive power plants, set up by end-users for their consumption, are exempted from payment of cross-subsidy surcharge and the additional surcharges, otherwise would be applicable for open access consumers. Thus, the central government’s policy support has played a role in promoting the captive/group captive model, especially for C&I consumers.

Many states allow the banking of renewable energy ranging from one month to one year, which enables captive/group-captive consumers of renewable energy, to consume the excess energy generated in the peak season during periods of low generation. For example, Tamil Nadu allows a banking facility for wind energy for a year while Karnataka has it for six months. Other states such as Andhra Pradesh, Gujarat, and Maharashtra have allowed banking for one month each.

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 being implemented by eight RE-rich states such as Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Gujarat, Madhya Pradesh, Rajasthan and Himachal Pradesh. While the GEC project is running with some delay (the planned completion date was March 2020), once commissioned, it will reduce the concentration risk of RE and help non-RE-rich states to benefit.

Summary — Green energy corridors



Source: NITI Aayog

Further, RE zones with total capacity of 66.5 GW (solar — 50 GW and wind — 16.5 GW) have been identified in RE-rich states in the southern and western regions along with a comprehensive transmission scheme to integrate these RE zones. Of these transmission projects,

Under Phase-I, projects for evacuation of 12.4 GW are under implementation

Under Phase-II, projects for evacuation of ~15 GW are under bidding, and

In Phase-III, (~39 GW) projects are seeking approval from the National Committee on Transmission.

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-solar as well as bundling RE with thermal power have also been released.

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 centres (“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.

There are 11 REMCs co-located with the state load dispatch center in the RE-rich states of Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Gujarat and Rajasthan; and in regional load dispatch centers at Mumbai, Bengaluru and Delhi as well as one at the national load dispatch center. Presently, these 11 REMCs are monitoring cumulative renewable energy capacity of 55 GW (solar and wind).

Favourable budgetary announcements by government to further support RE deployment

In Budget 2020, Government of India 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 nature 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 proposed amendments in Electricity Act, 2003, include:

- (a) National RE Policy to promote RE and mandate minimum percentage of electricity procurement from RE and hydro. It is being further proposed to levy penalties for non-fulfilment of the solar and non-solar RPOs.

- (b) Rationalisation of tariffs across consumer categories with stricter compliance with cross-subsidisation reduction roadmap given in tariff policy.
- (c) Subsidy disbursal through direct benefit transfer would help to provide for more targeted subsidy. As a result, it could reduce subsidy leakage and thereby increase the efficiency in delivery of welfare programmes as well as reduce the fiscal burden on state finances.
- (d) The establishment of Electricity Contract Enforcement Authority would help to ensure contractual sanctity and necessary enforcement. This would avoid litigations and inordinate delays in decision-making, in turn preventing any adverse financial impact on IPPs.
- (e) The provision of payment security mechanism for scheduling of electricity bodes well for the power sector as it would support further investments in the RE sector.
- (f) Tariff determination without any revenue gap, which implies that the entire cost of power supply for distribution companies will be recovered from consumers, could lead to increase in tariffs for consumers.
- (g) Late payment surcharge payment for delayed payments — enforcement of late payment surcharge against delay in payments by discoms to generators is another positive measure proposed in the amendments.

The Electricity (Rights of Consumers) Rules, 2020 give consumers of electricity right to set up renewable energy generation unit either by himself or through third party service providers which is expected to boost the open access transactions by corporate consumers.

COVID-19 response indicates strong government support to the RE sector

COVID-19-related lockdown led to significant drop in power demand leading to adverse impact on the power supply value chain, especially power generation. However, the RE sector received notable support from the Government of India as highlighted below:

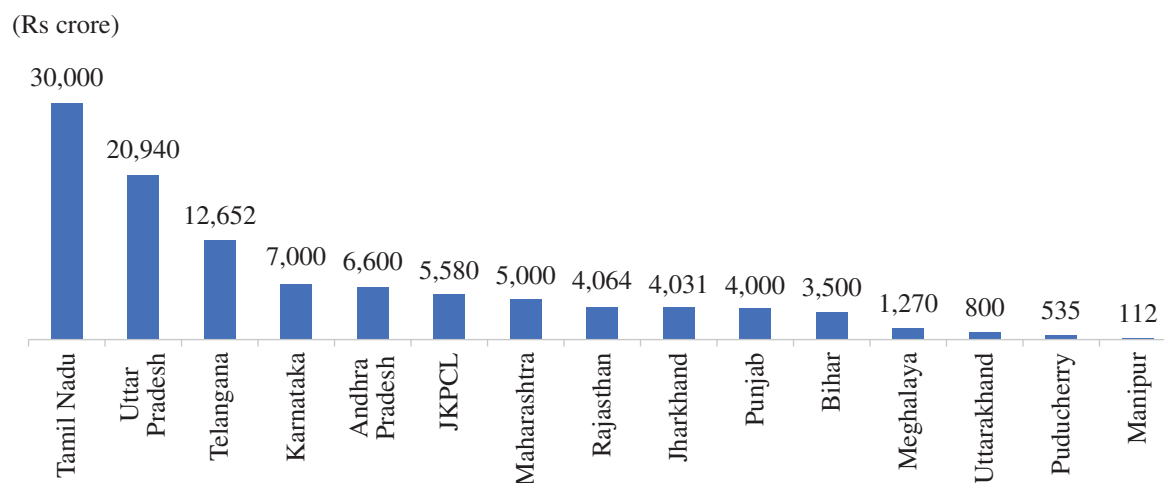
- (a) Continuation of operations under essential services during the nationwide lockdown;
- (b) Government ensured that discoms do not resort to curtailment of RE (other than for grid safety reasons) as that would amount to deemed generation;
- (c) Further, the government mandated discoms to clear RE dues within time and allowed developers to raise invoices via the electronic mode;
- (d) All under-construction renewable energy projects were provided blanket time extension of five months from March 25, 2020, to August 24, 2020, without requirement of a case to case examination and document/evidence; and
- (e) RBI allowed a moratorium of six months on repayment of term loan, thereby providing liquidity to RE developers.

Government continues to extend financial support to discoms through various schemes/packages

Distribution being the most important link in the power sector value chain, sustainability of discoms is of great importance. Hence, the Government of India extends support to state distribution utilities for capital investments (IPDS, DDUGJY) and financial sustainability (UDAY) through various schemes and initiatives.

To address the problems faced by discoms due to the COVID-19 related lockdown, the Government of India announced a liquidity package of Rs. 90,000 crore for discoms to clear their pending dues towards power generators. 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 three to four years. Against the sanctioned amount of Rs. 70,590 crore worth of loans, Rs. 24,742 crore has already been disbursed till September 2020.⁵

State-wise sanctioned amount under discom relief package



Source: Ministry of Power, PFC/REC

RE Tariff Trends

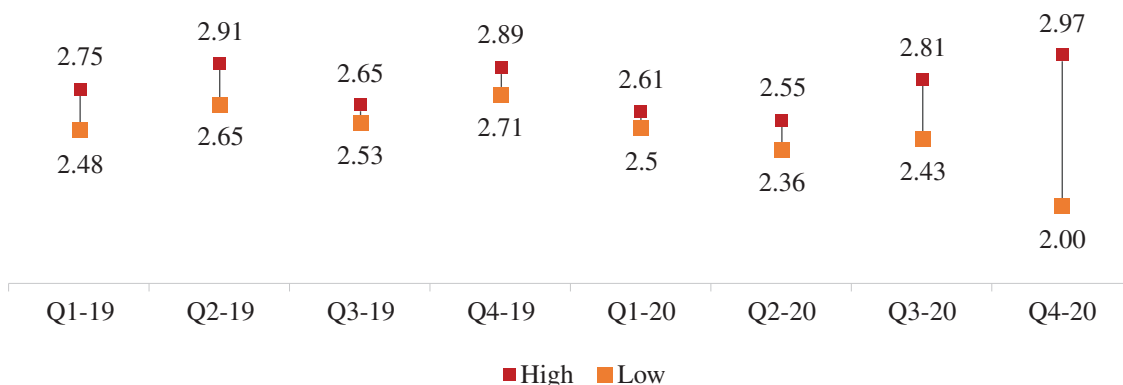
Over the last few years, RE tariffs have seen rapid decline making robust business case for the solar and wind projects. Many factors together have led to this sharp fall in tariffs including reduction in equipment cost, technological advancements leading to better efficiency/higher yield, policy and 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.

⁵ Lok Sabha, R K Singh, September 16, 2020

Solar tariff

There is a sharp uptick in tendering of solar capacity after the government set a 100 GW solar target for 2022. The graphic below shows how competitive tariff in India's solar sector moved over the recent quarters.

Trend in recent solar bid tariff (Rs/ kWh)



Source: Discom notifications, CRIS

Between fiscals 2013 and 2019, bid tariff declined 19% annually. The fall in solar bid tariffs could be attributed to the following factors:

- (a) An 18.6% annual fall in module price over fiscals 2013-2019;
- (b) Increase in competition with the entry of foreign and domestic players;
- (c) Decline in financing cost owing to lower interest rate and longer tenor;
- (d) Rising economies of scale; and
- (e) 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 ranging from Rs. 2.7 to Rs. 4.0 per unit.

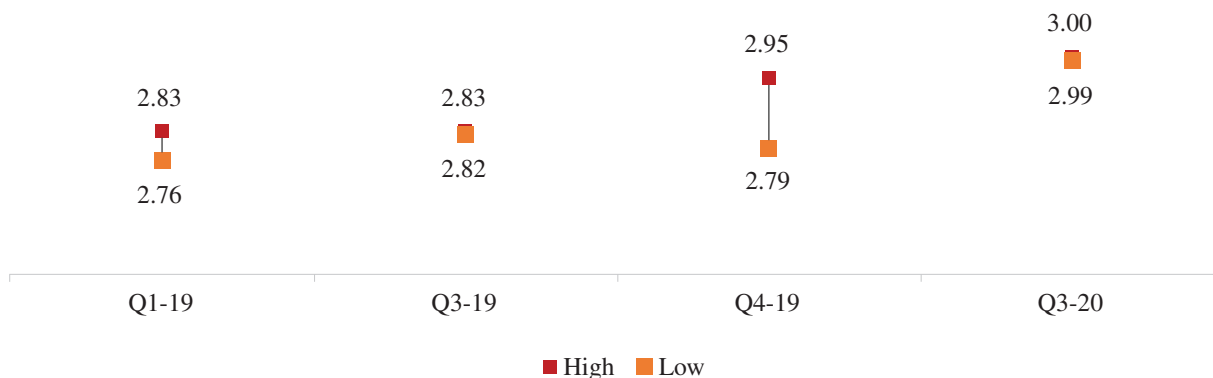
However, the announcement of safeguard duties on imported modules, payment delays by discoms and transmission constraints put some upward pressure on tariff.

With oversupply of modules due to rising production in China, incremental technological innovations, softening of interest rates and reduced tax rate (15%) for power generation projects, solar power tariff is expected to fall further, albeit at a slower pace than in the past. 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 (Rs/ kWh)



Source: Discoms Notifications, CRIS Analysis

In recent bids the wind tariff discovered has stabilised at Rs. 2.8-3.0/ unit given land and evacuation constraints and payment delays from discoms.

Going forward, the tariff is expected to remain more or less stable as technology innovations are expected to be marginal given that it is relatively more stable technology. Nevertheless, rising turbine rating, better blade technology and rise in hub heights will improve generation and reduce the tariff. However, lack of attractive wind sites close to sub-stations is expected to cause some constraint.

RE is expected to be 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 18-20%. 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.

In this context, hybrid RE (wind and solar) and energy storage technologies could ensure availability of backup power to compensate for the intermittency in solar and wind sources. Apart from providing RTC supply of RE, storage technologies would also ensure grid stability. This 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 more steady RE to discoms. More importantly, tariff discovered through such tenders has been more competitive at Rs. 2.7-4.0/ unit than conventional power.

Gradual shift away from plain vanilla, standalone solar and wind tenders towards firm RE supply

Key features of the scheme	Firm RE – peak power supply	Wind – solar hybrid systems	Round the clock RE	RE bundling with coal power
Annual availability	Minimum annual capacity utilisation – 40% or 3.5 million units/MW	Minimum annual capacity utilisation – solar -22%, wind - 25%	Annual capacity utilisation of 90%	Annual utilisation 80% with at least 51% RE energy in total supply
Use of storage	Developer should mandatorily use energy storage (any type)	With or without energy storage	Not mandatory. Developer free to choose whether or not to use storage	Storage not required as RE will be blended with coal power
Tariff structure	Two separate tariffs for peak period and off-peak period respectively	Single tariff discovered through reverse e-auction	Single tariff with 4% annual escalation till 15 years; fixed thereafter	Composite tariff with 30% of the quoted tariff indexed to coal prices
Off-take arrangement	Back to back PSA with state distribution utilities	Back to back PSA with state distribution utilities	Back to back PSA with state distribution utilities	Back to back PSA with state distribution utilities
Payment security	Tri-partite agreements, Payment security fund, Letter of credit	Tri-partite agreements, Payment security fund, Letter of credit	Tripartite agreements, Payment security fund, Letter of credit	Tri-partite agreements, Payment security fund, Letter of credit
Capacity auctioned (till Oct'20)	1200 MW	1,440 MW auctioned, 1,200 MW under tendering	400 MW	Tendered – 5000 MW, (auction pending)
Tariffs discovered	Off- peak – ₹ 2.70/kWh Peak: 6.121kWh - ₹ 6.85/kWh	Single tariff - ₹ 2.67 - 2.69/kWh 90%	Single tariff - ₹ 2.90/kWh with annual escalation ~4%	Yet to auction out

Source: SECI, CRIS analysis

The high cost of energy storage technologies is expected to drop with rising scale and advancement in technology (battery price fell sharply to \$156/ kWh in 2019 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.

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 0.98 ton/ MWh of CO₂ in fiscal 2019. This would increase cost for coal-based power owing to levy of cess/ tax and adversely impact its economics.

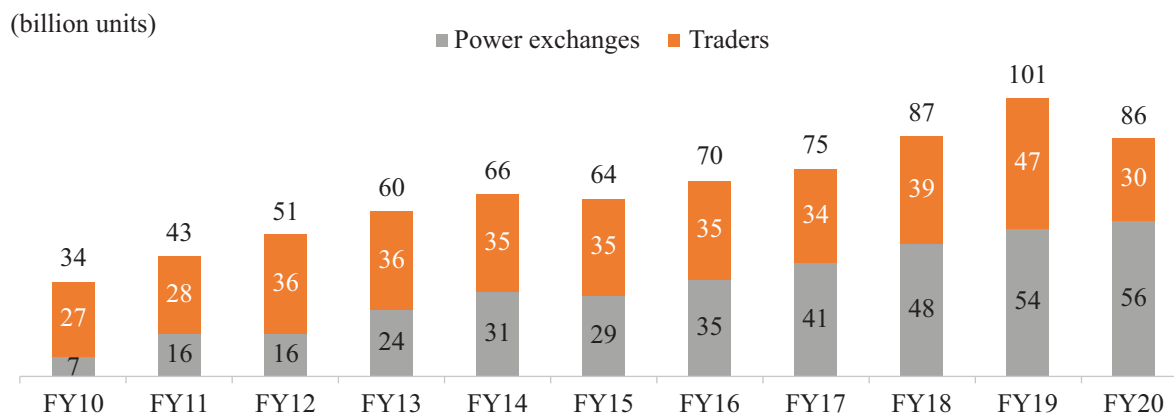
Coal-based power is also facing severe financing constraints from Indian and foreign banks. This is led by associated financial and reputational risk in investing in coal-based projects. On the other hand, RE has been witnessing massive investment from a variety of global investors — private equity funds, 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.

Open access market — a growing opportunity

Power demand, particularly from C&I consumer segments, is expected to witness steady growth led by rising urbanization, increasing per capita income and strong government thrust on manufacturing through programs/ schemes including Make in India and Atmanirbhar Bharat. Along with this 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 about 10% over the past 10 years.

Open access transactions (through power exchanges and traders) over last 10 years



Source: CERC, CRIS Analysis

Growth in open access sales has been led by encouraging policy directions, government mandates and favorable 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.

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.

The table below summarizes open access policies of major states:

State	Key parameters
Maharashtra	No waivers in charges; banking allowed for one month.
Gujarat	For projects completed by March 2020, waiver of electricity duty; no additional surcharge over entire life cycle of the project. 50% concession on CSS and ASS for wind projects commissioned till June 2021.
Tamil Nadu	Transmission, wheeling and other system operation charges at concessional rate of 50%; 30% exemption on cross-subsidy surcharge; no additional surcharge; banking period of 12 months allowed for wind projects.
Madhya Pradesh	Wheeling charges at concessional rate of 2%; cross-subsidy surcharge and additional surcharge waiver for all projects commissioned by November 2017.
Andhra Pradesh	Wheeling and transmission charges waived; exemption from distribution losses for projects commissioned by March 2020; purchase of unused banked energy capped at 10% of total energy banked in a year; no exemptions after March 2020.
Telangana	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.
Karnataka	For all projects completed before March 2018, wheeling and cross-subsidy surcharge (CSS) waiver, exemptions on transmission charges, losses and banking charges. No open access waiver for plants commissioned after March 2018.
Rajasthan	CSS waived for all renewable projects commissioned between April 2014 and March 2019; no exemptions after March 2019.

Source: State RE policies, open access regulations

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.

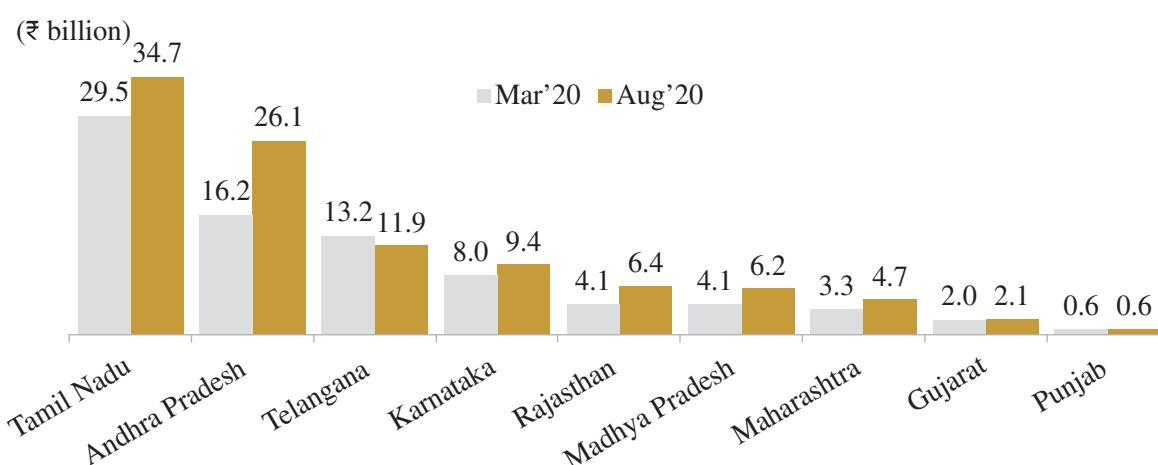
Such high tariff for C&I consumers in the above states has resulted in them opting for procurement of power through the open access route. Going forward, C&I tariff is expected to continue to rise, albeit at a slower pace, led by:

- An increase in power purchase cost due to rising delivered coal costs, compliance with environmental norms, higher effective cost of RE power owing to backing down of coal power and increased transmission costs;
- Higher cost of supply driven by faster rise in LT consumers resulting in higher technical and commercial losses. Also, funding of incremental operational losses and capex through short- and long-term loans will further push up cost of power supply and, in turn, consumer tariff;

- (c) Potential policy changes, such as penalty for not supplying power 24x7, mandatory tie-up of mid-/ long-term PPAs to meet peak demand, higher RPO trajectory and its enforcement, capping of T&D losses at 15% to determine ARR, would also warrant an increase in consumer grid tariffs; and
- (d) Challenges in increasing tariff for agriculture and domestic consumers given high price elasticity and/ or subsidy implications on the respective state government.

In addition, 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.

Outstanding dues to IPPs by major states



Source: PRAPTI portal

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.

Sales to C&I customers leading to higher realizations 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 characterized by cut-throat competition which lowers tariff. On the other hand, tariff (net of regulatory charges) realized 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.

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.

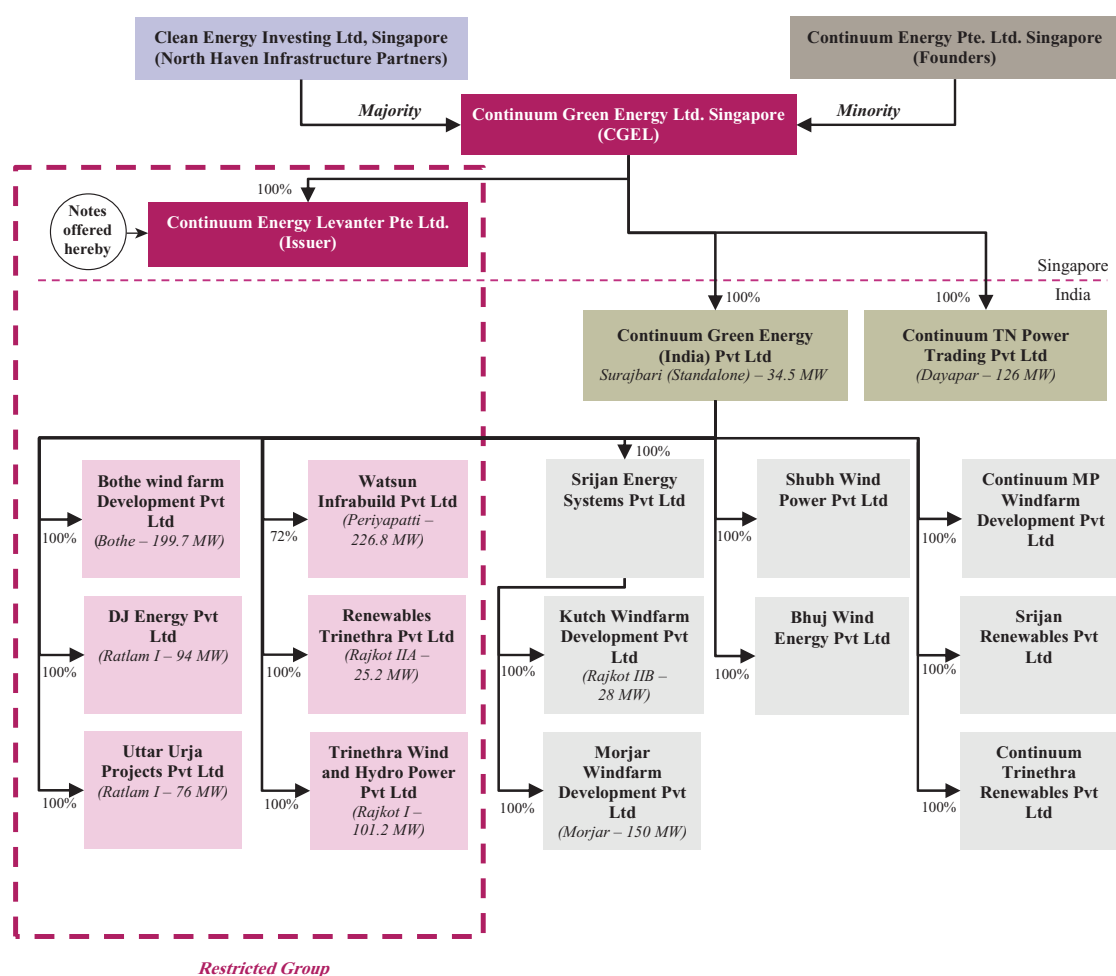
More importantly, the available financial support will help the growth momentum in this market segment to continue.

OUR BUSINESS

Overview

We own and operate three large wind farms and one large wind-solar co-located hybrid farm in India, which we believe positions us well to take advantage of India's abundant wind energy resources, the growth potential of India's renewable energy industry and the country's favorable regulatory framework for renewable energy. Our Bothe, Ratlam-I, Rajkot I and Rajkot IIA wind farms are located in the states of Maharashtra, Madhya Pradesh and Gujarat, respectively. Our Periyapatti wind-solar co-located hybrid farm is located in the state of Tamil Nadu. The Restricted Group refers to the Issuer, 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. We own all of the Restricted Group companies except for Watsun Infrabuild Pvt Ltd, 28% of which is held by our group captive C&I consumers.

Corporate Structure



As of December 31, 2020, the total installed and commissioned capacity was 722.9 MW comprising 644.1 MW wind generation capacity and 78.8 MWp of solar generation capacity. Out of this, PPAs have been executed with distribution utilities for 363.4 MW capacity and with C&I consumers in respect of 353.2 MW and PPAs are pending for 6.3 MW capacity. As of December 31, 2020, we have incurred a total combined capital expenditure of Rs. 47,593 million to develop the Bothe, Ratlam-I and Rajkot I and IIA wind farms and the Periyapatti wind-solar co-located hybrid farm.

From our Bothe and Ratlam projects, we sell electricity under the feed-in-tariff PPAs to distribution utilities i.e. MSEDCL and MPPMCL, respectively and realizing a tariff, fixed for the duration of the PPAs, of (i) Rs. 5.81 per kWh for 101.0 MW and Rs. 5.70 per kWh for 92.4 MW of electricity generated at the Bothe wind farm; and (ii) Rs. 5.92 per kWh for the 170 MW of electricity generated at the Ratlam-I wind farm. In addition, we also receive GBI benefits of Rs. 0.50 per kWh up to a cumulative value of Rs. 10 million per MW for each of these projects.

For our Rajkot I, Rajkot IIA and Periyapatti projects selling to 89 C&I consumers, we have varying tariffs under individual PPAs executed with the C&I customers. Tariffs 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 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.

The following table sets forth certain key operational data of our projects:

	Status	Location	Total Capacity (MW)	Commissioning date
Bothe	Operational	Maharashtra	199.7	Between May 2013 and December 2014
Ratlam-I	Operational	Madhya Pradesh	170.0	Between May 2015 to December 2015
Rajkot I and IIA	Operational	Gujarat	126.4	Between April 2019 to July 2020
Periyapatti	Operational	Tamil Nadu	148.0 (Wind) 78.8 (Solar)	November-December 2017 for 54MW of wind; November-December 2018 for 94 MW of wind; and June 2020 for 78.8 MWp of solar
Total			722.9	

Competitive Strengths

Attractive Industry Dynamics and Economics

According to the World Bank, India is the world's third largest economy by purchasing power parity, with an average growth GDP of 7.9% from 2009 to 2019. According to IMF, India's real GDP is expected to be contracted by c.10.3% in 2020 and to rebound by c.8.8% in 2021. Similarly, the World Bank predicts that the Indian economy will contract by c.9.6% in fiscal 2020-21 and recover by c.5.4% in fiscal 2021-22. 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 16.0% between fiscal 2017 to fiscal 2022 and CEA expects energy demand to grow at a CAGR of 6.3% to 1,611 billion kWh by fiscal 2022 and further by 5.8% to 2,131 billion kWh by fiscal 2027, according to the Load Generation Balance Report, 2016. Renewable power is also expected to rise from 59GW in fiscal 2017 to 122GW in fiscal 2022 at a CAGR of 16.5% per annum.

The Indian power sector has traditionally been more dependent on conventional thermal fuel sources, such as coal and gas, than on renewable sources. 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. Steep declines in solar panel prices over the last five years, improving efficiency of wind turbines and rising cost of coal-based power has resulted in more competitive wind and solar power tariffs. 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.

Furthermore, 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. In its support of the global preference to encourage clean energy technologies, the GoI gave a voluntary commitment at the United Nations Framework Convention on Climate Change to reduce India's carbon intensity by 20% to 25% below its 2005 level by 2020. Furthermore, the GoI also 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 rich states (host state), strengthen intra state and interstate transmission systems to accommodate increasing amount of intermittent generation from renewable energy resources. The GoI has also rolled out a plan to adopt the reverse auction-based determination of tariffs for wind and solar energy projects through centralised procurement by Solar Energy Corporation of India Limited, NTPC Limited and NHPC Limited for onward sales to several state distribution utilities.

State Governments have also introduced promotional policies and procurement schemes for large scale deployment of renewable energy in their respective states. For example, in May 2018, the Ministry of New and Renewable Energy of the GoI issued the National Wind- Solar Hybrid policy that provides a framework for the promotion of large grid-connected wind-solar photovoltaic hybrid systems for efficient utilization of transmission infrastructure and land. This policy aims to provide for the integration of both wind and solar energy sources. In addition, in recent years, the GoI has enhanced its commitment to fight climate change by targeting the installation of 175 GW of renewable energy capacity by 2022, which includes 60 GW of wind capacity, the installation of 450 GW of renewable energy capacity by 2030, reduction in emission intensity by 33% to 35% by 2030 from the 2005 level, and 40% of electric power installed capacity from non-fossil fuel sources by 2030. The Electricity Act, 2003 has several provisions which promote renewable energy development efforts. It 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 and 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.

The Indian Electricity Grid Code, 2010, exempts renewable energy from the merit order dispatch mechanism and scheduling regulations by according renewable energy (except biomass power plants with installed capacity of 10 MW and above) must-run status which played a crucial role in partly offsetting operational risk and facilitating growth of the renewable sector in India.

Furthermore, the Ministry of Power has also proposed a draft Electricity (Amendment) Bill, 2020 which include, (i) determination of tariffs that are reflective of costs, to enable distribution utilities to recover their costs and a proposal that tariff be determined by state electricity regulatory commissions without taking into account the subsidy, which will be given directly by the government to the consumers; (ii) establishment of Electricity Contract Enforcement Authority having sole authority and having original jurisdiction to adjudicate upon matters

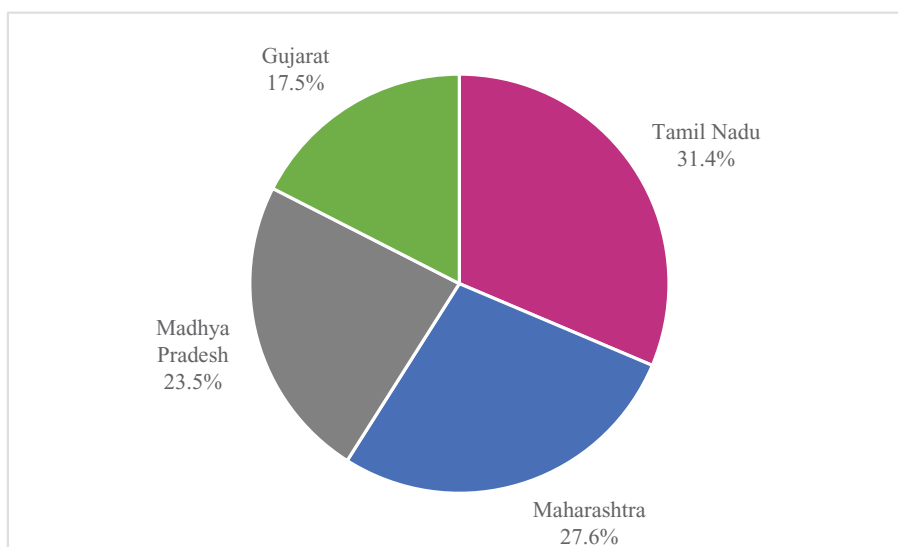
regarding specific performance of contracts related to purchase or sale of electricity between a generating company and a licensee or between licensees; and contracts related to transmission of electricity between a generating company and a licensee or between licensees; (iii) empowering Load Dispatch Centres to oversee the establishment of adequate payment security mechanism before scheduling dispatch of electricity, as per contracts; (iv) preparation and notification of a National Renewable Energy Policy by the Central Government after consultation with the State Governments, as may be considered necessary, for the promotion of generation of electricity from renewable sources of energy and also prescribe a minimum percentage of purchase of electricity from hydro sources of energy; and (v) progressive reduction of cross subsidy and other surcharges on sale of electricity on open access.

We believe these measures provide a favorable environment to own and operate wind and solar farms in India.

Diversified Portfolio of Clean Energy Assets

We own and operate three large wind farms and one large wind-solar co-located hybrid farm in India, with a total portfolio of 722.9 MW of generation capacity. We mitigate our resource risks through our presence across wind-rich states in India. As seen in the diagram below, our wind farm projects are located in Maharashtra, Madhya Pradesh and Gujarat which account for 27.6%, 23.5% and 17.5% of the generation capacity respectively, and our Periyapatti wind-solar co-located hybrid farm project is located in the state of Tamil Nadu accounts for 31.4% of the generation capacity.

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



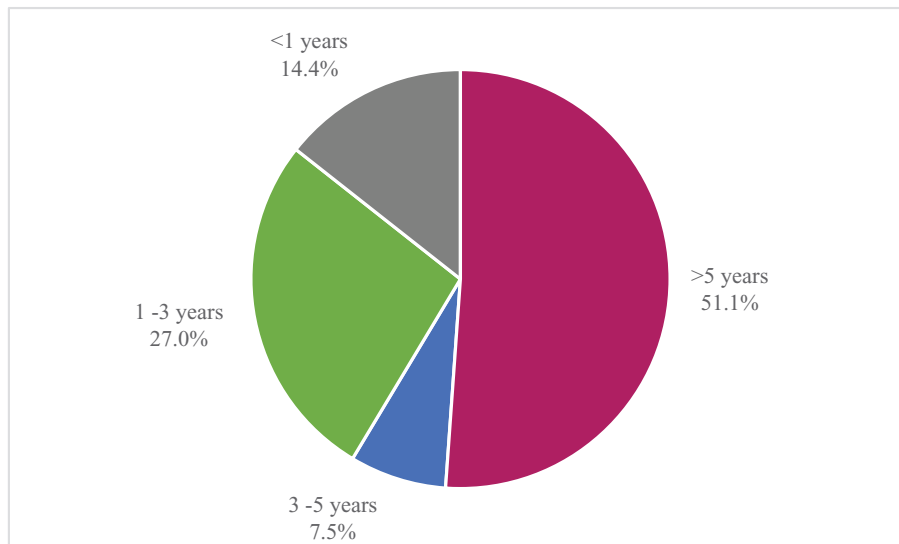
We purchase equipment from reputable turbine and solar module suppliers such as Inox Wind, Suzlon, Vestas , Siemens Gamesa and Adani Solar. Certain turbine models which we have purchased from these suppliers have already had several years of successful operational history.

We have deployed 40 Vestas V100_95, 40 Suzlon S97_90 and 17 Suzlon S97_80 wind turbines at the Bothe wind farm, 85 Inox DF/2000/100_92 wind turbines at the Ratlam-I wind farm. 46 Vestas V120_120 and 12 Siemens Gamesa SG122_127 wind turbines at the Rajkot I and Rajkot IIA wind farm, respectively, 60 Vestas V100_95 and 14 Vestas V110_110 and Adani Solar modules at the Periyapatti wind-solar co-located hybrid farm.

Long and demonstrated track record of the operating assets

All of projects are operational and with an operating history of more than one year, excluding 78.8 MW of solar capacity and 25.2 MW of wind capacity, and have no construction risks or major capital expenditure requirements. As seen in the diagram below, the average life of the portfolio of assets is ~4 years and over 51% of the capacity has an operating history of over 5 years.

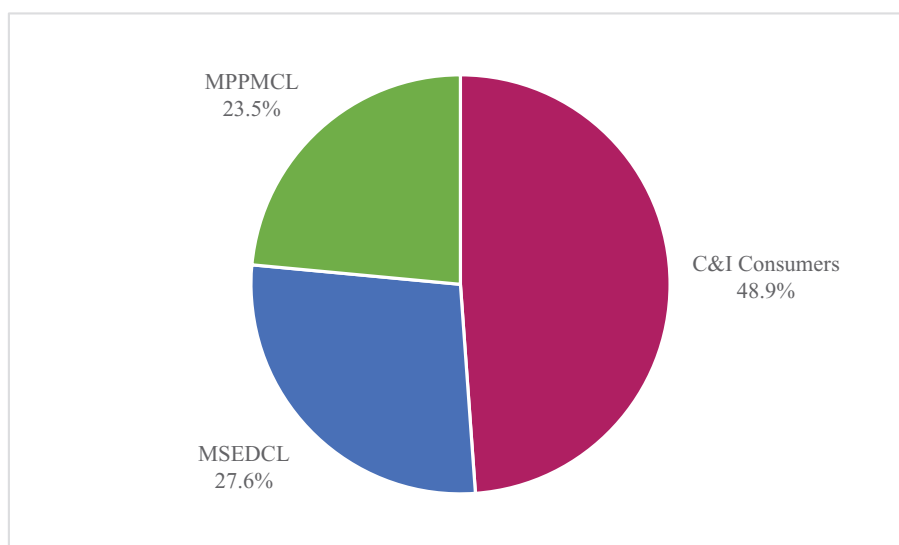
Long track record & experience in operating projects (by capacity)



Distinctive Business Model with Diversified Off-taker Mix and Earnings Visibility through Long-term PPAs

As seen in the diagram below, our diversified mix of PPAs comprises of fixed tariffs (for the term of the PPAs) PPAs with MSEDCL distribution utility in Maharashtra and MPPMCL distribution utility in Madhya Pradesh and C&I tariff PPA with 89 C&I consumers in Gujarat and Tamil Nadu, each accounting for 27.6%, 23.5% and 48.9% of the mix of PPAs respectively.

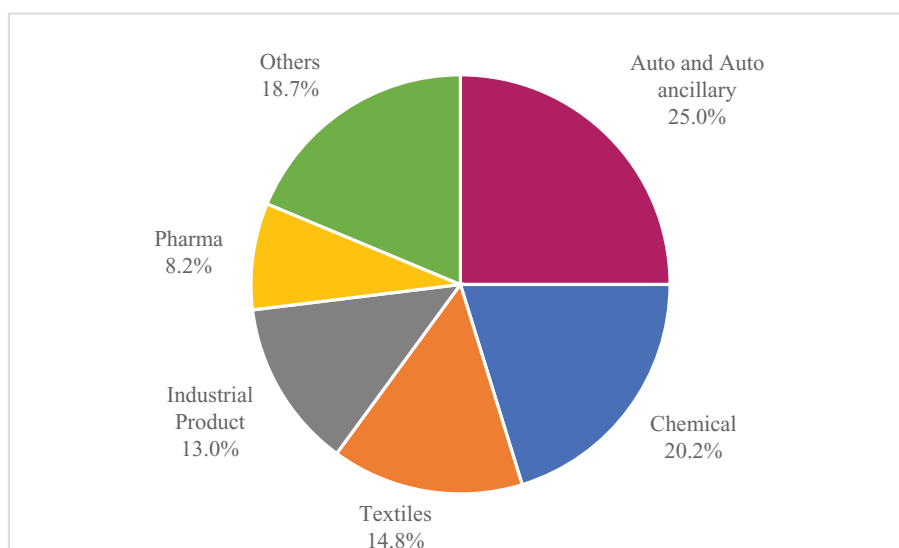
Off-takers mix (by capacity)



For fiscal 2020, we generated 59.43% of our total revenue from the sale of electricity from MPPMCL and MSEDCL. Additionally, the Bothe and Ratlam projects are eligible for GBI benefits from the GoI (paid by IREDA) which constituted 5.10% of our total revenue in fiscal 2020. The PPAs with MSEDCL and MPPMCL are structured on the basis of fixed feed-in-tariffs (FITs) and have a term of 13 and 25 years respectively, which ensure off-take security and high visibility of our future financial performance. Furthermore, the MSEDCL distribution utility and MPPMCL (west) distribution utility are rated 'A' by ICRA as per the framework approved by the Ministry of Power, GoI.

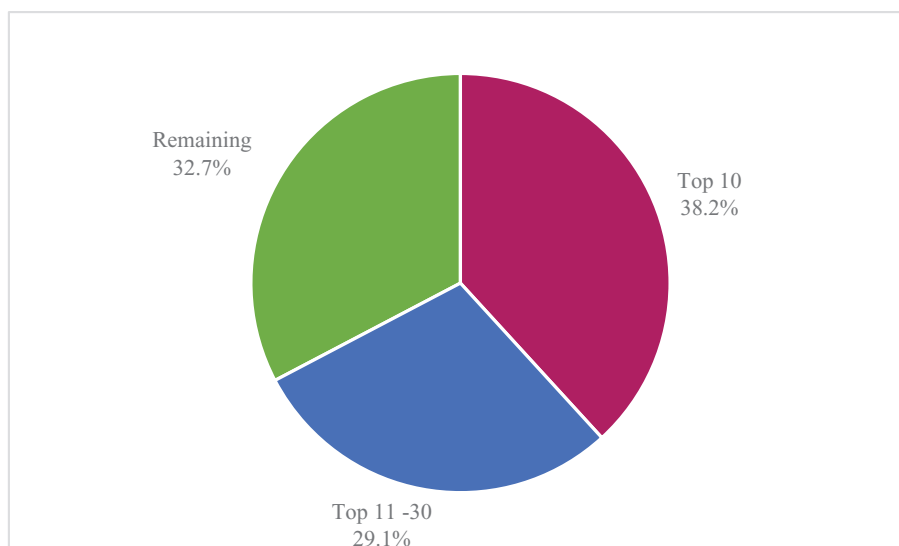
For fiscal 2020, we generated 35.47% of our total revenue from the sale of electricity from our PPAs with C&I consumers. PPAs with C&I consumers are generally for three to 20 years, at tariffs set at a level lower than their alternative variable cost of power purchase from distribution utilities and cater to only 50-60% of an individual consumer's demand of electricity, which ensures off-take security and high visibility of our future financial performance. 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.

Off-taker industries (by capacity)



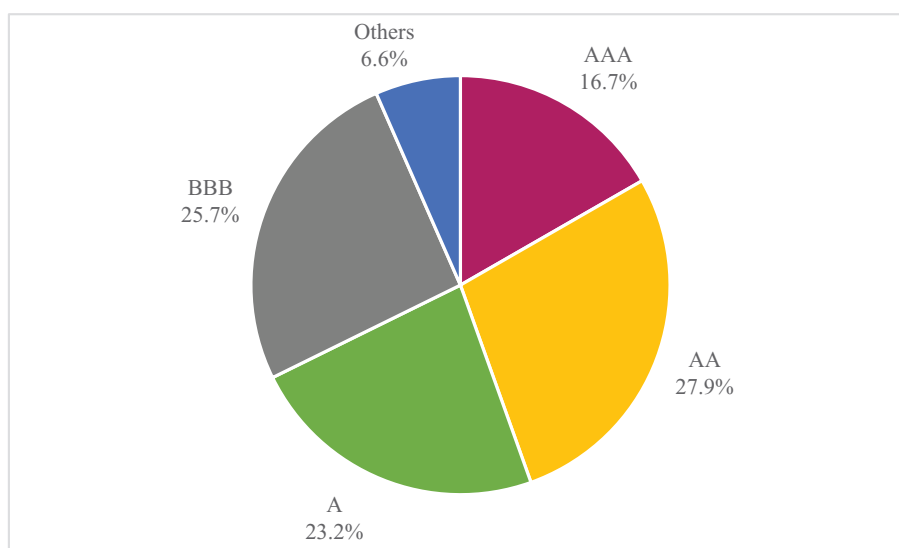
Further, in our C&I business, we face reduced customer concentration risk with no C&I customer accounting for more than 6.7% of our C&I business and 3.3% of our overall business.

Off-taker industries (by capacity)



We have entered into PPAs with high quality C&I consumers – as seen in the diagram below, more than 67.7% of our consumers are rated ‘A’ or higher by independent, regulated credit rating agencies in India and all others are either unrated or rated investment grade or above (BBB-). 35.2% of our C&I sales are made to consumers are part of multinational companies and 32.9% to companies belonging to marquee and large Indian industrial groups.

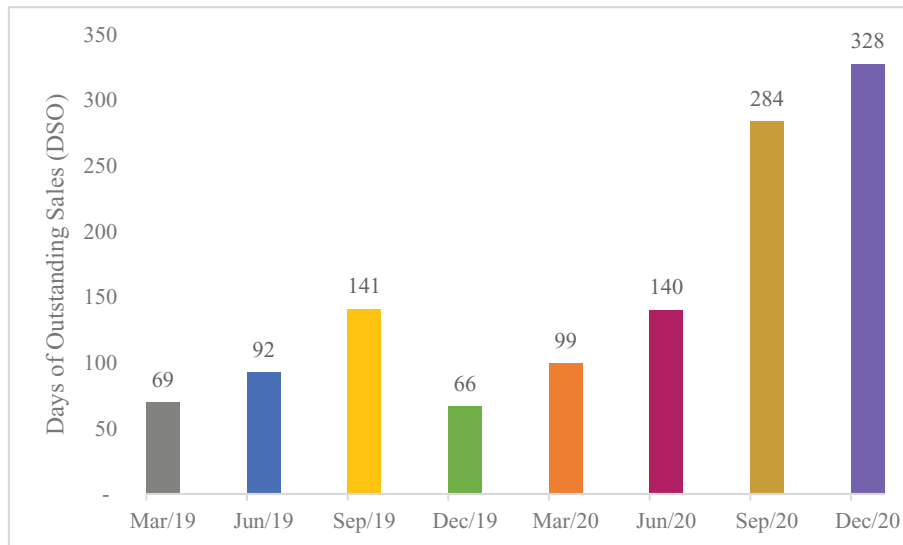
Off-taker credit ratings (by capacity)



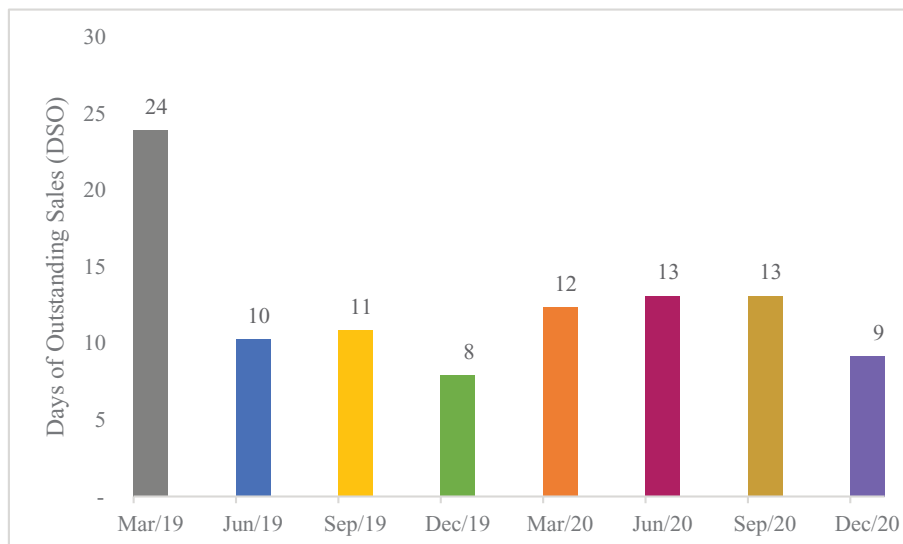
The high quality and diversified customer base helped us during the lockdowns imposed during March to July 2020 in the wake of COVID-19. Even during this period, 94.4% of our total saleable generation from C&I projects was accounted for by consumption by our C&I consumers and the balance was sold to distribution utilities at predetermined tariffs. During fiscal 2018, 2019 and 2020 and the period since August 2020, almost 100% of our total saleable generation from C&I projects was accounted for by consumption by our C&I consumers.

Receivables position

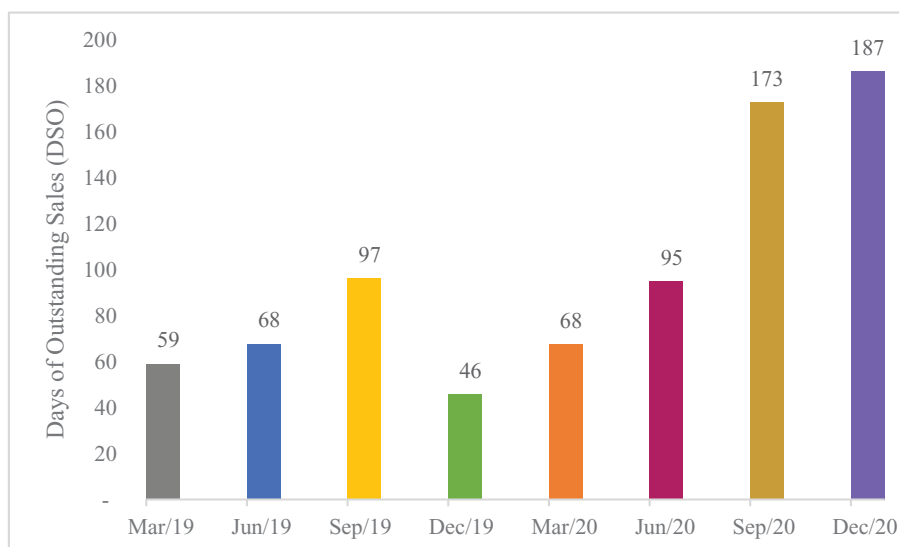
We sell all of our electricity to MSEDCL, MPPMCL and 89 C&I consumers. MSEDCL and MPPMCL (west) are amongst the better rated electricity distribution utilities in India with a rating of 'A' by Ministry of Power, GoI in 2019. As a result, we have a better receivable history than our peers selling to other weaker distribution utilities, as shown below since March 2019. Receivables history with these distribution utilities has been five months or less in this period except for the extension in payment days in recent past due to the impact of COVID-19.



With our C&I consumers, we carry receivables of 24 days or less as shown below since March 2019:



Due the diversification between the fixed tariff PPAs with MSEDCL and MPPCL on one hand and C&I tariff PPAs with 89 C&I consumers, we carry receivables of about three months or less generally, which has expanded to about six months due to the impact of COVID-19 on the distribution utilities, MPPMCL and MSEDCL.



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 conducted external and in-house micro-siting studies and layout planning to reduce wake effects and maximize generation at our project sites. For example, the Bothe wind farm was selected after relying on up to eight years of wind data from 11 on-site wind masts and the Ratlam-I wind project was selected after relying on up to five years of wind data from seven on-site wind masts. The Rajkot I and Rajkot IIA wind farms were selected after relying on up to three years of wind data from five on-site wind masts while the Periyapatti wind-solar co-located hybrid farm was selected after relying on up to six years of wind data from 10 on-site wind masts.

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, our project companies own the entirety of our wind/solar farms (However, minority ownership of voting securities of Watsun Infrabuild Pvt Ltd, which owns 100% of the 148 MW wind and 78.8 MWp solar capacity, is held by our group captive C&I consumers) 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. 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 farms.

We also have strong partnerships with reputable O&M operators and suppliers such as Inox Wind, Suzlon, Vestas, Siemens Gamesa, Larsen & Toubro etc.

We use superior quality electrical components to reduce our wind farm and solar park transmission loss and improve our turbine availability. For example, we have deployed rolled steel joist poles and galvanized square cross-sectional poles to ensure good mechanical strength of the turbines 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 deployed double circuit 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.

Our wind power and solar power projects are operational and require low levels of expenditure to operate and maintain them. For our windfarms, we have comprehensive O&M contracts for periods of 10 to 20 years. 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 with Larsen & Toubro Ltd for our solar farm at Periyapatti include a warranty for two years, performance ratio guarantees for up to eight years, starting at 81.55% and a comprehensive O&M contract for 10 years.

In several of our O&M contracts for our wind farms and in the O&M contract for our solar park, instead of paying a fixed fee per year per MW of capacity, 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 O&M contractor's interest in maximizing generation.

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 forecasting practice, efficient vendor agnostic turbine selection and a centrally dedicated asset monitoring team for superior portfolio monitoring practice. Our Turbine Operations Monitoring System (also installed on our solar farm) collects several gigabytes of data every day and along with several 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. Until August 2020, the system had raised such 1,015 alerts across our windfarms.

For example:

- On May 20, 2020, our system identified an abnormal increase in busbar temperature of one of Inox make wind turbines at our Ratlam windfarm compared to other turbines even though no failure or mal performance had happened. Upon investigation, the issue was rectified by June 1, 2020 before any failure could occur;
- On July 27, 2020, our system identified an abnormal issue with VCP board in a Vestas make turbine at our Rajkot windfarm. Corrective actions could be taken and rectified by July 30, 2020; and

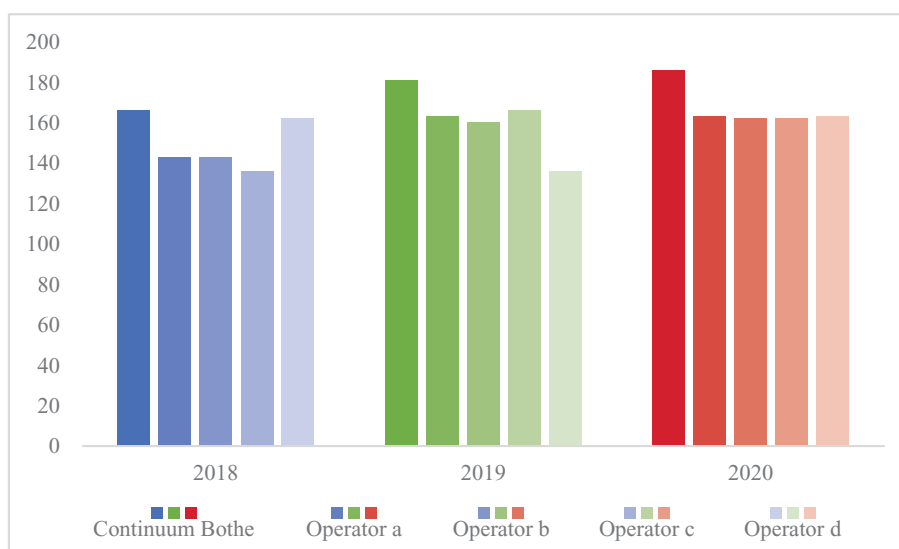
- On Jan 5, 2019, the system identified higher than normal temperatures (even though within operating envelope) in bottom control section of a Vestas turbine and the issue was addressed the same day preventing a failure that could have occurred later had it not been addressed in advance.

Our O&M team was able to resolve these issues in a few days and helped us avoid generation losses during peak wind season and potential downtime. We continue to take similar corrective actions on other turbines as well.

Under the terms of our O&M contracts and due to our complete ownership of our wind farms, we have the ability to switch between wind turbine suppliers 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 farms.

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 Dispatch Centre, the Bothe project achieves higher monthly generation per MW of installed capacity than our competitors.

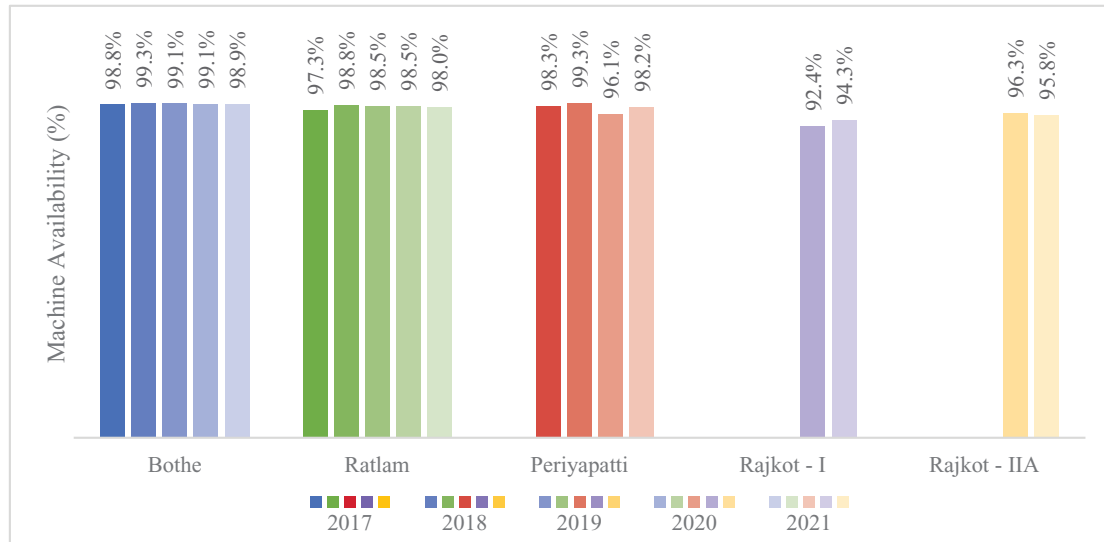
Our generation compared to our peers



Source: MSEDCL, Maharashtra SLDC

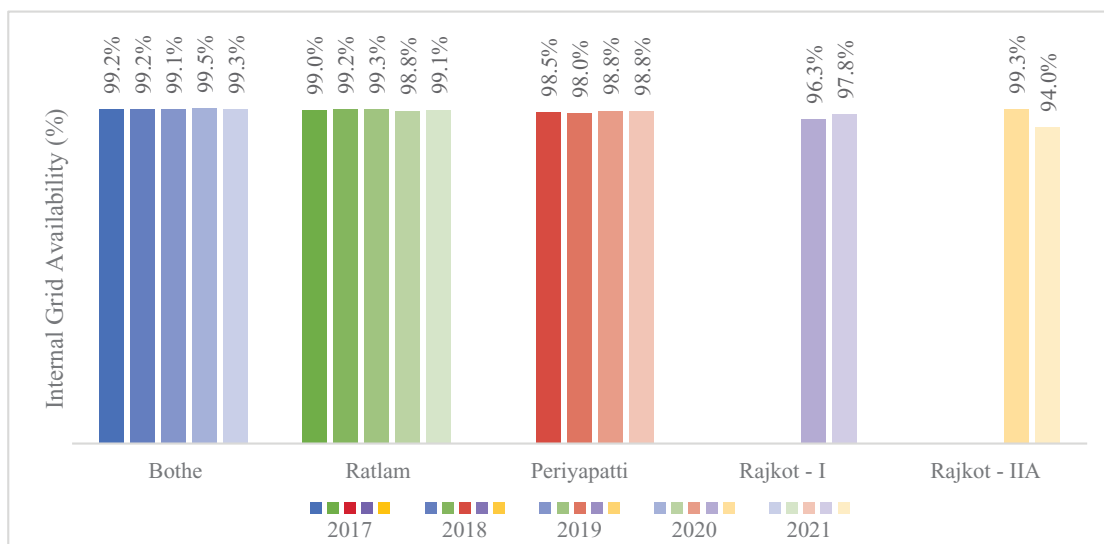
Some of the KPIs we track at our projects are wind turbine availability, internal grid availability, external grid availability and Mean Time Between Inspections (“MTBI”). Higher MTBI indicates fewer needs for maintenance personnel to attend to turbines and indicate better turbine health and lower downtimes. Wind turbine availability and internal grid availability are a function of quality of our own windfarms and quality of our maintenance. We believe we have achieved industry leading availabilities and MTBI:

Machine Availability (%)

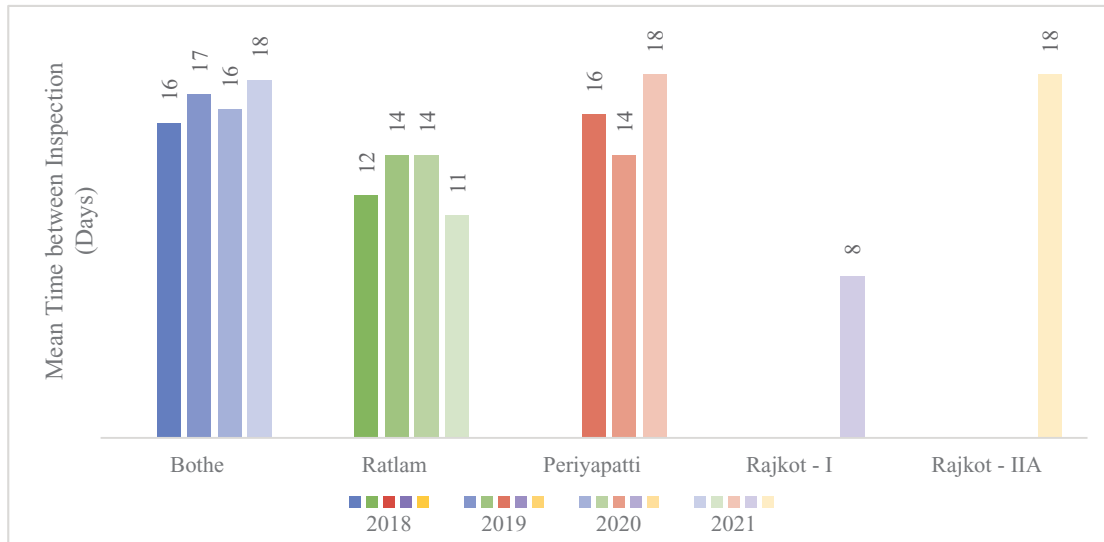


Note to the above charts: The availability at Periyapatti windfarm and Rajkot I windfarm was lower in fiscal 2020 due to precautionary shutdowns/derating of wind turbines at these sites, as a result of a fire in Vestas make wind turbine at Rajkot site. Had this not occurred, the availability could have been ~99%.

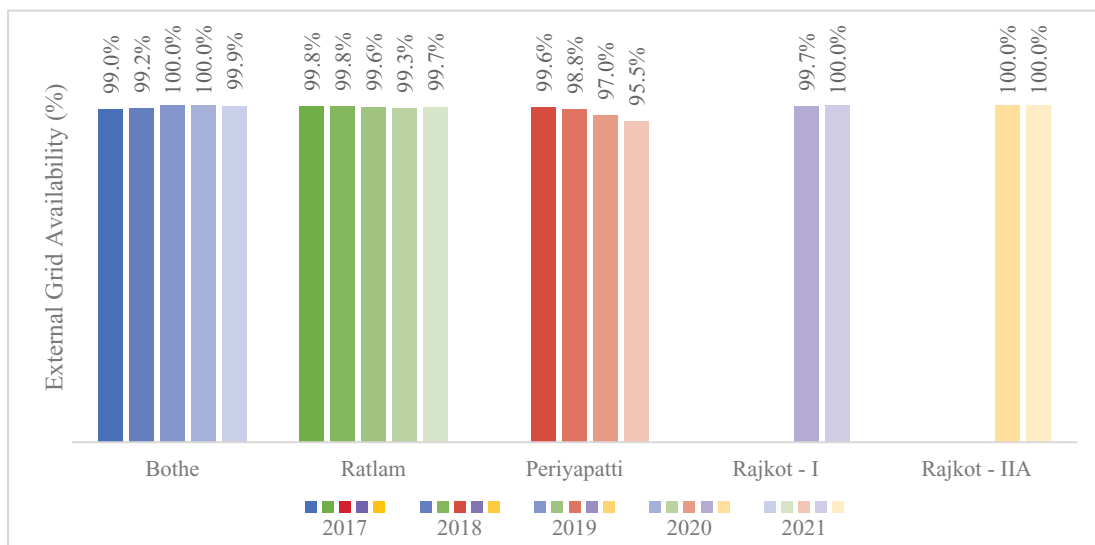
Internal grid Availability (%)



Mean Time Between Inspections



The external grid availability is largely a function of the quality of electricity grid that our windfarms and solar park are connected to. We do not build windfarm or solar park unless 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 capex upfront, our windfarms in Bothe, Ratlam and Rajkot have not faced any curtailment of energy. We have faced some curtailment of energy at our Periyapatti windfarm because the 400 kV green corridor grid that we are connected to is not entirely complete and a small section of 4 km line works (out of several hundred km of works) are pending completion. Upon completion, this project will get two alternative high capacity corridors (inter-state as well as intra-state) for evacuation of power and will, likely not face curtailment.



Robust Financial Profile Bolstered by Attractive Credit Metrics

We benefit from a robust balance sheet, which we leverage prudently to support our growth.

	FY2018	FY2019	FY2020
	(Rs. in million)		
Operational Capacity @ year end (MW)	423.7 MW	517.7 MW	627.3 MW
Adjusted EBITDA (A)	4,182	5,741	6,706
Less: Interest on borrowings (B)	2,472	2,753	3,076
Less: Direct taxes paid (net) (C)	31	228	—
FFO (D = A-B-C)	1,679	2,760	3,630
Less: Aggregate of movements in working capital as per cashflow statements (E)	(446)	(2,017)	45
Less: interest income (net of interest received as per cashflow statements) (F)	14	35	(3)
FCF (G = A-C-E-F)	4,583	7,495	6,664
Adjusted borrowings (H)	24,644	27,069	35,727
Adjusted borrowings/Adjusted EBITDA (H/A) ratio	5.9	4.7	5.3
FFO to Adjusted borrowings (D/H) (%)	6.81%	10.20%	10.16%
FCF Conversion (G/A) (%)	109.59%	130.55%	99.37%

FFO (Funds from Operations) is defined as Adjusted EBITDA less Interest on borrowings less Tax paid. FCF (Free Cash Flow) is defined as Adjusted EBITDA less Tax paid less aggregate of movements in working capital less interest income (net of interest received). Adjusted borrowings includes long term borrowings from banks and financial institutions, short term borrowings from banks and financial institutions and interest accrued but not amounts due on borrowings. FFO, FCF 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. The definition of FFO used here differs from the definition of FFO used in the Onshore Debt. See “Appendix A — Onshore Debt Terms and Conditions.

Wind farm and solar park’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, 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, etc. over such 20 year period. EBITDA from our projects has been higher than expected EBITDA at P90 generation levels in fiscal 2019 and fiscal 2020.

Continuum Group has invested Rs. 15,012 million to date in the Indian Restricted Subsidiaries’ projects in addition to outstanding Long-term borrowings from Bank and Financial Institution of Restricted Group is Rs. 33,989 million as of December 31, 2020.

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

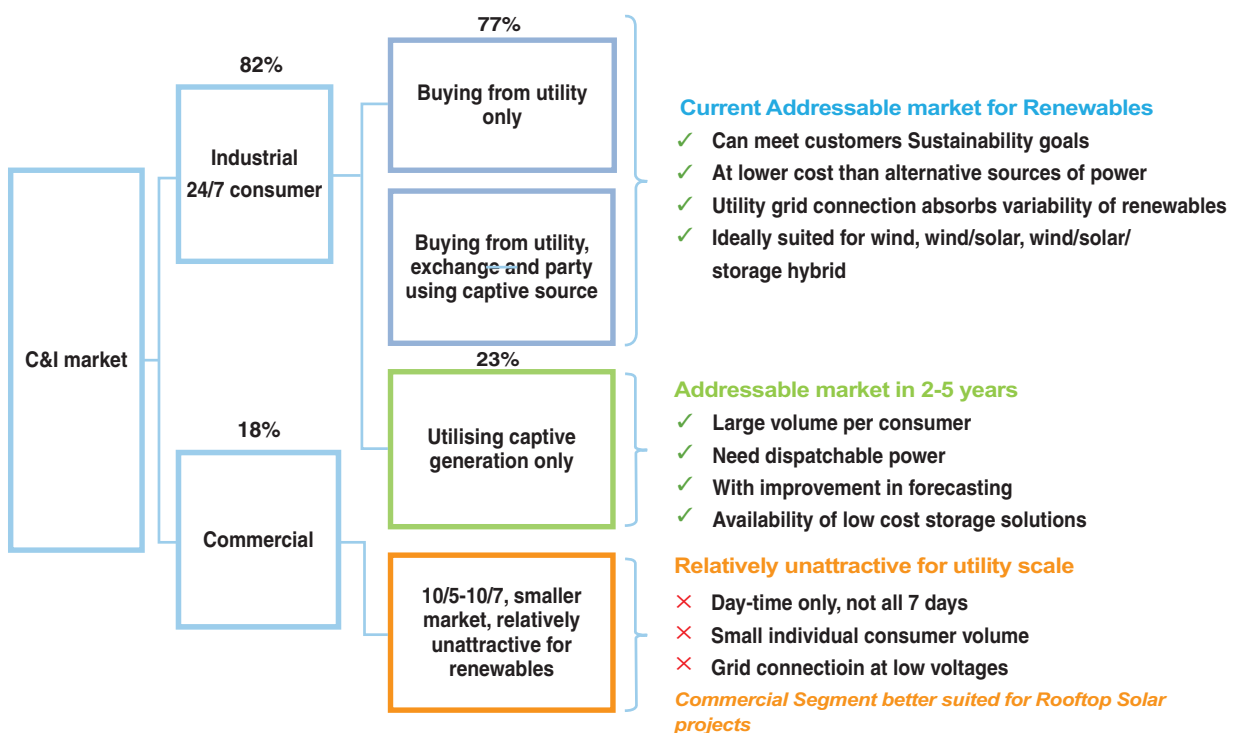
We are led by a management team with extensive experience in the renewable energy sector, in-depth understanding of managing projects and a proven track record of superior performance. The senior management

team of Continuum, led by Mr. Arvind Bansal, Mr. Tarun Bhargava and Mr. N.V. Venkataramanan, has combined experience of approximately 30 years in the renewable power industry. In addition, members of the management team possess complementary skills and have extensive experience and knowledge of the power industry. The experience of Continuum's operation and maintenance team lends significant expertise for operation and maintenance of our projects.

C&I Business Strategy

Our current strategy of selling renewable energy under open access centers around selling to industrial consumers. Industrial consumers constitute for a majority of the electrical consumption in the C&I segment. Industrial consumers usually consume electricity 24X7 unlike commercial consumers who consume during day time and week days. Since wind farms and solar farms are designed to produce all days of the year and wind farms produce energy at all times of the day, 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 later category of consumers are usually larger and present an attractive market in the future when the costs of electricity storage solution have reduced 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, are more suitable for rooftop solar sources of energy.



Attractiveness of wind energy and wind-solar hybrid energy

Distribution utilities 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 which limits the amount of electricity that a consumer can purchase and consume at a give point. For example, if a consumer has

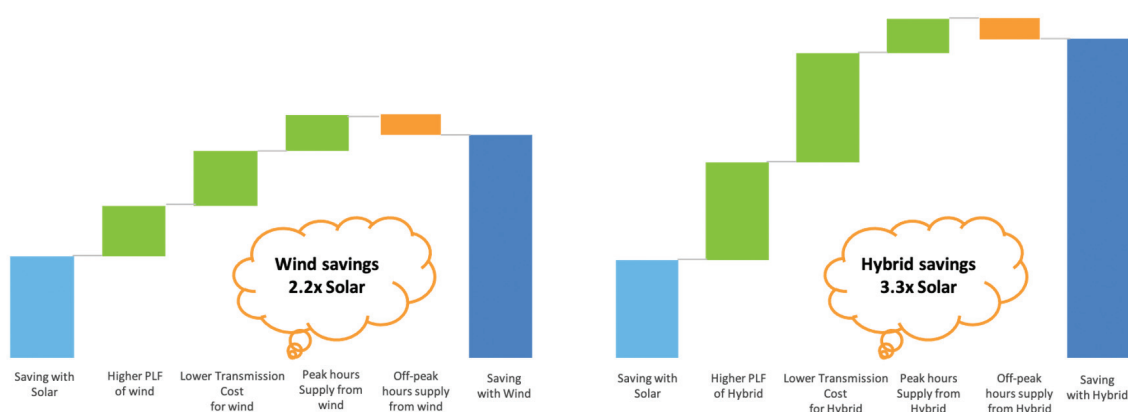
a 10 MW connection to the utility grid, it can only source and consume up to 10 MW of electricity at any instant. In other words, it can purchase only 10 MW of electricity at any time from amongst all sources of electricity – grid connection as well as open access sources of electricity.

Since we price our PPAs at an agreed discount per kWh to the variable cost of purchase of 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. Wind energy projects produce significantly higher amount of electricity per MW of installed capacity than solar projects. When you multiply the agreed discount per kWh with the volume of energy supplied per MW, the consumer makes higher absolute amount of annual savings in its electricity costs by purchasing the same MW of wind energy on open access compared to purchasing same MW amount of solar energy on open access.

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

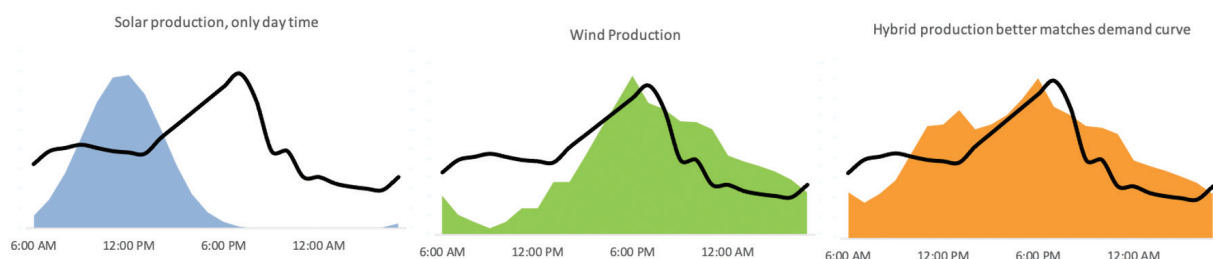
Additionally, in India, in many states, the peak demand for electricity occurs during morning hours (6 am to 10 am) and evening hours (6 pm to 10 pm) when solar projects produce nil to a small percentage of their overall output. The distribution utilities charge a premium tariff to the consumers during peak demand hours compared to day time tariff and a lower tariff at night (off-peak hours) than during day time. Since wind farms produce significant portion of their energy during the morning and evening peak demand hours, the consumer is able to offset higher cost energy from distribution utilities during these hours by buying from wind farms compared to solar farms. However, at the same time, some of this benefit is negated by the production of wind energy at night hours, when the distribution utility tariff is lower.

The sum total of annual savings to a consumer, at a tariff set at a given discount to distribution utility tariff, from (a) higher PLF of wind farms compared to solar plants (b) lower per kWh open access costs for wind energy than solar (c) higher savings from wind by offsetting higher peak hour distribution utility tariffs (d) reduced savings at night time off-peak hour tariffs, the annual savings to a consumer from our windfarms is higher the annual savings by buying solar energy on open access basis. Therefore, we believe that wind energy is more suitable for open access purchases than solar energy for industrial consumers.



The benefits to a consumer are further increased if the supplier is a wind-solar hybrid plant than a standalone windfarm or standalone solar farm. This is because, a hybrid plant produces still higher energy (kWh) per MW, or has a higher PLF, than a standalone windfarm or standalone solar farm.

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 farms and have exclusive dedicated interconnection facilities (such as pooling substation and EHV transmission lines). Further, our projects are connected to higher voltage grids (220kV or higher) which are generally higher capacity grids. The hybrid project help 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. By combining wind and solar capacities in appropriate ratios (specific to each site and grid), the supply curve of electricity during a day can be closely matched to the demand curve of electricity, thereby reducing the amount of storage investment required. Additionally, sharing the common infrastructure in a hybrid project helps realize savings in capital expenditure as well as operation expenditure per kWh on evacuation infrastructure, internal roads, internal 33KV transmission feeders, operating costs, security costs, etc.



Therefore, we plan to add solar and solar-storage capacity to our existing wind farms over time and increase the value to our customers as well as to ourselves. These capacities will be set up in new SPV(s) without disturbing the debt and asset structure of our Restricted Group.

We believe that our advantages of being able to convert our wind projects into wind-solar hybrids, in addition to other project specific competitive advantages, provide us competitive advantages in the C&I market.

Our projects in Periyapatti and Rajkot operate at amongst 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 the proximity to our project. Our Periyapatti project is the only co-located Wind – Solar hybrid project in the state which helps make our project more attractive to C&I consumers and its attraction can be enhanced in future by adding electricity storage. In our Rajkot and Bothe projects, 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.

Each of our projects is connected to the transmission grids at 220kV - 230kV network (Extra High Voltage), ensuring lower transmission loss compared to most other projects which are connected to lower voltage levels.

Our projects enjoy some benefits under the state and central policies. For example,

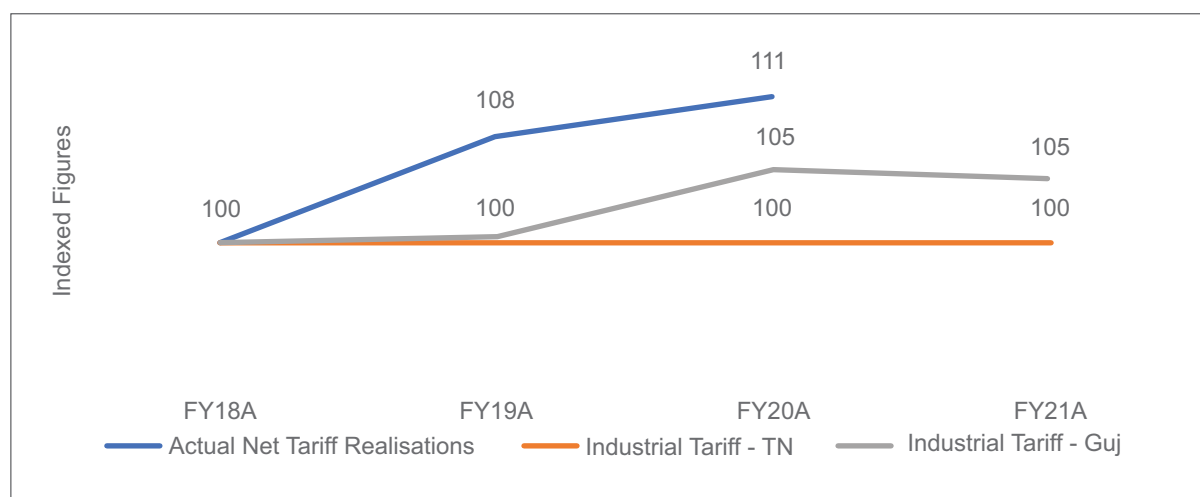
1. in Rajkot, we enjoy 50% waiver on cross subsidy surcharge and additional surcharge for 25 years (which amounts to a waiver of ~ INR 1/kWh at current levels of these charges);
2. in Periyapatti project, as per the Electricity Act, cross subsidy surcharge and additional surcharge is not applicable to captive/group captive sales; and
3. 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 the above policy benefits act as barrier to entry to new competition. The 50% waiver on cross subsidy surcharge and additional surcharge available in Rajkot project is not available for (i) any new wind energy project commissioned post June 2021, upon the expiry of the current wind power policy in the state of Gujarat and (ii) any solar project commissioned after December 31, 2020. Additionally, the lack of high wind speed sites, expensive land and right of way costs are likely to make newer projects less competitive.

	Perivapatti	Rajkot I & IIA	Bothe
	226.8MW sales to 48 captive industrial consumers	126.4MW sales to 41 industrial consumers	199.7MW sales to group captive industrial consumers after FY27
Competitive position & high exit barriers	- Only wind-solar hybrid - Highest PLF amongst all renewable projects in the state - One of the few projects connected to 220 kV grid - lowest grid charges - GC consumers have to hold minimum 26% equity in the entity and OA approval has been taken for the period of 20 years by the entity	- Sustained advantage of ~1.06 / kWh due to policy certainty - Highest PLF amongst all open access renewable projects - Only OA project connected to 220 kV grid - lowest grid charges - Ability to add solar hybrid - OA approval for the consumer for 3 years - consumers are bound by the approval for the period to the generator	- Highest 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 entry barriers	- No banking facility for new wind or solar projects - Other existing wind/ solar projects unable to hybridise - Very expensive land and right of way to build new capacity	- No other wind site to commission by June 2021 - Various airports in Gujarat limit land for bigger turbines. - Other projects unable to hybridise due shared evacuation infra	- Remaining windy sites require larger turbines to achieve PLF - Expensive land & right of way to build new capacity - Other existing wind / solar projects unable to hybridise
Policy outlook	100% CSS and AS waiver for GC projects as per Electricity Act - Intense Policy Advocacy as ~4000 MW is Captive/GC mode - State policy concessions are only ~Rs. 0.25 / kWh	50% rebate in CSS & AS for 25 years for capacity commissioned by June 2021. - No other concession in banking, wheeling / transmission charge - CSS at @20%. Can increase only with increase in industrial tariff	100% CSS and AS waiver for GC projects as per Electricity Act - No other concessions / incentives in state policies - CSS at @20%. Can increase only with increase in industrial tariff
Landed cost			
% lower as compared to purchase from Discom	- Up to 35.5%	- Up to 19.5%	- Up to 7.0%
% lower as compared to purchase from Exchange	- Up to 9.5%	- Up to 14.0%	- Up to 19.5%

Note: CSS stands for Cross Subsidy Surcharged, AS for Additional Surcharge, GC for Group Captive and OA for Open Access

Our net tariff realisations after deducting the applicable open access charges across the open access projects in Continuum Group, have been increasing over the last 3 years.



90% of our PPAs for our capacity under open access have been executed since FY2018. During this period, in the e-reverse auctions for PPAs carried out by Solar Energy Corporation of India Limited (SECI) or by NTPC Ltd (NTPC) for bulk supply of renewable energy for 25 years, PPAs have been won at tariffs of INR 2.50 - 3.00/kWh. The net tariff realisations in open access PPAs have been higher compared to these auction tariffs because of a variety of reasons such as:

- The alternative cost of procurement for C&I consumer from distribution utilities is higher than landed cost of purchase in our C&I PPAs;
- Individual C&I consumers purchase smaller quantity of power and they do not have similar buying power as SECI or NTPC; and
- Purchase of renewable energy by distribution utilities under PPAs through competitive auctions is subsidized by Government of India in the form of waiver of all inter-state grid transmission charges & losses for the entire period of 25 years, in case of projects commissioned on or before June 30, 2023.

Our Parent

Our Parent, Continuum Green Energy Limited, Singapore, was founded by Continuum Energy Pte Ltd, Singapore in 2012 and is focused on establishing a large independent wind and solar power producer business in India. In 2012, a wholly owned subsidiary of a fund entity of North Haven Infrastructure Partners managed by Morgan Stanley Infrastructure Partners (our Sponsor) made a commitment to invest up to US\$ 200 million of equity in our Parent, which was largely invested by early 2018. Our Sponsor holds 92.31% of our Parent's share capital. Our Parent meets its capital requirements primarily through investments from its shareholders. Our Parent's subsidiaries meet their capital requirements through investments from our Parent, debt financing and operating surpluses. Our Parent's subsidiaries have borrowed from State Bank of India, Power Finance Corporation, International Finance Corporation, IREDA, IIFCL, India Infradebt Limited, L & T Infrastructure Finance Co Ltd and PTC Financial Service, ICICI Bank, IndusInd Bank, Olympus Capital Asia, Bank of America Merrill Lynch among others.

Since 2012, our Parent has added wind capacity to its portfolio by developing wind projects in strategic locations in India. In addition, our Parent has further added solar capacity to its portfolio by developing the largest co-located wind-solar hybrid farm in Tamil Nadu. Our Parent's portfolio of assets consists of 13 projects of which seven are operational (out of the seven, five comprise the Restricted Group), two are under construction, four are ready-to-construct and one solar project (part of Restricted Group). All the projects comprising of Restricted Group (722.9 MW) are operational. Our Parent owns and operates these projects through its subsidiaries. The projects are located in the states of Gujarat, Maharashtra, Madhya Pradesh and Tamil Nadu. The projects have a total licensed or planned capacity of 2,087 MW.

Details of our Parent's wind projects are as follows:

	Status	Location	Capacity (MW)	Actual or expected commissioning date
Restricted Group				
Bothe ⁽¹⁾	Operational	Maharashtra	199.7	December 2014
Ratlam-I ⁽¹⁾	Operational	Madhya Pradesh	170.0	December 2015
Periyapatti ⁽¹⁾	Operational	Tamil Nadu	226.8	Dec 2017 to June 2020
Rajkot I ⁽¹⁾	Operational	Gujarat	101.2	November 2019
Rajkot IIA ⁽¹⁾	Operational	Gujarat	25.2	June 2020
Others				
Surajbari-I	Operational	Gujarat	16.5	September 2007
Surajbari-II	Operational	Gujarat	18.0	September 2012
Dayapar	Under construction	Gujarat	126.0	Fiscal 2021
Rajkot-IIB	Under construction	Gujarat	28.0	Fiscal 2022
Morjar	Ready to construct	Gujarat	150.0	Fiscal 2022
Ratlam-II	Ready to construct	Madhya Pradesh	201.0	Fiscal 2022-23
Rajkot-III	Ready to construct	Gujarat	225.0	Fiscal 2022-23
Bhuj	Ready to construct	Gujarat	600.0	Fiscal 2023-25
Total operational	—	—	757.4	—
Total under construction	—	—	154.0	—
Total ready to construction	—	—	1,176.0	—
Total			2,087.4	

Note:

- (1) Bothe, Ratlam-I, Rajkot I and IIA and Periyapatti projects comprise the Restricted Group projects. Other projects are not planned to be included in the Restricted Group.

Except for the Surajbari and the Dayapar projects, our Parent owns the entirety of our windfarm/solar park (however, minority ownership of voting securities of Watsun Infrabuild Pvt Ltd, which owns 100% of the 148 MW wind and 78.8 MWp solar capacity, is held by our group captive C&I consumers) 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 privately owned or leased land. Our Parent also exercises control over designing, planning, developing, constructing and operating its windfarm/solar park.

The Periyapatti project in Tamil Nadu is our Parent's first co-located wind-solar hybrid project. It is designed to sell energy primarily to C&I customers. As we did in our Periyapatti project, our Parent proposes to add solar hybrid capacity to existing exclusively owned windfarms in the future enabled by dedicated evacuation infrastructure.

Our Sponsor

Our Parent's operations are supported by our Sponsor, a wholly owned subsidiary of a fund entity of North Haven Infrastructure Partners. Our Sponsor invested in our Parent over a period of four years since 2012 and holds the controlling stake in our Parent. Morgan Stanley Infrastructure Partners is the advisor and manager of North Haven Infrastructure Partners.

Morgan Stanley Infrastructure Partner's team has actively advised and assisted Continuum and its team is involved 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.

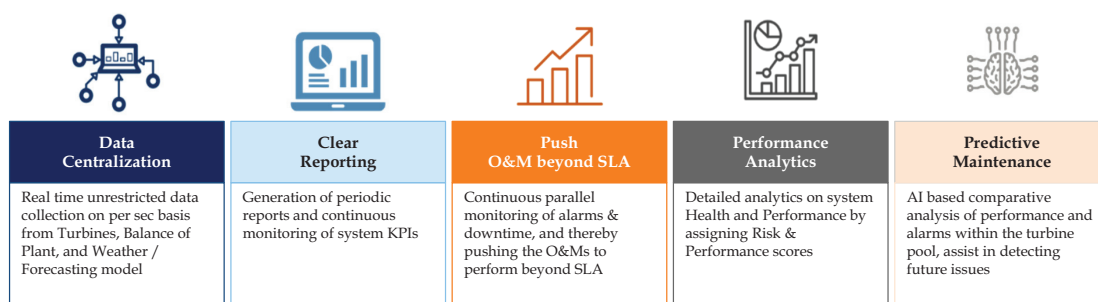
Our Sponsor has invested a total of US\$198.0 million in our Parent's operations as of December 31, 2020.

Our Projects

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, the Restricted Group's project companies own the entirety of the Restricted Group's wind farms and have exclusive grid connections to evacuate power from them, which gives the Restricted Group 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.

We operate our projects in tandem with equipment vendors and O&M contractors under long-term contracts. The Restricted Group's primary equipment vendors include Vestas, Suzlon, Inox Wind, Siemens Gamesa, Larsen & Toubro Ltd and Adani Solar. As part of the Restricted Group's O&M operations, the Restricted Group has a dedicated in-house team of 40 employees. Since 2017, all of the Restricted Group's operational wind power plants and solar power plant are monitored using real-time state-of-the-art artificial intelligence based monitoring systems, providing continuous, real-time alerts, predictive maintenance requirements to its operations team. The Restricted Group's analytics solutions help to 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. The solution is scalable to any wind equipment vendor and solar plants.

REAL TIME MONITORING THROUGH TOMS SOLUTION



The following table sets forth certain financial information for the periods indicated:

	For the fiscal year ended March 31,			
	2018	2019	2020	2020
	(Rs. in millions)			(US\$ in millions) ⁽¹⁾
Total income	4,918	6,629	8,110	111.01
Adjusted EBITDA ⁽²⁾	4,182	5,741	6,706	91.80
Profit/(Loss) after tax	(385)	598	1000	13.69

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.
- (2) Adjusted EBITDA is calculated as EBITDA excluding one-off non-cash provisions and common overheads to be paid out of Distribution Account.

	For the nine months ended December 31,	
	2020	2020
	(Rs. in millions)	(US\$ in millions) ⁽¹⁾
Total income	6,711	91.86
Adjusted EBITDA ⁽²⁾	5,615	76.86
Profit after tax	585	8.01

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. 73.0536 per US\$1.00, being the closing exchange rate published by the FBIL as of December 31, 2020.
- (2) Adjusted EBITDA is calculated as EBITDA excluding one-off non-cash provisions and common overheads to be paid out of Distribution Account.

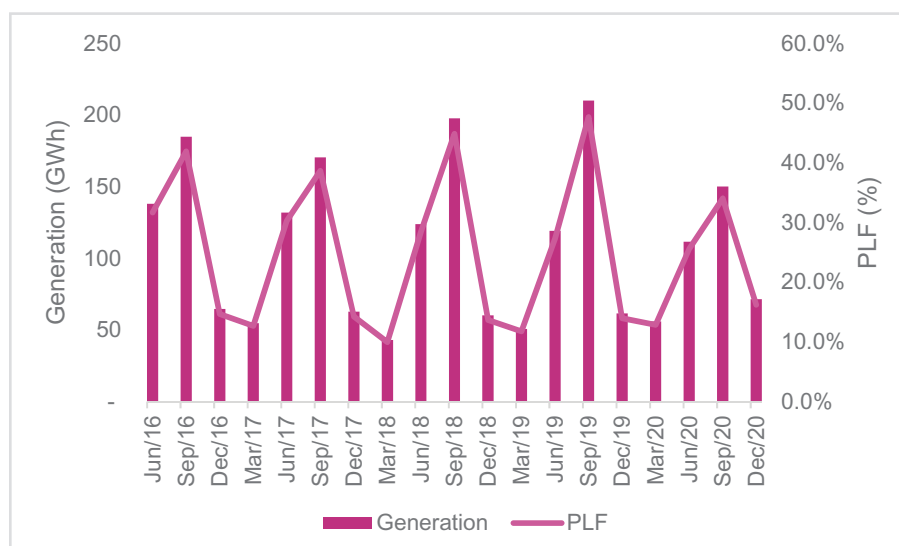
Our portfolio consists of wind energy projects located in the states of Maharashtra, Madhya Pradesh and Gujarat and wind-solar co-located hybrid project located in the state of Tamil Nadu. We have a total installed capacity of 722.9 MW comprising of 644.1 MW of wind energy project and 78.8 MWp of solar energy project. We have incurred a total capital expenditure of Rs. 47,593 million as of December 31, 2020. The following table sets forth a summary description of our projects as of December 31, 2020:

State	India subsidiary	Project	Installed Capacity	Commercial Operation Date	Off-take Arrangements		
					Off-taker	PPA Tenor	Tariff (Rs/kWh/unit)
Maharashtra	Bothe Windfarm Development Private Limited	Bothe	199.7 MW	December, 2014	MSEDCL.	13 years	101MW – Rs. 5.81 92.4MW – Rs. 5.70
Madhya Pradesh . . .	DJ Energy Private Limited and Uttar Urja Projects Private Limited	Ratlam I	170.0 MW	December, 2015	MPPMCL.	25 years	170MW – Rs. 5.92
Tamil Nadu	Watsun Infrabuild Private Limited	Periyapatti	148.0 MW (Wind) 78.8 MWp (Solar)	December 2017 for 54 MW and December 2018 for 94 MW Wind June 2020 for 78.8 MW Solar	C&I Consumers	3-20 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 I	101.2 MW	December 2019	C&I Consumers	7-15 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Gujarat	Renewables Trinethra Private Limited	Rajkot IIA	25.2 MW	June 2020	C&I Consumers	7-20 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Total			722.9 MW				

Bothe

Bothe wind farm is a wind energy project located in the Satara district of Maharashtra. As of December 31, 2020, Bothe wind farm 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 and was commissioned on December 2014. The project was developed on land purchased or leased from private owners. As of December 31, 2020, we had incurred capital expenditure of Rs. 13,954 million on this project.

The quarterly generation history of the project on a quarterly basis since April 2016 is as follows:



Bothe wind farm 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 and 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 Rs. 5.81 per kWh for 101.0 MW and Rs. 5.70 per kWh for 92.4 MW of electricity generated at the Bothe wind farm, fixed for the entire duration of the PPAs. Additionally, the project has also benefited from the GBI scheme promoted by IREDA. Under this scheme we receive Rs. 0.50 per unit from IREDA up to a total cap of Rs. 10 million per MW for a minimum period of four years, subject to a maximum time period of 10 years. Details of our energy purchase agreements are as follows:

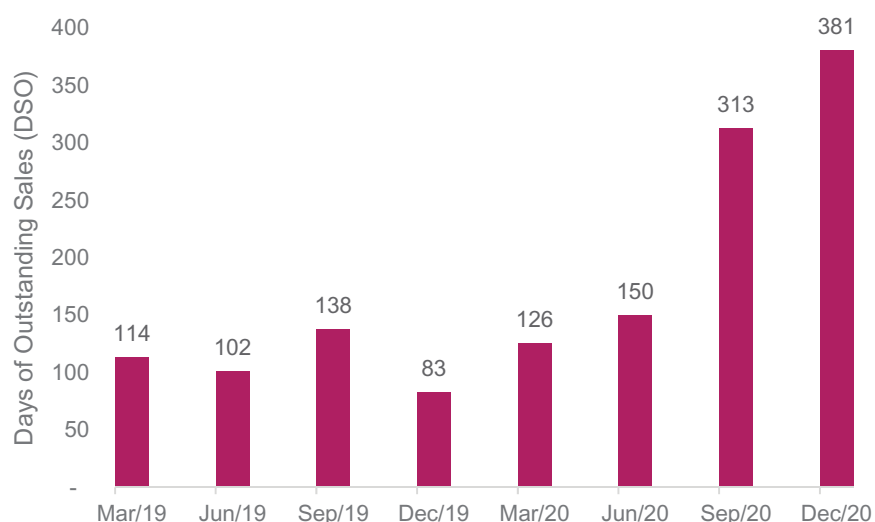
The table below sets forth certain details of our energy purchase agreements:

<u>Capacity (MW)</u>	<u>Average start date</u>	<u>Tenure</u>	<u>Fiscal 2020 tariff (per kWh)</u>
Bothe wind farm — EPAs with MSEDCL			
101.0	Fiscal 2014	13 years — until fiscal 2027	Rs. 5.81
92.4	Fiscal 2015	13 years — until fiscal 2028	Rs. 5.70

We have entered into energy purchase agreements with MSEDCL for 193.4 MW of our capacity at the Bothe wind farm and receive contracted tariffs under these agreements. For the balance 6.3 MW of wind capacity (comprising of 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 in Honourable 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 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 provided discretion to MSEDCL to execute PPAs on prospective basis at the tariff discovered in most recent competitive bid. APPC as well as the tariff discovered in most recent competitive bid are significantly lower than Rs. 5.70/kWh that we expected for the PPA. We have appealed against the order and the matter is being considered by the Honourable Appellate Tribunal of Electricity.

Days of sales outstanding (“**DSOs**”) with MSEDCL has been ranging between 83 to 150 days from fiscal 2019 to fiscal 2020; however, during COVID-19, the DSOs from MSEDCL has extended to 381 days. To address the problems faced by distribution utilities due to COVID-19 related lockdown, the GoI announced a liquidity package of Rs. 1.2 trillion for distribution utilities to clearing their pending dues towards power generators. Disbursals of the liquidity infusion package is linked to reforms measures like states’ undertaking to liquidate outstanding payments to distribution utilities, 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 three to four years. Against the sanctioned amount of Rs. 705.9 billion worth of loans, Rs. 247.4 billion has already been disbursed as of December 31, 2020.



Our O&M arrangements at the Bothe wind farm include in-house expertise and long-term O&M contracts for a period of 10 to 12 years with Vestas and Suzlon. We have entered into O&M agreements for services and parts & consumables for wind turbine generators with Vestas and Suzlon. We use our in-house resources as well as also engage with third party contractors the balance of plant maintaining the electrical collection systems, roads, pooling substation, etc. for providing safety and housekeeping services at our project sites. For more details on our O&M arrangements, see “*Our Business — O&M.*”

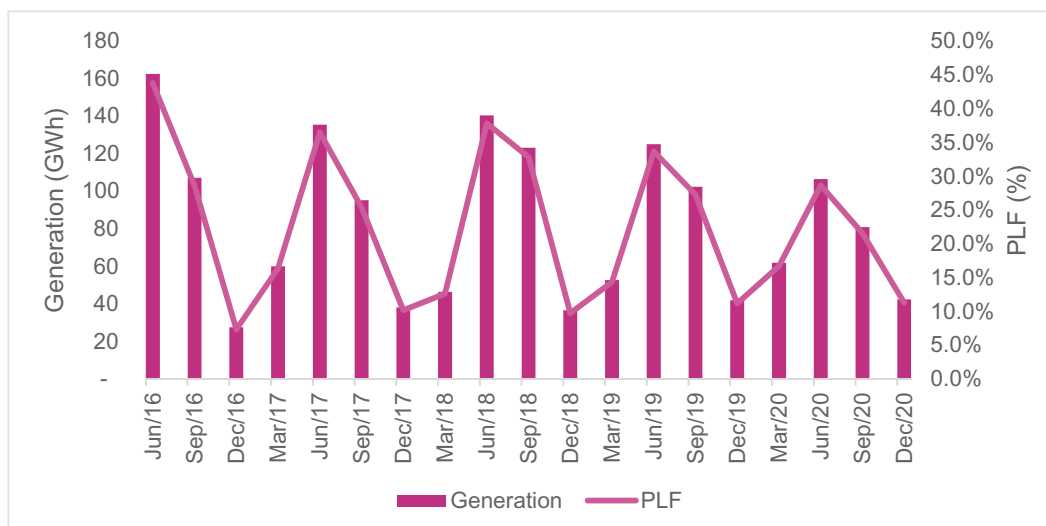
Under the terms of the connection agreement with Maharashtra State Electricity Transmission Company Limited (“**MSETCL**”) and Vestas Wind Technology (India) Private Limited, we have developed and continue to operate and maintain the evacuation infrastructure at our wind farm. Our evacuation infrastructure includes a dedicated 220/33kV substation near the Kulakjai village and the sub-station is connected to the 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 State Bank of India and refinanced by Power Finance Corporation and L&T Finance in 2017. We meet our working capital requirements through working capital loans from State Bank of India and L&T Finance. For more details on our project financings, see “*Description of Other Indebtedness.*”

Ratlam I

Ratlam I wind farm is a 170.0 MW greenfield wind power project located in the Ratlam and Mandasur districts of Madhya Pradesh. As of December 31, 2020, Ratlam I wind farm 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 our Parent 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 December 31, 2020, we had incurred capital expenditure of Rs. 11,507 million on this project.

The quarterly generation history of the project on quarterly basis since April 2016 is as follows:



Ratlam I wind farm 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 I has installed 85 Inox DF2000 wind turbines with a 100-meter rotor diameter and having a hub-height of 92 meter with LVRT capabilities. In fiscal year 2019 and 2020, we have 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.*”

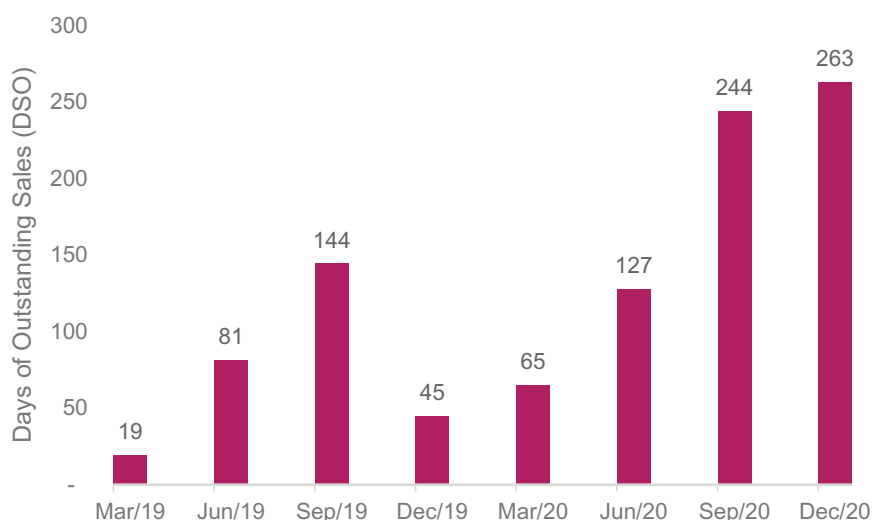
We have entered into two PPAs with MPPMCL for a period of 25 years from the date of commissioning of the project, for the sale and purchase of power generated by the project at an average tariff of Rs. 5.92 per unit. Additionally, the project has also benefitted from the GBI scheme promoted by IREDA. Under this scheme we receive Rs. 0.50 per kWh from IREDA up to a total cap of Rs. 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 2020 tariff
94.0 MW	fiscal 2016	25 years — until fiscal 2041	Rs. 5.92 per kWh
76.0 MW	fiscal 2016	25 years — until fiscal 2041	Rs. 5.92 per kWh

For more details on the PPAs with MPPMCL, see “*Our Business — PPA.*”

DSOs from MPPMCL has been ranging between 19 to 144 days from fiscal 2019 to fiscal 2020; however, during COVID-19, the DSOs from MPPMCL has extended to 263 days. To address the problems faced by distribution

utilities due to COVID-19 related lockdown, GoI announced a liquidity package of Rs. 1.2 trillion for distribution utilities to clearing their pending dues towards power generators. Disbursals of the liquidity infusion package is linked to reforms measures like states' undertaking to liquidate outstanding payments to distribution utilities, 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 three to four years. Against the sanctioned amount of Rs. 705.9 billion worth of loans, Rs. 247.4 billion has already been disbursed till December 31, 2020.



Our O&M arrangements at the Ratlam I wind farm include in-house expertise, long-term contracts for a period of 12 years with Inox Wind 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 Dalaoda, 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-I substation to the MPPTCL substation. The agreement will be valid until the conclusion of the operating life of the project, which is 25 years or longer. 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 maybe 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 favour 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,

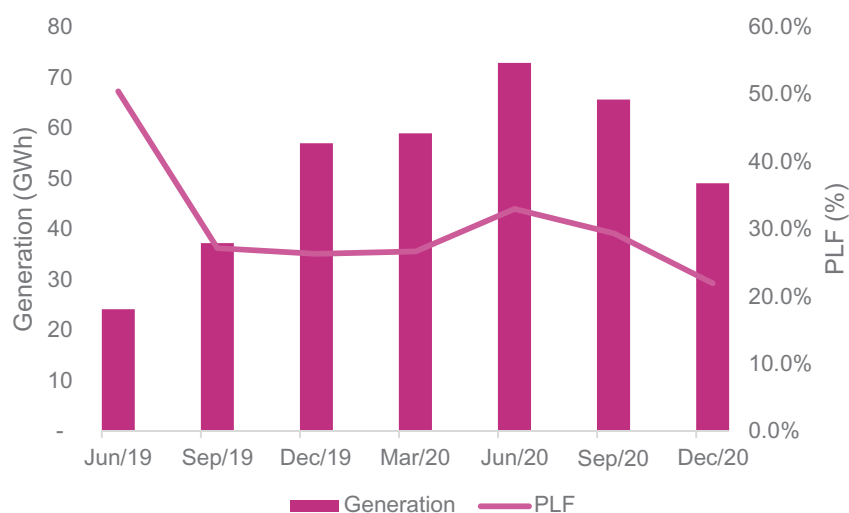
the terminating party has a right of first refusal over the other party's assets forming part of the common facilities and is entitled to purchase all or part of such assets at the prevailing market price at the time of termination.

The Ratlam I project debt was initially financed by International Finance Corporation, Yes Bank Ltd and IIFCL. It was later refinanced by International Finance Corporation, Indian Infrastructure Finance Company Limited, L&T Finance, IREDA and India Infradebt Limited. We meet our working capital requirements through working capital loans from L&T Finance. For more details on our project financings, see “*Description of Other Indebtedness.*”

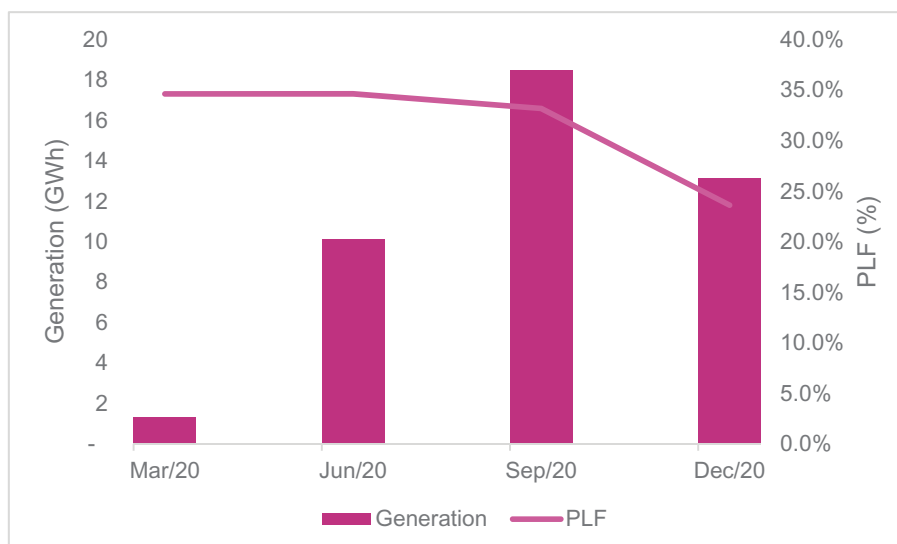
Rajkot I & IIA

Rajkot I and IIA wind farm comprise of 126.4 MW wind power project located in Rajkot and Korbi districts of Gujarat. As of December 31, 2020, Rajkot I and IIA wind farm had an operating capacity of 126.4 MW. The project is owned and operated by Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited, which are wholly owned subsidiaries of our Parent. The 101.2W project owned and operated by Trinethra Wind and Hydro Power Private Limited was fully commissioned in December 2019 and the 25.2 MW project housed under Renewables Trinethra Private Limited was fully commissioned in June 2020. The project was developed on government owned land leased to these companies. As of December 31, 2020, we had incurred capital expenditure of Rs. 8,222 million on this project.

The quarterly generation history of the Rajkot I project since June 2019 is as follows:



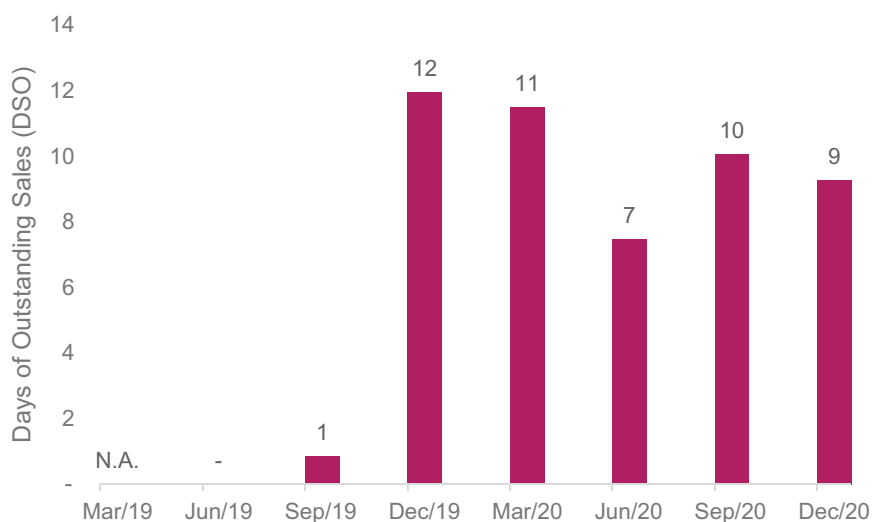
The quarterly generation history of the Rajkot IIA project since March 2020 is as follows:



Rajkot I and IIA wind farm was 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 and Siemens Gamesa. Rajkot I has installed 46 Vestas V120 wind turbines with a hub-height of 120 meter and Rajkot IIA has installed 12 Siemens Gamesa SG122 with a hub-height of 127 meters. For more details on our supplier arrangements, see “*Our Business — Suppliers.*”

We have entered into 46 PPAs with 41 C&I Consumers for the sale and purchase of power generated by the project for a period ranging between seven to 20 years with an average tenure of 12 years from the date of first supply of power to the consumer. Tariffs 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. 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 ‘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 % 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 equally between the consumer and the company. For more details on the PPAs with C&I Consumers see “*Our Business — PPA.*”

DSOs from C&I consumers has been ranging less than 15 days since March 2019, and even during COVID-19, the DSOs have remained at a similar level.



In addition, during COVID-19 lockdown period from March 2020 to July 2020, we did not face any significant adverse impact of the lockdown and have had 90.1% offtake 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 2020 may be sold to the distribution utility (Discom) at Average Power Purchase Cost (APPC) of the Discom in fiscal 2020. APPC in fiscal 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 Renewable Purchase Obligations (RPO), the applicable rate will be 85% of APPC. Company's customers 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 2021, the applicable rate of sale of unsold energy to distribution utilities is INR 1.75/kWh.

In fiscal 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 the period till December 2020 in fiscal 2021, other than 11.2% of energy sold to distribution utilities 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 I and IIA wind farm include in-house expertise, long-term contracts for a period of 15 years with Vestas and 10 years with Siemens Gamesa Renewables Power Private Limited. The O&M contract with Vestas and Siemens Gamesa includes the Wind Turbine as well as balance of plant including 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 the GETCO's 400kV substation located at Hadala through a dedicated double circuit, 220 kV and 19 kilometer transmission line.

The Rajkot I and IIA project was financed by Power Finance Corporation. We meet our working capital requirements through working capital facility from ICICI Bank. For more details on our project financings, see “*Description of Other Indebtedness.*”

Periyapatti

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 Tiruppur in Tamil Nadu. As of December 31, 2020, Periyapatti wind-solar hybrid farm had an operating capacity of 226.8 MW. The project is owned and operated by Watsun Infrabuild Private Limited. The Parent owns 72.2% voting equity in Watsun Infrabuild Private Limited and the rest is owned by 48 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 renewable projects. 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;
- At least 51% of net electricity generation must be consumed by such consumers in a financial year; and
- 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 of the shareholding of the captive consumers in aggregate exceeding 26% (twenty six per cent), it may direct all or some of the captive consumers to transfer such portion of their shareholding in WIPL to CGE IPL or its nominee to ensure that the aggregate shareholding of such captive customers is brought down to 26% (twenty six per cent) 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, as captive generating plant.
- (c) The Customer has undertaken to not to create any encumbrance on the share capital of WIPL, except as otherwise agreed in writing by CGE IPL 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 CGE IPL, and any transfer of equity shares shall be made to those persons as are identified or approved by WIPL.
- (e) The agreement may be terminated upon the happening any of the following events:
 - (i) by parties mutually consenting to terminate the same; and

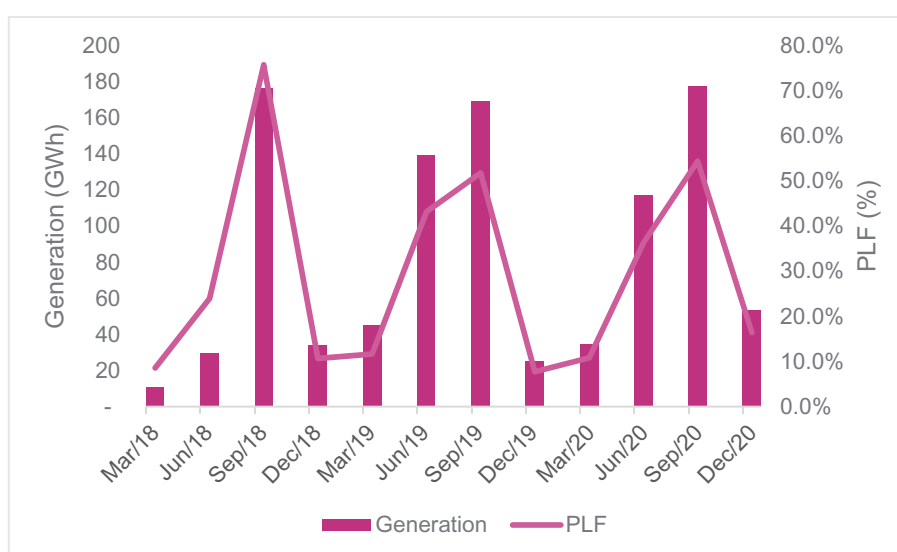
- (ii) with respect to the Consumer, (a) upon termination of PPA; or (b) upon the Consumer ceasing to be a shareholder of WIPL; or (c) upon breach of any covenants, undertakings and representations and warranties provided by the Consumer under the agreement.

Wheeling charges and other terms and conditions for implementation 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, 2018 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, 94 MW wind capacity was commissioned in Dec 2018 and 78.8 MW solar capacity was commissioned in June 2020. 44 MW capacity out of 54 MW wind capacity commissioned in December 2017 enjoys banking facility for a fiscal year (April to March) while the remaining capacities (10 MW, 94MW and 78.8 MW) enjoy banking facility for only the calendar month. 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 December 31, 2020, we had incurred capital expenditure of Rs. 13,910 million on this project.

The quarterly generation history of the 148 MW windfarm since March 2018 is as follows:



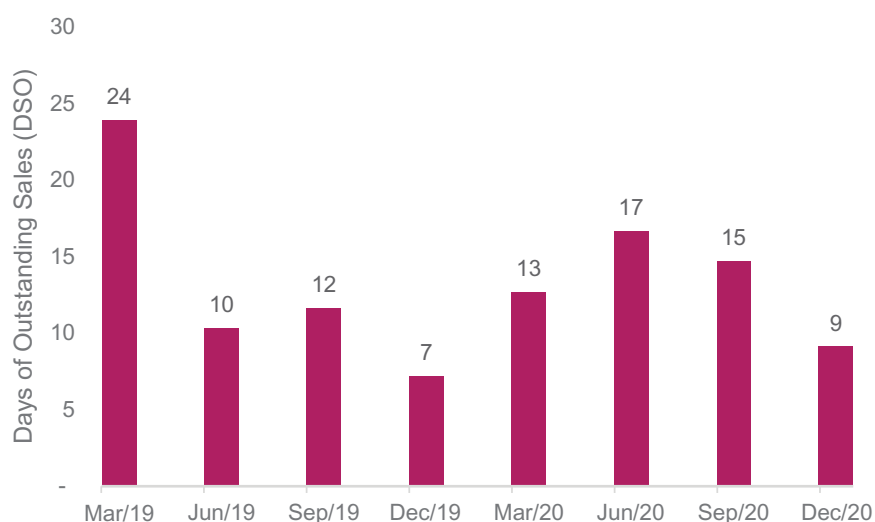
Periyapatti wind-solar hybrid farm was selected after relying on up to seven years of wind data from ten onsite wind masts having a height of 78 to 95 meters and its equipment supplier is Vestas. Periyapatti has installed (i) 60 Vestas V100 wind turbines with a hub-height of 95 meter and 14 Vestas V110 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. Our solar inverters have an overloading ratio of ~1.43x help reduce the AC capacity infrastructure. For more details on our supplier arrangements, see “*Our Business — Suppliers.*”

We have entered into PPAs with 48 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 between three 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 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. In order to sell electricity to these C&I consumers, we need to utilise the transmission and distribution electricity grids owned and operated by respective transmission and distribution utilities. 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 % 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 equally between the consumer and the company. For more details on the PPAs with C&I consumers, see “*Our Business — PPA.*”

In case of our solar project in Periyapatti, we have faced a delay of approximately six months to date in obtaining group captive open access and wheeling permission from Tamil Nadu Generation and Distribution Corporation Limited (“Tangedco”) and, as a result, we are still unable, as yet, to sell and bill electricity from this project to our group captive customers. While we have been operating the project since July 2020, the electricity is being supplied free of cost to Tangedco until we receive the said group captive open access and wheeling permission from Tangedco.

DSOs with C&I consumers have been ranging less than 24 days since March 2019, and even during COVID-19, the DSOs have remained at the similar level.



In addition, during COVID-19 lockdown period from March 2020 to July 2020, we did not face any adverse impact of the lockdown and have had 98.8% offtake by our consumers. Under the regulations in state of Tamil Nadu for open access project, any unsold energy from:

- (a) 148.0 MW Wind project may be sold to the distribution utility (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 2018, the applicable rate is 75% of

Rs. 4.16/kWh. In respect of balance capacity of 94 MW commissioned in fiscal 2019, the applicable rate is 75% of Rs. 2.86/kWh.

- (b) 78.8 MW Solar project may be sold to the distribution utility (Discom) at 75% of tariff discovered in a competitive auction for solar projects may be considered. Given that this project commissioned in fiscal 2021, the most recent discovered tariff is Rs. 2.37/kWh.

In fiscal 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 the period till December 31 in fiscal 2021 also, 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 Periyapatti wind-solar hybrid farm include in-house expertise and long-term O&M contracts for a period of five years with Vestas for Wind Turbines and for a period of 10 years with Larsen & Toubro for Solar Park. We also engage with third party contractors for providing manpower for maintenance of 220 kV pooling substation, 220 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 financed by the State Bank of India, PTC Financial Services Ltd. and Indian Renewable Energy Development Agency Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

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, 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.

In order to make our turbines grid friendly, we deployed LVRT capabilities on our turbines at the time of entering into these supply contracts with vendors. 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 the strictest 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. 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 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 a 10 year operations and maintenance contract with Larsen & Toubro in relation to the solar park which covers, inter alia, cost of replacement of inverters during this period, as required.

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 table shows details of the capacity amount purchased from each vendor for our projects:

<u>Vendor</u>	<u>Capacity</u>	<u>Percentage</u>
	(MW)	(%)
Vestas	329.2	45.5
Inox Wind	170.0	23.5
Suzlon	119.7	16.6
Siemens Gamesa	25.2	3.5
Adani Solar	<u>78.8</u>	<u>10.9</u>
Total	<u>722.9</u>	<u>100.0</u>

Our PPAs

For the various projects, we have entered in a fixed tariff PPAs with the distribution utilities 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 wind farm 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.
- (b) We have agreed to supply all the energy generated at the Bothe wind farm to MSEDCL (other than 6.3 MW which matter is under consideration by APTEL. See “Government, Legal and Arbitration Proceedings” for further details.) on an exclusive basis at tariffs of Rs. 5.81/kWh for 101.0 MW and Rs. 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.

- (c) For the Ratlam I 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-I wind farm 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-I was fully commissioned in December 2015.
- (d) MPPMCL has undertaken to purchase all the energy generated at the Ratlam-I wind farm at a tariff of Rs. 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 I wind farm, in each case other than under an occurrence of force majeure. Other events of default include non-payment of electricity bills, bankruptcy and insolvency.
- (e) For the Periyapatti Project, Watsun Infrabuild Private Limited has entered into power purchase agreement with 48 C&I consumers for 216.8 MW under group captive scheme and with a power trader, R S Yarns and Power Private Limited, for 10 MW.

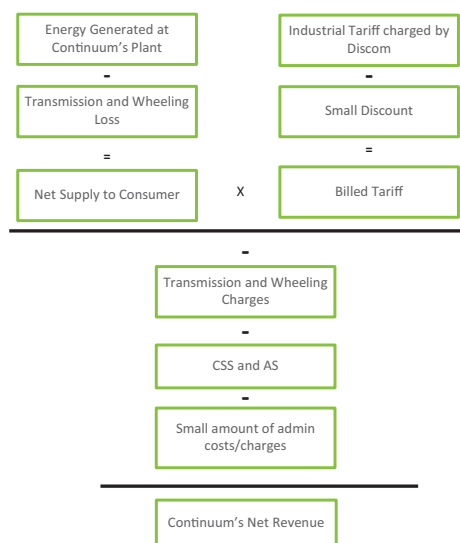
The PPAs provide for termination without cause by either party. Under the term of the PPAs, the tariff charged to individual C&I customers are dependent on the tariff charged to them by the electricity distribution utilities and are set lower than the then prevailing tariffs charged by the distribution utilities to these consumers. 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 '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 % 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 equally between the consumer and the company.

- (f) The consumers and Watsun Infrabuild Private Limited 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 50-60% of demand of the consumers, provides higher certainty of off-take of power resulting from economic ups and downs. In addition, as per the current regulations in Tamil Nadu, all wind capacity commissioned up to March 31, 2018 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 44 MW of the wind power capacity is eligible for banking facility on fiscal year basis offered by the grid to bank the

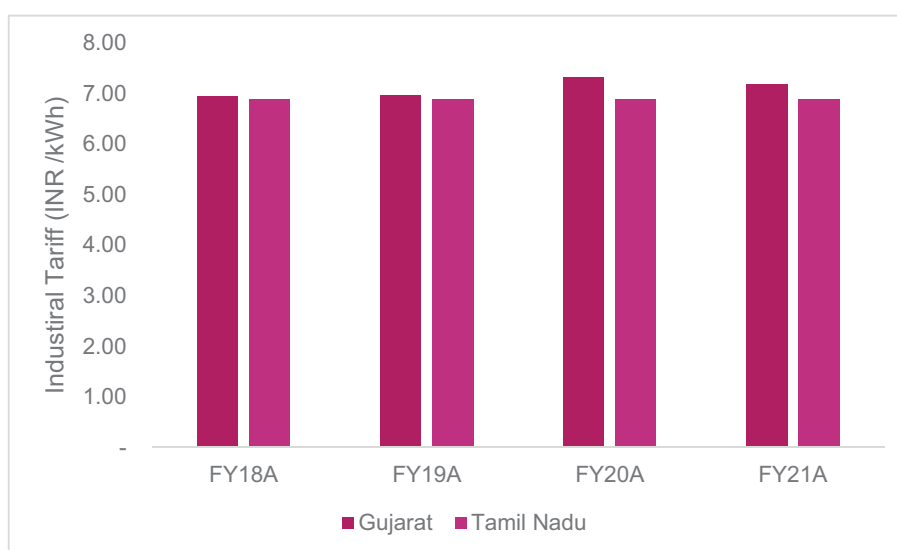
access energy from the project during the high generation season and drawdown during the lean generation season.

- (g) 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 Watsun Infrabuild Private Limited 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 at the Periyapatti wind-solar hybrid farm 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.
- (h) For the Rajkot I and IIA Project, Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited has entered into power purchase agreement with 41 C&I consumers for 126.4 MW. The PPAs provide for termination without cause by either party. Under the term of the PPAs, tariffs 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. In order for our Rajkot I and Rajkot IIA projects 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 '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 % 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 equally between the consumer and the company.
- (i) The consumers, Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra 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 50-60% of demand of the consumers, provides higher certainty of off-take of power resulting from economic ups and downs.
- (j) The PPAs provides for termination upon default, occurrence of prolonged force majeure conditions and otherwise upon prior notice. Events of default include the failure of Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited to supply minimum guaranteed electricity to consumer under the terms of the PPAs, and failure of consumer to make payments of undisputed dues. Other events of default include winding-up, bankruptcy and insolvency. We have also received security deposit / bank guarantee equivalent to one to 1.5 months of billing amount from the consumers.

- (k) While the tariffs under the PPAs for Bothe project and Ratlam I project with distribution utilities are fixed for the term of the PPAs, the net revenue realization in Periyapatti, Rajkot I and IIA projects under the PPAs with C&I consumers are as illustrated below:

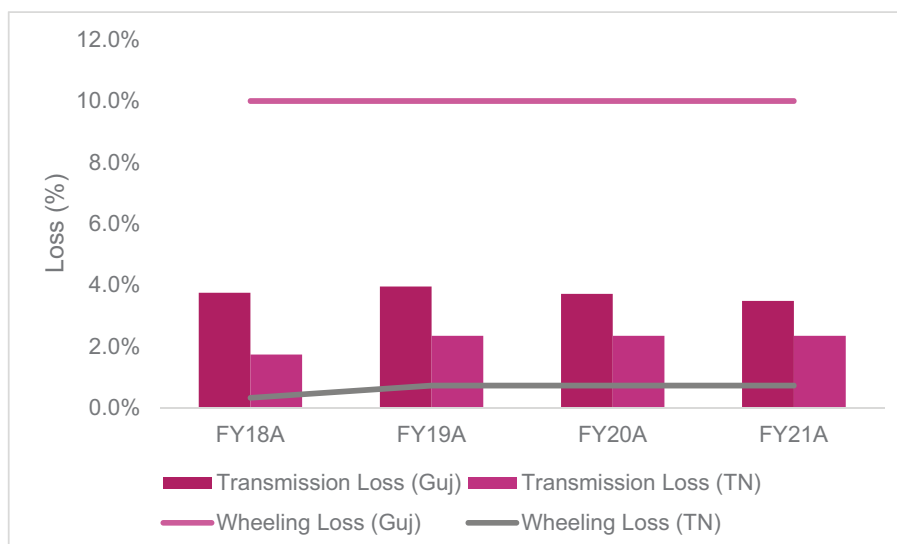


- (l) Tariff charged by distribution utilities to the C&I consumers ranges between Rs. 6.75 to Rs. 7.50 in the state of Gujarat and Tamil Nadu. For more details please refer to the “*Industry Overview*” Section.



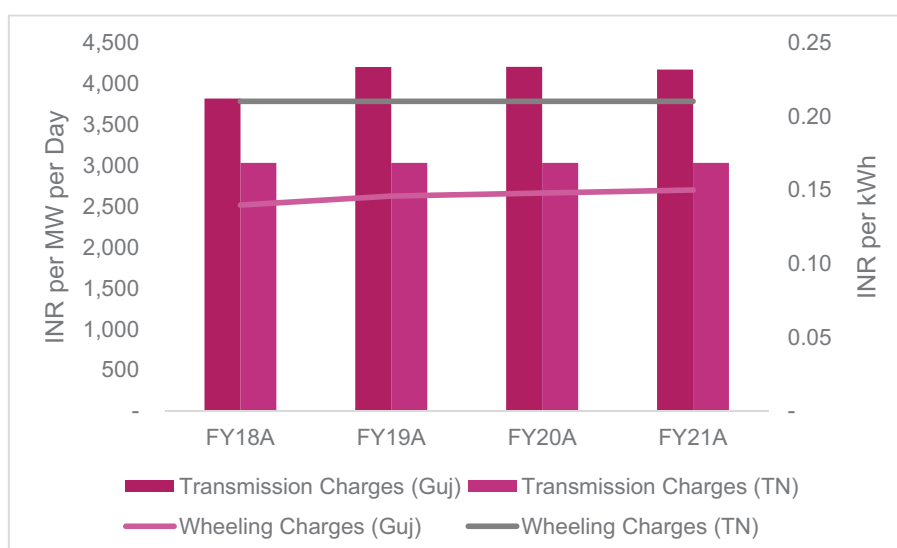
- (m) Transmission Losses and Wheeling Losses are determined basis the expected energy flowing through the network and the technical design of the network.

Historical figures show low variability



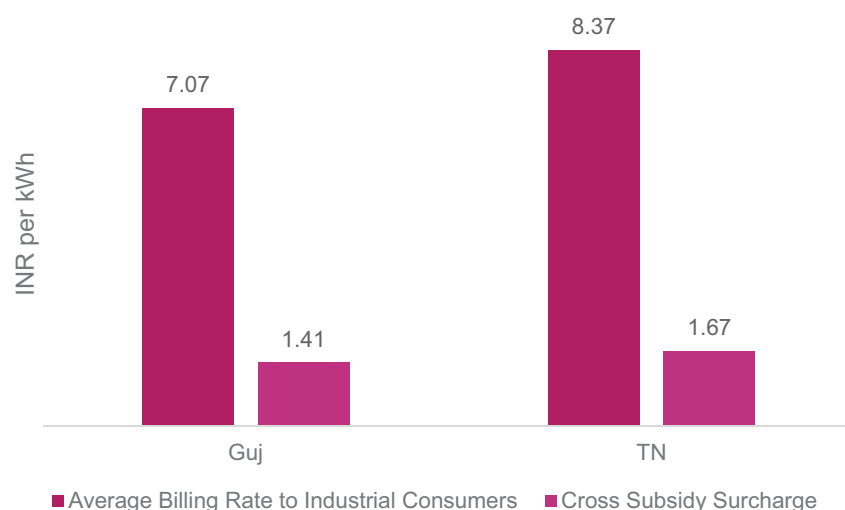
- (n) Transmission and Wheeling are regulated business and charges are determined by regulatory commission on basis of cost-based approach for the new capital expenditure incurred by the utilities or the operating expenditure as per the normative parameters prescribed by the regulatory commissions.

Historical figures show low variability



- (o) Cross Subsidy Surcharge (“CSS”) & Additional Surcharge (“AS”) are not applicable to captive / Group Captive sales and is applicable only to third party non-captive sales.

As per National Tariff Policy of GoI, CSS applicable to a consumer is capped at 20% of the average billing rate charged by the respective distribution utility to industrial and commercial consumers, as the case may be.



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 thermal capacity being contracted for long term PPAs by such utilities.

There is 100% waiver on the cross subsidy surcharge and additional surcharge on the Group Captive Capacity in Periyapatti project (216.8 MW out of 226.8 MW total). On the remaining 10 MW of capacity in Periyapatti project, not sold under Group Captive arrangement, there is 40% waiver on cross subsidy surcharge in FY21 and expected to decrease by 10% every year until the waiver is nil. The additional surcharge in Tamil Nadu at present. Rajkot I and IIA Projects in Gujarat enjoys 50% waiver on the cross subsidy surcharge and additional surcharge for 25 years period.

O&M contracts

Our turbine suppliers, Inox Wind, Suzlon, Vestas and Siemens Gamesa, and contractor Larsen & Toubro, for our solar project, provide O&M services under long-term O&M contracts. We also have dedicated in-house teams of 40 employees that provide O&M services at the Bothe, Ratlam-I, Rajkot I and IIA wind farms and the Periyapatti co-located wind-solar hybrid farm. 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, 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 our solar farm, 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. Contactors 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 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. Our O&M solar contract cover performance ratio guarantees for up to eight years, starting at 81.55%.

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 EVH 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 Turbine Operations Monitoring System (also installed on our solar farm) collects several Gigabytes of data every day and along with several 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. Until Aug 2020, the system had raised such 1,015 alerts across our windfarms.

For example:

- On May 20, 2020, our system identified an abnormal increase in busbar temperature of one of Inox make wind turbines at our Ratlam windfarm compared to other turbines even though no failure or mal performance had happened. Upon investigation, the issue was rectified by June 1, 2020 before any failure could occur;
- On July 27, 2020, our system identified an abnormal issue with VCP board in a Vestas make turbine at our Rajkot windfarm. Corrective actions could be taken and rectified by July 30, 2020; and
- On January 5, 2019, the system identified higher than normal temperatures (even though within operating envelope) in bottom control section of a Vestas turbine and the issue was addressed the same day preventing a failure that could have occurred later had it not been addressed in advance.

Our O&M team was able to resolve these issues in a few days and helped us avoid generation losses during peak wind season and potential downtime. We continue to take similar corrective actions on other turbines as well.

The solution is scalable to different turbine model and solar power project.

Environmental, Health and Safety Management

Under the terms of our agreements with offtakers, suppliers, O&M contractors, third-party vendors and financiers, we as well as they are required to ensure safety of our wind equipment, project site and staff. For example, under the terms of the IFC loan agreement for Ratlam project, we are required to comply with IFC's Performance Standards on Social and Environmental Sustainability. In relation to Ratlam project, we were entitled to a 0.5% interest rebate from IIFCL as we met the environment standards of the Asian Development Bank. Under our financing from State Bank of India for our Periyapatti wind-solar hybrid project, State Bank of India has received credit line from KfW, Germany and they were able to reduce the interest rate of our financing by 0.35% p.a. since our project met the quality and EHS requirements specified by KfW.

All 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.

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 ESIA's undertaken for each project.

We are committed to practicing safe working methods to prevent occupational health and safety risks and adopt clean technologies to prevent pollution. 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 each turbine to make them staff-friendly. We are also a permanent and full-time member of the National Safety Council, set up by the Ministry of Labour, GoI.

Apart from the fact that our wind farms naturally contribute to reduction of carbon emissions (4.9 million tons of CO₂ since commissioning of our windfarms) and save water that is otherwise used in production of electricity from coal-based power plants, we take specific actions to prevent damage to the environment, birds, animals, flora and fauna:

- We install bird guards on 33 kV electric line network to prevent bird fatalities as well as downtime of electrical lines;
- We paint turbine blade tips so that they can be identified by the incoming birds; and
- We conduct frequent monthly day/night monitoring of noise levels near our wind turbines.

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;
- upgrade of village community centers; and
- set up health check-up and blood donation camps.

Employees

As of December 31, 2020, we employed 162 people (excluding consultants), of which 91.4% were 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 other labor disruptions in the past and do not have any other 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, TOMS, 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 I and Rajkot IIA projects, the land on which our wind turbines are installed have been taken on lease from Government of Gujarat for a period of 25 years. In case of wind energy projects, we also take some land parcels on lease 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 Rs. 2 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.

Save for the below, we have not been and are not currently subject to any material governmental or legal proceedings which may have or have had a significant impact on our financial position or profitability nor are we aware of any such proceedings that are pending or threatened. 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 wind farm. 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 Vatar, among others. The Judicial Magistrate First Class committed the offense to the Sessions Court against both the employees of Bothe Windfarm Development Private Limited who had filed discharge applications before the Sessions Court. 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. The matter is currently pending before the Collector and also the Sessions Court.

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 accounting year 2013-14. The aggregate amount involved is approximately Rs. 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.

Civil proceedings pertaining to land parcels owned by Bothe Windfarm Development Private Limited

There are 18 pending civil proceedings involving Bothe Windfarm Development Private Limited and these proceedings pertain to the land parcels owned or leased by it for its operations including parcels on which our wind turbine generators have been built. Out of these 18 cases, Bothe Windfarm Development Private Limited has filed five cases, including two appeals, while the balance 13 cases have been filed against it by various persons. These cases include among others claims in relation to title, possession and right of way over several land parcels owned or leased by Bothe Windfarm Development Private Limited. The aggregate amount involved in these cases is approximately Rs. 15 million. 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 approached the MERC seeking directions to the MSEDCL to execute the said agreements, pay an amount of Rs. 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, and allowed MSEDCL to determine whether it would execute energy purchase agreements on prospective basis at the tariff discovered in most recent competitive bid if such project capacity is below the threshold limit specified for the competitive bid. Bothe Windfarm Development Private Limited appealed this order before APTEL where the matter is currently pending.

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, DJ Energy Private Limited and Uttar Urja Projects Private Limited have each instituted proceedings challenging the validity of certain provisions of the forecasting regulations and aspects of the implementation of the deviation settlement mechanism. While Bothe Windfarm Development Private Limited has preferred a 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, DJ Energy Private Limited and Uttar Urja Projects Private Limited have filed petitions before the Madhya Pradesh Electricity Regulatory Commission seeking clarity and removal of difficulty in implementing the deviation settlement mechanism and other reliefs. The matters are pending before the High Court of Bombay and the Madhya Pradesh Electricity Regulatory Commission.

REGULATION

Set forth below is a brief overview of the principal laws and regulations currently governing the businesses of the Indian Restricted Subsidiaries. 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.

The Electricity Act, 2003 (“Electricity Act”)

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 Central Electricity Regulatory Commission (“**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 Central Electricity Authority.

The Draft Electricity (Amendment) Bill, 2020 (“**Draft EAB**”) is sought to be enacted to amend certain provisions of the Electricity Act. Among others, the Draft EAB provides for the constitution of Electricity Contract Enforcement Authority which will have sole authority and jurisdiction to adjudicate upon specified contract-related disputes in the electricity sector but shall not have any jurisdiction in any dispute involving tariff. Further, SERCs are required to progressively reduce cross-subsidy in the manner as may be provided in the National Electricity Tariff Policy. The appropriate commission shall fix tariff for retail sale of electricity without accounting for subsidy and such subsidy shall be provided by the government directly to the consumers. Draft EAB also provides for an entity termed distribution sub-licensee wherein a distribution licensee can authorise a sub-licensee to distribute electricity on its behalf with the prior permission of the SERC. Additionally, the Draft EAB empowers the central government to prepare and notify a National Renewable Energy Policy in consultation with state governments and prescribe a minimum percentage of purchase of electricity from renewable and hydro sources of energy.

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

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, 2017

CERC has announced the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2017 (the “Tariff Regulations”) which supersede the regulations issued in 2012. The Tariff Regulations govern the determination of tariff, for a generating station or a unit commissioned during the ‘Control Period’ (being a period of three years specified in the Tariff Regulations starting from the Fiscal 2018). The tariff period under the Tariff Regulations is required to be considered from the date of commercial operations of the renewable energy stations. The Tariff Regulations further stipulates the criteria which should be taken into consideration by CERC while determining the tariff for the sale of electricity generated from renewable sources. CERC shall determine the generic tariff on the basis of suo motu petition six months in advance at the beginning of each year of the Control Period. The Tariff Regulations also provide the mechanism for sharing of carbon credits from approved clean development mechanism projects between generating company and the concerned beneficiaries.

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 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, 2010 (“Grid Code”)

The Indian power system encompassing of all aspects of generation, transmission, distribution and supply of electricity, is a conglomeration of a number of various agencies. The CERC in the Grid Code has specified a

single set of technical and commercial rules encompassing all the utilities connected to or using the inter-State transmission system and provides, among others, documentation of the principles and procedures which define the relationship between the various users of the inter-State transmission system, National Load Despatch Centre, as well as the regional and state load despatch centers. Further, the Grid Code provides for facilitation of the optimal operation of the grid, facilitation of coordinated and optimal maintenance planning of generation and transmission facilities in the grid and facilitation of development and planning of economic and reliable national / regional grid. The Grid Code also seeks facilitation of the development of renewable energy sources by specifying the technical and commercial aspects for integration of these resources into the grid.

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, 2010 (“CEA Safety Regulations”)

CEA Safety Regulations framed by Central Electricity Authority of India under the Electricity Act to regulate measures relating to safety and electric supply in India. Among others, the CEA Safety Regulations has indicated general safety requirements pertaining to construction, installation, protection, operation and maintenance of electric supply lines and apparatus. The generating units of capacity specified by the appropriate government under the Electricity Act will be required to be inspected by the electrical inspector prior to commissioning. Further, the project owner, whose electrical installation and apparatus exceeds 650 volts, is required to file an application in accordance with the CEA Safety Regulations before commencement of supply or recommencement after shutdown for six months and above and this approval may be granted by the electrical inspector upon inspection. All new electrical installations also require approval from the electrical inspector prior to energization of the equipment.

Generation-Based Incentive Scheme

The 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 Central Electricity Authority and the CERC to formulate necessary standards and regulations for wind-solar hybrid systems.

Guidelines for development of onshore wind power projects (“Wind Projects Guidelines”)

The Ministry of New & Renewable Energy 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.

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 Project SPVs operations are also subject to the renewable energy policies formulated in the states in which it undertake/may undertake projects.

Maharashtra

Maharashtra Comprehensive Policy for Grid-connected Power Projects based on New and Renewable (Nonconventional) Energy Sources, 2015

Under the Comprehensive Policy for Grid-connected Power Projects based on New and Renewable (Nonconventional) Energy Sources — 2015 (“**Maharashtra Policy 2015**”), a target has been fixed to commission 5,000 MW of wind power projects, 1,000 MW of bagasse-based cogeneration projects, 400 MW of small hydro power projects, 300 MW of biomass-based power projects, 200 MW of industrial waste-based power projects and 7,500 MW of solar power projects. Thus, a total of 14,400 MW capacity power projects based on

new and renewable energy sources are targeted to be installed in the five years from the introduction of the Maharashtra Policy 2015. These targets have recently been revised pursuant to the State Renewable Energy Policy, 2020 dated December 31, 2020. The Maharashtra Energy Development Agency will be the policy implementing agency.

Pursuant to the Maharashtra Policy 2015, the Government of Maharashtra proposes to incentivize the development of wind power projects by, inter alia, allowing the repowering of existing wind power projects subject to compliance with guidelines framed by the MNRE, providing deemed non-agricultural land status to land allocated for the development of wind power projects and exempting wind power projects from obtaining any no-objection certificate or consent from the Maharashtra Pollution Control Board. Similarly, incentives to solar power projects include exemption from obtaining any no-objection certificate or consent from the Maharashtra Pollution Control Board, the granting of open access by the distribution licensee to project developers opting for captive use of electricity or sale to third parties and waiver of electricity duty for a period of 10 years for solar power projects developed under the Maharashtra Policy 2015 for captive use.

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 per cent. 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 will be applicable up to June 2021.

Madhya Pradesh

Madhya Pradesh State Wind Power Project Policy, 2012

The Government of Madhya Pradesh notified the Madhya Pradesh Wind Power Project Policy, 2012 (“MP Wind Policy”) on January 30, 2012, to promote wind energy as an additional and alternative source of energy in the state. Any individual, firm, society, organization or registered company shall be eligible to apply for development of a wind power project under the MP Wind Policy.

Under the MP Wind Policy, the Government of Madhya Pradesh proposes to incentivize development of wind power projects by providing an exemption on generation from wind projects from payment of electricity duty in case of third party sale and captive consumption for 10 years. The MP Wind Policy, also permits for banking of 100% of the power generated subject to compliance of certain conditions specified therein. The policy further provides for wheeling grant at the rate of 4.00% to related State distribution companies in case of power sale to third party within the State and by providing an exemption to C&I consumers from the payment of VAT and entry tax if they opt to purchase energy from wind power projects. The projects implemented under the MP Wind Policy will be accorded the status of “industry” and will be eligible for all benefits that accrue to industries under the Industrial Promotion Policy of the State of Madhya Pradesh.

Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-I) Regulations, 2010 (“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.

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 of 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.

MANAGEMENT

Board of Directors of our Parent

The following table sets forth certain information with respect to our Parent's Board of Directors.

Name	Age	Nationality	Position/s	Date appointed
Arvind Bansal	50	Indian	Director	May 18, 2012
Simon Luke Walker	41	British	Director	June 20, 2016
Marc Maria van't Noordende	62	Dutch	Director	June 20, 2016
Arno Kikkert	47	Dutch	Alternate Director to Marc Maria van't Noordende	June 20, 2016
Pan Peiwen	61	Singapore	Director	January 3, 2017
Peter Farley Mitchell	71	Australian	Director	February 9, 2017
Vikash Saraf	52	Indian	Director	April 5, 2018

Brief profile of our Parent'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 27 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, operates an independent business unit of MSI in Jersey and focuses on real estate and infrastructure asset classes. He sits on the board of Jersey companies in addition to holding directorships in Guernsey, London, Singapore and Mauritius companies. Mr. Walker has been acting as a director of special purpose vehicles for more than five 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 Independent Director in Australia and Singapore since 2001, an Independent Consultant in Singapore since 2006 with 10 years' integrated audit (financial, operations and IT audits) experience in Saudi Arabia, an Executive Advisor in East West World Private Equity Pty Ltd, Australia since 2010 and a Director of both Clean Energy Investing Ltd and our Parent since 2017. He is also a Non-executive Director in Hoe Leong Crawler Parts Pte Ltd, Singapore and Changzhou 3D Technological Complete Set Co. Ltd, China. He is also a Nominee Director at TSI International Holdings Pte Ltd and Houston Kemp Pte Ltd; Before holding these appointments, he was the Chairman and CGO of ID Global, Singapore for two years; a Director of Ashcraft Holdings Pte. Ltd., Singapore for three years and the Chief Audit Executive and Audit Committee Secretary of Prima Limited, Singapore for four years. He holds a Degree of Doctor of Philosophy in Corporate Governance and Strategic Planning from Greenleaf University, USA; a Degree of Master of Business in Information Technology from Royal Melbourne Institute of Technology, Australia, a Company Directors Course Diploma from Australian Institute of Company Directors, a Company Directors Course Certificate from Singapore Institute of Directors, Advanced Diploma in Data Protection from Singapore Management University (SMU) Academy, Diploma in Marketing from Chartered Institute of Marketing (CIM), UK, Advanced Diploma in Business Administration from Association of Business Executives (ABE) and UK, Skills Future Singapore (SSG) — Workforce Skills Qualifications (WSQ) Diploma in Security Management from Temasek Polytechnic — Security Industry Institute (SII). Dr. Pan is a Fellow of Australian Institute of

Public Accountants (IPA) and Fellow (FFA) of UK's Institute of Financial Accountants (IFA) and an Ordinary Member of Singapore Institute of Directors.

Marc Maria van 't Noordende, is the Operating Partner, Infrastructure Partners of NHIP and a director of our Parent. 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, operates an independent business unit of MSI in Amsterdam. He sits on the board of multiple Dutch companies in addition to holding directorships in Finland, India, Singapore 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 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 of Continuum. Vikash is Director — Investments, Strategy and M&A for the diversified conglomerate Essar Group where he overlooks these functions for a variety of businesses in power, oil & gas, petrochemicals, ports, telecom, steel, etc.

Boards of Directors of each of the Indian Restricted Subsidiaries

The following table sets forth certain information with respect to Indian Restricted Subsidiaries' Boards of Directors. The following directors are the directors on the board of each of the Indian Restricted Subsidiaries.

Bothe Windfarm Development Private Limited

<u>Name</u>	<u>Age</u>	<u>Nationality</u>	<u>Position/s</u>	<u>Date of Appointment</u>
Marc Maria van't Noordende	62	Dutch	Director	September 2, 2016
N.V. Venkataramanan	59	Indian	Director	August 29, 2016
Raja Parthasarathy	51	Indian	Director	May 8, 2019

DJ Energy Private Limited

<u>Name</u>	<u>Age</u>	<u>Nationality</u>	<u>Position/s</u>	<u>Date of appointment</u>
Marc Maria van't Noordende	62	Dutch	Director	September 2, 2016
N.V. Venkataramanan	59	Indian	Director	August 29, 2016
Raja Parthasarathy	51	Indian	Director	May 8, 2019

Uttar Urja Projects Private Limited

<u>Name</u>	<u>Age</u>	<u>Nationality</u>	<u>Position/s</u>	<u>Date of appointment</u>
Marc Maria van't Noordende	62	Dutch	Director	September 2, 2016
N.V. Venkataramanan	59	Indian	Director	August 29, 2016
Raja Parthasarathy	51	Indian	Director	May 8, 2019

Watsun Infrabuild Private Limited

<u>Name</u>	<u>Age</u>	<u>Nationality</u>	<u>Position/s</u>	<u>Date appointed</u>
Marc Maria van't Noordende	62	Dutch	Director	September 2, 2016
N.V. Venkataramanan	59	Indian	Director	August 29, 2016
Raja Parthasarathy	51	Indian	Director	May 29, 2019

Trinethra Wind and Hydro Power Private Limited

<u>Name</u>	<u>Age</u>	<u>Nationality</u>	<u>Position/s</u>	<u>Date appointed</u>
Marc Maria van't Noordende	62	Dutch	Director	September 2, 2016
N.V. Venkataramanan	59	Indian	Director	August 29, 2016
Raja Parthasarathy	51	Indian	Director	May 7, 2019

Renewables Trinethra Private Limited

<u>Name</u>	<u>Age</u>	<u>Nationality</u>	<u>Position/s</u>	<u>Date appointed</u>
Marc Maria van't Noordende	62	Dutch	Director	September 25, 2019
N.V. Venkataramanan	59	Indian	Director	June 13, 2019
Raja Parthasarathy	51	Indian	Director	June 13, 2019

Brief profile of the Indian Restricted Subsidiaries' directors:

Marc Maria van't Noordende, is the operating partner of NHIP and a director of each Indian Restricted Subsidiary. 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.

N. V. Venkataramanan, is the COO and a director of each Indian Restricted Subsidiary. Mr. Venkataramanan is a mechanical engineer with over 30 years of experience in projects, operations and business development in the power industry. He was instrumental in developing a pipeline of 3000 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 20 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.

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⁾	50	CEO	May 1, 2010
Tarun Bhargava ⁽¹⁾	50	CFO	May 28, 2015
N.V. Venkataramanan ⁽¹⁾	59	COO	June 29, 2015
Ranjeet Kumar Sharma ⁽¹⁾	52	Vice President — Projects	February 2, 2011
Gautam Chopra ⁽¹⁾	52	Vice President — Project Development	May 1, 2010
Nilesh Patil ⁽¹⁾	46	Vice President & Controller	September 16, 2013
Krishnamurthy R ⁽²⁾	61	Vice President — Power Evacuation	July 19, 2012
PVN Sai ⁽¹⁾	51	Assistance Vice President — O&M	July 6, 2016
Soumya Ranjan Parida ⁽¹⁾	49	General Manager — Regulatory and Sales	July 20, 2017
Anjali Bansal ⁽¹⁾	42	Vice President — Human Resources	January 10, 2011

Notes:

(1) Mr. Bansal, Mr. Bhargava, Mr. Venkataramanan, Mr. Sharma, Mr. Chopra, Mr. Patil and, Mr. Sai, Mr. Parida and Ms. Bansal are employees of CGEIPPL.

(2) Mr. Krishnamurthy is an employee of Bothe Windfarm Development Private Limited.

Brief profile of Continuum’s Key Management

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 27 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.

Tarun Bhargava, is the CFO of Continuum. He holds a B.Tech from the Indian Institute of Technology, Kanpur and an MBA from NMIMS Mumbai. Mr. Bhargava held senior management positions at some of India’s largest conglomerates and has over 27 years of experience across telecom, retail, service and infrastructure sectors. Prior to joining Continuum, Mr. Bhargava held strategic finance positions at Tata communications, Bharti Airtel and Essar group. He has strong domain expertise in strategic planning, debt financing, M&A, stakeholder relationship

management, decision support systems, management reporting, corporate governance and risk management. Mr. Bhargava has handled key functional responsibilities including developing and monitoring financial policies, processes, internal controls, compliances besides treasury and commercial functions.

N. V. Venkataramanan, is the COO and a director of each Indian Restricted Subsidiary. Mr. Venkataramanan is a mechanical engineer with over 38 years of experience in projects, operations and business development in the power industry. He was instrumental in developing a pipeline of 3000 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.

Ranjeet Kumar Sharma, is a Vice President of Projects and leads the execution of wind power projects in Continuum. Mr. Sharma is a civil engineer and has over 29 years of experience in the wind energy sector and has specifically developed expertise in cost reduction, production, technical support and manpower management. Prior to Continuum, Mr. Sharma served a 10-year stint at Suzlon Energy Ltd where he commissioned more than 1500 MW of wind energy projects including 275 MW in Maharashtra, 500 MW in Tamil Nadu and 250 MW in Rajasthan. He has extensive experience in managing vendor development, vendor technical issues and resourceful at strategizing techniques for maximum utilization of manpower/machinery.

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 26 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.

Nilesh Patil, is the Vice-President and Controller and is responsible for internal controls, compliances, accounts and finances. He is a Chartered Accountant and a Cost Accountant and has over 20 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.

Krishnamurthy R, is the Vice President for Power Evacuation and is responsible for conceptualizing to commissioning power evacuation schemes for wind farms. He holds a B. Tech in Electrical Power from University of Mysore. He has over 37 years of experience in engineering and construction of transmission lines, transformers and EHV substations in India and the Middle East. Prior to joining Continuum, he was a consultant for testing, commissioning, breakdown analysis and troubleshooting to large corporations such as MIDC and Mahindra & Mahindra.

PVN Sai, is the Assistant Vice President for O&M services and is responsible for operation and maintenance of our wind projects. Mr. Sai holds an M. Tech from of Indian Institute of Technology, Kharagpur and MBA from IIM, Indore. He has gathered over 28 years of experience serving in the Indian Navy prior to joining Wind World's Operation and Maintenance, where he headed O&M services for Gujarat and Maharashtra before joining Continuum.

Soumya Ranjan Parida, is the General Manager for Regulatory and Sales. Mr. Parida holds an MBA from IIM, Indore. He gathered over 16 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 22 years of experience in medicine and human resources.

Compensation of the Board

Our Parent, the Issuer and the Indian Restricted 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 our Parent. He holds 100,000 ordinary shares of Clean Joules Pte Limited which has 1.49% indirect shareholding in our Parent.

Mr. Vikash Saraf is the only equity shareholder of Starlight Pacific Ventures Pte Limited, which is shareholder of Continuum Energy Pte Ltd. (CEPL) and CEPL is one of the shareholders of our Parent. He holds 300,000 ordinary shares of Starlight Pacific Ventures Pte Limited which has 6.20% indirect shareholding in our Parent.

PRINCIPAL SHAREHOLDERS

The Restricted Group companies are wholly owned subsidiaries of our Parent. Set forth below are the principal shareholders of our Parent.

Principal Shareholders	Number of shares issued	Class	% shareholding*
Clean Energy Investing Ltd ⁽¹⁾	180,060,995	Compulsorily convertible participating preferred shares	92.31%
Continuum Energy Pte. Ltd ⁽²⁾	7,941,939	Ordinary shares	7.69%

Notes:

* The compulsorily convertible participating preferred shares held by Clean Energy Investing Limited in our Parent are subject to a conversion rate of US\$1.8887 for every ordinary share. On the occurrence of certain specified events, 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.

(1) Clean Energy Investing Limited is a fund entity of NHIP. MSI is the manager and advisor of NHIP.

(2) 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.

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 as well as our recoverable common overheads. See “Use of Proceeds” for further detail. For further details regarding our related party transactions as at and for the year ended March 31, 2018, 2019 and 2020 and as at and for the nine months period ended December 31, 2020, which have been disclosed in accordance with the Accounting Standards 18 - Related Parties Disclosures, issued by The Institute of Chartered Accountants of India, see note 30 of the Special Purpose Combined Financial Statements for the year ended March 31, 2018, 2019 and 2020 and the Special Purpose Unaudited Combined Financial Statements for the nine months ended December 31, 2020 which forms part F pages included elsewhere in this Offering Memorandum.

Loan agreement between DJ Energy Private Limited and CGE IPL dated July 14, 2016

DJ Energy Private Limited has agreed to provide an unsecured loan of up to Rs. 940.0 million to CGE IPL. The loan is subordinated to the loans advanced by secured lenders or project lenders of CGE IPL. The loan is being used by CGE IPL for general corporate purposes and the loan carries an interest rate of 0.75 per cent. per annum over the applicable lending rate payable by DJ Energy Private Limited to L&T Infrastructure Finance Company Limited, a project lender of DJ Energy Private Limited. The loan will be repaid by CGE IPL in annual instalments and the last payment will be due on September 30, 2031. CGE IPL may also pre-pay the loan by giving DJ Energy Private Limited a notice of one business day.

Loan agreement between Uttar Urja Projects Private Limited and CGE IPL dated July 14, 2016

Uttar Urja Projects Private Limited has agreed to provide on unsecured loan of up to Rs. 700.0 million to CGE IPL. The loan is subordinated to the loans advanced by secured lenders or project lenders of CGE IPL. The loan is being used by CGE IPL for general corporate purposes and the loan carries an interest rate of 0.75% per annum over the applicable lending rate payable by Uttar Urja Projects Private Limited to L&T Infrastructure Finance Company Limited, a project lender of Uttar Urja Projects Private Limited. The loan will be repaid by CGE IPL in annual instalments and the last payment will be due on September 30, 2031. CGE IPL may also pre-pay the loan, at any time, by giving Uttar Urja Projects Private Limited a notice of one business day.

Loan agreement between DJ Energy Private Limited and CGE IPL dated March 12, 2020

DJ Energy Private Limited has agreed to provide an unsecured loan of up to Rs. 650.0 million to CGE IPL. The loan is subordinated to the loans advanced by secured lenders or project lenders of CGE IPL. The loan is being used by CGE IPL for general corporate purposes and the loan carries an interest rate of 0.75 per cent. per annum over the applicable lending rate payable by DJ Energy Private Limited to its most recent lender, from time to time. The loan will be repaid by CGE IPL at will, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the agreement.

Loan agreement between Uttar Urja Projects Private Limited and CGE IPL dated March 12, 2020

Uttar Urja Projects Private Limited has agreed to provide an unsecured loan of up to Rs. 1,090.0 million to CGE IPL. The loan is subordinated to the loans advanced by secured lenders or project lenders of CGE IPL. The loan is being used by CGE IPL for general corporate purposes and the loan carries an interest rate of 0.75 per cent. per annum over the applicable lending rate payable by Uttar Urja Projects Private Limited to its most recent lender, from time to time. The loan will be repaid by CGE IPL at will, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the agreement.

Loan agreement between DJ Energy Private Limited and CMPWDPL dated March 12, 2020

DJ Energy Private Limited has agreed to provide an unsecured loan of up to Rs. 120.0 million to CMPWDPL. The loan is being used by CMPWDPL for meeting its liabilities and the loan carries an interest rate of 0.75 per cent. per annum over the applicable lending rate payable by DJ Energy Private Limited to its most recent lender, from time to time. The loan will be repaid by CMPWDPL at will, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the agreement. However, CMPWDPL has to prepay the entire loan before it borrows any senior secured debt from any bank/financial institution.

Loan agreement between DJ Energy Private Limited and SESPL dated March 12, 2020

DJ Energy Private Limited has agreed to provide an unsecured loan of up to Rs. 150.0 million to SESPL. The loan is being used by SESPL for meeting its liabilities and the loan carries an interest rate of 0.75 per cent. per annum over the applicable lending rate payable by DJ Energy Private Limited to its most recent lender, from time to time. The loan will be repaid by SESPL at will, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the agreement. However, SESPL has to prepay the entire loan before it borrows any senior secured debt from any bank/financial institution.

Loan agreement between DJ Energy Private Limited and Skyzen Infrabuild Private Limited (SIPL) dated March 12, 2020

DJ Energy Private Limited has agreed to provide an unsecured loan of up to Rs. 510.3 million to SIPL. The loan is being used by SIPL for its growth and expansion plans, to repay any of its existing indebtedness as well as to meet working capital requirement. The loan shall be repaid in one bullet payment, including interest, at any time on or before October 09, 2022, as per the settlement schedule mentioned in the agreement.

Loan agreement between Continuum Green Energy (India) Private Limited (CGE IPL) and Trinethra Wind and Hydro Power Private Limited (Trinethra) dated December 26, 2018

CGE IPL has agreed to provide an unsecured loan of up to Rs. 1,113.3 million to Trinethra. The loan is subordinated to the loans advanced by project lenders of Trinethra. The loan is being used by Trinethra for its financing its Rajkot I of 101.2 MW and will form part of promoter contribution towards the project in terms of facility agreement signed with Power Finance Corporation Limited (PFC). The loan carries interest rate same as PFC facility. Interest shall be accrued and paid only after commercial operation date of the project is achieved.

Loan Facilities from CGE IPL (the “Inter-Company Loan”)

Apart from loans disclosed above, CGE IPL has extended various unsecured loans to its subsidiaries which also includes entities under Restricted Group, which are approved by board of directors from time to time. For further details regarding loan from CGE IPL transactions and balances, as at and for the year ended March 31, 2018, 2019 and 2020 and as at and for the nine months period ended December 31, 2020, which have been disclosed in accordance with the Accounting Standards 18 — Related Parties Disclosures, issued by The Institute of Chartered Accountants of India, see Note 30 of the Special Purpose Combined Financial Statements for the year ended March 31, 2018, 2019 and 2020 and the Special Purpose Unaudited Combined Financial Statements for the nine months ended December 31, 2020 included elsewhere in this Offering Memorandum for transaction and balances related to Inter-Company Loan.

Common overheads to CGE IPL

Along with our sister companies outside the Restricted Group, we rely on CGE IPL for managerial, accounting, legal, infrastructure and technical support and services for our operations. CGE IPL, being a holding company avail common services, majority is payroll cost and rent expenses and recovers these common overheads incurred by it on a cost to cost basis from its subsidiaries as pre-determined ratio which is based on respective group companies installed or planned capacity, stage of the project, the weightage assigned to relevant activities and any other relevant criteria and approved by respective Board of directors of respective subsidiaries.

Common Facility Agreement between DJEPL and UUPPL dated October 01, 2014

DJEPL and UUPPL have developed 94 MW and 76 MW windfarm project, respectively, in Ratlam and Mandasaur 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 is in process of setting up and implementing upto 50.4 MW project in Rajkot district, Gujarat. It has already successfully achieved commercial operation for Phase I of 25.2 MW. The project is being developed in the location 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. RTPL would pay to Trinethra a sum of Rs. 9.1 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.

DESCRIPTION OF OTHER INDEBTEDNESS

The following are summaries of the material terms of the principal financing arrangements of the Restricted 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 Cash Flows, Financial Condition and Results of Operations.”

All indebtedness of the Restricted Subsidiaries, which are listed below, are expected to be repaid with the proceeds of this offering, as described more fully under “Use of Proceeds.”

	Total amount outstanding as on <u>December 31, 2020</u> (in Rs. million)
DJ Energy Private Limited	
External commercial borrowing availed from International Finance Corporation	1,095
Term loan facility availed from India Infrastructure Finance Company Limited ⁽¹⁾	988
Term loan facility availed from India Infradebt Limited ⁽²⁾	1,225
Term loan facility availed from L&T Infrastructure Finance Company Limited (“L&T”) ⁽³⁾	1,438
Term loan facility availed from Indian Renewable Energy Development Agency ⁽⁴⁾	1,472
Working capital facility availed from L&T	388

Notes:

- (1) Including Rs. 27 million outstanding against a funded interest term loan (including deferred principal instalments of Rs. Nil and deferred interest of Rs. 27 million).
- (2) Including Rs. 32 million outstanding against a funded interest term loan (including deferred principal instalments of Rs. Nil and deferred interest of Rs. 32 million).
- (3) Including Rs. 31 million outstanding against a funded interest term loan (including deferred principal instalments of Rs. Nil and deferred interest of Rs. 31 million).
- (4) Including Rs. 35 million outstanding against a funded interest term loan (including deferred principal instalments of Rs. Nil and deferred interest of Rs. 35 million).

	Total amount outstanding as on December 31, 2020 (in Rs. million)
Uttar Urja Projects Private Limited	
External commercial borrowing from International Finance Corporation	883
Term loan availed from India Infradebt Limited ⁽¹⁾	1,105
Term loan availed from Indian Renewable Energy Development Agency ⁽²⁾	1,151
Term loan facility availed from L&T ⁽³⁾	1,111
Term loan facility availed from India Infrastructure Finance Company Limited ⁽⁴⁾	788
Working capital facility availed from L&T	306

Notes:

- (1) Including Rs. 28 million outstanding against a funded interest term loan (including deferred principal instalments of Rs. Nil and deferred interest of Rs. 28 million).
- (2) Including Rs. 27 million outstanding against a funded interest term loan (including deferred principal instalments of Rs. Nil and deferred interest of Rs. 27 million).
- (3) Including Rs. 24 million outstanding against a funded interest term loan (including deferred principal instalments of Rs. Nil and deferred interest of Rs. 24 million).
- (4) Including Rs. 21 million outstanding against a funded interest term loan (including deferred principal instalments of Rs. Nil and deferred interest of Rs. 21 million).

	Total amount outstanding as on December 31, 2020 (in Rs. million)
Bothe Windfarm Development Private Limited	
Working capital loan facility availed from L&T	544
Working capital loan facility availed from State Bank of India	590
Term loan facility availed from Power Finance Corporation Limited ⁽¹⁾	7,707

Note:

- (1) Including Rs. 610 million outstanding against a funded interest term loan (including deferred principal instalments of Rs. 275 million and deferred interest of Rs. 335 million).

	Total amount outstanding as on December 31, 2020 (in Rs. million)
Watsun Infrabuild Private Limited	
Term loan facility availed from State Bank of India (Wind)	1,752
Term loan facility availed from State Bank of India (Solar)	1,962
Term loan facility availed from Indian Renewable Energy Development Agency	4,038
Term loan facility availed from PTC India Financial Services Limited ("PFS")	1,286

	Total amount outstanding as on December 31, 2020 (in Rs. million)
Trinethra Wind and Hydro Power Private Limited	
Term loan facility availed from Power Finance Corporation Limited ⁽¹⁾	4,887
Working capital facility availed from ICICI Bank Limited	149

Note:

- (1) Including Rs. 357 million outstanding against a funded interest term loan (including deferred principal instalments of Rs. 95 million and deferred interest of Rs. 262 million).

	Total amount outstanding as on December 31, 2020 (in Rs. million)
Renewables Trinethra Private Limited	
Term loan facility availed from Power Finance Corporation Limited	1,101
Working capital facility availed from ICICI Bank Limited ⁽¹⁾	39

Note:

- (1) This represents Non fund based facility availed from ICICI Bank Limited as on December 31, 2020. Further, against the said facility Renewables Trinethra Private Limited has given cash margin of Rs. 4 million. Therefore, net amount payable against non fund based facility as on December 31, 2020 is Rs. 35 million.

DJ Energy Private Limited

Initially, DJ Energy Private Limited had availed financing from the International Finance Corporation (“**IFC**”) and Yes Bank Limited (“**YBL**”). YBL down sold part of its portion of commitment to India Infrastructure Finance Company Limited (“**IIFCL**”), State Bank of India (“**SBI**”), L&T and certain other lenders. Subsequently, L&T refinanced domestic lender’s portion other than IIFCL and took over undisbursed portion of loans from IFC and IIFCL. Subsequently, L&T down sold part of its exposure to SBI, India Infradebt Limited and one other lender. In September 2018, L&T bought over exposure of SBI and in December 2018 India Infradebt Limited bought over part of exposure of L&T. Refinancing was undertaken with L&T taking over from another lender. In September 2020, L&T novated a part of its facilities to the Indian Renewable Energy Development Agency (“**IREDA**”). The current lenders are IFC, IIFCL, L&T, India Infradebt Limited and IREDA.

DJ Energy Private Limited has availed moratorium on payments of term loan instalments (other than payable to IFC) for March 1, 2020 to May 31, 2020, pursuant to RBI circular dated March 27, 2020, issued in light of the COVID-19 pandemic specifically, from IIFCL, India Infradebt Limited and L&T. In addition, while availing distribution of surplus, IFC and L&T provided certain exclusions in the form of specifically permitted restricted payments for investments and intercorporate loans made by DJ Energy Private Limited (subject to certain conditions including providing DSRA bank guarantees).

External Commercial Borrowing from International Finance Corporation (the “ECB I”)

DJ Energy Private Limited entered into a loan agreement dated May 30, 2014 with International Finance Corporation (“**IFC**”) for a term loan facility aggregating up to Rs. 1,660.50 million or the amount equivalent to 25% of the project cost, whichever is lower. Subsequently, the said loan agreement was amended and restated on

July 30, 2014 (the “DEPL ECB Agreement I”). A part of the ECB I was reduced and the reduced amount was financed by L&T by a loan agreement dated December 26, 2015 (the “DEPL Re-financing I”). As on December 31, 2020, the sanctioned amount for IFC under the DEPL ECB Agreement I stood at Rs. 1,552.12 million.

The purpose of availing this loan is to finance the 94 MW wind power project located in the Ratlam and Mandsaur districts of Madhya Pradesh, India. DJ Energy Private Limited is required to repay the loan in 27 unequal half-yearly instalments, commencing in the year 2016 and ending in the year 2029. The weighted average or blended rate of interest applicable on ECB I as on December 31, 2020 is 10.76% per annum.

In addition to the common terms among the DEPL ECB Agreement I and the facility from IIFCL as listed below under “*Common Conditions*”, certain other terms and conditions of the DEPL ECB Agreement I are:

- *Security and Guarantees:* The ECB I is secured by: (i) a first ranking mortgage on all the immovable properties and the assets of DJ Energy Private Limited; (ii) a first ranking charge over all of DJ Energy Private Limited’s movable properties and assets (including but not limited to plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets), both present and future; (iii) a first ranking charge on all of DJ Energy Private Limited’s current and intangible assets including but not limited to goodwill, operating cash flows, commissions, revenues of whatsoever nature and whenever arising, and uncalled capital, both present and future; (iv) a first ranking charge in all of DJ Energy Private Limited’s bank accounts, including in each case, all monies lying to the credit or deposited in such accounts, both present and future; (v) assignment by way of security of (a) all rights, titles and interests of the DJ Energy Private Limited in, to and under all the assets of its project, and (b) DJ Energy Private Limited’s rights under each of its project related documents, to the extent assignable under applicable laws, related to its project; (vi) a first ranking charge or assignment by way of security of all of DJ Energy Private Limited’s rights and interests under letter(s) of credit, contractor guarantees, performance bonds or any other similar security; and (vii) a pledge over 100% of the share capital held by CGEIPPL in DJ Energy Private Limited at all times in favour of the security trustee (acting for the benefit of IFC) in accordance with the Banking Regulation Act, 1949, provided that IFC’s interest shall not exceed 30% of the issued and paid-up share capital of DJ Energy Private Limited; (viii) debt service reserve account of at least two quarters; (ix) a corporate guarantee to the extent of Rs. 1,410.00 million; and (x) pursuant to a project funds and share retention agreement as long as any amounts under the DEPL ECB Agreement I remain available for disbursement by IFC and thereafter until all the secured parties indebtedness has been paid in full, CGEIPPL and CGEL at all times are required to maintain not less than 100% and more than 50%, respectively, of the legal and beneficial ownership in the economic voting interests of the equity shares of DJ Energy Private Limited and CGEIPPL, respectively, on a fully diluted basis free from all prohibited transfers.
- *Financial Covenants:* DJ Energy Private Limited is required to maintain at all times and at the time of every disbursement of the ECB I:
 - (1) a debt service coverage ratio of not less than 1.20 times;
 - (2) liabilities to tangible net worth ratio of not more than:
 - (A) until March 31, 2018, 4.2x; (or)
 - (B) on and after April 1, 2018, 4.0x (as the case may be).

- (3) a current assets to current liabilities ratio of not less than 1.20 times; and
- (4) a debt to equity ratio of not more than 3:1.
- Other Covenants:** DJ Energy Private Limited has made customary representations and warranties to IFC and has agreed to deliver standard information. DJ Energy Private Limited has further agreed that a change of control of Clean Energy Investing Limited, Continuum Green Energy Limited or CGE IPL in the manner specified in the DEPL ECB Agreement I, shall be made only to a party of repute after obtaining the consent of IFC and in accordance with the terms of the DEPL ECB Agreement I. Further, DJ Energy Private Limited has agreed that, unless IFC otherwise agrees, CGE IPL shall at all times hold 100% of both economic and voting interests in DJ Energy Private Limited's share capital and retain management control of DJ Energy Private Limited. In addition to the above, DJ Energy Private Limited has agreed to certain negative covenants for which prior written agreement of IFC shall be required. These include, *inter alia*, (a) incur any financial debt including any bonds, debentures, notes and other similar debt instruments in accordance with the terms of the DEPL ECB Agreement I; (b) declare or pay dividends or make a payment under any financial debt including any bonds, debentures, notes and other similar debt instruments; (c) enter into any derivative transactions or assume any obligations of any party to any derivative transactions; (d) create or permit any lien over any property, revenues or other assets, except in accordance with the DEPL ECB Agreement I; (e) change its capital structure or the amount of its authorized capital, except in accordance with the DEPL ECB Agreement I or the financial plan appended to the DEPL ECB Agreement I; (f) sell, transfer, lease or otherwise dispose of all or substantial part of its assets, other than inventory, whether in a single transaction or in a series of transactions, in excess of Rs. 10.00 million on an aggregate basis; (g) change its charter in any manner which would be inconsistent with the DEPL ECB Agreement I and any other related agreements; (h) undertake or permit any merger, spin-off, consolidation or reorganization; and (i) make or permit making of loans, advances, deposits or investments with other persons.
 - Events of Default:** Events of default include, *inter alia*, (a) change in control of Continuum Green Energy Limited, CGE IPL or Clean Energy Investing Limited contrary to the terms of the DEPL ECB Agreement I; (b) default in payment of principal or interest; (c) default in payment of principal or interest on any of the domestic loans; (d) breach of obligations under the DEPL ECB Agreement I or any other transaction agreement; (e) misrepresentation or breach of warranty under the DEPL ECB Agreement I; (f) bankruptcy or similar events of DJ Energy Private Limited, CGE IPL or Clean Energy Investing Limited; (g) ceasure or threatening to cease to carry out its business or abandonment of its project by DJ Energy Private Limited; (h) revocation of any security or financing related documents; (i) transfer of shareholding of CGE IPL in DJ Energy Private Limited contrary to the terms of the DEPL ECB Agreement I; (j) failure to create security within a period of six months from the date of the first disbursement; (k) occurrence of any event which has a material adverse effect on DJ Energy Private Limited; and (l) cross-default.

Term Loan Facility from IIFCL

DJ Energy Private Limited had initially entered into an agreement dated July 24, 2014, which was subsequently amended following sale downs and taking over of commitments amongst various lenders, and post the DEPL Re-financing I in 2015 the sanctioned amount as of December 31, 2020 for IIFCL was Rs. 1,233.91 million.

The purpose of availing this loan is to meet expenses towards the capital expenditure, including related and ancillary expenditure, of the 94 MW wind power project located in the Ratlam and Mandsaur districts of Madhya Pradesh, India. The loan is repayable in 62 quarterly repayment instalments commencing from March 31, 2016 up to June 30, 2031. The rate of interest applicable as on December 31, 2020 is 10.75% per annum.

Common Conditions:

Certain common terms and conditions for ECB I and the facility from IIFCL are:

- *Covenants:*

(i) In the event of failure to maintain at any time after project commissioning date a DSCR of at least 1.10x and failure to cure for 60 days, additional interest at the rate of 2% will be charged; (ii) additional interest of 2% in the event of failure to create and perfect security interest will be charged; (iii) default interest of 2% in the event of defaulted repayment amounts or interest will be charged; (iv) failure to achieve a minimum tariff of Rs. 5.92/ kWh under the power purchase agreement on account of delay in commissioning, IFC may require prepayment or resizing of loans to ensure the project meets minimum DSCR of 1.3x at P90 and 1.0x at P99; (v) liabilities to tangible net-worth ratio should not exceed 3.5x and senior debt to equity ratio should not be more than 3:1. Current ratio should not be less than 1:2. Additionally, the following covenant will apply: (i) unless permitted by IFC (administrative agent) in writing, DJ Energy Private Limited cannot declare or pay dividend or make any cash distribution on its share capital, or redeem any shares or make a payment in relation to subordinated loans/ shareholder loans unless: (a) project financial completion date has occurred; (b) in case of payment from retained earnings, the revaluation reserve should not be utilised; (c) senior debt service coverage ratio is not less than 1.3x; (d) all sub-accounts of trust and retention account and DSRA are fully funded; (e) no event of default or a potential event of default has occurred; the current ratio is at least 1.2; liabilities to tangible net worth ratio is not more than 3.5; no over withdrawal under working capital facility; all fees of security trustee and escrow agent are paid; cash sweep payment has been made; furnished certificate from the chief financial officer confirming all restricted payment conditions are satisfied; no earlier than 60 days and no later than 30 days prior to making restricted payment, DJ Energy Private Limited certifies to compliance of all conditions to IFC in writing.

- *Events of Default:* Events of default include, *inter alia*, (i) failure to pay principal or interest; (ii) failure to pay other loans; (iii) failure to comply with obligations under the facility agreements; (iv) misrepresentation; (v) expropriation, nationalization; involuntary bankruptcy/ winding up proceedings; (vi) appointment of liquidator; (vii) cross default; (viii) failure to maintain clearances; revocation of financing and security documents; (ix) non-performance of project documents; bankruptcy of CGE IPL and CGEIL; (x) transfer of shareholding of CGE IPL or loss of management control; (xi) change of control CGE IPL, CGEIL, CEIPL or key person; abandoned the project; failure to get credit rating; (xii) material adverse effect; (xiii) failure to renew guarantee/ letters of credit; failure to bring equity or create security; (xiv) default by CGE IPL; and (xv) failure to meet financial covenants and maintenance of DSRA.

Certain other terms and conditions are:

- *Security and Guarantees:* The Domestic Loan I is secured by: (i) a first ranking mortgage on all the immovable properties and the assets of the DJ Energy Private Limited; (ii) a first-ranking charge over all of DJ Energy Private Limited's movable properties and assets (including but not limited to plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets), both present and future; (iii) a first ranking charge on all of DJ Energy Private Limited's current and intangible assets including but not limited to goodwill, operating cash flows, commissions, revenues of whatsoever nature and whenever arising, and uncalled capital, both present and future; (iv) a first ranking charge in all of DJ Energy Private Limited's bank accounts, including in each case, all monies lying to the credit or deposited in such accounts, both present and future; (v) assignment by way of security of (a) all rights, titles and interests of the DJ Energy Private Limited in, to and under all the assets of its project; and (b) the DJ Energy Private Limited's rights under each of its project related documents, to the extent

assignable under applicable laws, related to its project; (vi) a first ranking charge or assignment by way of security of all of DJ Energy Private Limited's rights and interests under letter(s) of credit, contractor guarantees, performance bonds or any other similar security; (vii) a pledge over 100% of the share capital of the DJ Energy Private Limited held by the CGE IPL at all times in favor of the security trustee (acting for the benefit of the IIFCL) in accordance with the Banking Regulation Act, 1949, provided that IIFCL's interest of shall not exceed 30% of the issued and paid-up share capital of DJ Energy Private Limited; (viii) any subordinated loans from CGE IPL, other than very short-term loans; (ix) insurance proceeds; (x) debt service reserve account of at least two quarters; and (xi) a corporate guarantee to the extent of Rs. 1,410.00 million.

- *Financial Covenants:* DJ Energy Private Limited is required to maintain at all times and at the time of every disbursement:
 - (1) a debt service coverage ratio of not less than 1.20 times;
 - (2) a liabilities to tangible net worth ratio of not more than 4.20 times till March 31, 2018 and thereafter, of not more than 4.00 times;
 - (3) a current assets to current liabilities ratio of not less than 1.20 times; and
 - (4) a debt to equity ratio of not more than 3:1.
- *Other Covenants:* DJ Energy Private Limited has made customary representations and warranties to IIFCL and has agreed to deliver standard information. DJ Energy Private Limited has agreed that a change of control of Continuum Green Energy Limited or CGE IPL, in the manner specified, shall be made only to a party of repute after obtaining consent of IIFCL and in accordance with the terms of the agreement. Further, DJ Energy Private Limited has agreed that, unless IFC otherwise agrees, CGE IPL shall at all times hold 100% of both economic and voting interests in DJ Energy Private Limited's share capital and retain management control of DJ Energy Private Limited. DJ Energy Private Limited has agreed to certain negative covenants for which prior written agreement of IIFCL shall be required. These include, *inter alia*, (a) incur any additional financial debt including any bonds, debentures, notes and other similar debt instruments in accordance with the terms of the agreement; (b) declare or pay dividends or make a payment under any financial debt including any bonds, debentures, notes and other similar debt instruments; (c) enter into any derivative transactions or assume any obligations of any party to any derivative transactions; (d) create or permit any lien over any property, revenues or other assets, except in accordance with the agreement; (e) change its capital structure or the amount of its authorized capital, except in accordance with the Domestic Loan Agreement I or the financial plan appended to the agreement; (f) sell, transfer, lease or otherwise dispose of all or substantial part of its assets, other than inventory, whether in a single transaction or in a series of transactions, in excess of Rs. 10.00 million; (g) change its charter in any manner which would be inconsistent with the agreement and any other related agreements; (h) other fundamental changes including change the financial year, the financial plan, nature or scope of its project or its business; (i) undertake or permit any merger, spin-off, consolidation or reorganization; (j) make or permit making of loans, advances, deposits or investments with other persons; and (k) enter into any agreements for lease of its property or enter into agreements for guarantee or assume any financial obligation of another person.
- *Events of Default:* Events of default include, *inter alia*, (a) change in control of Clean Energy Investing Limited in Continuum Green Energy Limited or Continuum Green Energy Limited in CGE IPL, either by a transfer of shareholding or by loss of management control in a manner which is contrary to the terms of the agreement, or failure of Arvind Bansal to maintain his stake in the issued and paid up share capital of DJ

Energy Private Limited; (b) default in payment of principal or interest; (c) default in payment of other payments due under the financing documents; (d) breach of obligations under the agreement or any other transaction agreement; (e) misrepresentation or breach of warranty under the agreement; (f) bankruptcy or similar events of DJ Energy Private Limited, CGE IPL or Continuum Green Energy Limited; (g) ceasure or threatening to cease to carry out its business or abandonment of the project by DJ Energy Private Limited; (h) revocation of any security or financing related documents; (i) transfer of shareholding or loss of management control of CGE IPL in DJ Energy Private Limited contrary to the terms of the Domestic Loan Agreement I; (j) failure to create security within a period of six months from the date of the first disbursement; (k) occurrence of any event which has a material adverse effect on DJ Energy Private Limited; and (l) cross-default exceeding Rs. 10 million.

Term Loan Facilities from L&T, India Infradebt Limited and IREDA

Following the DEPL Re-financing I in 2015, L&T took over commitments of other lenders by a loan agreement dated December 26, 2015. Thereafter following various down selling and taking over of exposures, in December 2018 India Infradebt Limited bought over a part of the exposure of L&T. Thereafter, refinancing was again undertaken with agreements dated March 6, 2020 (IFC) and September 18, 2020 (IREDA) (together “DEPL Re-financing II” and such agreements the “DEPL Re-financing II Agreements”).

As on December 31, 2020, the sanctioned amount from L&T was Rs. 2,892.90 million, from India Infradebt Limited was Rs. 1,450.00 million and from IREDA was Rs. 1,900.00 million, and the rate of interest applicable was 10.75% per annum for each of them. The purpose of availing the DEPL Re-financing II in addition to the refinancing is also for the purpose of the 94 MW wind power project located in the Ratlam and Mandsaur districts of Madhya Pradesh, India. DJ Energy Private Limited is required to repay in unequal quarterly instalments ending in the year 2030.

DJ Energy Private Limited availed a moratorium on payment of term loan instalments from March 1, 2020 to May 31, 2020 in accordance with the RBI circular dated March 27, 2020 issued in light of the COVID-19 pandemic.

Certain other terms and conditions of the DEPL Re-financing II are:

- ***Security and Guarantees:*** The DEPL Re-financing II is secured by: (i) a first *pari passu* charge by way of mortgage on all the immovable properties (including assignment of leasehold rights in case of leased land and excluding revenue land allocated by the authority) of DJ Energy Private Limited together with all appurtenances thereon, both present and future pertaining to the project; (ii) a first *pari passu* charge over all of DJ Energy Private Limited’s movable properties and assets (including but not limited to plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets), both present and future; (iii) a first *pari passu* charge on all of DJ Energy Private Limited’s current and intangible assets including but not limited to goodwill, operating cash flows, commissions, revenues of whatsoever nature and whenever arising, and uncalled capital, both present and future; (iv) a first *pari passu* charge in all of DJ Energy Private Limited’s bank accounts, including in each case, all monies lying to the credit or deposited in such accounts, both present and future; (v) a first *pari passu* charge cum assignment by way of security of or creation of lien on (a) all rights, titles and interests of the DJ Energy Private Limited in, to and under all the assets of its project; (b) the DJ Energy Private Limited’s rights under each of its project related documents, to the extent assignable under applicable laws, related to its project; and (c) all of DJ Energy Private Limited’s rights and interests under letter(s) of credit, contractor guarantees, performance bonds or any other similar security; (vi) an irrevocable and unconditional undertaking from CGE IPL; (vii) a pledge or escrow over 100% of the paid up share capital of the DJ Energy Private Limited held by the CGE IPL at all times in favour of the security trustee (acting for the

benefit of the Domestic Lenders) in accordance with the Banking Regulation Act, 1949, provided that the interest of any lender of term loans shall not exceed 30% of the issued and paid-up share capital of DJ Energy Private Limited and (viii) debt service reserve account of at least two quarters.

- *Financial Covenants:* DJ Energy Private Limited is required to maintain at all times and at the time of every disbursement of DEPL Re-financing II, a debt service coverage ratio of not less than 1.10 times, unless provided otherwise for DEPL Re-financing II.
- *Other Covenants:* DJ Energy Private Limited has made customary representations and warranties to the Domestic Lenders and has agreed to deliver standard information. DJ Energy Private Limited has agreed that a change of control of CGE IPL in DJ Energy Private Limited or Continuum Green Energy Limited in CGE IPL, in the manner specified for DEPL Re-financing II, shall be made only to a party of repute after obtaining consent of the Domestic Lenders and in accordance with the terms of DEPL Re-financing II. In addition, DJ Energy Private Limited has agreed to certain negative covenants for which prior written agreement of the Domestic Lenders shall be required. These include, *inter alia*, (a) incur any financial debt including any bonds, debentures, notes and other similar debt instruments, and any working capital facility exceeding Rs. 540.00 million availed for the project; (b) declare or pay dividends or make a payment under any financial debt including any bonds, debentures, notes and other similar debt instruments; (c) enter into any derivative transactions or assume any obligations of any party to any derivative transactions; (d) create or permit any lien over any property, revenues or other assets, except as provided for DEPL Re-financing II; (e) change its business activity, capital structure or the amount of its authorized capital, except as provided for DEPL Re-financing II or the financial plan appended to the DEPL Re-financing II Agreements; (f) sell, transfer, lease or otherwise dispose of all or substantial part of its assets, other than inventory, whether in a single transaction or in a series of transactions; (g) change its charter in any manner which would be inconsistent with the DEPL Re-financing II Agreements and any other related agreements; (h) other fundamental changes including change the financial year, the financial plan, auditors, nature or scope of its project or its business; (i) undertake or permit any merger, spin-off, consolidation or reorganization; (j) make or permit making of loans, advances, deposits or investments with other persons; and (k) enter into any agreements for lease of its property or enter into agreements for guarantee or assume any financial obligations of another person.
- *Events of Default:* Events of default include, *inter alia*, (a) change in control of Continuum Green Energy Limited in CGE IPL, contrary to the terms of the DEPL Re-financing II Agreement; (b) default in payment of principal or interest; (c) default in payment of other payments due under the financing or project related documents; (d) failure of CGE IPL or Continuum Green Energy Limited to perform their obligations under their respective undertakings; (e) breach of obligations under the DEPL Re-financing II Agreement or any other transaction agreement which would include breach of any financial covenant; (f) supply of misleading information or misrepresentation or breach of warranty under the DEPL Re-financing II Agreement; (g) bankruptcy, insolvency or similar events of DJ Energy Private Limited; (h) ceasure or threatening to cease to carry out its business or abandonment of the project by DJ Energy Private Limited; (i) revocation, termination or invalidation of any security or financing related documents or revocation of any key authorizations granted to DJ Energy Private Limited; (j) transfer of shareholding or loss of management control of CGE IPL in DJ Energy Private Limited contrary to the terms of the DEPL Re-financing II Agreement; (k) failure to create security within the time stipulated; (l) institution of any kind of legal proceedings against DJ Energy Private Limited wherein an order has been passed by an authority against DJ Energy Private Limited or its project and such proceedings are not vacated, withdrawn, stated or contested within such period as specified; (m) occurrence of any event which has a material adverse effect on DJ Energy Private Limited; (n) cross-default; (o) sale, transfer or disposal of assets, in a manner not permitted and without the consent of the Domestic Lenders; (p) default in obtaining

insurance and such default is not remedied within a period of 30 days; (q) default under any other financing documents; and (r) institution of winding up proceedings against DJ Energy Private Limited, CGE IPL or Continuum Green Energy Limited.

Working Capital Facility from L&T

DJ Energy Private Limited initially availed a working capital facility from L&T by an agreement dated December 31, 2015, as amended, and recently by a sanction letter dated August 25, 2020 the facility was renewed for a sanction amount of Rs. 500.00 million ("**DEPL WC Facility**"). The DEPL WC Facility is repayable on demand and the interest rate applicable as of December 31, 2020 is 11.95% per annum.

Certain other terms and conditions of the DEPL WC Facility are:

- ***Security and Guarantees:*** The DEPL WC Facility is secured by: (i) a first ranking mortgage on all the immovable properties and the assets of the DJ Energy Private Limited; (ii) a first-ranking charge over all of DJ Energy Private Limited's movable properties and assets (including but not limited to plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets), both present and future; (iii) a first ranking charge on all of DJ Energy Private Limited's current and intangible assets including but not limited to goodwill, operating cash flows, commissions, revenues of whatsoever nature and whenever arising, and uncalled capital, both present and future; (iv) a first ranking charge in all of DJ Energy Private Limited's bank accounts, including in each case, all monies lying to the credit or deposited in such accounts, both present and future; (v) assignment by way of security of (a) all rights, titles and interests of the DJ Energy Private Limited in, to and under all the assets of its project; and (b) the DJ Energy Private Limited's rights under each of the project related documents, to the extent assignable under applicable laws, related to the project; (vi) a first ranking charge or assignment by way of security of all of DJ Energy Private Limited's rights and interests under letter(s) of credit, contractor guarantees, performance bonds or any other similar security; and (vii) security over subordinated loans.
- ***Other Covenants:*** DJ Energy Private Limited has made customary representations and warranties to L&T and has agreed to deliver standard information. DJ Energy Private Limited has agreed that L&T would have an unconditional right to cancel the un-utilized portion of the DEPL WC Facility, whether partly or in full, at any time, during its currency without any prior intimation for the same. DJ Energy Private Limited has agreed to certain negative covenants for which prior written agreement of L&T shall be required. These include, *inter alia*, (a) incur any capital expenditures or financial debt including any bonds, debentures, notes and other similar debt instruments; (b) enter into any derivative transactions or assume any obligations of any party to any derivative transactions; (c) create or permit any lien over any property, revenues or other assets, except in accordance with the agreement; (d) change its capital structure or the amount of its authorized share capital, except in accordance with the agreement or the financial plan appended thereto; (e) sell, transfer, lease or otherwise dispose of all or substantial part of its assets, other than inventory, whether in a single transaction or in a series of transactions, in excess of Rs. 20.00 million; (f) change its charter in any manner which would be inconsistent with the agreement and any other related agreements; (g) other fundamental changes including change the financial year, the financial plan, nature or scope of its project or its business; (h) undertake or permit any merger, spin-off, consolidation or reorganization; (i) make or permit making of loans, advances, deposits or investments with other persons; and (j) enter into any agreements for lease of its property or enter into agreements for guarantee or assume any financial obligations of another person.
- ***Events of Default:*** Events of default include, *inter alia*, (a) change in control of Clean Energy Investing Limited in Continuum Wind Energy Limited, Continuum Wind Energy Limited in CGE IPL or Arvind Bansal in DJ Energy Private Limited, contrary to the terms of the DEPL WC Facility; (b) default in

payment of principal or interest; (c) default in payment of other payments due under the financing documents; (d) breach of obligations under the agreement or any other transaction agreement; (e) misrepresentation or breach of warranty; (f) bankruptcy or similar events of DJ Energy Private Limited, CGEIPPL or Continuum Wind Energy Limited; (g) ceasure or threatening to cease to carry out its business or abandonment of the project by DJ Energy Private Limited; (h) revocation of any security or financing related documents; (i) transfer of shareholding or loss of management control of CGEIPPL in DJ Energy Private Limited contrary to the terms of the agreement; (j) failure to create security within a period of six months from the date of the first drawal (fund-based) or reduction of margin to 25% (non-fund based); (k) passing of a final and non-appealable judgment against DJ Energy Private Limited levying a payment of money in excess of Rs. 62.00 million and non-payment of the amount levied for more than 30 days from the date of the levy; (l) occurrence of any event which has a material adverse effect on DJ Energy Private Limited; and (m) cross-default exceeding Rs. 10.00 million.

Uttar Urja Projects Private Limited

Initially, Uttar Urja Projects Private Limited had availed financing from IFC and YBL. YBL down sold part of its portion of commitment to IIFCL, SBI, L&T and certain other lenders. Subsequently, L&T refinanced domestic lender's portion other than IIFCL and took over undisbursed portion of loans from IFC and IIFCL. Subsequently, L&T down sold part of its exposure to SBI, India Infradebt Limited and one other lender. In September 2018, L&T bought over exposure of SBI and in December 2018 India Infradebt Limited bought over part of exposure of L&T. Refinancing was undertaken L&T taking over from another lender. In September 2020 L&T novated a part of its facilities to IREDA. The current lenders are IFC, IIFCL, L&T, India Infradebt Limited and IREDA.

Uttar Urja Projects Private Limited has availed moratorium on payments of term loan instalments (other than payable to IFC) for March 1, 2020 to May 31, 2020, pursuant to RBI circular dated March 27, 2020, issued in light of the COVID-19 pandemic. In addition, while availing distribution of surplus, IFC and L&T provided certain exclusions in the form of specifically permitted restricted payments for investments and intercorporate loans made by Uttar Urja Projects Private Limited (subject to certain conditions including providing DSRA bank guarantees).

External Commercial Borrowing from IFC (the "UUPPL ECB I")

On May 30, 2014, Uttar Urja Projects Private Limited had entered into a loan agreement with IFC for a term loan facility aggregating up to Rs. 1,339.5 million or the amount equivalent to 25% of the project cost, whichever is lower. Subsequently, the said loan agreement was amended and restated on July 30, 2014 (the "UUPPL ECB Agreement I"). A part of the UUPPL ECB I was reduced and the reduced amount was re-financed by L&T by a loan agreement dated December 26, 2015 (the "UUPPL Re-financing I"). As on December 31, 2020, the sanctioned amount for IFC under the UUPPL ECB Agreement I stood at Rs. 1,189.33 million.

The purpose of availing this loan is to finance the 76 MW wind power project located in the Ratlam and Mandsaur districts of Madhya Pradesh, India. Uttar Urja Projects Private Limited is required to repay the loan in 27 unequal half-yearly instalments, commencing in the year 2016 and ending in the year 2029. The weighted average or blended rate of interest applicable on the UUPPL ECB I as on December 31, 2020 is 10.73% per annum.

Certain other terms and conditions of the ECB Agreement II are:

- *Security and Guarantees:* The ECB II is secured by: (i) a first ranking mortgage on all the immovable properties and the assets of Uttar Urja Projects Private Limited; (ii) a first-ranking charge over all of Uttar Urja Projects Private Limited's movable properties and assets (including but not limited to plant and

machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets), both present and future; (iii) a first ranking charge on all of Uttar Urja Projects Private Limited's current and intangible assets including but not limited to goodwill, operating cash flows, commissions, revenues of whatsoever nature and whenever arising, and uncalled capital, both present and future; (iv) a first ranking charge in all of Uttar Urja Projects Private Limited's bank accounts, including in each case, all monies lying to the credit or deposited in such accounts, both present and future; (v) assignment by way of security of: (a) all rights, titles and interests of the Uttar Urja Projects Private Limited in, to and under all the assets of its project and (b) Uttar Urja Projects Private Limited's rights under each of its project related documents, to the extent assignable under applicable laws, related to its project; (vi) a first ranking charge or assignment by way of security of all of Uttar Urja Projects Private Limited's rights and interests under letter(s) of credit, contractor guarantees, performance bonds or any other similar security; (vii) a pledge over 100% of the share capital and compulsorily convertible debentures held by CGEIPPL in Uttar Urja Projects Private Limited at all times in favour of the security trustee (acting for the benefit of IFC) in accordance with the Banking Regulation Act, 1949, provided that IFC's interest of shall not exceed 30% of the issued and paid-up share capital of Uttar Urja Projects Private Limited; (viii) debt service reserve account of at least two quarters; (ix) a corporate guarantee to the extent of Rs. 1,090.00 million; and (x) pursuant to a project funds and share retention agreement as long as any amounts under the UUPPL ECB Agreement I remain available for disbursement by IFC and thereafter until all the secured parties indebtedness has been paid in full, CGEIPPL and CGEL at all times are required to maintain not less than 100% and more than 50%, respectively, of the legal and beneficial ownership in the economic voting interests of the equity shares of Uttar Urja Projects Private Limited and CGEIPPL, respectively, on a fully diluted basis free from all prohibited transfers.

- *Financial Covenants:* Uttar Urja Projects Private Limited is required to maintain at all times and at the time of every disbursement of the ECB II:
 - (1) a debt service coverage ratio of not less than 1.20 times;
 - (2) liabilities to tangible net worth ratio of not more than:
 - (A) until March 31, 2018, 4.2x; (or)
 - (B) on and after April 1, 2018, 4.0x (as the case may be).
 - (3) a current assets to current liabilities ratio of not less than 1.20 times; and
 - (4) a debt to equity ratio of not more than 3:1.
- *Other Covenants:* Uttar Urja Projects Private Limited has made customary representations and warranties to IFC and has agreed to deliver standard information. Uttar Urja Projects Private Limited has further agreed that a change of control of Clean Energy Investing Limited, Continuum Green Energy Limited or CGEIPPL in the manner specified in the UUPPL ECB Agreement I, shall be made only to a party of repute after obtaining the consent of IFC and in accordance with the terms of the UUPPL ECB Agreement I. Further, Uttar Urja Projects Private Limited has agreed that, unless IFC otherwise agrees, CGEIPPL shall at all times hold 100% of both economic and voting interests in Uttar Urja Projects Private Limited's share capital and retain management control of Uttar Urja Projects Private Limited. In addition to the above, Uttar Urja Projects Private Limited has agreed to certain negative covenants for which prior written agreement of IFC shall be required. These include, *inter alia*, (a) incur any financial debt including any

bonds, debentures, notes and other similar debt instruments in accordance with the terms of the UUPPL ECB Agreement I; (b) declare or pay dividends or make a payment under any financial debt including any bonds, debentures, notes and other similar debt instruments; (c) enter into any derivative transactions or assume any obligations of any party to any derivative transactions; (d) create or permit any lien over any property, revenues or other assets, except in accordance with the UUPPL ECB Agreement I; (e) change its capital structure or the amount of its authorized capital, except in accordance with the UUPPL ECB Agreement I or the financial plan appended to the UUPPL ECB Agreement I; (f) sell, transfer, lease or otherwise dispose of all or substantial part of its assets, other than inventory, whether in a single transaction or in a series of transactions, in excess of Rs. 10.00 million on an aggregate basis; (g) change its charter in any manner which would be inconsistent with the UUPPL ECB Agreement I and any other related agreements, provided that Uttar Urja Projects Private Limited shall be permitted to change its registered office from the State of Uttarakhand to the State of Delhi; (h) undertake or permit any merger, spin-off, consolidation or reorganization; and (i) make or permit making of loans, advances, deposits or investments with other persons.

- *Events of Default:* Events of default include, *inter alia*, (a) change in control of Continuum Green Energy Limited, CGEIPPL or Clean Energy Investing Limited contrary to the terms of the UUPPL ECB Agreement I; (b) default in payment of principal or interest; (c) default in payment of principal or interest on any of the domestic loans; (d) breach of obligations under the UUPPL ECB Agreement I or any other transaction agreement; (e) misrepresentation or breach of warranty under the UUPPL ECB Agreement I; (f) bankruptcy or similar events of Uttar Urja Projects Private Limited, CGEIPPL or Continuum Green Energy Limited; (g) ceasure or threatening to cease to carry out its business or abandonment of its project by Uttar Urja Projects Private Limited; (h) revocation of any security or financing related documents; (i) transfer of shareholding of CGEIPPL in Uttar Urja Projects Private Limited contrary to the terms of the UUPPL ECB Agreement I; (j) failure to create security within a period of six months from the date of the first disbursement; (k) occurrence of any event which has a material adverse effect on Uttar Urja Projects Private Limited; and (l) cross-default.

Term Loan Facility from IIFCL

Uttar Urja Projects Private Limited had initially entered into an agreement dated July 24, 2014, which was subsequently amended following sale downs and taking over of commitments amongst various lenders, and post the UUPPL Re-financing I in 2015 the sanctioned amount as of December 31, 2020 for IIFCL was Rs. 950.10 million.

The purpose of availing this loan is to finance the 76 MW wind power project located in the Ratlam and Mandsaur districts of Madhya Pradesh, India. Uttar Urja Projects Private Limited is required to repay the Domestic Loan II in unequal quarterly instalments, commencing in the year 2016 and ending in the year 2031. The rate of interest applicable as on December 31, 2020, is 10.75% per annum.

Certain other terms and conditions are:

- *Security and Guarantees:* The Domestic Loan II is secured by: (i) a first ranking mortgage on all the immovable properties and the assets of the Uttar Urja Projects Private Limited; (ii) a first-ranking charge over all of Uttar Urja Projects Private Limited's movable properties and assets (including but not limited to plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets), both present and future; (iii) a first ranking charge on all of Uttar Urja Projects Private Limited's current and intangible assets including but not limited to goodwill, operating cash flows,

commissions, revenues of whatsoever nature and whenever arising, and uncalled capital, both present and future; (iv) a first ranking charge in all of Uttar Urja Projects Private Limited's bank accounts, including in each case, all monies lying to the credit or deposited in such accounts, both present and future; (v) assignment by way of security of (a) all rights, titles and interests of the Uttar Urja Projects Private Limited in, to and under all the assets of its project; and (b) the Uttar Urja Projects Private Limited's rights under each of its project related documents, to the extent assignable under applicable laws, related to its project; (vi) a first ranking charge or assignment by way of security of all of Uttar Urja Projects Private Limited's rights and interests under letter(s) of credit, contractor guarantees, performance bonds or any other similar security; (vii) a pledge over 100% of the share capital and compulsorily convertible debentures of the Uttar Urja Projects Private Limited held by the CGE IPL at all times in favor of the security trustee (acting for the benefit of the IIFCL) in accordance with the Banking Regulation Act, 1949, provided that IIFCL's interest shall not exceed 30% of the issued and paid-up share capital of Uttar Urja Projects Private Limited; (viii) debt service reserve account of at least two quarters; and (ix) a corporate guarantee to the extent of Rs. 1,090.00 million.

- *Financial Covenants:* Uttar Urja Projects Private Limited is required to maintain at all times and at the time of every disbursement:
 - (1) a debt service coverage ratio of not less than 1.20 times;
 - (2) a liabilities to tangible net worth ratio of not more than 4.20 times till March 31, 2018 and thereafter, of not more than 4.00 times;
 - (3) a current assets to current liabilities ratio of not less than 1.20 times; and
 - (4) a debt to equity ratio of not more than 3:1.
- *Other Covenants:* Uttar Urja Projects Private Limited has made customary representations and warranties to IIFCL and has agreed to deliver standard information. Uttar Urja Projects Private Limited has agreed that a change of control of Continuum Green Energy Limited or CGE IPL, in the manner specified, shall be made only to a party of repute after obtaining consent of IIFCL and in accordance with the terms of the agreement. Further, Uttar Urja Projects Private Limited has agreed that, unless IFC otherwise agrees, CGE IPL shall at all times hold 100% of both economic and voting interests in Uttar Urja Projects Private Limited's share capital and retain management control of Uttar Urja Projects Private Limited. Uttar Urja Projects Private Limited has agreed to certain negative covenants for which prior written agreement of IIFCL shall be required. These include, *inter alia*, (a) incur any additional financial debt including any bonds, debentures, notes and other similar debt instruments in accordance with the terms of the agreement; (b) declare or pay dividends or make a payment under any financial debt including any bonds, debentures, notes and other similar debt instruments; (c) enter into any derivative transactions or assume any obligations of any party to any derivative transactions; (d) create or permit any lien over any property, revenues or other assets, except in accordance with the agreement; (e) change its capital structure or the amount of its authorized capital, except in accordance with the agreement or the financial plan appended to the agreement; (f) sell, transfer, lease or otherwise dispose of all or substantial part of its assets, other than inventory, whether in a single transaction or in a series of transactions, in excess of Rs. 10.00 million; (g) change its charter in any manner which would be inconsistent with the agreement and any other related agreements; (h) other fundamental changes including change the financial year, the financial plan, nature or scope of its project or its business, provided that Uttar Urja Projects Private Limited shall be permitted to change its registered office from the State of Uttarakhand to the State of Delhi; (i) undertake or permit any

merger, spin-off, consolidation or reorganization; (j) make or permit making of loans, advances, deposits or investments with other persons; and (k) enter into any agreements for lease of its property or enter into agreement for guarantee or assume any financial obligation of another person.

- *Events of Default:* Events of default include, *inter alia*, (a) change in control of Clean Energy Investing Limited in Continuum Green Energy Limited or Continuum Green Energy Limited in CGEIPPL, either by a transfer of shareholding or by loss of management control in a manner which is contrary to the terms of the agreement, or failure of Arvind Bansal to maintain his stake in the issued and paid up share capital of Uttar Urja Projects Private Limited; (b) default in payment of principal or interest; (c) default in payment of other payments due under the financing documents; (d) breach of obligations under the agreement or any other transaction agreement; (e) misrepresentation or breach of warranty under the agreement; (f) bankruptcy or similar events of Uttar Urja Projects Private Limited, CGEIPPL or Continuum Green Energy Limited; (g) ceasure or threatening to cease to carry out its business or abandonment of the project by Uttar Urja Projects Private Limited; (h) revocation of any security or financing related documents; (i) transfer of shareholding or loss of management control of CGEIPPL in Uttar Urja Projects Private Limited contrary to the terms of the Domestic Loan Agreement II; (j) failure to create security within a period of six months from the date of the first disbursement; (k) occurrence of any event which has a material adverse effect on Uttar Urja Projects Private Limited; and (l) cross-default exceeding Rs. 10.00 million.

Term Loan Facilities from L&T, India Infradebt Limited and IREDA

Following the UUPPL Re-financing I in 2015, L&T took over commitments of other lenders by a loan agreement dated December 26, 2015. Thereafter following various down selling and taking over of exposures, in December 2018 India Infradebt Limited bought over a part of the exposure of L&T. Thereafter, refinancing was again undertaken with agreements dated March 6, 2020 (IFC) and September 18, 2020 (IREDA) (together “UUPPL Re-financing II”).

As on December 31, 2020, the sanctioned amount from L&T was Rs. 2,249.20 million, from India Infradebt Limited was Rs. 1,300.00 million and from IREDA was Rs. 1,500.00 million, and the rate of interest applicable was 10.75% per annum. The purpose of availing the UUPPL Re-financing II in addition to the refinancing is also for the purpose of the 76 MW wind power project located in the Ratlam and Mandsaur districts of Madhya Pradesh, India. Uttar Urja Projects Private Limited is required to repay in unequal quarterly instalments ending in the year 2031.

Uttar Urja Projects Private Limited availed a moratorium on payment of term loan instalments from March 1, 2020 to May 31, 2020 in accordance with the RBI circular dated March 27, 2020 issued in light of the COVID-19 pandemic.

Certain other terms and conditions of the UUPPL Re-financing II are:

- *Security and Guarantees:* The UUPPL Re-financing II is secured by: (i) a first *pari passu* charge by way of mortgage on all the immovable properties (including assignment of leasehold rights in case of leased land and excluding revenue land allocated by the authority) of Uttar Urja Projects Private Limited together with all appurtenances thereon, both present and future pertaining to the project; (ii) a first *pari passu* charge over all of Uttar Urja Projects Private Limited’s movable properties and assets (including but not limited to plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets), both present and future; (iii) a first *pari passu* charge on all of Uttar Urja Projects Private

Limited's current and intangible assets including but not limited to goodwill, operating cash flows, commissions, revenues of whatsoever nature and whenever arising, and uncalled capital, both present and future; (iv) a first pari passu charge in all of Uttar Urja Projects Private Limited's bank accounts, including in each case, all monies lying to the credit or deposited in such accounts, both present and future; (v) a first pari passu charge cum assignment by way of security of or creation of lien on: (a) all rights, titles and interests of the Uttar Urja Projects Private Limited in, to and under all the assets of its project, (b) the Uttar Urja Projects Private Limited's rights under each of its project related documents, to the extent assignable under applicable laws, related to its project and (c) all of Uttar Urja Projects Private Limited's rights and interests under letter(s) of credit, contractor guarantees, performance bonds or any other similar security; (vi) an irrevocable and unconditional undertaking from CGE IPL; (vii) a pledge or escrow over 100% of the paid up share capital and compulsorily convertible debentures of the Uttar Urja Projects Private Limited held by the CGE IPL at all times in favour of the security trustee (acting for the benefit of the Domestic Lenders) in accordance with the Banking Regulation Act, 1949, provided that the interest of any lender of term loans shall not exceed 30% of the issued and paid-up share capital of Uttar Urja Projects Private Limited; (viii) debt service reserve account of at least two quarters; and (ix) a corporate guarantee to the extent of Rs. 1,090.00 million.

- *Financial Covenants:* Uttar Urja Projects Private Limited is required to maintain at all times and at the time of every disbursement of UUPPL Re-financing II, a debt service coverage ratio of not less than 1.10 times, unless provided otherwise for UUPPL Re-financing II.
- *Other Covenants:* Uttar Urja Projects Private Limited has made customary representations and warranties to the Domestic Lenders and has agreed to deliver standard information. Uttar Urja Projects Private Limited has agreed that a change of control of CGE IPL in Uttar Urja Projects Private Limited or Continuum Green Energy Limited in CGE IPL, in the manner specified for UUPPL Re-financing II, shall be made only to a party of repute after obtaining consent of the Domestic Lenders and in accordance with the terms of UUPPL Re-financing II. In addition, Uttar Urja Projects Private Limited has agreed to certain negative covenants for which prior written agreement of the Domestic Lenders shall be required. These include, *inter alia*, (a) incur any financial debt including any bonds, debentures, notes and other similar debt instruments, and any working capital facility exceeding Rs. 400.00 million availed for the project; (b) declare or pay dividends or make a payment under any financial debt including any bonds, debentures, notes and other similar debt instruments; (c) enter into any derivative transactions or assume any obligations of any party to any derivative transactions; (d) create or permit any lien over any property, revenues or other assets, except as provided for in UUPPL Re-financing II; (e) change its business activity, capital structure or the amount of its authorized capital, except as provided for in UUPPL Re-financing II or the financial plan appended to the UUPPL Re-financing II Agreements; (f) sell, transfer, lease or otherwise dispose of all or substantial part of its assets, other than inventory, whether in a single transaction or in a series of transactions; (g) change its charter in any manner which would be inconsistent with the UUPPL Re-financing II Agreements and any other related agreements; (h) other fundamental changes including change the financial year, the financial plan, auditors, nature or scope of its project or its business; (i) undertake or permit any merger, spin-off, consolidation or reorganization; (j) make or permit making of loans, advances, deposits or investments with other persons; and (k) enter into any agreements for lease of its property or enter into agreements for guarantee or assume any financial obligations of another person.
- *Events of Default:* Events of default include, *inter alia*, (a) change in control of Continuum Green Energy Limited in CGE IPL, contrary to the terms of the UUPPL Re-financing II Agreement; (b) default in payment of principal or interest; (c) default in payment of other payments due under the financing or project related documents; (d) failure of CGE IPL or Continuum Green Energy Limited to perform their

obligations under their respective undertakings; (e) breach of obligations under the UUPPL Re-financing II Agreement or any other transaction agreement which would include breach of any financial covenant; (f) supply of misleading information or misrepresentation or breach of warranty under the UUPPL Re-financing II Agreement; (g) bankruptcy, insolvency or similar events of Uttar Urja Projects Private Limited; (h) ceasure or threatening to cease to carry out its business or abandonment of the project by Uttar Urja Projects Private Limited; (i) revocation, termination or invalidation of any security or financing related documents or revocation of any key authorizations granted to Uttar Urja Projects Private Limited; (j) transfer of shareholding or loss of management control of CGE IPL in Uttar Urja Projects Private Limited contrary to the terms of the UUPPL Re-financing II Agreement; (k) failure to create security within the time stipulated; (l) institution of any kind of legal proceedings against Uttar Urja Projects Private Limited wherein an order has been passed by an authority against Uttar Urja Projects Private Limited or its project and such proceedings are not vacated, withdrawn, stated or contested within such period as specified; (m) occurrence of any event which has a material adverse effect on Uttar Urja Projects Private Limited; (n) cross-default; (o) sale, transfer or disposal of assets, in a manner not permitted and without the consent of the Domestic Lenders; (p) default in obtaining insurance and such default is not remedied within a period of 30 days; (q) default under any other financing documents; and (r) institution of winding up proceedings against Uttar Urja Projects Private Limited, CGE IPL or Continuum Green Energy Limited.

Working Capital Facility from L&T

Uttar Urja Projects Private Limited initially availed a working capital facility from L&T by an agreement dated December 31, 2015, as amended, and recently by a sanction letter dated August 25, 2020 the facility was renewed for a sanction amount of Rs. 400.00 million (UUPPL WC Facility). The UUPPL WC Facility is repayable on demand and the interest rate applicable as of December 31, 2020 is 11.95 % per annum.

Certain other terms and conditions of the UUPPL WC Facility are:

- *Security and Guarantees:* The UUPPL WC Facility is secured by: (i) a first ranking mortgage on all the immovable properties (other than the sub-station land parcels) and the assets of the Uttar Urja Projects Private Limited; (ii) a first-ranking charge over all of Uttar Urja Projects Private Limited's movable properties and assets (including but not limited to plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and all other movable assets), both present and future; (iii) a first ranking charge on all of Uttar Urja Projects Private Limited's current and intangible assets including but not limited to goodwill, operating cash flows, commissions, revenues of whatsoever nature and whenever arising, and uncalled capital, both present and future; (iv) a first ranking charge in all of Uttar Urja Projects Private Limited's bank accounts, including in each case, all monies lying to the credit or deposited in such accounts, both present and future; (v) assignment by way of security of (a) all rights, titles and interests of the Uttar Urja Projects Private Limited in, to and under all the assets of its project; and (b) the Uttar Urja Projects Private Limited's rights under each of the project related documents, to the extent assignable under applicable laws, related to the project; (vi) a first ranking charge or assignment by way of security of all of Uttar Urja Projects Private Limited's rights and interests under letter(s) of credit, contractor guarantees, performance bonds or any other similar security; and (vii) security over subordinated loans.
- *Other Covenants:* Uttar Urja Projects Private Limited has made customary representations and warranties to L&T and has agreed to deliver standard information. Uttar Urja Projects Private Limited has agreed that L&T would have an unconditional right to cancel the un-utilized portion of the UUPPL WC Facility, whether partly or in full, at any time, during its currency without any prior intimation for the same. Uttar

Urja Projects Private Limited has agreed to certain negative covenants for which prior written agreement of L&T shall be required. These include, *inter alia*, (a) incur any capital expenditures or financial debt including any bonds, debentures, notes and other similar debt instruments; (b) enter into any derivative transactions or assume any obligations of any party to any derivative transactions; (c) create or permit any lien over any property, revenues or other assets, except in accordance with the agreement; (d) change its capital structure or the amount of its authorized share capital, except in accordance with the agreement or the financial plan appended thereto; (e) sell, transfer, lease or otherwise dispose of all or substantial part of its assets, other than inventory, whether in a single transaction or in a series of transactions, in excess of Rs. 20.0 million; (f) change its charter in any manner which would be inconsistent with the agreement and any other related agreements; (g) other fundamental changes including change the financial year, the financial plan, nature or scope of its project or its business; (h) undertake or permit any merger, spin-off, consolidation or reorganization; (i) make or permit making of loans, advances, deposits or investments with other persons; and (j) enter into any agreements for lease of its property or enter into agreements for guarantee or assume any financial obligations of another person.

- *Events of default:* Events of default include, *inter alia*, (a) cross-default; (b) default in payment of principal or interest; (c) default in payment of other payments due under the financing documents; (d) breach of obligations under the agreement or any other transaction agreement; (e) misrepresentation or breach of warranty; (f) bankruptcy or similar events of Uttar Urja Projects Private Limited, CGEIPPL or Continuum Green Energy Limited; (g) ceasure or threatening to cease to carry out its business or abandonment of the project by Uttar Urja Projects Private Limited; (h) revocation of any security or financing related documents; (i) transfer of shareholding or loss of management control of CGEIPPL in Uttar Urja Projects Private Limited contrary to the terms of the agreement; (j) failure to create security within a period of six months from the date of the first drawdown (fund-based) or reduction of margin to 25% (non-fund based); (k) passing of a final and non-appealable judgment against Uttar Urja Projects Private Limited levying a payment of money in excess of Rs. 62.0 million and non-payment of the amount levied for more than 30 days from the date of the levy; (l) occurrence of any event which has a material adverse effect on Uttar Urja Projects Private Limited; and (m) cross-default exceeding Rs. 10.0 million.

Bothe Windfarm Development Private Limited

Term Loan from Power Finance Corporation

Bothe Windfarm Development Private Limited has undertaken a term loan amounting to Rs. 8,551.40 million from Power Finance Corporation (“**PFC Facility**”) on December 28, 2017 for the purpose of refinancing the outstanding amount of the original term loan facility to the extent of Rs. 8,359.10 million and to finance the prepayment penalty and other charges amounting to Rs. 192.30 million. The facility is repayable in 62 structured quarterly instalments starting 2018 until 2033. The rate of interest applicable on the PFC Facility as on December 31, 2020, is 10.50% per annum including an additional 0.25% which is refundable on timely payment, and on the funded interest term loan, the interest rate applicable as on December 31, 2020 is 11.00% including an additional 0.25% which is refundable on timely payment.

- *Security:* (i) First charge over all immovable properties including leasehold rights (in case of leased land), both present and future; (ii) first charge over all movable properties and assets, both present and future; (iii) first charge over all current assets whether tangible or intangible, both present and future; and first charge over all bank accounts, any letters of credit and other reserves pertaining to the project whether maintained in present or future; and assignment of the following: (a) all the rights, title, interest, benefits, claims and demands pertaining to the project under the project related documents including but not limited to

operations and machinery contract, insurance contracts / policies, letter of credit, guarantees, warranties, construction contracts duly acknowledged and consented to by the relevant counter-parties to such documents, all as amended, varied or supplemented from time to time; (b) all the rights, title, interest, benefits, claims and demands etc. of Bothe Windfarm Development Private Limited in all clearances pertaining to the project; (c) all the rights, title, interest, benefits, claims and demands etc. of Bothe Windfarm Development Private Limited in any letter of credit and guarantee; (d) all the rights, title, interest, benefits, claims and demands etc. of Bothe Windfarm Development Private Limited in all insurance contracts and insurance proceeds; (e) assignment of guarantees relating to the project; (f) pledge of equity shares aggregating to 100% of the paid up share capital of Bothe Windfarm Development Private Limited. Pledge of 26% of shares will be released on availability of two credit rating agencies and creation and perfection of security interest; (g) pledge of 51% of compulsorily convertible debentures till the final settlement date. Pledge of 26% of compulsorily convertible debentures till creation and perfection of security interest; (h) irrevocable and unconditional corporate guarantee of CGEIL, to be released upon creation and perfection of security interest; (i) irrevocable and unconditional corporate guarantee of CGEIL equivalent to 50% of the short term loan facility, till repayment of the short term loan facility; and (j) debt service reserve of up to two quarters.

- *Covenants:* Bothe Windfarm Development Private Limited is inter alia, required to obtain prior written consent of the lender for the purposes of the following: (i) taking or agreeing to take any action of merger, consolidation, reorganization or amalgamation or for sale, lease, transfer or otherwise dispose of the project assets; (ii) acquiring all or any part of the assets of any other person or any class of shares or debentures or partnership interest or similar interest of any person; (iii) investing by way of deposits, loans, bonds, share capital or in any other form other than the investments permitted under the financing documents; (iv) accepting any deposits from public, make any change in the financing plan as agreed between the lender and Bothe Windfarm Development Private Limited or any change in the capital structure or shareholding pattern; (v) making any repayment, payment or discharge of its loans, deposits or other liabilities except those shown in the funds flow statement provided to the lender; (vi) creating any security interest in any of the secured property; (vii) engaging in any other business, creating any subsidiary, changing its name or changing location of its offices; (viii) amending transaction documents or assigning, waiving of any provision in amending the transaction; (ix) altering the scope of the project; (x) abandoning or agreeing to abandon the project; (xi) assuming any indebtedness other than the permitted indebtedness; (xii) carrying out any amendments or alterations to the memorandum of association or the article of association; (xiii) raising equity or preferential share capital except to the extent permitted under financing documents; (xiv) declaring any dividend if the debt service ratio as required to be maintained in not maintained in accordance with this facility agreement or if restricted payment conditions are not complied by Bothe Windfarm Development Private Limited to the satisfaction of the lender; (xv) issuing any shares for consideration other than cash except for bonus shares; or (xvi) dividing the equity share in different classes, including classes of equity shares of Bothe Windfarm Development Private Limited with differential voting and dividend rights; (xvii) prepayment of any portion of the term loan may be made only after obtaining the prior written approval of the lender on based on such conditions as may be imposed by it; (xviii) In the event of generation of any surplus cash accruals in any fiscal year in the surplus sub account, the refinancing lender vests with a right to sweep the excess cash surplus. Additionally, the following covenants apply: (a) Bothe Windfarm Development Private Limited is required to notify the lender upon any proposed change in the nature or scope of the project and any event or condition which might have a material adverse effect on the project; (b) Bothe Windfarm Development Private Limited is required to obtain prior approval of the lender prior to any material modification or cancellation of the transaction documents; (c) at any time till the final settlement date, the lender has the right to appoint and remove from time to time one or two directors on the board of Bothe Windfarm Development Private Limited; (d) occurrence of an event of default allows the Lender the right to convert at its option, the whole

or part of the outstanding secured obligations into fully paid up equity shares of Bothe Windfarm Development Private Limited with voting rights, at a book value;(e) Bothe Windfarm Development Private Limited is restricted to declare dividend if the debt service reserve amount as required to be maintained by Bothe Windfarm Development Private Limited is not maintained in accordance with the terms of financing documents; or the restricted payment conditions are not complied by Bothe Windfarm Development Private Limited to the satisfaction of the lender.

- *Events of Default:* Events of default include, inter alia, (i) a default in payment of any instalment of the principal and the same has not been paid by Bothe Windfarm Development Private Limited for two days for any technical reason; (ii) a default in payment of any instalment of interest and the same has not been paid for two days for any technical reason; (iii) a default in performance or breach of any term, condition, provision, stipulation or covenant under any project related documents or financing documents; (iv) a default in performance or breach of any term, condition, provision, stipulation or covenant under any project related documents or any other transaction documents and such default remains uncured by the end of cure period provided under the transaction documents; (v) a default or failure by any party to the consents to assignment and such default or failure if capable of remedy is not remedied for a period of seven days; (vi) any financial indebtedness of any obligor other than Bothe Windfarm Development Private Limited is not paid when due and exceeds an amount of Rs. 10.00 million; (vii) any financial indebtedness of any obligor is declared to be or otherwise becomes due and payable prior to its specified maturity; (viii) any actual or potential default or event of default, occurs under or in relation to any financial indebtedness of any obligor, other than Bothe Windfarm Development Private Limited for the amount exceeding Rs. 10.00 million; (ix) any security interest created over assets of the Project becomes due and enforceable; (x) an incorrect or misleading representations, warranties or statements; made or deemed to be made by Bothe Windfarm Development Private Limited; (xi) an inability on the part of Bothe Windfarm Development Private Limited to pay its debts or a suspension or threat by Bothe Windfarm Development Private Limited to stop or suspend payment of all or any part of its debts, or negotiations or any proceedings initiated with a view to rescheduling or deferring any part of its debts; (xii) a failure to maintain adequate insurance cover or in case any insurance contract fails to be in full force and effect at any time when it is required to be in effect or any insurance and such event, if capable of being remedied is not remedied within three business day or such other extended period as may be agreed by the lender in writing; (xiii) a sale, disposal or encumbrance or alienation of any assets of Bothe Windfarm Development Private Limited or the assets of the project; (xiv) any corporate action, legal proceeding or other procedure against Bothe Windfarm Development Private Limited in relation a suspension of payments, moratorium of any indebtedness, winding up, bankruptcy, insolvency, dissolution, administration, provisional supervision or reorganization, appointment of a liquidator, receiver etc.; (xv) a failure on part of CGE IPL to perform its respective obligations under the financing documents or a dispute between Bothe Windfarm Development Private Limited or CGE IPL which remains unresolved or CGE IPL becomes subject of winding up reorganization, liquidation and/or dissolution proceedings; (xvi) attachment, execution, commencement of proceeding for recovery of any dues, distress or restrain being levied on the whole or substantial assets of any obligor; (xvii) expropriation of Bothe Windfarm Development Private Limited or an event of total loss or nationalization of Bothe Windfarm Development Private Limited; (xviii) revocation of any clearance or any proceeding instituted by any governmental authority so revoking, terminating, withdrawing, suspending, modifying or withholding any clearance and such order is not vacated within 45 days; (xix) repudiation, termination, unenforceability or invalidity of any transaction document or clearance or an insurance contract; (xx) one or more judgements or decrees or order entered against Bothe Windfarm Development Private Limited and such judgment, decree or order has not been vacated, discharged or stayed pending appeal for any period of 45 days; (xxi) any action leading to a re-organization or change in ownership structure, that results in a change of control of Bothe Windfarm Development Private Limited; (xxii) any event of force majeure affecting the project and such event continues for a continuous period of

five days; (xxiii) a breach of any commitment amounting to a default under the trust and retention agreement; or (xxiv) a default in the payment of any principal, interest, premium or other amount due under any loan or credit agreement; or breach by Bothe Windfarm Development Private Limited of any material obligation under any other facility document executed by Bothe Windfarm Development Private Limited.

Working Capital Facility from State Bank of India (“SBI”)

Bothe Windfarm Development Private Limited originally availed working capital facilities of Rs. 280.00 million from SBI pursuant to an agreement dated July 17, 2014 as modified with the latest amendment being made on May 28, 2017 and by a sanction letter dated January 10, 2020, the working capital limit was revised to Rs. 700.00 million. The rate of interest applicable on this facility as on December 31, 2020 is 10.25% per annum. The facility is repayable on demand.

- **Security:** The loan shall be secured by: (i) First charge over all immovable assets including leasehold rights, movable properties and assets, current assets, bank accounts, intangibles including but not limited to goodwill, rights, undertakings and uncalled capital; (ii) assignment of all the rights, title, interest, benefits, claims and demands of Bothe Windfarm Development Private Limited in: the project related documents, all as amended, varied or supplemented from time to time including the right to receive liquidated damages; all the clearances or in any letter of credit and guarantee; insurance contracts and insurance proceeds; (iii) pledge of equity shares aggregating to 51% of the paid up share capital of Bothe Windfarm Development Private Limited.
- **Other Covenants:** (i) Bothe Windfarm Development Private Limited is *inter alia*, required to obtain prior written consent of SBI to: (a) take or agree to take any action of merger, consolidation, rationalization or amalgamation or for sale, lease, transfer or otherwise dispose of the project assets; (b) effect any change in capital structure; (c) undertake any trading activity other than the sale of its products arising out of out of its manufacturing operations; (d) permit any transfer of controlling interest or make any drastic change in the management set up; (e) advance funds or place deposits with other concern other than normal trade credit or security deposit in normal course of business or advance to employees; (f) enter into any borrowing arrangement with any bank, financial institution, company or otherwise or accept deposits for the project; (g) create any charge, lien or encumbrance over its undertaking; (h) enter into contractual obligation of a long-term nature or affecting Bothe Windfarm Development Private Limited financially to a significant extent; (i) induct into its board a person whose name appears in the defaulter’s list of Reserve Bank of India/ Credit Information Bureau India Limited; (j) change the practice with regard to remuneration of its directors of its directors; (k) repay monies brought in by directors/promoters/principal shareholders by way of deposits/loans for the project; (l) undertake any guarantee obligation on behalf of any other company; (m) pay any commission or charges to any person having substantial interest in Bothe Windfarm Development Private Limited for furnishing guarantees or indemnities or any liability for financial assistance in connection with the project; (n) for sale, lease, transfer or otherwise dispose assets over which security interest is/will be created; (o) undertake any new project, implement any scheme of expansion or acquire fixed assets; (p) purchase or sell any capital goods on hire purchase or deferred payment basis from proceeds of working capital facility; (q) dissolve or reconstitute Bothe Windfarm Development Private Limited; and (r) revalue its assets during currency of working capital loan; (ii) Additionally, Bothe Windfarm Development Private Limited may be liable to create additional security interest in the event of: (a) any irregularity in the cash credit account Bothe Windfarm Development Private Limited will be required to pay penal interest at the rate of 5% per annum on such irregular portion till such irregularity is cured; (b) a failure to submit stock statements within 15 days of succeeding month, Bothe Windfarm Development Private Limited will pay a penal interest of 0.25% per annum of the

working capital facility as flat penalty on each instance/default; (c) a failure to submit the renewal data which is required to be submitted 45 days before the due date for renewal for limits, Bothe Windfarm Development Private Limited will be required to pay SBI Rs. 50,000 up to the due date of renewal and Rs. 100,000 per month thereafter till the date of submission of the renewal data; (d) a failure to submit the audited balance sheet within six months of the end of the fiscal year and such delay is more than one month, Bothe Windfarm Development Private Limited will be required to pay the additional interest of 0.25 per annum till the audited balance sheet is submitted; (e) a failure to submit or a delay in submission of the financial follow up reports on due date a penal interest of Rs. 5,000 for each day of delay beyond the due date for submission will be payable by Bothe Windfarm Development Private Limited; (f) a diversion of funds by Bothe Windfarm Development Private Limited, in case of such an event Bothe Windfarm Development Private Limited will be required to pay a penal interest of 2% per annum on the entire working capital outstanding (over and above the aggregate penal interest of 3% per annum) till such time the position is rectified; (g) a pending overdue interest/instalment with respect to term loans availed and overdrawing above the drawing power/limit in fund based working capital limit on account of interest/development of letters of credit/bank guarantee, insufficient stocks and receivables etc.; Bothe Windfarm Development Private Limited will be required to pay to SBI, the penal interest/charges as applicable, at rates circulated from time to time, over and above the applicable working capital interest rate; (h) Bothe Windfarm Development Private Limited is required to maintain a working capital margin of 25% for receivables (90 day cover); (i) SBI has a right to appoint and remove from time to time one director on the board of Bothe Windfarm Development Private Limited during the tenor of the facility and (j) Bothe Windfarm Development Private Limited cannot declare dividend for any year out of profits relating to that year or of the previous years. Provided that at the time of making a request to SBI for such declaration no repayment obligations remain unmet, the dividend may be allowed to be declared.

- *Events of Default:* Events of default include, *inter alia*, (i) a default in payment of any instalment of the principal amount of the working loan capital or interest or any other amount; (ii) any person other than SBI accelerating repayment due from Bothe Windfarm Development Private Limited pursuant to a default, and such default continues for 30 days after its occurrence; (iii) a default in performance or observance of any covenant, condition, warranty or provision; (iv) providing incorrect or misleading representations, warranties or statements; (v) occurrence of an inability to repay debts or a threat or suspension by Bothe Windfarm Development Private Limited to repay all or any material part of its debts, or engagement in negotiations for rescheduling or deferring payment of any part of its debts; (vi) depreciation of secured assets to such an extent that the security interest created has become invalid or ineffective and upon being notified by SBI, Bothe Windfarm Development Private Limited fails to remedy such action within 15 days from the date of such notice; (vii) voluntarily or involuntarily becoming a subject of proceedings under bankruptcy or insolvency law, or a voluntarily dissolution of Bothe Windfarm Development Private Limited; (viii) appointment of a receiver or liquidator or other similar officer and such appointment is not dismissed within a period of 60 days; (ix) attachment or restraint has been levied on project assets or proceedings have been taken or commenced for recovery of any dues from Bothe Windfarm Development Private Limited and such attachment or restraint continues for 60 days; (x) cessation or a threat by Bothe Windfarm Development Private Limited to cease its business activities for a period exceeding 30 days; (xi) termination of the power purchase agreement for any reason has been terminated for any reason; (xii) expropriation of Bothe Windfarm Development Private Limited or any event of total loss or rationalization of the project; (xiii) invalidity or unenforceability of working capital financing documents; (xiv) any event which causes or could cause a material adverse effect; (xv) revocation of clearances; (xvi) commencement of proceedings by government authority for the purpose of revocation of clearances and it is not dismissed within 30 days; (xvii) any judgment or decree entered against Bothe Windfarm Development Private Limited, having a material adverse effect and is not vacated or discharged for a period of 90 days; (xviii) any litigation, arbitration or administrative proceeding commenced against Bothe

Windfarm Development Private Limited, having a material adverse effect and is not discharged or withdrawn or discontinued within 90 days; (xix) change in management and control as required in terms of the agreement is changed; and (xx) occurrence of a default under the trust and retention agreement entered into between the refinancing lender, security trustee and Bothe Windfarm Development Private Limited.

Working Capital Facility from L&T Finance

Bothe Windfarm Development Private Limited has availed working facilities of Rs. 650.00 million from L&T Finance pursuant to a facility agreement dated June 19, 2018 (“**L&T Working Capital Facility**”) for working capital purposes. The rate of interest applicable on the L&T Working Capital Facility as on December 31, 2020 is 11.20% per annum. The facility is repayable on demand.

Certain other terms and conditions of the L&T Working Capital Facility are:

- **Security:** The L&T Working Capital Facility is secured by (i) a first charge over all immovable assets including leasehold rights, both present and future, movable properties and assets, both present and future, current assets, both present and future, bank accounts, both present and future, intangibles including but not limited to goodwill, rights, undertakings and uncalled capital, both present and future; (ii) a first charge by way of assignment of all the rights, title, interest, benefits, claims and demands of Bothe Windfarm Development Private Limited in the project under the project related documents, all as amended, varied or supplemented from time to time including the right to receive liquidated damages; all the clearances or in any letter of credit and guarantee; all insurance contracts and insurance proceeds; (iii) a pledge on all equity shares of Bothe Windfarm Development Private Limited, to be reduced by 26% upon achieving credit rating of BBB-; and corporate guarantee of CGEL.
- **Other Covenants:** Bothe Windfarm Development Private Limited has made customary representations and warranties to L&T Finance and has agreed to deliver standard information. These include, *inter alia*: (i) Bothe Windfarm Development Private Limited is required to obtain prior written consent of the lenders to (a) effect any change in capital structure; (b) take or agree to take any action of merger, consolidation, reorganisation or amalgamation or for sale, lease, transfer or otherwise dispose of the project assets; (c) induct into its board a person whose name appears in the wilful defaulter’s list of Reserve Bank of India/ Credit Information Bureau India Limited; (d) not utilize the facility for (i) capital market activities including subscription/purchase of shares; (ii) repayment of dues of promoter of any group company of Bothe Windfarm Development Private Limited; (iii) extending any loan to associate or any group company of Bothe Windfarm Development Private Limited; (iv) towards real estate business activities; (v) for any purpose prohibited by RBI or under FEMA regulations; and (vi) any other speculative business, in case the facility is utilized for any of these purposes it will tantamount to an event of default; (e) enter into any borrowing arrangement with any bank, financial institution, company or otherwise or accept deposits for the project, other than the arrangement indicated in the funds-flow statement submitted to the Lender and approved by them; (f) create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons; (g) enter into contractual obligation of a long-term nature or affecting Bothe Windfarm Development Private Limited financially to a significant extent; (h) change the practice with regard to remuneration of its directors of its directors by any means, except where mandated by any legal or regulatory provision; (i) undertake any trading activity other than the sale of its products arising out of its manufacturing operations; (j) permit any transfer of controlling interest or make any drastic change in the management set up; (k) repay monies brought in by directors/promoters/principal shareholders by way of deposits/loans for the project. Further rate of interest applicable on such monies will be lower than that charged by the lender and payment of such interest is

subject to regular repayment of instalments or obligations, if any due by to the lender; (l) not invest by way of share capital in or lend or advance funds to or place deposits with any other concern, including its associate concern(s) other than normal trade or security deposit in the normal course of business or advance to employees; (m) undertake any guarantee obligation on behalf of any other company; (n) declare dividends for any year out of profits relating to that year or of the previous year, provided provisions are made and no repayment obligations remain unmet at the time of making the request for such approval; (o) pay any commission or charges to any person having substantial interest in Bothe Windfarm Development Private Limited for furnishing guarantees or indemnities or any liability for financial assistance in connection with the project; (p) for sale, lease, transfer or otherwise dispose assets over which security interest is/will be created; (q) undertake any new project, implement any scheme of expansion or acquire fixed assets if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets except for those indicated in the fund flow statements submitted to the Lender from time to time; (r) purchase or sell any capital goods on hire purchase or deferred payment basis from proceeds of working capital facility; (s) dissolve or reconstitute Bothe Windfarm Development Private Limited; (t) revalue its assets during the currency of this facility; (u) pledge such part of paid up and voting equity share capital of Bothe Windfarm Development Private Limited offered as security interest under the financing documents to any bank/non-banking financial company/institution outside the consortium or multiple banking arrangement. Additionally, (i) Bothe Windfarm Development Private Limited is required to maintain a working capital margin of 25% for receivables (180 day cover); (ii) the lenders have a right to appoint one director or observer on the board of Bothe Windfarm Development Private Limited; (iii) Bothe Windfarm Development Private Limited cannot declare dividend for any year out of profits relating to that year or of the previous years; (iv) the facility extended by way of this agreement cannot be diverted towards utilisation for long term purposes including extending loans to subsidiary companies/associates or for making inter-corporate deposits or for any speculative purposes; and (v) Bothe Windfarm Development Private Limited is required to keep its net working capital position equal to or above the levels furnished in its project for working capital finance.

- *Events of Default:* Events of default include, *inter alia*, (i) a default in payment of any instalment or any other dues at the date and place expressed by the Lender to be payable; (ii) a default in performance or breach of any term, condition, provision, stipulation or covenant under this facility agreement or any document being part thereof and such default is not remedied within 30 days; (iii) a default in performance or breach of any term, condition, provision, stipulation or covenant under any project related documents, and such breach, non-compliance or event, if capable of being remedied is not remedied within 30 days; (iv) an incorrect or misleading representations, warranties or statements; made or deemed to be made by any obligor or any person making such statement on their behalf; (v) a failure to maintain adequate insurance cover or in case any insurance contract fails to be in full force and effect; (vi) a suspension or abandonment or termination of any part of operations of Bothe Windfarm Development Private Limited or any or a material part of its assets or business are destroyed or damaged; (vii) a revocation or cancellation or termination of any clearance, or the free and continued use and exercise thereof curtailed or prevented such event, if capable of being remedied is not remedied within 15 days; (viii) any security interest, guarantee or performance bonds required to be issued by any counter parties to the project related documents in favour of Bothe Windfarm Development Private Limited under any project related documents and interest ceases to be in full force and effect, and such event if capable of being remedied is not remedied within 15 days; (ix) a voluntary or involuntary initiation of liquidation or bankruptcy proceedings against any obligor; (x) an initiation of a corporate debt restructuring, reorganisation of an obligor (except where such reconstruction or reorganisation of such obligor (other than Bothe Windfarm Development Private Limited) is on a solvent basis, where the resulting entity/entities assume all obligations of such obligor under this facility); (xi) any step taken with respect to Bothe Windfarm Development Private Limited or the promoter in relation to a corporate debt restructuring scheme or under

the joint lender forum guidelines issued by the Reserve Bank of India; or any other equivalent or analogous proceedings commenced under the laws of any jurisdiction against any such obligor; (xii) an inability on the part of Bothe Windfarm Development Private Limited to pay its debts or on the part of the promoter initiation of negotiations if any proceedings by Bothe Windfarm Development Private Limited, or the promoter with a view to rescheduling or deferring any part of its debts or proposes or makes a general assignment or an arrangement with or for the benefit of its creditors; (xiii) a failure on part of the promoter and or guarantor to maintain the management control of Bothe Windfarm Development Private Limited; (xiv) a transaction document becoming invalid or illegal or unenforceable; (xv) a failure to pay any amount or meet any obligations under any facility agreements or an event of default howsoever described occurs under any agreement or document relating to any other financial indebtedness of Bothe Windfarm Development Private Limited; (xvi) any financial indebtedness of any obligor other than Bothe Windfarm Development Private Limited is not paid when due and exceeds an amount of Rs. 10.00 million; (xvii) the security interest becoming enforceable; (xviii) the promoter or guarantor have a negative net worth; (xix) a sale or disposal or charge or encumbrance or alienation or otherwise rendition of any assets as unusable or payment, redemption, repayment of any amounts or any dividends, interest prior to final settlement of the loan; (xx) an expropriation of any part of the equity interest of the promoter or guarantor in Bothe Windfarm Development Private Limited or any action taken for the dissolution of Bothe Windfarm Development Private Limited or declaration of a general moratorium or standstill in respect of payment of any secured obligation; (xxi) any event, condition or circumstance which causes or could cause a material adverse effect; (xxii) a termination or cessation of a transaction document to be in full force or effect, and where such effect if capable of being remedied is not remedied within 30 days; (xxiii) a commencement of proceedings by government authority for the purpose of revocation of clearances and it is not dismissed within 30 days; (xxiv) any judgment or decree entered against Bothe Windfarm Development Private Limited, having a material adverse effect and is not vacated or discharged for a period of 30 days; (xxv) an attachment or restraint levied on the assets or property of Bothe Windfarm Development Private Limited or execution or distress being enforced or levied against the whole or any part of Bothe Windfarm Development Private Limited's property which is not vacated, stayed or dismissed within 30 days; (xxvi) any litigation, arbitration or administrative proceeding commenced against Bothe Windfarm Development Private Limited, having a material adverse effect and is not discharged or withdrawn or discontinued within 30 days; (xxvii) an occurrence of an event which tantamount to a force majeure under the project related documents and such an event continues for a period of over 60 days; (xxviii) a non-payment of taxes by Bothe Windfarm Development Private Limited within stipulated timelines under applicable laws; (xxix) an event whereby it becomes unlawful for Bothe Windfarm Development Private Limited to carry on its project or any part of thereof or it becomes unlawful for an obligor to perform any of their respective obligations under this facility agreement; (xxx) any adverse deviation from any financial covenant stipulated under this facility agreement; and (xxxi) a failure on the part of Bothe Windfarm Development Private Limited to get itself rated by an external credit rating institution.

Watsun Infrabuild Private Limited

Term Loan Facilities from PFS, SBI and IREDA (Wind)

Watsun Infrabuild Private Limited had originally entered into a common rupee facility agreement dated March 27, 2017 with PFS for borrowing a loan of Rs. 2,920.00 million for implementation of Phase I of Watsun Wind Project. Subsequently, Watsun Infrabuild Private Limited entered into a common rupee facility agreement dated December 11, 2017 with the SBI for a loan of Rs. 5,000.00 million for implementation of Phase II of the Watsun Wind Project. Since the security was to be shared between the lenders, PFS and SBI, at the request of Watsun Infrabuild Private Limited, merged the two facility agreements and entered into an amended and restated common rupee facility agreement June 18, 2018. Subsequently, SBI transferred/ down sold its loan commitment

aggregating to Rs. 3,000.00 million to IREDA through a deed of accession to the amended and restated common rupee facility agreement. Further, a deed of assignment was executed on June 29, 2019 through which PFS transferred loan amount aggregating to Rs. 1,500.00 million to IREDA. As on December 31, 2020, the sanctioned amount from SBI is Rs. 1,934.40 million in respect of which the interest rate applicable is 10.20% per annum; the sanctioned amount from IREDA is Rs. 1,500.00 million and Rs. 2,960.00 million in respect of each of which the interest rate applicable is 10.20% per annum; and the sanctioned amount from PFS was Rs. 1,420.00 million and in respect of which the interest rate applicable was 10.20% per annum.

Certain other terms and conditions of the term loan facilities are:

- *Security:* The facility is secured by: (i) first charge: (a) on all immovable and movable properties of the project; (b) on all the receivables, book debts; (c) over all bank accounts relating to the Watsun Wind Project including trust and retention account, debt service reserve account; (d) on all intangibles pertaining to Watsun Wind Project including uncalled capital and goodwill; (e) on all right, title, interest, benefit, claim and demand of Watsun Infrabuild Private Limited in the project documents, clearances, letters of credit, contractor guarantees, liquidated damages, insurance proceeds and contracts; and (f) on all monies receivable by CGEIL or CGEIPL from Watsun Infrabuild Private Limited under unsecured loans granted by CGEIL or CGEIPL to Watsun Infrabuild Private Limited brought in for equity contribution; (ii) pledge of 51% of total paid up share capital of Watsun Infrabuild Private Limited held by promoter/ sponsor; (iii) pledge of 100% of total issued compulsory convertible debentures held by promoter/ sponsor; (iv) unconditional and irrevocable corporate guarantee by CGEIL for (a) entire secured obligations valid until security is created; (b) for funding cost overrun; and (c) shortfall in initial debt service reserve until debt service reserve is created out of project cash flows or until bank guarantee/ letter of credit is provided by CGEIL or CGEIPL, whichever is earlier. The security interest ranks *pari passu inter se* amongst the lenders and the borrower has agreed that at least 26% of the paid up equity capital of Watsun Infrabuild Private Limited will be held by group captive consumers at all times till the final settlement date.
- *Covenants:* Watsun Infrabuild Private Limited shall not without the prior consent of the lenders, *inter alia*, (a) effect or agree to effect any change in capital structure; (b) take any action for merger, de-merger, consolidation, reorganisation, compromise with creditors; (c) give loans or make any investment provided that such investment should not breach the financial covenants relating to total outside liabilities to total net worth and current ratio; (d) undertake any guarantee obligations; (e) capital expenditure except as approved budgets; (f) declare or pay any restricted payment unless each of the following is complied: debt service reserve is maintained; no additional interest is payable for non-adherence of financial covenants; repayment of loans has commenced as per amortisation schedule; all instalments including interest that are payable up to that date have been paid; no event of default or potential event of default has occurred or continuing; restricted payment is made in accordance with applicable law; Watsun Infrabuild Private Limited has delivered audited financial statements; and operational performance of the project is as per the financing plan; when GDSCR for any fiscal year exceeds 1.20 based on the audited financials starting from the first full year of operations, and if lenders require that cash sweep be made for that fiscal year, then 50% of the excess amount lying in the surplus sub-account will be transferred to the cash sweep account and the remaining 50% will be applied towards making restricted payments; (g) create any security interests on the project assets or the pledge shares of Watsun Infrabuild Private Limited by CGEIL and CGEIPL shareholding, in favour of any bank or financial institution; (h) amend financing documents; (i) borrow any money and incur liabilities other than permitted indebtedness; (j) abandon the project, change the scope of the project or undertake new project, revalue assets, change existing management, open any bank account, settle any disputes, pay commission to CGEIL or CGEIPL or alter charter documents, long term contractual arrangement detrimental to the project.

- *Events of Default:* Events of default include, *inter alia*, (i) default in payment of principal or interest or any other amounts on the due dates; (ii) cross default in other agreements and such default continues for a period of 30 days; (iii) default in performance of covenants, conditions, warranties which have a material adverse effect or failure to maintain financial covenants, default under any project documents which is not cured within 30 days; (iv) supplying of misleading information; (v) inability to pay debts; (vi) failure to maintain adequate insurance; (vii) Depreciation of secured assets which makes the security invalid or ineffective; (viii) sale or disposal of project assets except in case of ordinary course of business to the extent of 5% of gross block; (ix) Watsun Infrabuild Private Limited becomes subject of proceedings under insolvency or bankruptcy except in case of involuntary proceedings which are not withdrawn within 90 days; (x) CGEIP/ CGEIL fail to perform obligations under the financing documents; (xi) any dispute between Watsun Infrabuild Private Limited and CGEIL/ CGEIP which remains unresolved for 10 days; (xii) appointment of receiver or liquidator except in case such appointment is quashed within 30 days; (xiii) attachment and restraint on project assets and enforcement of security interest; (xiv) extraordinary circumstances which make it improbable to carry on the project; (xv) abandonment of the project; (xvi) cessation of business, expropriation, nationalisation; (xvii) invalidity of financing documents; (xviii) material adverse effect; (xix) revocation of clearances; (xx) termination of project documents; (xxi) litigation; (xxii) trust and retention account default; (xxiii) if management and control is changed and any person acquires control of Watsun Infrabuild Private Limited without the approval of the lenders.

Term Loan Facilities from SBI (Solar)

Watsun Infrabuild Private Limited has undertaken a loan on July 11, 2019 amounting to Rs. 2,150.00 million from SBI for funding Watsun Infrabuild Private Limited's solar power project. The repayment shall be made in 57 structured quarterly instalments commencing from the quarter ending March 2020. As on December 31, 2020, the sanctioned amount from SBI was Rs. 2,150.00 million in respect of which the interest rate applicable was 8.90% per annum.

- *Security:* The loan facility and LC are secured by: (i) first ranking mortgage and charge over Watsun Infrabuild Private Limited's immovable properties including leasehold rights; (ii) first charge by way of hypothecation over Watsun Infrabuild Private Limited's movable properties of existing project and the project; (iii) first charge on receivables of both projects; (iv) first charge over all of Watsun Infrabuild Private Limited's bank accounts relating to the existing project and the project, including the TRA, DSRA and other reserves and retention accounts; (v) first charge over all intangibles of Watsun Infrabuild Private Limited; (vi) first charge by way of hypothecation of, all right, title, interest, benefit, claims and demands of Watsun Infrabuild Private Limited: (a) in the project documents; (b) under all the clearances pertaining to the existing project subject to applicable law; (c) in any letter of credit, guarantee, including contractor guarantee, liquidated damages, and performance bond; (d) under all insurance contracts and insurance proceeds pertaining to the existing project and the project; (vii) pledge of 51% of total paid up share capital and 100% of total issued compulsorily convertible debentures of Watsun Infrabuild Private Limited, held by promoter/sponsor; (viii) first charge on all the monies receivable by CGEIL or CGEIP from Watsun Infrabuild Private Limited under all the unsecured loans granted by them to Watsun Infrabuild Private Limited brought in for equity contribution; (ix) debt service reserve account of three quarters; and (x) unconditional and irrevocable corporate guarantee of Continuum Green Energy Limited for (a) entire secured obligations valid until security is created; (b) for funding cost overrun; and (c) shortfall in initial debt service reserve until debt service reserve is created out of project cash flows or until bank guarantee/ letter of credit is provided by CGEIL or CGEIP, whichever is earlier. The security interest ranks *pari passu inter se* amongst the lenders and Watsun Infrabuild Private Limited has agreed that at least 26% of the paid up equity capital of Watsun Infrabuild Private Limited will be held by group captive consumers at all times till the final settlement date.

- *Covenants:* Watsun Infrabuild Private Limited will be required to give 60 days prior notice, before undertaking any of the following and SBI will have the right to veto the same if the same is not in its interest. These include inter alia; (a) effect or agree to effect any change in capital structure, reducing promoters existing shareholding to get diluted below 51% of controlling stake; (b) take any action for merger, de-merger, consolidation, reorganisation, compromise with creditors; (c) take or agree to take any action for sale, lease, transfer, or otherwise dispose of project assets; (d) give loans or make any investment provided that such investment should not breach the financial covenants relating to total outside liabilities to total net worth and current ratio; (e) repayment of loans has commenced as per amortisation schedule; (f) all instalments including interest that are payable up to that date have been paid; (g) no event of default or potential event of default has occurred or continuing; (h) restricted payment is made in accordance with applicable law; (i) there is cash available for distribution of such restricted payment in a distribution sub account; (j) Watsun Infrabuild Private Limited has delivered audited financial statements; and (k) operational performance of the project is as per the financing plan; (l) create any security interests on project assets; (m) pledge shares of the promoters/sponsor's shareholding in favour of any bank or financial institution; (n) escrow its future cash flows or create any lien or first charge over the same; (o) amendment to transaction documents; and (p) borrow any money and incur liabilities other than permitted indebtedness.
- *Events of Default:* Events of default include, *inter alia*, (i) payment default of any principal, interest repayment or any other amount repayable to the lender, pursuant to financial documents pursuant to financial documents; (ii) cross default on failure to perform obligations by Watsun Infrabuild Private Limited and/or the promoter's/sponsor's; (iii) default in performance of covenants and conditions; (iv) sale or disposal of assets; (v) promoter's/sponsor's failure; (vi) unenforceability, illegality and invalidity of financing documents; (vii) revocation of clearances or licenses; (viii) occurrence of material adverse effect; (ix) termination of project related documents; (x) change in control; (x) trust and retention account default.

Trinethra Wind and Hydro Power Private Limited

Rupee Term Loan Facility from Power Finance Corporation Limited ("Rupee Term Loan")

On December 28, 2018, Trinethra Wind and Hydro Power Private Limited ("TWHPPPL") entered into a facility agreement with Power Finance Corporation Limited for availing a term loan of Rs. 4,723.30 million. The Rupee Term Loan has been availed to meet a part of the estimated project cost for setting up a 101.20 MW wind power project located at Rajkot, Gujarat (the "**Project**"). The effective rate of interest as on the date of the facility agreement is 11.00 % per annum payable quarterly for a period of three years after the commercial operation date. The interest rate after three years of commercial operations date will be reset every three years.

Certain other terms and conditions of the Rupee Term Loan are:

- *Security and Guarantees:* The Rupee Term Loan is secured by: (a) a first charge by way of mortgage over all immovable properties of the Project; (b) a first charge by way of hypothecation over all movable properties of the Project; (c) a first charge on all operating cash flows, book debts, receivables; (d) a first charge on debt service reserve account, trust and retention accounts and all bank accounts of TWHPPPL; (e) an assignment in favour of Lender on all rights, title, interests, benefits, claims and demands in the project documents, clearances, letter of credit, corporate guarantee, performance bonds, insurance contracts, insurance proceeds and guarantees from EPC contractor; (f) a pledge over 99.99% of the equity share capital of TWHPPPL to be shared with working capital lenders on a pari passu basis (in respect of 23.99% of the equity share capital of TWHPPPL), where 21% of the pledge may be released on repayment

of 75% of the outstanding loans and a pledge over 100% of the compulsorily convertible debentures issued by TWHPPPL; and (g) the debt service reserve account of at least two quarters' repayment obligations. Provided that the security interest (excluding DSRA) shall rank pari-passu amongst the Rupee Term Lender and any banks/ financial institutions that provide working capital facility to the TWHPPPL on reciprocal basis.

- *Financial Covenants:* In addition to a two quarter DSRA, TWHPPPL is required to maintain at all times and at the time of every disbursement of the Rupee Term Loan:
 - (1) a debt service coverage ratio of not be less than 1.20; and
 - (2) a debt to equity ratio on each drawdown date shall not be more than 70:30.
- *Other Covenants:* TWHPPPL has made customary representations and warranties to PFC and has agreed to deliver standard information. TWHPPPL is also required to obtain developer permission from Gujarat Energy Development Agency for 101.2 MW of wind energy capacity within three months of initial drawdown date. TWHPPPL is required to enter into power purchase agreement with third party procurers for at least 80% of the project capacity before initial drawdown date. 10% of the project capacity within three months after initial drawdown for a minimum lock-in period of not less than 0.5 year and minimum term not less than one year. Balance 10% of the project capacity one month prior to scheduled commercial operations date for a minimum lock-in period of not less than one year and minimum term of not less than three years. The annual weighted average net realized tariff should be greater than or equal to Rs. 3.20 per KWh. Two months prior to the scheduled commercial operations date, TWHPPPL is required to make satisfactory arrangements for O&M and working capital requirements. Further, the EPC contractor is required to obtain right of way for transmission lines within three months from the initial drawdown date. TWHPPPL is also required to ensure power evacuation facilities are in place one month prior to scheduled commercial operations date. TWHPPPL has agreed to certain negative covenants for which prior written agreement of PFC shall be required, which include, inter alia, (a) entering into any action of merger, consolidation, reorganization or amalgamation or for sale, lease, transfer or otherwise dispose of the assets of the Project (b) not acquire all or part of the assets of any other person or any class of shares or debentures or partnership interest or similar interest of any person; (c) make any capital expenditure other than the capital expenditure provided for in the Budget and Banking Base Case; (d) declare or pay any restricted payment unless the Restricted Payment Conditions have been complied with by the TWHPPPL to the satisfaction of PFC; (e) shall not engage in any business other than the Project, create any subsidiaries, change its name, or change the location of its offices, except as expressly permitted under this Agreement; (f) directly or indirectly contract, create, incur, assume or suffer to exist any indebtedness, other than the Permitted Indebtedness; (g) abandon or agree to abandon the Project; (h) pay any amounts in respect of any subordinate loans; (i) not enter into any partnership, profit-sharing or royalty agreement or other similar arrangement whereby the TWHPPPL's income or profits are, or might be, shared with any other person, or enter into any management contract or similar arrangement whereby its business or operations are managed by any other persons; (j) prepay any facility or debt availed by it including the Facilities, which may or may not be granted at the sole discretion of PFC; (k) make any changes to the Board; and (l) open or operate any bank account except as permitted under the loan documents.
- *Events of Default:* Events of default include, *inter alia*, (a) any default in payment of principal or interest or any other amounts on the due dates; (b) default in performance of covenants, conditions, warranties which have a material adverse effect or failure to maintain financial covenants; (c) default under any other agreement resulting in financial indebtedness as a consequence of non-payment; (d) supplying of

misleading information; (e) inability to pay debts; (f) failure to maintain adequate insurance and security; (g) sale or disposal of Project assets except as provided for in the agreement; (h) TWHPPPL becomes subject of proceedings under insolvency or bankruptcy or any other proceedings; (i) promoter failed to perform obligations under the financing documents; (j) any dispute between TWHPPPL and its promoter which remains unresolved; (k) appointment of receiver or liquidator; (l) attachment and restraint on the project assets and enforcement of security interest; (m) extraordinary circumstances which make it improbable to carry on the Project; (n) abandonment of the Project; (o) cessation of business; (p) expropriation, (q) nationalisation; (r) invalidity of financing documents; (s) material adverse effect; (t) revocation of clearances; (u) termination of the Wind Project documents; (v) litigation; (w) trust and retention account default; (x) in the event that the management and control is changed and any person acquires control of TWHPPPL without the approval of the lenders; or (y) if TWHPPPL breaches any applicable laws or is an environmental liability.

Working Capital Facility from ICICI Bank Limited (“WC Facility”)

TWHPPPL initially availed a working capital facility of Rs. 150.00 million from ICICI Bank Limited (“**ICICI Bank**”) pursuant to a sanction letter dated March 3, 2020 and a further Rs. 100.00 million pursuant to subsequent sanction letter dated September 7, 2020 to meet the working capital requirement of TWHPPPL (“**WC Facility**”). The effective rate of interest as on the date of the WC Facility is a fixed rate for each drawl of the facility to be stipulated by the lender at the time of each disbursement determined on the basis of a six month MCLR spread plus an additional 2.75% per annum which as of December 31, 2020 was 10.05% to 10.25% against various disbursements.

Certain other terms and conditions of the WC Facility are:

- *Security:* The WC Facility is secured by: (a) a first charge by way of mortgage over all immovable properties of the Project; (b) first charge by way of hypothecation over all movable properties of the Project; (c) first charge on all operating cash flows, book debts, receivables; (d) first charge on debt service reserve account, trust and retention accounts and all bank accounts of TWHPPPL; (e) an assignment in favor of ICICI Bank on all rights, title, interests, benefits, claims and demands in the project documents, clearances, letter of credit, corporate guarantee from CWEIPL, performance bonds, insurance contracts, insurance proceeds and guarantees from EPC contractor; (f) pledge over 76% of the equity share capital and compulsorily convertible debentures of TWHPPPL; and (g) debt service reserve account of at least one quarter.
- *Other Covenants:* TWHPPPL has made customary representations and warranties to ICICI Bank and has agreed to deliver standard information. TWHPPPL has agreed to certain negative covenants for which prior written agreement of ICICI Bank shall be required. These include, inter alia: (a) undertake or permit any merger, de-merger, consolidation, reorganization, scheme of arrangement or compromise with its creditors or shareholders or any class of them or effect any scheme of amalgamation or reconstruction including creation of any subsidiary or permit any company to become its subsidiary; (b) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person except as required for operation and maintenance of the Project, in the ordinary course of business; declare or pay any dividend or make any distribution of profits or pay any remuneration to its promoters / shareholders or permit withdrawal of amounts brought in if an event of default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend or authorization or making of distribution or withdrawal; (c) make any investment whether by way of deposits, loans or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance or in

any manner become directly, indirectly or contingently liable for or in connection with the obligation of any person other than itself. This provision shall not apply to loans and advances granted to staff or contractors or suppliers in the ordinary course of business; (d) effect any change in its capital structure or constitutional documents in any manner whatsoever; (e) redeem, purchase, buyback, retire or repay any of its share capital, de-list its shares from stock exchanges, if applicable, or resolve to do so for so long as any sums of money are due and payable to the Bank; (f) change its financial year-end from the date it has currently adopted or change the accounting method or policies currently followed by the TWHPPPL unless expressly required by applicable law; (g) avail of any credit facilities or accommodation from any bank(s) or financial institution(s) or any person, firm or company in any manner other than the bank(s) at present providing working capital facilities to the TWHPPPL and the permitted indebtedness nor shall it deal with or through any other bank(s) or financial institution(s); (h) create or permit to subsist any security interest, encumbrance, mortgage, hypothecation, pledge or charge over any of its assets other than with respect to the Permitted Indebtedness and the already existing charges which have been disclosed in writing to the bank or sell, transfer or otherwise dispose of (or agree to do any of the foregoing at any future time) any of its assets; (i) undertake any new business or operations or project or diversification, modernisation or substantial expansion of any of its existing business or operations or of any project that it may undertake during the currency of the WC Facility; (j) pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any obligation (including Indebtedness) undertaken for or by the TWHPPPL; and (k) pay any compensation to its promoters or directors in the event of loss of office for any reason whatsoever, if there is any default in payment of any monies due and payable under the WC Facility.

- *Events of Default:* Events of default include, *inter alia*, (a) any default in repayment of principal or interest not cured within one business day for any technical reason; (b) breach of any of the terms of the transaction documents of TWHPPPL; (c) default in performance of covenants and conditions by TWHPPPL; (d) supplying misleading information; (e) appointment of receiver or liquidator; (f) any attachment and restraint on secured properties; (g) financing documents becoming invalid; (h) any material adverse effect; (i) any revocation of approvals; (j) the termination of documents, clearances; (k) change in ownership; (l) security is jeopardized; (m) any breach of applicable law; or (n) any cross default.

Renewables Trinethra Private Limited

Rupee Term Loan Facility from Power Finance Corporation Limited (“Rupee Term Loan”)

On December 26, 2019, Renewables Trinethra Private Limited (“RTPL”) has entered into a facility agreement with Power Finance Corporation Limited (“PFC”) for availing a rupee term loan of Rs. 2,308.00 million. The Rupee Term Loan has been availed to meet a part of the estimated project cost for setting up and implementing a 50.40 MW wind power project as in district Rajkot/ Morbi, Gujarat (the “**Project**”). The loan has been drawn down partially out of facility amount corresponding to 25.2 MW facility. The effective rate of interest as on December 31, 2020 is 10.65 % per annum payable monthly up to the standard due date immediately following the commercial operation date. The interest rate after three years of commercial operations date will be reset every three years.

Certain other terms and conditions of the Rupee Term Loan are:

- *Security and Guarantees:* The Rupee Term Loan is secured by: (i) a first charge on all immovable and movable properties of RTPL; (ii) a first charge on all of RTPL’s operating cash flows, receivables, book debts; (iii) a first charge over all bank accounts relating to RTPL including trust and retention account, debt

service reserve account; (iv) a first charge on all intangibles pertaining to RTPL including uncalled capital and goodwill; (v) an assignment in favor of lender or security trustee, on all right, title, interest, benefit, claim and demand of RTPL in the project documents, clearances, letters of credit, contractor guarantees, liquidated damages, insurance proceeds and contracts, guarantees from EPC contractor/module supplier (if any) relating to the project, such as (a) a pledge over 100% of project equity (100% ordinary shares and 100% CCD+100% of NCD) till currency of PFC loan, and (b) a charge on the debt service reserve account of at least two quarters' repayment obligations; and (vi) a corporate guarantee from Continuum Green Energy Limited, Singapore. Provided that the security interest (excluding DSRA and corporate guarantee) shall rank pari-passu amongst the Rupee Term Lender and any banks/ financial institutions that provide working capital facility to the RTPL on reciprocal basis.

- *Financial Covenants:* RTPL is required to maintain at all times and at the time of every disbursement of the Rupee Term Loan:

(1) a debt service coverage ratio of not be less than 1.14; and

(2) an overall long term financing structure with debt and equity in debt to equity ratio of 67.07:32.93.

- *Other Covenants:* RTPL has made customary representations and warranties to PFC and has agreed to deliver standard information. RTPL is required to obtain developer permission from Gujarat Energy Development Agency for Phase 2A (25.20 MW) and Phase 2B (25.20 MW) of wind energy capacity prior to the initial drawdown date for each phase. RTPL is required to obtain legal and valid possession of land required for the Project which has been considered for the purpose of micro-siting, free of all encumbrances in the following manner until the final settlement date. RTPL is required to ensure that all the PPAs/ agreements for sale of power expressly provide that all the amount shall be remitted by the offtaker(s) directly into the sub account designated under the Trust and Retention Account and shall continue to remit in the same account unless otherwise advised and confirmed by the Rupee Term Lender. RTPL has agreed to certain negative covenants for which prior written agreement of PFC shall be required, which include, *inter alia*, (a) effect or agree to effect any change in capital structure; take any action for merger, de-merger, amalgamation, consolidation, reorganization, compromise with creditors; (b) acquire whole or in part asset of any person or any class of shares or debentures or partnership interest or interest of any person; (c) give loans or make any investment provided that such investment should not breach the financial covenants relating to total outside liabilities to total net worth and current ratio; (d) engage in any business other than the project, or create subsidiaries, change its name or location; (e) create any security interest on or in any of the secured property in favor of anyone other than the permitted security interest; (f) make any prepayment, repayment or discharge of loans, deposits or other liabilities; (g) incur an capital expenditure except as approved budgets; (h) declare or pay any restricted payment unless each of the following is complied, (i) change the debt service reserve as is required to be maintained; (ii) payment of any additional interest for non-adherence of financial covenants; (iii) repayment of loans has commenced as per amortization schedule; (iv) all instalments including interest that are payable up to that date have been paid; (v) fund based DSR or bank guarantee/LC for DSR is fully maintained; (vi) restricted payment is made in accordance with applicable law; (vii) RTPL has delivered audited financial statements and is in compliance with Financial Covenants; and (viii) No event of force majeure, breach, default or potential default has occurred or is continuing; (j) take any action to sell, assign, dispose, transfer, terminate, cancel, amend, vary or modify any transaction document or waive any default or breach under any provision of such a document; (k) amendments to any financing documents; (l) borrow any money and incur liabilities other than permitted indebtedness; and (m) abandonment of project, change scope of the Project or undertake new project, revalue assets, change existing management, open any bank account, change the

fiscal year, settle any disputes, pay commission to promoters/directors, managers or any other person, alter charter documents, long term contractual arrangement detrimental to the Project.

- *Events of Default:* Events of default include, *inter alia*, (a) any default in payment of principal or interest or any other amounts on the due dates; (b) cross default in other agreements and such default continues for a period of 30 (thirty) days; (c) default in performance of covenants, conditions, warranties which have a material adverse effect or failure to maintain financial covenants, default under any of the Wind Project documents which is not cured within seven days; (d) default under any other agreement resulting in financial indebtedness as a consequence of non-payment; (e) supplying of misleading information; (f) inability to pay debts; (g) failure to maintain adequate insurance and security; (h) sale or disposal of Project assets except as provided for in the agreement; (i) RTPL becomes subject of proceedings under insolvency or bankruptcy or any other proceedings; (j) promoter failed to perform obligations under the financing documents; (k) any dispute between RTPL and its promoter which remains unresolved; (l) appointment of receiver or liquidator; (m) attachment and restraint on the project assets and enforcement of security interest; (n) extraordinary circumstances which make it improbable to carry on the Project; (o) abandonment of the Project; (p) cessation of business; (q) expropriation, nationalisation; (r) invalidity of financing documents; material adverse effect; (s) revocation of clearances; termination of the Wind Project documents; litigation; trust and retention account default; (t) in the event that the management and control is changed and any person acquires control of RTPL without the approval of the lenders; (u) any event of force majeure occurs and continues for a continuous period of five days; or (v) if RTPL breaches any applicable laws or is an environmental liability.

Working Capital Facility from ICICI Bank Limited (“Rupee Term Loan”)

RTPL availed a working capital facility of Rs. 50.00 million with a sub limit of Rs. 40 million towards non fund based facility from ICICI Bank Limited (“**ICICI Bank**”) pursuant to the working capital facility agreement dated November 24, 2020 (“**Facility Agreement**”) to meet the working capital requirements of RTPL (“**RTPL WC Facility**”). The effective rate of interest as on the date of the RTPL WC Facility is a fixed rate for each drawl of the facility to be stipulated by the lender at the time of each disbursement determined on the basis of a six month MCLR spread as prescribed per annum which as of December 31, 2020 was nil as no disbursement had been made.

Certain other terms and conditions of the RTPL WC Facility are:

- *Security:* The RTPL WC Facility is secured by: (a) a first *pari-passu* charge by way of mortgage over all of the land and immovable properties of the wind power project of RTPL at Rajkot and Morbi (“**Project**”); (b) first charge by way of hypothecation over all movable properties of RTPL in relation to the Project, along with intangible assets, goodwill uncalled capital for RTPL pertaining to the Project; (c) first charge on RTPL’s trust and retention account and any other bank account maintained by it in relation to the Project; (d) first *pari-passu* charge/assignment/mortgage in favor of ICICI Bank on (i) all rights, titles, interests, benefits, claims and demands of RTPL in relation to the Project documents; (ii) all rights, titles, interests, benefits, claims, and demands of RTPL in the Project clearances and in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project documents; (iii) all insurance contracts and insurance proceeds in relation to the Project; and (iv) charge/mortgage/assignment of guarantees from engineering, procurement and construction contractors/module suppliers in relation to the Project; (e) first *pari-passu* charge on the pledge of 100% of the equity shares, compulsory convertible debentures and non-convertible debentures of RTPL (f) debt service reserve account of at least one quarter; and (g) corporate guarantee from Continuum Green Energy (India) Private Limited.
- *Other Covenants:* RTPL has made customary representations and warranties to ICICI Bank and has agreed to deliver standard information. RTPL has agreed to certain negative covenants for which prior written

agreement of ICICI Bank shall be required. These include, inter alia: (a) undertake or permit any merger, de-merger, consolidation, reorganization, scheme of arrangement or compromise with its creditors or shareholders or any class of them or effect any scheme of amalgamation or reconstruction including creation of any subsidiary or permit any company to become its subsidiary; (b) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person except as required for operation and maintenance of the Project, in the ordinary course of business; declare or pay any dividend or make any distribution of profits or pay any remuneration to its promoters / shareholders or permit withdrawal of amounts brought in if an event of default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend or authorization or making of distribution or withdrawal; (c) make any investment whether by way of deposits, loans or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance or in any manner become directly, indirectly or contingently liable for or in connection with the obligation of any person other than itself. This provision shall not apply to loans and advances granted to staff or contractors or suppliers in the ordinary course of business; (d) effect any change in its capital structure or constitutional documents in any manner whatsoever; (e) redeem, purchase, buyback, retire or repay any of its share capital, de-list its shares from stock exchanges, if applicable, or resolve to do so for so long as any sums of money are due and payable to the bank; (f) change its financial year-end from the date it has currently adopted or change the accounting method or policies currently followed by the RTPL unless expressly required by applicable law; (g) avail of any credit facilities or accommodation from any bank(s) or financial institution(s) or any person, firm or company in any manner other than the bank(s) at present providing working capital facilities to the RTPL and the permitted indebtedness nor shall it deal with or through any other bank(s) or financial institution(s); (h) create or permit to subsist any security interest, encumbrance, mortgage, hypothecation, pledge or charge over any of its assets other than with respect to the permitted indebtedness and the already existing charges which have been disclosed in writing to the bank or sell, transfer or otherwise dispose of (or agree to do any of the foregoing at any future time) any of its assets; (i) undertake any new business or operations or project or diversification, modernisation or substantial expansion of any of its existing business or operations or of any project that it may undertake during the currency of the RTPL WC Facility; (j) pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any obligation (including indebtedness) undertaken for or by the RTPL; and (k) pay any compensation to its promoters or directors in the event of loss of office for any reason whatsoever, if there is any default in payment of any monies due and payable under the RTPL WC Facility.

- *Events of Default:* Events of default include, *inter alia*, (a) any default in repayment of monies in relation to the RTPL WC Facility other than on account of technical issues, for which a cure period of one day shall be provided; (b) breach of any of the terms of the transaction documents by RTPL; (c) bankruptcy, insolvency or dissolution of, or initiation of any proceedings in relation thereto for RTPL; (d) security is jeopardised; (e) change in control; (f) misleading information is provided by RTPL; (g) any obligation under the transaction documents becomes illegal/void/unenforceable or is repudiated; (h) any material adverse effect; and (i) any cross default.

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 “Parent” refers only to Continuum Green Energy Limited and not to any of its subsidiaries, and the term “Issuer” refers only to Continuum Energy Levanter Pte. Ltd. and any successor obligor to the Notes.

The Issuer will issue the notes (the “Notes”) under an indenture (the “Indenture”), to be dated as of February 9, 2021 (the “Original Issue Date”), among itself, the Parent, DB International Trust (Singapore) Limited, as trustee (the “Trustee”), notes collateral agent (the “Notes Collateral Agent”) 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, the Trust and Retention Account Agreements 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 upon prior written request at the corporate trust office located at DB International Trust (Singapore) Limited, One Raffles Quay, #16-00 South Tower, Singapore 048583, 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

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).

Following the issuance of the Notes and the application of the proceeds thereof, the Issuer's only material assets will be (i) any cash released from the Escrow Account to the extent not used to subscribe for the Onshore Debt or to fund a Special Mandatory Redemption, (ii) the Onshore Debt issued by other Restricted Subsidiaries and (iii) any cash released from the Offshore Cash Account to the extent not used to make payments under the Notes, any Permitted Pari Passu Secured Indebtedness, to fund a Mandatory Amortizing Redemption or to fund a MCS Amortization Redemption. As of the date hereof, the Issuer does not own any Capital Stock of any other Restricted Subsidiary and amounts received under the Onshore Debt will be utilized to make payments on the Notes. See "Risk Factors — Risks Relating to the Notes, the Collateral and the Hedging Transactions — The Issuer's ability to pay the principal and interest on the Notes may be adversely affected by the offering structure and our corporate organization structure" and "Risk Factors — Risks Relating to the Notes, the Collateral and the Hedging Transactions — The inability to incur Onshore Debt may result in a Special Mandatory Redemption."

As of December 31, 2020, after giving effect to the application of proceeds of this offering as described under "Use of Proceeds," the Restricted Group on a combined basis would have had US\$566 million outstanding Indebtedness comprising of US\$561 million of Notes offered hereby and US\$5 million of loans and dues to related parties. See "Risk Factors — Risks Relating to the Notes, the Collateral and the Hedging Transactions — We have, on a combined basis, a substantial amount of debt, which could have a material adverse effect on our business, cash flows, financial condition and results of operations."

Principal, Maturity and Interest

The Issuer will issue US\$561,000,000 in aggregate principal amount of Notes in this offering. The Issuer may not issue additional notes (the "Additional Notes") 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 9, 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 4.50% per annum and will be payable semi-annually in arrears on February 9 and August 9 of each year (each, an "Interest Payment Date"), commencing on August 9, 2021. The Issuer will make each interest payment to the Holders of record at the close of business on January 25 and July 25 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

The following companies will comprise the Restricted Group and each is a Restricted Subsidiary:

- the Issuer;

- Bothe Windfarm Development Private Limited;
- DJ Energy Private Limited;
- Uttar Urja Projects Private Limited;
- Renewable Trinethra Private Limited;
- Trinethra Wind & Hydro Projects Private Limited;
- Watsun Infrabuild Private Limited.

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, 60 Wall Street, 24th Floor, Mail Stop: NYC60-2405, New York, New York 10005, United States of America), 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.

Escrow Account

The Issuer will establish one or more U.S. dollar accounts (the “Escrow Account”) in the name of the Issuer with Deutsche Bank AG, Singapore Branch as the Escrow Agent. The Issuer, for the benefit of the Holders and the Trustee, will charge the Escrow Account to the Notes Collateral Agent on the Original Issue Date in order to secure the obligations of the Issuer under the Notes and the Indenture.

On the Original Issue Date, the net proceeds from this offering will be funded into the Escrow Account. Amounts in the Escrow Account will be released from time to time for the Issuer to subscribe for the Onshore Debt issued by a Restricted Subsidiary; it being understood that amounts in the Escrow Account may be released prior to the Issuer’s receipt of the related Onshore Debt.

Any amounts remaining in the Escrow Account after (i) the SMR Measurement Date or (ii) if the Issuer is required to make a Special Mandatory Redemption, the date of such redemption, will be refunded to the Issuer and the Escrow Account shall be terminated and the security interest in the Escrow Account created pursuant to the Notes Collateral Document (as defined below) will be automatically released. The Issuer will be permitted to invest amounts deposited in the Escrow Account in Temporary Cash Equivalents as described under the heading “Use of Proceeds” in the Offering Memorandum. Upon receipt of an Officer’s Certificate from the Issuer, the Notes Collateral Agent will (without incurring any liability or responsibility) instruct the Escrow Agent to release funds from the Escrow Account.

The Escrow Accounts will be governed by the Escrow Agreement.

Offshore Cash Account

The Issuer will establish a U.S. dollar account (the “Offshore Cash Account”) in the name of the Issuer with Deutsche Bank AG, Singapore Branch as the Account Bank. The Issuer, for the benefit of the Holders and the Trustee, will charge the Offshore Cash Account to the Common Collateral Agent on the Original Issue Date in order to secure the obligations of the Issuer under the Notes and the Indenture and the obligations of the hedge counterparties under Permitted Pari Passu Secured Indebtedness.

The Offshore Cash Account will be utilized by the Issuer to receive funds from the Onshore Debt for the payment of interest, principal or other amounts due on the Notes, amounts due to hedge counterparties under Permitted Pari Passu Secured Indebtedness and certain other expenses incurred by the Issuer related to the establishment and/or maintenance of the Issuer’s corporate existence. Upon receipt of an Officer’s Certificate from the Issuer, the Common Collateral Agent will (without incurring any liability or responsibility) instruct the Account Bank to release funds from the Offshore Cash Account. The Issuer shall use the amounts in the Offshore Cash Account to pay amounts due on the Notes and any Permitted Pari Passu Secured Indebtedness (if any) on a pro rata basis.

The Offshore Cash Account will be governed by the Account Bank Agreement.

Security

The obligations of the Issuer with respect to the Notes and the performance of all other obligations of the Issuer under the Indenture and the Notes will be secured by the following security package (the “Collateral”):

- (1) each of a first-priority fixed share charge (the “Share Charge”) by the Parent over the Capital Stock of the Issuer 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
- (2) 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”).

The Pari Passu Collateral Document and the Notes Collateral Document are collectively the “Collateral Documents.” The Issuer, the Parent, the Trustee, the Notes Collateral Agent 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 Notes and to secure the obligations of the Issuer under the Notes.

So long as the Pari Passu 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 and the Issuer will be entitled to receive all cash dividends and other payments made upon or with respect to the Pari Passu Collateral and to exercise any voting and other consensual rights pertaining to the Pari Passu Collateral.

Upon enforcement of the Pari Passu 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 and the Issuer to receive all or claim payment of cash dividends, interest and other payments made upon or with respect to the Collateral will cease and such cash dividends, interest and other payments will be paid to the Notes Collateral Agent or the Common Collateral Agent, as applicable;
- (2) all voting or other consensual rights pertaining to the Collateral will become vested solely in the Notes Collateral Agent or the Common Collateral Agent, as applicable, and the right of the Parent and the Issuer to exercise any such voting and consensual rights will cease; and
- (3) the Notes Collateral Agent or the Common Collateral Agent, as applicable, may distribute or sell the Collateral or any part of the Collateral in accordance with the terms of the Collateral Documents, subject to the provisions of applicable law. The Notes Collateral Agent in accordance with the provisions of the Indenture will distribute all funds collected under the Notes Collateral Document in connection with the Notes Collateral. The Common Collateral Agent in accordance with the Intercreditor Agreement (as defined below) will distribute all funds collected under the Pari Passu Collateral Document in connection with the Pari Passu Collateral and received by the Common Collateral Agent for the benefit of the Permitted Pari Passu Secured Indebtedness (as defined below) creditors and the Holders.

The Indenture and/or the Collateral Documents principally provide that, at any time while the Notes are outstanding, the Notes Collateral Agent has the exclusive right to manage, perform and enforce the terms of the Notes Collateral Document and the Common Collateral Agent has the exclusive right to manage, perform and enforce the terms of the Pari Passu Collateral Document. The Notes Collateral Agent has the exclusive right, with respect to the Notes Collateral, and the Common Collateral Agent has the exclusive right, with respect to the Pari Passu 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 Collateral may be reduced or diluted under certain circumstances, including through the Incurrence of Hedging Obligations permitted to be Incurred by the Issuer 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 Collateral will also be pledged to secure certain hedging obligations which will be paid pari passu 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 Liens created by the Indenture and the Collateral Documents will be released upon (1) the full and final payment and performance of the Obligations of the Issuer under the Indenture, the Notes and the Permitted Pari

Passu Secured Indebtedness or (2) final payment and performance of the Obligations of the Issuer under the Permitted Pari Passu Secured Indebtedness together with, in respect of the Notes, legal or covenant defeasance pursuant to the provisions set forth under the caption “— Legal and Covenant Defeasance” or discharge of the Indenture in accordance with the provisions set forth under the caption “— Satisfaction and Discharge.” In addition, the first-priority security interest created by the Notes Collateral Document will automatically terminate as described under “— Escrow Account.”

No release of the Notes Collateral or the Pari Passu Collateral shall be effective against the Notes Collateral Agent or the Pari Passu Collateral Agent (as the case may be), the Trustee or the Holders until the Issuer has delivered to the Notes Collateral Agent or the Pari Passu Collateral Agent (as the case may be) 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.

Permitted Pari Passu Secured Indebtedness

On or after the Original Issue Date, neither the Parent nor the Issuer will create Liens on the Pari Passu Collateral other than: (i) Liens *pari passu* with the Liens created for the benefit of the Holders to secure Indebtedness of the Issuer (such Indebtedness of the Issuer, “Permitted Pari Passu Secured Indebtedness”); *provided that* (1) the Issuer was permitted to Incur such Indebtedness under the covenant described under “— Certain Covenants — Issuer’s Business Activities”; (2) the holders of such Indebtedness (or their representative), other than 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 Pari Passu Collateral no more restrictive on the Issuer than the provisions of the Indenture and the Pari Passu Collateral Document; 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 Pari Passu 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 Pari Passu Collateral Document, the Indenture and/or the Intercreditor Agreement and take any other action necessary to permit the creation and registration of Liens on the Pari Passu 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 Pari Passu Collateral on behalf of the Holders and the holders of Permitted Pari Passu Secured Indebtedness).

Except for Permitted Pari Passu Secured Indebtedness, the Issuer and the other Restricted Subsidiaries will not be permitted to Incur any other Indebtedness secured by all or any portion of the Pari Passu 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 Issuer, the Parent, 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 Pari Passu Collateral;

- (2) the conditions that are applicable to the release of or granting of any Lien on such Pari Passu Collateral; and
- (3) the conditions under which the parties thereto will enforce their rights with respect to such Pari Passu 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 appoint DB International Trust (Singapore) Limited as the Common Collateral Agent (or the successor Common Collateral Agent appointed under the Pari Passu Collateral Document if such a successor has been appointed) to act as the Common Collateral Agent with respect to the Pari Passu 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 Lien over the Notes Collateral securing the Notes will be granted to the Notes Collateral Agent. The Notes Collateral Agent, subject to the Notes Collateral Document and the Indenture, will hold such Lien and security interest in the Notes Collateral granted pursuant to the Notes Collateral Document with sole authority as directed by the written instruction of the Trustee (acting at the direction of the applicable Holders or otherwise pursuant to the Indenture) to exercise remedies under the Notes Collateral Document. The Notes Collateral Agent has agreed to act as secured party on behalf of the Holders under the Notes Collateral Document, to follow the instructions provided to it under the Indenture and the Notes Collateral Document and to carry out certain other duties.

The first-priority Liens over the Pari Passu Collateral will be granted to the Common Collateral Agent. The Common Collateral Agent will hold such Liens and security interests in the Pari Passu Collateral granted pursuant to the Pari Passu Collateral Document with sole authority as directed by the written instruction of the majority of the Pari Passu Secured Parties to exercise remedies under the Pari Passu Collateral Document. The Common Collateral Agent has agreed to act as secured party on behalf of the Pari Passu Secured Parties under the Pari Passu Collateral Document, to follow the instructions provided to it under the Intercreditor Agreement and the Pari Passu Collateral Document and to carry out certain other duties.

The Notes Collateral Agent and/or the Common Collateral Agent (together, the “Collateral Agents”) may decline to foreclose on the Notes Collateral or the Pari Passu Collateral, as the case may be, 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 (as the case may be). In addition, the 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 Collateral Agents' Liens on the Notes Collateral and/or the Pari Passu Collateral, as the case may be. None of the Collateral Agents 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 Notes Collateral and/or the Pari Passu Collateral, for the legality, enforceability, effectiveness or sufficiency of the Notes Collateral Document or the Pari Passu 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 Notes Collateral Document or the Pari Passu Collateral Document, as the case may be, or any delay in doing so.

Each of the Notes Collateral Document and the Pari Passu Collateral Document provide that the Issuer will indemnify the Collateral Agents 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 each of the Collateral Agents arising out of the Notes Collateral Document and the Pari Passu Collateral Document 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 relevant Collateral Agent.

Notes Collateral Enforcement

All payments received and all amounts held by the Notes Collateral Agent in respect of the Notes Collateral under the Notes Collateral Document will be applied as follows:

first, to the Trustee, the Notes Collateral Agent, the Agents and to the extent necessary to reimburse the Trustee, the Notes Collateral Agent and the Agents for their respective unpaid fees, costs and expenses (including any fees and expenses of legal counsel) incurred in connection with the Indenture and the Notes Collateral Document and the collection or distribution of such amounts held or realized or in connection with fees, costs and expenses incurred (including, fees and expenses of legal counsel) in enforcing its remedies under the Notes Collateral Document and preserving the Notes Collateral and all amounts for which the Trustee, the Notes Collateral Agent and the Agents are entitled to indemnification under the Notes Collateral Document and the Indenture;

second, to the Trustee for the benefit of Holders; and

third, any surplus remaining after such payments will be paid to the Issuer or whomever may be lawfully entitled thereto.

Pari Passu Collateral Enforcement

All payments received and all amounts held by the Common Collateral Agent in respect of the Pari Passu Collateral under the Pari Passu 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 Trustee, the Common Collateral Agent, 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 Common Collateral Agent, 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 Pari Passu Collateral Documents 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 Pari Passu Collateral Document and preserving the Pari Passu Collateral and all amounts for which the Trustee, the Common Collateral Agent, the Agents and any such representative are entitled to indemnification under the Collateral Documents, the Indenture and the Intercreditor Agreement;

second, on a pro rata and *pari passu* basis to the counterparties under Hedging Obligations Incurred by the Issuer under the covenants described under “— Certain Covenants — Issuer’s Business Activities” and to Trustee for the benefit of Holders; and

third, any surplus remaining after such payments will be paid to the Issuer or whomever may be lawfully entitled thereto.

Trust and Retention Account Agreements

On the date on which any Onshore Debt is first issued, the Restricted Subsidiaries (other than the Issuer) will enter into a trust and accounts deed (“Trust and Retention Account Agreement”) with inter alia a domestic bank in India as the account bank (the “India Account Bank”), the security trustee acting for benefit of the Issuer (in its capacity as subscriber to the Onshore Debt). For the purpose of this section, “Restricted Group Issuer” shall mean each of the Restricted Subsidiaries (other than the Issuer) that is issuing Onshore Debt; “Restricted Group Issuer Rupee Debentures” shall mean the Onshore Debt; and all other capitalized terms used herein shall have the meanings accorded to them in the Trust and Retention Account Agreement.

Each trust and retention account will have the accounts and sub-accounts identified in the waterfall set out below and the corresponding Trust and Retention Account Agreement will provide the terms and conditions on which all deposits and withdrawals from the accounts and sub-accounts of that trust and retention account may be made. All accounts will be denominated in Rupees and all amounts will be deposited in Rupees in such accounts.

The Trustee and the Collateral Agent will not be responsible for the deposits, withdrawals or the operation of the trust and retention accounts and will not be responsible for monitoring compliance by the Issuer of its covenants and obligations (including, but not limited to, withdrawals, transfers or deposits) under the Trust and Retention Account Agreements.

1. Each Restricted Group Issuer shall ensure that all monies received by it as issue proceeds of the Restricted Group Issuer Rupee Debentures shall each be deposited into its respective Issue Proceeds Escrow Account.
2. No Restricted Group Issuer shall withdraw or transfer amounts from the Issue Proceeds Escrow Accounts or give instructions in relation to the Issue Proceeds Escrow Accounts, otherwise than as follows:
 - (a) the issue proceeds of the Restricted Group Issuer Rupee Debentures shall be applied solely towards:
 - (i) Repayment of the Existing Indebtedness and payment of any prepayment charges, repayment charges and other costs, fees and expenses in connection with the repayment of the Existing Indebtedness;
 - (ii) Costs and expenses incurred or to be incurred by each Restricted Group Issuer in connection with the Issue and the transactions contemplated under the Debenture Documents (including,

without limitation, costs and expenses in connection with the creation and perfection of the Security); and

(iii) Agreed Intergroup Transactions.

All payments from the Issue Proceeds Escrow Accounts in connection with the repayment or prepayment of the Existing Indebtedness, in each case, shall be (I) subject to issue of repayment notices; and (II) in respect of Existing Indebtedness where any consent is required for prepayment, after receipt of required consents in respect of the prepayment of such Existing Indebtedness.

3. No Restricted Group Issuer shall withdraw or transfer amounts from any Account or give instructions in relation to the Accounts, otherwise than in accordance with the Trust and Retention Account Agreement.

4. Operating Accounts

(a) Deposits

(i) Following the repayment in full of the indebtedness under the Existing Debt Documents, the Restricted Group Issuer will ensure that (A) the net amounts standing to the credit of its existing bank accounts after monies standing to the credit of the existing bank accounts on February 9, 2021 have been utilized for Agreed Intergroup Transactions and (B) all Operating Revenue received by it or on its behalf, in each case must be transferred or deposited directly, as the case may be, into its Operating Account following such repayment or receipt, as the case may be, in accordance with the timelines set out in the Trust and Retention Account Agreement.

(ii) Each Restricted Group Issuer shall ensure that any Insurance proceeds in respect of any business interruption, advance consequential loss and other revenue replacement insurance or other compensation money will be paid or payable into the Operating Account.

(iii) Each Restricted Group Issuer shall ensure that all monies received by it pursuant to drawdowns under any working capital loan facilities shall be deposited into its respective Operating Account in accordance with the Trust and Retention Account Agreement.

(iv) Each Restricted Group Issuer shall ensure that all monies received by it pursuant to any Permitted Finance Debt shall be deposited into its Operating Account except for (A) Subordinated Debt received by way of New Injections for Equity Cure, which shall be deposited in its Restricted Debt Service Account, (B) Subordinated Debt received by way of New Injections not for an Equity Cure, which shall be deposited in the Account designated by the relevant Restricted Group Issuer, and (C) Subordinated Debt received for the purpose of Permitted Distributions or refinancing of Subordinated Debt, which shall be deposited into its Distribution Account.

(b) Withdrawals

Prior to an Event of Default, each Restricted Group Issuer may only make a withdrawal or transfer from its Operating Account to pay, or to put another Restricted Group Issuer in funds to pay, the amounts set out below as and when those amounts are due and payable (including, in each case, an amount on account of any Tax payable by it in respect of the relevant payment) and in the order of priority as set out below.

Payments shall first be made from each Operating Account to discharge all amounts due at a particular level of priority as mentioned herein below. To the extent that funds available with any Restricted Group Issuer are insufficient at any level of the Operating Account Waterfall to satisfy the relevant payments in full, funds available with any other Restricted Group Issuer shall be used to satisfy such payment. No amounts shall be paid to any lower level of the waterfall as a result until all payments at such level have been made and/or until sufficient funds to meet all payments at such a level have been set aside by the relevant Restricted Group Issuer. Neither the Trustee, the Collateral Agent nor the India Account Bank shall be required to verify or monitor the setting aside of any amounts in one or more Accounts for the satisfaction of payments at a level of the waterfall and shall (prior to the occurrence of an Event of Default) act on the instructions of the Restricted Group Issuers. For the avoidance of doubt, no consent, notice or approval of the Holders, the Trustee or the Collateral Agent will be required for any withdrawal or transfer of funds by any Restricted Group Issuer from any Operating Account prior to any Event of Default.

Each Restricted Group Issuer shall use any amounts in excess of its requirements at each of paragraphs (i) through (vii) below to put another Restricted Group Issuer in funds at such equivalent level to the extent of any such shortfall at all the Restricted Group Issuers, and no amounts shall be paid to any lower level of the waterfall as a result. Any surplus monies available with the respective Restricted Group Issuer in the Operating Account after applying the Operating Accounts Waterfall and not deposited in the Distribution Account shall be retained in the Operating Account.

The Restricted Group Issuers with surplus funds shall issue instructions to the India Account Bank to transfer funds from the relevant Operating Account(s) that have surplus to the relevant Operating Account(s) of another Restricted Group Issuer that have shortfall to enable all required payments at that particular level of priority.

While issuing instructions to the India Account Bank for making any payments from the Operating Accounts, each Restricted Group Issuer shall ensure that all payments which rank higher in the Operating Accounts Waterfall of all Restricted Group Issuers on such date are paid or sufficient funds to meet all payments are set aside in respect of each Operating Account prior to making any payment ranking lower in the Operating Accounts Waterfall.

The Trustee and the Collateral Agent shall not be responsible for monitoring (a) the application, withdrawal or transfer of funds in accordance with the Operating Account Waterfall or monitoring compliance by any Restricted Group Issuer of its covenant or obligations under the Trust and Retention Account Agreements and the Senior Secured Documents.

The applicable order of priority for payments for each Restricted Group Issuer from its respective Operating Account shall be as follows:

- (i) *first*, at any time, payment into the Statutory Dues Account towards Taxes and statutory dues;
- (ii) *second*, at any time, payment into the O&M Expenses Account towards Operating Expenses and payment into the Petty Expenses Account;
- (iii) *third*, at any time, pro rata and pari passu towards any Costs and liabilities Incurred by or due and payable to the Debenture Trustee, the India Account Bank, the Common Security Trustee, and each representative under the Onshore Debt Documents and the RCF Documents;

- (iv) *fourth*, at any time, pro rata and pari passu towards accrued interest (including default interest) and Costs due and payable to any Onshore Senior Secured Creditor under any Onshore Debt Document and the lenders under the RCF Documents;
- (v) *fifth*, at any time, pro rata and pari passu towards (A) the principal amount outstanding (including break costs, make whole and other redemption amounts (but not including payments of MCS Amounts)) which is due and payable under the Onshore Debt Documents including the applicable Debenture Amortization Amount, each as set forth in the Notional Scheduled Amortizing Structure and (B) the principal amount (including break costs and other redemption amounts) outstanding which is due and payable under the RCF Documents;
- (vi) *sixth*, at any time, pro rata and pari passu towards any other amounts (excluding any amounts in paragraphs (iv) and (v) above) due but unpaid to any Onshore Senior Secured Creditor under any Onshore Debt Document or to the lenders under the RCF Documents, as applicable;
- (vii) *seventh*, at any time, towards transfer of the relevant amounts to its Debt Service Reserve Account to the extent necessary to ensure that the Debt Service Reserve Accounts together with the debt service reserve accounts under each Restricted Group Issuer Rupee Debentures (taken together) are funded to the Required DSRA Balance in relation to the relevant Onshore Debt;
- (viii) *eighth*, at any time, towards deposit of the applicable MCS Amount in the Restricted Surplus Account, each as set forth in the Notional Scheduled MCS Structure. Any shortfall in MCS Amount deposited in each period shall be carried forward to and be due and payable in the next applicable period and shall continue to be carried forward until paid or February 9, 2027;
- (ix) *ninth*, at any time, towards transfer of the relevant amounts to its Restricted Debt Service Account to the extent necessary to comply with sub-paragraph (a) of Clause 11 hereof; and
- (x) *tenth*, if no Payment Blockage then subsists and subject to sub-paragraph (a) of Clause 11 hereof, transfers of the amount of any Permitted Distributions to the Distribution Account and otherwise in accordance with the Operating Account Waterfall.

All payments made towards satisfaction of paragraphs (iv), (v) and (vi) shall (I) in respect of payments under the Onshore Debt Documents, be initially paid into the relevant Senior Debt Restricted Amortization Accounts, and (II) in respect of payments under the relevant RCF Documents, be initially be paid into the RCF Facility Restricted Amortization Accounts, in each case prior to payment of such amounts.

5. Statutory Dues Accounts

(a) Deposits

Each Restricted Group Issuer shall ensure that monies are transferred from the Operating Accounts in accordance with sub-paragraph (b)(i) of Clause 4 hereof and deposited into its Statutory Dues Account prior to the relevant due date for payment for any Taxes or statutory dues.

(a) Withdrawals

The monies lying to the credit of the Statutory Dues Accounts, as and when deposited therein, shall be utilized in accordance with the instructions of the Restricted Group Issuers, to make payments for Taxes and statutory dues.

(b) Insufficiency

If prior to the relevant due date for payment for Taxes and Statutory Dues there is a shortfall in any Statutory Dues Accounts, then the Restricted Group Issuers shall issue instructions to the India Account Bank to transfer monies to the relevant Statutory Dues Account until such shortfall is satisfied, in the following order of priority:

- (i) first, any surplus monies standing to the credit of any other Statutory Dues Account; and
- (ii) thereafter, monies standing to the credit of any other Operating Account.

6. O&M Expenses Accounts

(a) Deposits

Each Restricted Group Issuer shall ensure that monies are transferred from the Operating Accounts in accordance with sub-paragraph (b)(ii) and (iii) of Clause 4 hereof and deposited into its O&M Expenses Account prior to the relevant due date for payment for any Operating Expenses.

(b) Withdrawals

The monies lying to the credit of the O&M Expenses Accounts, as and when deposited therein, shall be utilized in accordance with the instructions of the Restricted Group Issuers, to make payments for Operating Expenses.

(c) Insufficiency

If prior to the relevant due date for payment for any Operating Expenses there is a shortfall in any O&M Expenses Accounts, then the Restricted Group Issuers shall issue instructions to the India Account Bank to transfer monies to the relevant O&M Expenses Account until such shortfall is satisfied, in the following order of priority:

- (i) first, any surplus monies standing to the credit of any other O&M Expenses Account;
- (ii) second, any surplus monies standing to the credit of any Statutory Dues Account; and
- (iii) thereafter, monies standing to the credit of any other Operating Account.

7. Senior Debt Restricted Amortization Accounts

(a) Deposits

- (i) Each Restricted Group Issuer shall ensure that monies are transferred from the Operating Accounts in accordance with sub-paragraphs (b) (iv), (v) (A) and (vi) of Clause 4 hereof in respect of payments under the Onshore Debt Documents (but not payment for the Debenture Amortization Amount) and deposited into its Senior Debt Restricted Amortization Account at least three Business Days prior to the relevant due date for payment of the Onshore Debt.

- (ii) Each Restricted Group Issuer shall ensure that monies are transferred from the Operating Accounts in accordance with sub-paragraphs (b) (v) (A) of Clause 4 hereof in respect of payments for the Debenture Amortization Amounts under the Onshore Debt Documents and deposited into its Senior Debt Restricted Amortization Account such that, by not later than three Business Days prior to the last day of the applicable Amortization Period, the applicable Debenture Amortization Amount has been deposited in the respective Senior Debt Restricted Amortization Accounts, as set forth in the Notional Scheduled Amortizing Structure.

(b) Withdrawals

The monies lying to the credit of the Senior Debt Restricted Amortization Account, as and when deposited therein, shall be utilized in accordance with the instructions of the Restricted Group Issuers, to make principal payments (repayment or redemption), interest payments and other payments (including default interest, costs, scheduled payments and final payments) in relation to any Onshore Debt Document.

(c) Insufficiency

If on the date falling two Business Days prior to the relevant due date for payment for the Onshore Debt there is a shortfall in any Senior Debt Restricted Amortization Account, then the Restricted Group Issuers shall issue instructions to the India Account Bank to transfer monies to the relevant Senior Debt Restricted Amortization Account until such shortfall is satisfied, in the following order of priority:

- (i) first, any surplus monies standing to the credit of any other Senior Debt Restricted Amortization Account;
- (ii) second, monies standing to the credit of any other Accounts other than a Restricted Surplus Account or a RCF Facility Restricted Amortization Account or a Restricted Debt Service Account or a Debt Service Reserve Account;
- (iii) third, monies standing to the credit of the Restricted Debt Service Accounts; and
- (iv) thereafter, monies standing to the credit of the Debt Service Reserve Accounts.

8. RCF Facility Restricted Amortization Accounts

(a) Deposits

Each Restricted Group Issuer shall ensure that monies are transferred from the Operating Accounts in accordance with sub-paragraphs (b) (iv), (v) (B) and (vi) of Clause 4 hereof in respect of payments under the RCF Documents and deposited into its RCF Facility Restricted Amortization Account at least three Business Days prior to the relevant due date for payment for the RCF Facility.

(b) Withdrawals

The monies lying to the credit of the RCF Facility Restricted Amortization Account, as and when deposited therein, shall be utilized in accordance with the instructions of the Restricted Group Issuers, to make principal payments (repayment or redemption), interest payments and other payments (including default interest, costs, scheduled payments and final payments) in relation to any RCF Document.

(c) Insufficiency

If on the date falling two Business Days prior to the relevant due date for payment for the RCF Facility there is a shortfall in any RCF Facility Restricted Amortization Account, then the Restricted Group Issuers shall issue instructions to the India Account Bank to transfer monies to the relevant RCF Facility Restricted Amortization Account until such shortfall is satisfied, in the following order of priority:

- (i) first, any surplus monies standing to the credit of any other RCF Facility Restricted Amortization Account;
- (ii) second, monies standing to the credit of any other Accounts other than a Restricted Surplus Account or a Senior Debt Restricted Amortization Account or a Restricted Debt Service Account or a Debt Service Reserve Account; and
- (iii) thereafter, monies standing to the credit of the Restricted Debt Service Accounts.

9. Debt Service Reserve Accounts

(a) Deposits

Each Restricted Group Issuer shall ensure that monies are transferred from the Operating Accounts in accordance with sub-paragraph (b) (vii) of Clause 4 hereof and deposited into the respective Debt Service Reserve Accounts in order to maintain the Required DSRA Balance or other required balance in the relevant Debt Service Reserve Accounts.

(b) Withdrawals

The India Account Bank shall transfer monies from the Debt Service Reserve Accounts to the applicable Accounts as instructed by the Restricted Group Issuers to comply with the requirements of paragraph (c) of Clause 7.

The India Account Bank shall be entitled to accept and conclusively rely, without liabilities or responsibilities, on payment instructions provided to it by any Restricted Group Issuer and shall have no responsibility to verify compliance by any Restricted Group Issuer of its covenants or obligations.

10. Restricted Surplus Accounts

(a) Deposits

Each Restricted Group Issuer shall be entitled to instruct the India Account Bank to transfer monies from the Operating Accounts in accordance with sub-paragraph (b) (viii) of Clause 4 hereof and deposit the same into the respective Restricted Surplus Accounts.

(b) Withdrawals

Each Restricted Group Issuer shall be entitled to instruct the India Account Bank to withdraw monies from the Restricted Surplus Account for the purpose of redemption of the Restricted Group Issuer Rupee Debentures in part in an amount equal to the applicable MCS Amount then available in the Restricted

Surplus Amount on each Interest Payment Date (falling immediately after the last day of the relevant Amortization Period specified on the left hand column of the Notional Scheduled MCS Structure) on a pro rata basis.

(c) Insufficiency

If on the date falling two Business Days prior to the relevant due date for payment for any MCS Amounts under the Notional Scheduled MCS Structure there is a shortfall in any Restricted Surplus Account for the payment of any MCS Amounts under the Notional Scheduled MCS Structure, then the Restricted Group Issuers shall issue instructions to the India Account Bank to transfer monies from the surplus monies standing to the credit of any other Restricted Surplus Accounts to the relevant Restricted Surplus Account until such shortfall is satisfied.

11. Restricted Debt Service Accounts

(a) Deposits

(i) If on any Calculation Date, the Waterfall Criteria has been met and:

- A. the Debt Service Cover Ratio is more than 1.5:1.0, each Restricted Group Issuer shall be permitted to make any amounts available for such payment into its respective Distribution Accounts, provided that the Debt Service Cover Ratio for the immediately preceding Calculation Period was also greater than or equal to 1.5:1.0;
- B. the Debt Service Cover Ratio is equal to or less than 1.5:1.0, each Restricted Group Issuer shall not make any payments into its respective Distribution Accounts in an amount greater than 60% of the funds otherwise available to pay into such accounts pursuant to sub-paragraph (b) of Clause 4 hereof as at such Calculation Date, and any amounts that would otherwise be available for such payment shall be transferred to each Restricted Group Issuer's respective Restricted Debt Service Accounts, until such time as the Debt Service Cover Ratio is greater than or equal to 1.5:1.0 for two consecutive Calculation Periods;
- C. the Debt Service Cover Ratio is equal to or less than 1.4:1.0, each Restricted Group Issuer shall not make any payments into its respective Distribution Accounts in an amount greater than 50% of the funds otherwise available to pay into such accounts pursuant to sub-paragraph (b) of Clause 4 hereof as at such Calculation Date, and any amounts that would otherwise be available for such payment shall be transferred to each Restricted Group Issuer's respective Restricted Debt Service Accounts, until such time as the Debt Service Cover Ratio is greater than or equal to 1.5:1.0 for two consecutive Calculation Periods;
- D. the Debt Service Cover Ratio is equal to or less than 1.3:1.0 and equal to or greater than 1.1:1.0, each Restricted Group Issuer shall not make any payments into its respective Distribution Accounts in respect of the funds otherwise available to pay into such accounts pursuant to sub-paragraph (b) of Clause 4 hereof as at such Calculation Date, and any amounts that would otherwise be available for such payment shall be transferred to each Restricted Group Issuer's respective Restricted Debt Service Accounts, until such time as the Debt Service Cover Ratio is greater than or equal to 1.5:1.0 for two consecutive Calculation Periods;
or

E. the Funds From Operations to Net Debt ratio is below 6.0% and none of the events under paragraphs (B) to (D) above has occurred and is continuing, each Restricted Group Issuer shall not make any payments into their respective Distribution Accounts in an amount greater than 75.0% of the funds otherwise available to pay into such accounts pursuant to Clause 4 hereof as at such Calculation Date, and any amounts that would otherwise be available for such payment shall be transferred to each Restricted Group Issuer's respective Restricted Debt Service Accounts, until the Funds From Operations to Net Debt ratio is equal to or greater than 6.0% for two consecutive Calculation Periods and the removal of such restriction would not result in the Funds From Operations to Net Debt ratio to be less than 6.0%.

- (ii) The proceeds of the New Injection for an Equity Cure shall also be deposited into the Restricted Debt Service Account. The New Injection proceeds received for an Equity Cure shall remain in the Restricted Debt Service Account until such time as the Debt Service Cover Ratio is greater than or equal to 1.5:1.0 for two consecutive Calculation Periods; thereafter the proceeds of the New Injection may be deposited into any Account designated by the Restricted Group Issuer.
- (iii) Proceeds from the New Injection for an Equity Cure may be used to pay MCS Amounts in accordance with sub-paragraph (b) (viii) of Clause 4 hereof in any Calculation Period subsequent to compliance with the foregoing. All proceeds of a New Injection received by a Restricted Group Issuer for the purposes of funding any MCS Amount will be deposited directly into the Restricted Surplus Account and will not be taken into account towards any Debt Service Cover Ratio calculation required under this Clause 11 hereof.

(b) Withdrawals

The India Account Bank shall transfer monies from the Restricted Debt Service Accounts to the applicable Distribution Accounts as instructed by the Restricted Group Issuers if the Debt Service Cover Ratio is greater than or equal to 1.5:1.0 for two consecutive Calculation Periods.

The India Account Bank shall transfer monies from the Restricted Debt Service Accounts to the applicable Accounts as instructed by the Restricted Group Issuers to comply with the requirements of paragraph (c) of Clause 7 hereof and paragraph (c) of Clause 8 hereof.

The India Account Bank shall transfer monies deposited by way of a New Injection (not being a new Injection for an Equity Cure) for the purposes of making any payments into any Account as instructed by the Restricted Group Issuers.

Neither the Trustee, the Collateral Agent nor the India Account Bank shall be responsible for monitoring or verifying the Waterfall Criteria or any ratios or compliance by the Restricted Group Issuers of their respective obligations or covenants under the Trust and Retention Account Agreements.

12. Distribution Accounts

(a) Deposits

- (i) Each Restricted Group Issuer shall be entitled to instruct the India Account Bank to transfer monies from the Operating Accounts in accordance with sub-paragraph (b) (x) of Clause 4 hereof and deposit the same into the respective Distribution Accounts; provided that prior to any such transfer, the Restricted Group Issuers shall have provided to the India Account Bank written confirmation of the exact amounts to be transferred to the relevant Distribution Accounts.

- (ii) Notwithstanding anything contained herein, but subject to Clause 11 hereof, the India Account Bank shall ensure that all New Injections that is to be used for the purposes of discharging any Operating Expense, repayment of any Onshore Debt or RCF Facilities, a Permitted Distribution or for the purpose of refinancing of another Subordinated Debt or otherwise as permitted under the Onshore Debt Documents shall be deposited into the Account designated by the Restricted Group Issuers.
- (b) Withdrawals
 - (i) The India Account Bank shall transfer monies from the Distribution Accounts to the applicable Accounts as instructed by the Restricted Group Issuers to comply with the requirements of sub-paragraph (c) of Clause 7 hereof and sub-paragraph (c) of Clause 8 hereof.
 - (ii) The Restricted Group Issuers shall be entitled to instruct the India Account Bank to transfer monies from the Distribution Accounts for the purposes of payments to Subordinated Creditors as permitted under the Onshore Debt Documents and the RCF Documents.
 - (iii) Subject to sub-paragraphs (b)(i) and b(ii) of this Clause 12 hereof above, the Restricted Group Issuers may withdraw any money lying in the Distribution Accounts for any purpose in accordance with their instructions.

Neither the Trustee nor the Collateral Agents will be a party to the Trust and Retention Account Agreements. The Trust and Retention Account Agreements will not be designated as a “Collateral Document”. As such, the Trust and Retention Account Agreements may be terminated and the terms of the Trust and Retention Account Agreements may be amended, modified or waived and the India Account Bank may be replaced without the consent of or the notice to the Trustee or any of the Holders, other than such changes that would adversely impact the priority of payments with respect to the Onshore Debt. The Trust and Retention Account Agreements may be amended in respect of any RCF Facilities which will have the same or different priority of payments as the Onshore Debt without the consent of or the notice to the Trustee or any of the Holders.

Optional Redemption

At any time prior to February 9, 2024, upon not less than 30 nor more than 60 days’ prior notice the Issuer may on any one or more occasions redeem up to 40% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 104.5%, 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 but only to the extent contributed to the Issuer as a capital contribution; *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 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 9, 2024, upon not less than 30 nor more than 60 days’ prior notice to the Holders and the Trustee, the Issuer may on any one or more occasions redeem all or 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 verifying or calculating the Applicable Premium.

On or after February 9, 2024, upon not less than 30 nor more than 60 days' prior notice to the Holders and the Trustee, the Issuer may redeem all or 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:

Period	Redemption Price
From February 9, 2024 to February 8, 2025	102.250%
From February 9, 2025 to February 8, 2026	101.125%
On or after February 9, 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 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 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.

Special Mandatory Redemption

On the SMR Measurement Date, the Issuer will be required to redeem Notes (a "Special Mandatory Redemption"), at a redemption price of 101% of their principal amount, plus accrued and unpaid interest to (but not including) the applicable redemption date (the "Special Mandatory Redemption Price"), if the Issuer has not released from the Escrow Account and used 100% of the net proceeds from the issuance of the Notes to Incur Onshore Debt with an aggregate principal amount equal to the Rupee equivalent of 100% of the aggregate principal amount of the Notes originally issued (the "Total Mandatory Redemption Threshold"), then the Issuer will be required to redeem all of the Notes then outstanding at the Special Mandatory Redemption Price.

If any Notes are to be redeemed as set forth above, the Issuer will issue, or cause to be issued, a notice of Special Mandatory Redemption to the Trustee, the Paying Agent and the Holders not later than two (2) Business Days after the SMR Measurement Date and the redemption date shall be no earlier than 30 calendar days and no later than 40 calendar days following the date of such notice.

Mandatory Amortization Redemption

The Notes are subject to partial mandatory amortization redemptions (each, a “Mandatory Amortization Redemption”), on the dates shown below at the principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, such dates (subject to the right of Holders on the relevant Record Date to receive interest due on such interest payment date). Each Mandatory Amortization Redemption will be done on a pro rata basis consistent with “— Selection and Notice” below. No notice of the Mandatory Amortization Redemptions shall be required to be delivered to the Holders.

Amortization Redemption Date	Principal amount to be redeemed
August 9, 2021	US\$ 4,207,500
February 9, 2022	US\$ 3,506,250
August 9, 2022	US\$ 1,402,500
February 9, 2023	US\$ 1,402,500
August 9, 2023	US\$ 4,207,500
February 9, 2024	US\$ 2,805,000
August 9, 2024	US\$ 4,207,500
February 9, 2025	US\$ 4,207,500
August 9, 2025	US\$ 5,610,000
February 9, 2026	US\$ 5,610,000
August 9, 2026	US\$ 7,012,500
Total	<u>US\$44,178,750</u>

Neither the Trustee nor any of the Agents shall be responsible for monitoring, verifying or calculating the amount payable under the Mandatory Amortization Redemption and will not be responsible to the Holders for any loss arising from any failure by it to do so.

MCS Amortization Redemption

The Notes are subject to partial mandatory cash sweep (“MCS”) amortization redemptions (each, a “MCS Amortization Redemption”) on the dates shown below at the principal amount thereof plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, such date (subject to the right of Holders on the relevant Record Date to receive interest due on such interest payment date). To the extent an MCS Amortization Redemption is not made on the relevant date or is made in an amount less than set forth in the table below, such unpaid amounts will be carried forward to the next period and be added to the amounts to be paid in such relevant period. Any such amounts shall be carried forward into each subsequent period until paid or redeemed at maturity. An MCS Amortization Redemption that is not made on the relevant date will not constitute a Default under the Indenture. Similar partial MCS amortization redemptions also apply under the Onshore Debt. If any such redemption is not made on the relevant date, it will not constitute a default under the Onshore Debt Documents, but will prohibit the Restricted Subsidiaries from making payments at any subsequent level of the waterfall, including the Distribution Account, set forth in “— Trust and Retention Account Agreements.”

Each MCS Amortization Redemption will be done on a pro rata basis consistent with “—Selection and Notice” below. In the event of a MCS Amortization Redemption, the Issuer will deliver a notice of the MCS Amortization Redemption to Holders (copying the Trustee and the Paying Agent) no later than 15 Business Days prior to the payment of such MCS Amortization Redemption together with an Officer’s Certificate stating the aggregate amount of the MCS Amortization Redemption and the relevant calculations including the amount

paid as a percentage of principal and any under payment or additional amounts carried forward from a previous period. Neither the Trustee nor the Paying Agent shall be responsible for monitoring, verifying or calculating the amount payable under the MCS Amortization Redemption and will not be responsible to the Holders for any loss arising from any failure by it to do so.

Amortization Redemption Date	Principal Amount to be Redeemed
August 9, 2022	US\$ 9,116,250
February 9, 2023	US\$ 19,635,000
August 9, 2023	US\$ 17,531,250
February 9, 2024	US\$ 21,037,500
August 9, 2024	US\$ 17,531,250
February 9, 2025	US\$ 21,738,750
August 9, 2025	US\$ 18,232,500
February 9, 2026	US\$ 21,738,750
August 9, 2026	US\$ 16,830,000
Total	<u>US\$163,391,250</u>

Neither the Trustee nor any of the Agents shall be responsible for monitoring, verifying or calculating the amount payable under the MCS Amortization Redemption and will not be responsible to the Holders for any loss arising from any failure by it to do so.

Redemption at Maturity

On February 9, 2027, the Issuer will redeem the Notes that have not been previously redeemed or purchased and cancelled at 100% of their principal amount plus accrued and unpaid interest thereon and Additional Amounts, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date). The Issuer shall exercise any put right under the Onshore Debt to the full extent necessary to fund such redemption.

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 and the Trustee 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 Trustee 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.

The Trustee shall not 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. The Trustee shall not be required to take any steps to ascertain whether the condition for the exercise of the rights herein has occurred. The Trustee shall not 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. The Trustee shall not 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 Issuer will not consummate any Asset Sale.

Additional Amounts

All payments of principal of, and premium (if any), and interest on the Notes will be made 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 India, Singapore or any other jurisdiction in which the Issuer is or was 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 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. If any such withholding or deduction is so required, the Issuer or a Surviving Person, as the case may be, will pay such additional amounts (the “Additional Amounts”) as will result in receipt of such amounts as would have been received 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 the enforcement of such Notes, 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 or a Surviving Person, addressed to the Holder, to provide any applicable information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that it is legally entitled to do so and 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 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 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 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 each date on which any payment under or with respect to the Notes is due and payable, if the Issuer or a Surviving Person, as the case may be, will be obligated to pay Additional Amounts with respect to such payment, the Issuer or a Surviving Person, as the case may be, will deliver to the Trustee an Officer's Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable 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 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.

In addition, the Issuer 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, or the receipt of payments under, the Notes 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, 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.

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 30 days' nor more than 60 days' notice to the Holders (which notice will be irrevocable) and the Trustee, 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, the statutes, regulations or official administrative guidance having the force of law, of a Relevant Taxing Jurisdiction affecting taxation; or
- (2) any change in, or 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, 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 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, a Surviving Person, or a Restricted Subsidiary that has Incurred 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, a Surviving Person or such Restricted Subsidiary, 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, a Surviving Person, or such Restricted Subsidiary, as the case may be, would be obligated to pay such Additional Amounts (or 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 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 or a Surviving Person, as the case may be, will deliver to the Trustee at least 30 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, 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'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 is 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 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
- (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.

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 30 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, 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 Parent and/or Issuer 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 will be cancelled.

Certain Covenants

Compliance with Onshore Debt Covenants

Until such date as the Total Mandatory Redemption Threshold is met, the Parent shall procure that all Restricted Subsidiaries (other than the Issuer) will comply with the terms and conditions, covenants, undertakings and other obligations under the agreements governing the Onshore Debt (including any ancillary agreements or documents entered into in connection with the Onshore Debt) set forth in the form of Onshore Debt included in this Offering Memorandum from the Original Issue Date, except to the extent that such compliance would breach or result in a default under any Existing Debt Document (as defined in the terms and conditions of the Onshore Debt).

The Parent shall ensure that it and any of its direct or indirect Subsidiaries and all of their respective directors nominated by it or any its direct or indirect Subsidiaries will vote in a manner that all Restricted Subsidiaries (other than the Issuer) and Continuum Green Energy (India) Private Limited are not prevented from complying with the terms and conditions, covenants, undertakings and other obligations under the Onshore Debt Documents and the agreements governing the Onshore Debt (including any ancillary agreements or documents entered into in connection with the Onshore Debt) set forth in the form of Onshore Debt included in this Offering Memorandum from the date the relevant entities enter into such Onshore Debt.

Liens

The Issuer will not, directly or indirectly, incur, assume or permit to exist any Lien on the Collateral (other than Permitted Liens).

The Issuer will not incur, assume or permit to exist any Lien (other than Permitted Liens) securing Indebtedness on existing or future assets of the Issuer other than Collateral, unless the Notes are equally and ratably secured.

Merger, Consolidation and Sale of Assets

The Issuer will not merge or consolidate with or into another Person, or sell all or substantially all of its assets taken as a whole, in one or more related transactions.

The Parent will not permit any Restricted Subsidiary to merge or consolidate with or into another Person (other than with, into or to another Restricted Subsidiary pursuant to a Continuum Group Reorganization) or permit any Restricted Subsidiary to sell all or substantially all of its assets taken as a whole, in one or more related transactions (other than to another Restricted Subsidiary).

Restricted Group Business Activities

The Parent will not permit any Restricted Subsidiary (other than the Issuer) to, engage in any business other than a Permitted Business.

Issuer's Business Activities

Notwithstanding anything contained in the Indenture to the contrary, the Issuer will not, and the Parent will not permit the Issuer to, engage in any business activity, except (a) any activity relating to the offering, sale or issuance of the Notes pursuant to the Indenture and any activity relating thereto, (b) Indebtedness Incurred by the Issuer pursuant to Hedging Obligations under Currency Hedging Agreements entered into for the purpose of

protecting the Issuer from fluctuations in currencies under the Notes or the Onshore Debt and not for speculation, (c) the Incurrence of Subordinated Shareholder Debt, (d) any activity relating to using the net proceeds of Subordinated Shareholder Debt or Indebtedness referred to in clause (a) to subscribe for the Onshore Debt issued by any Restricted Subsidiary and any activity relating to the Onshore Debt (to the extent otherwise permitted by the Indenture), (e) any activity undertaken with the purpose of fulfilling any obligations, or exercising any right, under the Subordinated Shareholder Debt or Indebtedness referred to in clauses (a) and (b), the Collateral Documents, the Intercreditor Agreement, the Indenture or any other indenture, trust deed or hedging documentation related to such Subordinated Shareholder Debt or Indebtedness, (f) any activity undertaken for purposes of refinancing any Subordinated Shareholder Debt with Subordinated Shareholder Debt or any consent solicitation, repurchase or tender for the Notes, (e) holding cash and Temporary Cash Equivalents, including any cash or Temporary Cash Equivalents held in the Escrow Account or the Offshore Cash Account, (f) any activity directly related to the establishment and/or maintenance of the Issuer's corporate existence and (g) the Incurrence of Indebtedness of the Issuer ("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 or discharge (collectively, "refinance" and "refinances" and "refinanced" shall have a correlative meaning), then outstanding Notes in full, *provided that*, (A) the Issuer has issued an irrevocable notice of redemption in relation to the Notes and (B) any such refinancing is made within 30 days of the Incurrence of such Permitted Refinancing Indebtedness. The Issuer will not pay any distributions or dividends to Parent, make any payments on Subordinated Shareholder Debt and will not make any Investments.

From and after the date upon which the Restricted Subsidiaries have Incurred any of the Original Onshore Debt described under the heading "Use of Proceeds" in the Offering Memorandum, the Issuer will maintain, and the Parent will procure that the Issuer maintains, the Required Hedging Arrangements in place at all times for so long as any Notes are outstanding or, following the termination of the Required Hedging Arrangements as a result of a breach by, or insolvency of, any hedge counterparty, cause the Required Hedging Arrangements to be in place within 30 days of any such termination. Any Required Hedging Arrangements will be entered into with hedge counterparties that have a long term debt rating of no lower than at least two of the following: (i) BBB- by Fitch, (ii) Baa3 by Moody's or (iii) BBB- by S&P, at the time such Required Hedging Arrangements are entered into.

Upon the date that is 30 days after the Incurrence by the Restricted Subsidiaries of all of the Onshore Debt described under the heading "Use of Proceeds" in the Offering Memorandum, the Issuer or the Parent shall deliver to the Trustee an Officer's Certificate or an opinion issued by a Determination Agent certifying that:

- (1) the Issuer has entered into the Required Hedging Arrangements; and
- (2) the Issuer has sufficient contracted cash flows to satisfy all scheduled payment obligations under the Notes and the Required Hedging Arrangements,

with such Officer's Certificate or opinion being in substantially the form as attached to the Indenture, which may include language limiting or excluding the liability of any Determination Agent in providing such opinion.

In connection with any redemption or repurchase by the Issuer of the Notes prior to their final Stated Maturity or redemption of Onshore Debt prior to its final Stated Maturity, the Issuer will furnish an Officer's Certificate to the Trustee stating the amount of any additional amounts due as a redemption premium in connection with associated redemptions of Onshore Debt and certifying that such amounts are sufficient to enable the Issuer to pay (i) any costs associated with terminating or unwinding any Required Hedging Arrangements, if applicable, plus (ii) any additional amounts required by the Issuer to satisfy its payment obligations under the Notes,

including the principal, premium, if any, interest and Additional Amounts, if any, due in connection with such redemption of the Notes or Onshore Debt, respectively, or through the final Stated Maturity of the Notes, as applicable, together with calculations in reasonable detail confirming the same.

The Parent will not commence or take any action to facilitate a winding-up, liquidation or other analogous proceeding in respect of the Issuer.

The Parent shall at all times (i) directly own at least 50.1% of the Capital Stock of and control the Issuer and (ii) directly or indirectly own at least 50.1% of the Capital Stock of and control each of the Restricted Subsidiaries (other than the Issuer), *provided* that the Parent shall be permitted to sell the Capital Stock of the Restricted Group for Fair Market Value if (a) the Issuer complies with requirements of the covenant described under “— Certain Covenants —Change of Control Triggering Event” and (b) immediately after giving effect to such transaction,

- (1) the Capital Stock of the Issuer is held by a Person (who is not a Permitted Holder) (such Person, the “New Parent”) who will own, directly or indirectly, at least 50.1% of the Capital Stock of and control each of the Restricted Subsidiaries;
- (2) the New Parent shall expressly assume, by way of a supplemental indenture to the Indenture, executed and delivered to the Trustee, all of the obligations of the Parent under the Indenture and the Collateral;
- (3) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (4) the Issuer continues to hold the Onshore Debt held by it immediately prior to such transaction and each of the Restricted Subsidiaries (other than the Issuer) confirms that the Onshore Debt documentation with respect to any outstanding Onshore Debt issued by it is in full force and effect and is enforceable against such Restricted Subsidiary and such transaction does not adversely affect the enforceability, validity or priority of any Lien securing any Onshore Debt; and
- (5) the New Parent delivers an Officer’s Certificate and an Opinion of Counsel as to compliance with this covenant.

Notwithstanding anything to the contrary in the Indenture, none of the Capital Stock of the Issuer or any other Restricted Subsidiary shall be held at any time, directly or indirectly, by any Sanction Target.

From and after the date of execution of such supplemental indenture to the Indenture by the New Parent, the provisions of the Indenture referring to the “Parent” shall refer instead to the New Parent and not to the Parent, and such that the New Parent is able to exercise every right and power of the Parent under the Indenture with the same effect as if the New Parent had been named as the Parent in the Indenture and the Parent shall be released from all obligations under the Indenture.

Redemptions or Dispositions of Onshore Debt and Amendments to Onshore Debt and Onshore Debt Documents

The Parent will not permit any Restricted Subsidiary to prepay or redeem, in whole or in part, any Onshore Debt, and the Issuer will not exercise its rights under Condition 8 of the terms and conditions of the Onshore Debt, in whole or in part, unless (i) such exercise is pro rata across the Onshore Debt issued by all of the Restricted Subsidiaries and (ii) the proceeds of such prepayment or redemption are applied by the Issuer to redeem,

repurchase, defease, acquire or otherwise reduce the principal amount of the Notes (and any associated Required Hedging Arrangements) outstanding within five Business Days of the date of such prepayment or redemption; *provided that*, after giving effect to such prepayment or redemption and the application of the proceeds thereof, the amount of Onshore Debt outstanding, in the aggregate and at each Restricted Subsidiary, shall have been reduced in the same proportion as the amount of Notes outstanding has been reduced, subject to any differences as a result of minimum denomination requirements for redemptions under the Indenture and the Onshore Debt.

For so long as any of the Notes are outstanding, the Parent will not permit any Restricted Subsidiary to amend, waive or modify the terms and conditions of any Onshore Debt or an Onshore Debt Document other than: (i) to conform to an amendment, waiver or modification of the Indenture, the Notes or the Collateral Documents, (ii) to reflect a consolidation, merger or sale of assets permitted by Condition 6.25 of the Onshore Debt, (iii) in any manner not materially adverse to the holders of the Onshore Debt, (iv) to conform to any provision of the Indenture, (v) as required under applicable law, rule, regulation or order, (vii) to enter into any amendment or supplement to or grant any waiver under any Trust and Retention Account Agreement in order to account for the Incurrence of any Permitted Finance Debt (as defined in the terms and conditions of the Onshore Debt) or for any other action which is permitted under the Indenture, (viii) enter into any amendment or supplement of any Onshore Debt or an Onshore Debt Document to increase the margin, redemption premium or add additional security and (ix) solely in connection with the refinancing in full of the Notes, any amendment of a technical nature to facilitate such refinancing that would not, at the time agreed to, be expected to materially adversely affect the ability of the Issuer to make required payments on the Notes, as determined in good faith by the Board of Directors of the Issuer, *provided* (A) that the Issuer has issued an irrevocable notice of redemption in relation to the Notes or (B) any such amendment is made within 30 days of the final maturity of the Notes.

For so long as the Notes are outstanding, the Issuer will not sell or dispose of, including but not limited to by way of transfer, assignment or sub-participation, any Onshore Debt to any Person, except in the case of a prepayment or redemption of any Onshore Debt in accordance with its terms.

Any prepayment or redemption of Onshore Debt will be on a pro rata basis based on the respective principal amounts of Onshore Debt.

Exercise of Put Right under the Onshore Debt

Upon the occurrence of (or, in the case of the repayment of the Notes in full, immediately prior to) any event that gives rise to a prepayment or redemption obligation of Notes or an enforcement of the Collateral Documents, the Issuer shall exercise its redemption right under Condition 8.6 of the Onshore Debt to the extent necessary to fund such prepayment or redemption of Notes. Any partial prepayment or redemption of Onshore Debt will be on a pro rata basis based on the respective principal amounts of Onshore Debt.

The Issuer shall not exercise any put right under any outstanding Onshore Debt except in connection with a prepayment or redemption requirement under the Notes or an enforcement of the Collateral Documents.

Use of Proceeds

The Issuer will not use the net proceeds from the sale of the Notes issued on the Original Issue Date, and the Parent will not permit any other Restricted Subsidiary to use the proceeds from the Onshore Debt acquired with such net proceeds, 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 will not permit any other 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.

Government Approvals and Licenses; Compliance with Law

The Issuer 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 Issuer to perform its obligations under the Notes or the Indenture or the Collateral Documents.

Anti-Layering

The Issuer will not Incur any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Issuer, unless such Indebtedness is also contractually subordinated in right of payment to the Notes, 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.

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 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 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; 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

For so long as any Notes are outstanding, the Parent or the Issuer 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 75 days after the end of the Restricted Group's fiscal year beginning with the first fiscal year ending after the Original Issue Date, annual reports containing (a) audited combined balance sheets of the Restricted Group as of the end as of the two most recent fiscal years and audited combined statements of income and cash flow of the Restricted Group 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 financial statements; and (b) an operating and financial review of the audited financial statements; and
- (2) within 75 days after the end of the half-year period in each fiscal year of the Restricted Group beginning with the half-year period ending after the Original Issue Date, semi-annual reports containing (a) an unaudited combined balance sheet of the Restricted Group as of the end of such semi-annual period and unaudited combined statements of income and cash flow of the Restricted Group for the most recent semi-annual period ending on the unaudited combined 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 financial statements.

In addition, for so long as any Note remains outstanding, the Issuer will provide to the Trustee (a) concurrently with the annual report provided under clause (1) of the preceding paragraph, copies of each of the two Officer's Certificates provided to the Trustee in connection with the MCS Amortization Redemptions within such period; and (b) as soon as possible and in any event within 10 Business Days after the Issuer 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 Issuer proposes to take with respect thereto.

All financial statements of the Restricted Group 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.

Further, the Issuer 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 Issuer 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 Issuer 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 in respect of its obligations to consummate a Special Mandatory Redemption or a Mandatory Amortization Redemption;
- (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) (i) any event of default occurs and is continuing with respect to any Onshore Debt (other than any default in the payment of interest) or, (ii) during any period prior to any Onshore Debt being entered into, an event which would be an event of default with respect to any Onshore Debt occurs and is continuing (except to the extent that such event of default was the result of the compliance of the terms of any Existing Debt Document (as defined in the terms and conditions of the Onshore Debt));
- (6) with respect to any Indebtedness of the Issuer or any other 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;
- (7) passage of 60 consecutive days following entry of the final judgment or order against the Issuer or any other 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 Issuer’s best knowledge) insurance company has acknowledged liability for);

- (8) an involuntary case or other proceeding is commenced against the Issuer 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;
- (9) the Issuer or any other 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;
- (10) any default by the Issuer or the Parent 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
- (11) the repudiation by the Issuer or the Parent 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 Collateral Agent ceases to have a first-priority security interest in the Collateral (subject to any Permitted Liens and in respect of the Pari Passu Collateral, any Intercreditor Agreement.

If an Event of Default (other than an Event of Default specified in clause (8) or (9) 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 Issuer, may, and the Trustee at the written direction of such Holders (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 (8) or (9) 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 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 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 Pari Passu 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 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 Pari Passu 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 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. 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 Collateral Agents indemnity and/or security and/or pre-funding satisfactory to the Trustee and the Collateral Agents 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 Issuer must certify to the Trustee in writing, on or before a date not more than 120 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 and the Restricted Subsidiaries and the Parent and the Restricted Subsidiaries' performance under the Indenture, the Notes and the Collateral Documents, and that the Parent and each Restricted Subsidiary 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 Issuer will also be obligated to 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 Issuer and the Parent 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 Issuer or the Parent 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 Issuer or the Parent, as such, will have any liability for any obligations of 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 Issuer 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 Issuer'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 Issuer's obligations in connection therewith; and
- (4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer 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 Issuer 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 Issuer under the Indenture and the Collateral Documents, and the Issuer 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 Issuer must deliver to the Trustee an Opinion of Counsel confirming that
 - (a) 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 to the effect that, and based thereon such Opinion of Counsel will confirm that, the 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 Issuer must deliver to the Trustee an Opinion of Counsel confirming that the 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 Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;
- (6) the Issuer must deliver to the Trustee an Officer’s Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over the other creditors of the Issuer with the intent of defeating, hindering, delaying or defrauding any creditors of the Issuer or others; and

- (7) the Issuer 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 or 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 Tax 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”;
- (11) amend, supplement or grant any waiver under any Trust and Retention Account Agreement (i) that would adversely impact the priority of payments with respect to the Onshore Debt or the right to receive payments with respect to the Onshore Debt; or (ii) relating to any action or change not permitted under the terms of the Indenture; or
- (12) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder, the Issuer, the Collateral Agents and the Trustee may amend or supplement the Indenture, the Notes, the Intercreditor Agreement (if any) or 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 the uncertificated 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 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 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;
- (7) to evidence and provide for the acceptance of appointment by a successor Trustee or Collateral Agent; or
- (8) 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.

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 Issuer, 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 Issuer 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 Issuer is a party or by which the Issuer 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 Issuer has paid or caused to be paid all sums payable by it under the Indenture; and
- (4) the Issuer 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 Issuer 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 Collateral Agents

DB International Trust (Singapore) 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 will 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 Issuer or the Parent, 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 and the Agents will be permitted to engage in other transactions, including normal banking and trustee relationships, with the Issuer 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 Issuer 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 Issuer 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 Issuer 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 Citibank, N.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.

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 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 Trustee nor any agent of the Issuer 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 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 or the Issuer. Neither the Issuer, 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 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 depositories; 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 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 Trustee and 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.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for Certificated Notes if:

- (1) DTC (a) notifies the Issuer that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Issuer fails to appoint a successor depositary;
- (2) the Issuer, at its sole discretion, notifies the Trustee and the Registrar in writing that it elects to cause the issuance of the Certificated Notes; or
- (3) 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 depositary (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 the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, if a Global Note is exchanged for individual definitive notes, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, and make an announcement of such exchange through the SGX-ST that will include all material information with respect to the delivery of the individual 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 Trustee 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 Trustee 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 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 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 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 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.

"Account Bank" means Deutsche Bank AG, Singapore Branch or any successor or replacement account bank appointed in accordance with the Collateral Documents.

“Account Bank Agreement” means the account bank agreement, dated as of the Closing Date, among the Issuer and Deutsche Bank AG Singapore branch as the account bank.

“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.

“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 9, 2024 (such redemption price being set forth in the table appearing above under the caption “— Optional Redemption”), plus all required remaining scheduled principal and interest payments due on such Note (assuming the due payment of all amortization amounts in accordance with the amortization profile set out in “—Mandatory Amortization Redemption” and no other subsequent redemptions) through February 9, 2024 (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 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 Issuer 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) a transaction covered by the “— Change of Control Triggering Event” covenant;
- (3) any sale, transfer or other disposition of licenses and sublicenses of software or intellectual property in the ordinary course of business;
- (4) 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;
- (5) the sale or other disposition of cash or Temporary Cash Equivalents;
- (6) the prepayment or redemption of any Onshore Debt in accordance with its terms;
- (7) 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;
- (8) transfers resulting from any casualty or condemnation of property; or
- (9) the unwinding of any Hedging Obligation.

“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.

“Average Life” means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

“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, 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.

“Capital 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.

“*CGEIP*” means Continuum Green Energy (India) Private Limited, a wholly-owned Subsidiary of the Parent:

“*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 Parent or the Issuer 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 Parent or the Issuer, respectively in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Parent or the Issuer, 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 Parent or the Issuer, 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), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Parent;
- (4) the adoption of a plan relating to the liquidation or dissolution of the Issuer, respectively; or
- (5) the Parent ceasing (i) to directly own at least 50.1% of the Capital Stock of, and control of, the Issuer, and (ii) to own, directly or indirectly, at least 50.1% of the Capital Stock of, and control of, each of the Restricted Subsidiaries (other than the Issuer).

“*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, if the Notes are rated, a Rating Decline, *provided however that*, if any Change of Control is to or with any Person in India or organized under the laws of India, “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 Collateral Agent for the ratable benefit of the Holders and the Trustee, including the Pari Passu Collateral Document and the Notes Collateral Document.

“*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.

“*Continuum Group Reorganization*” has the meaning given to such term in Condition 6.25.2 of the terms and conditions of the Onshore Debt.

“*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.

“*Determination Agent*” means the Parent, an accounting, appraisal or investment banking firm of internationally recognized standing (or a local affiliate thereof), or a consulting firm of internationally recognized standing (or a local affiliate thereof) so long as the principals of such firm involved in the preparation of such opinion are experienced professionals in accounting, appraisal or investment banking.

“*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 the Parent or the Issuer, as applicable, 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 — Issuer’s Business Activities.”

“*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.

“*Escrow Agent*” means Deutsche Bank AG, Singapore Branch or any successor or replacement escrow agent appointed in accordance with the Escrow Agreement.

“*Escrow Agreement*” means the escrow account agreements, dated as of the Closing Date, among the Issuer and DB International Trust (Singapore) Limited, as Notes Collateral Agent and Deutsche Bank AG Singapore branch as the escrow agent.

“*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 by the Parent (other than to a Restricted Subsidiary), (2) Equity Interests of a direct or indirect parent entity of the Parent (other than to a Restricted Subsidiary), or (3) Equity Interests of CGEIP by CGEIP Parent (other than to a Restricted Subsidiary); in each case 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, one or more Restricted Subsidiaries.

“*Exchange Act*” means the U.S. Securities Exchange Act of 1934, as amended.

“*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 Issuer (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 applicable 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 Capital 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; and
- (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 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 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 or the Issuer 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.

“NCDs” means the Rupee denominated senior secured non-convertible debentures to be issued by the Restricted Subsidiaries, other than the Issuer, and subscribed for by the Issuer using the proceeds of the offering of the Notes on or prior to the SMR Measurement Date.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“Offering Memorandum” means the offering memorandum dated February 2, 2021 in connection with the offering of the Notes.

“Officer” means one of the directors or executive officers of the Parent or, in the case of the Issuer or any other Restricted Subsidiary, one of the directors or officers of the Issuer or such other Restricted Subsidiary, as the case may be.

“Officer’s Certificate” means a certificate signed by an Officer, provided that, with respect to the Officer’s Certificate required to be delivered by the Issuer, the Officer’s Certificate means a certificate signed by an Officer of the Issuer, and with respect to the Officer’s Certificate required to be delivered by the Parent, the Officer’s Certificate means a certificate signed by an Officer of the Parent.

“Onshore Debt” means the NCDs.

“Onshore Debt Documents” means the Senior Secured Documents as defined in the Onshore Debt Terms and Conditions.

“Onshore Security Documents” means the Security Document as defined in the Onshore Debt Terms and Conditions.

“Onshore Senior Secured Creditor” means a Senior Secured Creditor as defined in the Onshore Debt Terms and Conditions.

“Opinion of Counsel” means a written opinion in form and substance satisfactory to the Trustee from external legal counsel selected by the Parent or the Issuer; provided that such counsel will be acceptable to the Trustee in its sole discretion.

“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 Liens” means:

- (1) Liens in favor of the Collateral Agents created pursuant to the Indenture and the Collateral Documents with respect to the Notes, including Liens granted in respect of the Escrow Account and the Offshore Cash Account;
- (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; and
- (6) Liens on Pari Passu Collateral securing Permitted Pari Passu Secured Indebtedness;

provided that, the only Liens permitted on Notes Collateral are (1), (2), (3) and (4) and the only Liens permitted on Pari Passu Collateral are (1), (2), (3), (4) and (6).

“*Person*” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“*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.

“*Rating Agencies*” means (1) Fitch and (2) Moody’s; *provided that* if Fitch or Moody’s 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 Issuer or the Parent, which will be substituted for Fitch or Moody’s or both, as the case may be.

“*Rating Category*” means (i) with respect to Fitch, 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 or Moody’s 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; “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, 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 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

"Required Hedging Arrangements" means Currency Hedging Agreements pursuant to customary ISDA documentation and hedging arrangements in place thereunder that comprise (i) a call spread on the interest payments due under the Notes on each Interest Payment Date to fully protect the Issuer against any depreciation in the Indian Rupee to the U.S. Dollar occurring after the date of each Incurrence of Onshore Debt; and (ii) a call spread option on the principal amount of the Notes that (a) will fully protect the Issuer against any depreciation in the Indian Rupee to the U.S. Dollar occurring after the date of each Incurrence of Onshore Debt if the Indian Rupee to U.S. Dollar spot rate is between the current spot rate in effect on the date of such Incurrence and the strike rate (which is at least up to the at the money forward), and (b) partially protect the Issuer (by receiving the same fixed payment) against any depreciation in the Indian Rupee occurring after the date of each Incurrence of Onshore Debt if the Indian Rupee to U.S. Dollar spot rate is above the strike rate (which is at least up to the at the money forward), in each case on the payment of principal due under the Notes at maturity.

"Restricted Group" means the Issuer and the other Restricted Subsidiaries.

"Restricted Subsidiary" means each of the Issuer, Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Renewable Trinethra Private Limited, Trinethra Wind & Hydro Projects Private Limited and Watsun Infrabuild Private Limited.

"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.

"SMR Measurement Date" means the date that is three months after the Original Issue Date.

"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.

“Subordinated Shareholder Debt” means any indebtedness Incurred by Issuer 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 to the prior payment in full of the Notes and the Hedging Obligations (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 by virtue of acceleration of such indebtedness upon an event of default) 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 Issuer 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 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 Issuer 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+.

“*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 9, 2024; *provided, however*, that if the period from the redemption date to February 9, 2024 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 Issuer.

“*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 relevant authorities in force as at 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 made herein 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)) 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 or the Joint Bookrunners and Joint Lead Managers 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.

General

Singapore adopts a territorial basis of taxation whereby tax is imposed on income of any person accruing in or derived from Singapore (i.e. income sourced in Singapore), or received in Singapore from outside Singapore (i.e. foreign-sourced), in respect of any trade or business carried on by that person. Singapore does not impose tax on capital gains.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, (Chapter 134, Revised Edition 2014) ("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 at the prevailing corporate tax rate of 17 per cent. The applicable withholding tax rate for non-resident individuals is currently 22 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 withholding tax 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 Financial Sector Incentive (Capital Market) Companies, Financial Sector Incentive (Standard Tier) Companies or Financial Sector Incentive (Bond Market) Companies (each as defined in the Income Tax Act), and the Notes are issued during the period from January 1, 2014 to December 31, 2023, such Notes (the “**Relevant Notes**”) would be “qualifying debt securities” pursuant to the Income Tax Act and the MAS Circular FDD Cir 11/2018 entitled “Extension of Tax Concessions for Promoting the Debt Market” issued by the MAS on May 31, 2018 (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 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, 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 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

subject to:

- (a) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose Qualifying Income derived from the Relevant Notes is not exempt from tax shall include such Qualifying 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 and made by the Issuer are not subject to Singapore 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 per cent. 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 per cent. 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 Singapore 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 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 and qualifying 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 and qualifying 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 and qualifying 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 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 Qualifying Income is 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.

Gains derived from the disposal of the Relevant Notes

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 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 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes”.

Adoption of 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 organisations, 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).

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 organised 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

The determination of whether an obligation represents debt or equity is based on all the relevant facts and circumstances. To the extent the Issuer is required to take a position, it intends to take the position that the Notes are properly characterized as debt 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 and there can be no assurance that this characterization will be accepted by the IRS or a court. If the Notes are properly characterized as equity for U.S. federal income tax purposes, then the U.S. federal income tax consequences of acquisition, ownership and disposition of Notes by a U.S. Holder would be materially different than as described below. Each prospective investor should consult its own tax adviser about the proper characterization of the Notes for U.S. federal income tax purposes, and the consequences of acquiring, owning or disposing of the Notes if the Notes are characterized as equity in the Issuer, including the consequences of the Issuer being treated as a passive foreign investment company for U.S. federal income tax purposes. The remainder of this summary assumes that the Notes are properly characterized as debt for U.S. federal income tax purposes.

Characterization of the Notes and the Company

The proper characterization of instruments such as the Notes for U.S. federal income tax purposes is subject to significant uncertainty. It is possible that the Notes could, for example, be treated as indebtedness of the Company or, alternatively, be treated as an equity interest in the Company. The Company plans to file 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 it is required to take a position, the Company intends to treat the Notes as indebtedness for U.S. federal income tax purposes. However, the Company's determination is not binding on the IRS, and there is a significant risk that the IRS may disagree with such treatment. If the Notes are not treated as indebtedness of the Company, U.S. Holders could be subject to adverse U.S. federal income tax consequences, which could be material. For example, each U.S. investor 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 Company, including, without limitation, its allocable portion of interest income on the Non-Convertible Debentures. Additionally, if the Notes are not treated as indebtedness for U.S. federal income tax purposes, a U.S. investor 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. 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 constitutes income from sources outside the United States.

Subject to certain limitations, a U.S. Holder generally will 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 generally will constitute "passive category income" for purposes of the foreign tax credit. The rules governing foreign tax credits are complex. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of Singaporean withholding taxes.

Sale or Other Taxable Disposition of the Notes

A U.S. Holder generally will recognise gain or loss on the sale or other taxable disposition of a Note equal to the difference between the amount realised 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. The amount realised 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 recognised 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 realised 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 implications of the sale or retirement of Notes.

Backup Withholding and Information Reporting

Payments of principal and interest, and the proceeds of sale or other taxable disposition of Notes, by a U.S. paying agent or other U.S. 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 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" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. 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 Noteholders’ 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

Issuance of non-convertible debentures

The Securities Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (the “SEBI FPI Regulations”) and the FEMA prescribe the conditions and requirements for an eligible foreign investor to deal in securities issued by an Indian entity, including listed and unlisted non-convertible debentures issued by an Indian company in the infrastructure sector.

The SEBI FPI Regulations require such foreign portfolio investor to obtain a certificate, for the purposes of dealing in securities issued by an Indian entity, from a designated depository participant on behalf of SEBI. Accordingly, as a pre-condition to the subscription to the NCDs issued by the Restricted Subsidiaries, the Issuer would be required to obtain a certificate of registration from a designated depository participant on behalf of SEBI under the SEBI FPI Regulations.

The Foreign Exchange Management (Debt Instruments) Regulations, 2019, as amended, permit FPIs to invest in Rupee denominated corporate bonds (such as the NCDs) issued domestically in India. The VRR provides for certain exemptions for investment in corporate bonds including in relation to the minimum residual maturity requirements, concentration limits or single/group investor-wise limits applicable to corporate bonds under applicable Indian law. By an update to the VRR issued by the RBI on January 23, 2020, FPIs are also permitted to transfer investments made under existing general investment limits to the VRR. However, while applying for the allocation of limits under this route, the FPI must commit to a time period during which it will retain at least 75% of the amount allotted for investment i.e., its committed portfolio size in India or CPS with the minimum retention period being three years or such other extended period as may be notified by the RBI, at the time of allocation of such limit. By a circular dated May 22, 2020, in view of the disruptions caused by COVID-19, the RBI permitted FPIs who were allotted investment limits, between January 24, 2020 (the date of reopening of allotment of investment limits) and April 30, 2020, an additional time of three months to invest 75% of their CPS. For FPIs who availed additional time, the retention period for the investments (committed by them at the time of allotment of investment limit) was reset to commence from the date that the FPI invests 75% of CPS.

During the retention period, while a prepayment or redemption of the NCDs is permissible, in order to repatriate proceeds of such repayment or redemption the 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. Further, repatriation from the cash accounts of an FPI is not permitted where the transaction leads to the FPI’s assets falling below the minimum stipulated level of 75% of its CPS during the committed retention period. Therefore, upon the occurrence of an event of default, an early redemption event or a mandatory redemption event under the Notes or 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.

No FPI (including its related FPIs) will be allocated an investment limit greater than 50% of the amount offered for each allotment by tap or auction in case there is a demand more than 100% of the amount offered. FPIs are further required to invest 75% of their CPS within three months of the date of allotment of the allocated amount.

Issuance of NCDs by Restricted Subsidiaries

In terms of 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 cum application letter (the “Offer Letter”). The Offer Letter shall be prepared in accordance with the requirements prescribed under Rule 14 of the Companies PAS Rules. The Offer Letter shall be sent by the company making the private placement to the person to whom the offer is made within 30 days of the recording of their names and only the person so addressed is permitted to apply through the Offer Letter. Further, in terms of Rule 14 of the Companies PAS Rules, a complete record of the private placement is required to be maintained by the issuing company in the manner prescribed under the Companies PAS Rules.

Upon receipt of application money, the allotment shall be completed within 60 days, failing which the application money will be returned to the subscribers.

Within 15 days of the allotment of the NCDs, the relevant Restricted Subsidiary will be required to file a return of allotment with the Registrar of Companies.

The Ministry of Corporate Affairs has under its circular number 09/2016 dated August 3, 2016 clarified that the provisions of Chapter III of the Companies Act, 2013 and Rule 18 of the Companies (Share Capital and Debenture Rules), 2014 do not apply to the issuance of rupee denominated bonds made exclusively to persons resident outside India in accordance with the applicable sectoral regulatory provisions.

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.

PLAN OF DISTRIBUTION

We intend to offer the Notes through the Initial Purchasers. Subject to the terms and conditions of a purchase agreement dated February 2, 2021 by and among the Issuer, the Parent and the Initial Purchasers (the “Purchase Agreement”), we have agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase from the Issuer, the principal amount of Notes set forth opposite its name below.

Initial Purchasers	Principal amount of Notes
	US\$
Deutsche Bank AG, Singapore Branch	112,200,000
Emirates NBD Bank PJSC	112,200,000
HSBC	112,200,000
J.P. Morgan Securities plc	112,200,000
Standard Chartered Bank (Singapore) Limited	112,200,000
Total	<u>561,000,000</u>

Subject to the terms and conditions set forth in the Purchase Agreement, the Initial Purchasers have agreed to purchase all of the Notes sold under the Purchase Agreement if any of these Notes are purchased. In certain circumstances, if 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 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 will also pay the Initial Purchasers a commission and pay certain expenses relating to the Offering.

Anchor Investment by IFC

International Finance Corporation (“**IFC**”) has obtained in-principle board approval subject to final confirmation by its management to purchase US\$75 million of the Notes in the Offering, representing approximately 13.4% of the aggregate principal amount of Notes. IFC is an independent third party of our Company and the Restricted Group. IFC has also advised the Parent on certain aspects of this transaction for which they will receive a fee. IFC has not undertaken to invest in the Offering and may elect at any time not to make any investment in the Notes for any reason. Investors should not place any reliance on IFC’s participation in the Offering as an anchor

investor, or IFC's investment analysis about the Issuer and this Offering, and each investor making an investment in the Bonds should make its own independent investment decision. IFC is a member of the World Bank Group and is established by its Articles of Agreement among 184 member countries. IFC fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing capital in the international financial markets, and providing advisory services to businesses and governments.

No Sales of Similar Securities

The Issuer and the Parent have agreed that neither the Issuer nor the Parent, 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 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, 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. Approval in-principle has been received 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 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).

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 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.

Each Joint Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States, and it will have sent to each dealer to which it sells Notes (other than a sale pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States. Terms used in this paragraph have the meanings given to them by Regulation S. See “Transfer Restrictions” for a description of other restrictions on the transfer of Notes.

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 under the Securities and Futures Act (Chapter 289 of Singapore), as modified or amended from time to time (the “SFA”). Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes to be issued may not be

circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; (b) 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 otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the SFA, the Notes shall not be sold within the period of six (6) months from the date of the initial acquisition of the Notes, except to any of the following persons:

- (1) an institutional investor (as defined in Section 4A of the SFA);
- (2) a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA; or
- (3) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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
- (b) 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 (6) 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) Section 276(4)(i)(B) 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 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).

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 as a prospectus 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, 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; 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 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 compliance 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 144A under the Securities Act) of us, it is not acting on behalf of us, 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 Initial Purchasers or any person representing the Issuer 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 makes 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 and the Notes 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 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 LEVANTER 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 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 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 Restricted Group's audited special purpose combined financial statements as at and for the years ended March 31, 2018, 2019 and 2020 prepared in accordance with recognition, measurement and disclosure principles specified in the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Companies (Accounting Standard) Amendment Rules, 2016 (together referred as "Indian GAAP"), except for disclosure requirement of AS-20 Earnings Per Share, and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("The Guidance Note"), 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 Restricted Group's special purpose unaudited combined financial statements as at and for the nine months ended December 31, 2020 prepared in accordance with AS 25 "Interim Financial Reporting" and other accounting standards notified under Section 133 of the Companies Act, 2013, read together with Companies (Accounting Standard) Amendment Rules, 2016 (together referred as "Indian GAAP"), except for disclosure requirement of AS-20 Earnings Per Share, and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("The Guidance Note"), included in this offering memorandum have been subjected to limited review by S R B C & CO LLP as per auditing Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by ICAI, and their limited review report for such period is included herein.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN INDIAN GAAP AND IFRS

The Special Purpose Combined Financial Statements have been prepared in accordance with the recognition, measurement and disclosure principles specified in the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Companies (Accounting Standard) Amendment Rules, 2016 (together referred as “Indian GAAP”), except for disclosure requirement of AS-20 Earnings Per Share, and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India (“The Guidance Note”), 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.	
		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	<u>Other disclosures:</u>
		c. information that enables users of its financial statements to evaluate the entity’s objectives, policies and processes for managing capital.	IFRS requires disclosure of:
			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 at 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. <u>Deferred Tax Recognition:</u> IAS 12 requires recognition of tax consequences of differences between

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		<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. 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. <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.	the carrying amounts of assets and liabilities and their tax base. 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> 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> Cost includes all expenditure directly attributable in bringing the asset to the present location and working conditions for its intended use.	<u>Initial Recognition:</u> Similar to Indian GAAP
8	Service Concession arrangement	There is no specific guidance. <u>Depreciation:</u> The Indian Companies Act specifies the useful lives to be used for different	IFRS provide for two type of service concession arrangements. Financial asset — the operator receives a financial asset, specifically an unconditional contractual right to receive

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		categories of assets along with component accounting. If different life use for assets other than defined under the Companies Act, the basis for selection of different life to be disclosed in financial statements.	a specified or determinable amount of 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.
		<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.	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’

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.	used in identifying whether a contract contains a lease or not. IFRS 16 provides detailed guidance on whether an 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>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.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		<u>Service Concession arrangement:</u>	<u>Service Concession arrangement:</u>
		There is no specific guidance.	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 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.
		<u>Recognition:</u>	
		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.	
		<u>Measurement:</u>	
		Revenue is recognized at the consideration received or receivable.	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.
			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

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
			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 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.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
11	Employee benefits	<u>Post-employment defined benefits</u> <u>Actuarial gains and losses:</u>	<u>Post-employment defined benefits</u> <u>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>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	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 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>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.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		Grants in the nature of promoter contribution:	Grants in the nature of promoter contribution:
		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.	IFRS prohibits recognition of grants directly in the shareholders, funds.
		<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.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
		<u>Recognition of exchange difference arising on translation of foreign currency transactions:</u>	<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 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.	All exchange differences arising on translation of foreign currency transactions are generally recognised in profit or loss.
		<u>Foreign operation:</u>	<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.	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.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
			Where the foreign entity reports in the currency of a hyperinflationary economy, the financial statements of the 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

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS
			income (fair value through other comprehensive income, FVTOCI).
			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. Goodwill on consolidation under AS 21	<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
		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 measurement	There is no framework for measuring fair value for financial reporting. For example, unlike IFRS 15. b. Inputs to Valuation techniques (that is., fair value hierarchy); c. Concepts such as highest and best use, most advantageous market and principal market; or d. Fair value disclosures.	Establishes a single framework for measuring fair value for financial reporting.

INDEX TO FINANCIAL STATEMENTS

Restricted Group

Independent Review Report for the nine months ended December 31 2020	F-2

Special Purpose Unaudited Combined Financial Statements

Special Purpose Unaudited Combined Balance Sheet for the nine months ended December 31, 2020	F-4
Special Purpose Unaudited Combined Statement of Profit and Loss Statement for the nine months ended December 31, 2020	F-5
Special Purpose Unaudited Combined Cash Flow Statement for the nine months ended December 31, 2020	F-6
Notes to the Unaudited Special Purpose Combined Financial Statements	F-8

Restricted Group

Independent Audit Report for the fiscal years ended March 31, 2018, 2019 and 2020	F-30

Special Purpose Combined Financial Statements

Special Purpose Combined Balance Sheet for the fiscal years ended March 31, 2018, 2019 and 2020	F-33
Special Purpose Combined Statement of Profit and Loss Statement for the fiscal years ended March 31, 2018, 2019 and 2020	F-34
Special Purpose Combined Cash Flow Statement for the fiscal years ended March 31, 2018, 2019 and 2020	F-35
Notes to the Special Purpose Combined Financial Statements	F-37

Limited Review Report

Review Report to
The Board of Directors of Continuum Energy Levanter Pte. Ltd. ('the Company')

Introduction

We have reviewed the accompanying Special Purpose Unaudited Combined Financial Statements of Continuum Energy Levanter Pte. Ltd., 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 (together referred to as the "Restricted Group"), as of December 31, 2020 which comprises of the Special Purpose Unaudited Combined Balance Sheet as at December 31, 2020, the Special Purpose Unaudited Combined Statement of Profit and Loss and the Special Purpose Combined Unaudited Cash Flow Statement for the nine months period ended December 31, 2020 and Notes to the Special Purpose Unaudited Combined Financial Statements including a summary of significant accounting policies and other explanatory information (collectively, the "Special Purpose Unaudited Combined Financial Statements"). Management of the Company is responsible for the preparation and fair presentation of the Special Purpose Unaudited Combined Financial Statements in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Unaudited Combined Financial Statements. Our responsibility is to express a conclusion on the Special Purpose Unaudited Combined Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Unaudited Combined Financial Statements as at and for the nine months ended December 31, 2020 are not prepared and presented in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Unaudited Combined Financial Statements.

Emphasis of Matter

We draw attention to Note 2 to the Special Purpose Unaudited Combined Financial Statements, which states that the Restricted Group has not formed a separate group of entities during the nine months ended December 31, 2020; the basis of preparation, including the approach to and the purpose of preparing these Special Purpose Unaudited Combined Financial Statements, as stated in Note 1, therein. Consequently, the Special Purpose Unaudited Combined Financial Statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group that would have occurred if it had operated as a separate standalone entity during the period presented. Our conclusion is not modified in relation to this matter.



S R B C & CO LLP

Chartered Accountants

Page 2 of 2

Continuum Energy Levanter Pte. Ltd.

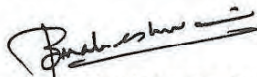
Restriction of Use

This report on the Special Purpose Unaudited Combined Financial Statements has been issued solely in connection with the proposed issuance of USD Senior notes by Continuum Energy Levanter Pte. Ltd., as stated in Note 1 of the Special Purpose Unaudited Combined Financial Statements and for its inclusion in the Offering Memorandum in relation to proposed issuance of USD Senior notes. Our report should not be used, referred to or distributed for any other purpose except with our prior written consent.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Pritesh Maheshwari

Partner

Membership No.: 118746

UDIN: 21118746AAAAAH1570



Place: Mumbai

Date: January 30, 2021

CONTINUUM RESTRICTED GROUP
SPECIAL PURPOSE UNAUDITED COMBINED BALANCE SHEET
(All amounts in INR millions, unless otherwise stated)

	Notes	As at December 31, 2020	As at March 31, 2020
<u>Equity and Liabilities</u>			
Combined shareholders' funds - Restricted Group			
Combined Share Capital	5 (a)	5,338	5,346
Combined Reserves and Surplus and others	5 (b)	(13)	(524)
		5,325	4,822
Minority shareholders' funds			
		164	81
Compulsory fully convertible debentures (CFCDs)			
	6	7,844	7,844
Non-current liabilities			
Long term borrowings	7	34,190	34,220
Deferred tax liability (net)	8	519	317
Other long term liabilities	9	829	507
Long term provisions	10	15	12
		35,553	35,056
Current liabilities			
Short term borrowings	11	1,977	979
Trade payables			
Outstanding dues of micro and small enterprises	12	2	1
Outstanding dues to other than micro and small enterprises	12	214	168
Other current liabilities	12	3,261	3,453
Short term provisions	10	11	7
		5,465	4,608
TOTAL		54,351	52,411
<u>Assets</u>			
Non-current assets			
Property, plant and equipment	13 (a)	39,752	37,399
Goodwill attributable to Identified Subsidiaries	13 (b)	315	315
Capital work in progress		85	2,375
Non-current investments	14	1,088	1,088
Long term loans and advances	15	3,682	4,410
Other non current assets	16	1,222	879
		46,144	46,466
Current assets			
Trade receivables	17	3,766	1,407
Cash and bank balances	18	3,471	3,560
Short term loans and advances	15	136	187
Other current assets	19	834	791
		8,207	5,945
TOTAL		54,351	52,411
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the Special Purpose Unaudited Combined Financial Statements.

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003

On behalf of the Board of Directors of
Continuum Energy Levanter Pte. Ltd.
(for Restricted Group)

per Pritesh Maheshwari

Partner

Membership No. : 118746

Pan Peiwen

Director

Tarun Bhargava

Chief Financial Officer

Place : Mumbai

Date : 30/01/2021

Place : Singapore

Date : 30/01/2021

Place : Mumbai

Date : 30/01/2021

CONTINUUM RESTRICTED GROUP
SPECIAL PURPOSE UNAUDITED COMBINED STATEMENT OF PROFIT AND LOSS
(All amounts in INR millions, unless otherwise stated)

		For the nine months ended	
	Notes	December 31, 2020	December 31, 2019
Income			
Revenue from operations	20	6,238	6,416
Other income	21	473	265
Total income (A)		6,711	6,681
Expenses			
Operating and maintenance expenses	22	797	647
Employee benefits expense	23	87	78
Other expenses	24	341	387
Total expenses (B)		1,225	1,112
Earnings before interest, tax, depreciation and amortisation (EBITDA) (A-B)		5,486	5,569
Depreciation expense	13 (a)	1,338	1,192
Finance costs	25	3,361	2,801
Profit before tax		787	1,576
Tax expenses			
MAT credit entitlement charge	8	-	256
Deferred tax		202	(291)
Total tax expenses		202	(35)
Profit after tax		585	1,611
Share of profit attributable to minority shareholders' funds		76	83
Profit for the period		509	1,528
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the Special Purpose Unaudited Combined Financial Statements.

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

On behalf of the Board of Directors of
Continuum Energy Levanter Pte. Ltd.
(for Restricted Group)

per Pritesh Maheshwari
Partner
Membership No. : 118746

Pan Peiwen
Director

Tarun Bhargava
Chief Financial Officer

Place : Mumbai
Date : 30/01/2021

Place : Singapore
Date : 30/01/2021

Place : Mumbai
Date : 30/01/2021

CONTINUUM RESTRICTED GROUP
SPECIAL PURPOSE UNAUDITED COMBINED CASH FLOW STATEMENT

(All amounts in INR millions, unless otherwise stated)

	For the nine months ended	
	December 31, 2020	December 31, 2019
Cash flow from operating activities		
Profit before tax	787	1,576
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation expense	1,338	1,192
Finance costs	3,361	2,801
Interest income	(442)	(257)
Operating profit before working capital changes	5,044	5,312
Movements in working capital:		
Increase in trade payables	47	43
(Decrease)/increase in short term and long term liabilities	(17)	138
Increase in provisions	7	6
(Increase)/decrease in trade receivables	(2,359)	59
Decrease in loans and advances	62	25
(Increase) in other current assets and other non current assets	(2)	(218)
Cash generated from operations	2,782	5,365
Direct taxes refund (net)	7	26
Net cash flows from operating activities (A)	2,789	5,391
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors	(475)	(8,059)
Investment in optionally convertible redeemable preference shares	-	(1,038)
Fixed deposits withdrawn (net)	484	411
Unsecured loans repaid by related party	53	77
Interest received	221	285
Net cash flows from/(used in) investing activities (B)	283	(8,324)
Cash flows from financing activities		
Proceeds from long term borrowings	2,949	16,015
Repayment of long term borrowings	(4,203)	(8,987)
Proceeds of short term borrowings (net)	998	(481)
Proceeds from issuance of Equity shares	-	0
Finance costs paid	(2,247)	(2,663)
Net cash flows (used in)/from financing activities (C)	(2,503)	3,884
Foreign currency translation reserve (D)	1	0
Net increase in cash and cash equivalents (A+B+C+D)	570	951
Cash and cash equivalents at the beginning of the year	1,098	2,066
Cash and cash equivalents at the end of the period	1,668	3,017

CONTINUUM RESTRICTED GROUP
SPECIAL PURPOSE UNAUDITED COMBINED CASH FLOW STATEMENT

(All amounts in INR millions, unless otherwise stated)

For the nine months ended
December 31, 2020 December 31, 2019

Reconciliation of cash and cash equivalents with the balance sheet:

Components of cash and cash equivalents

Cash on hand	0	0
Cash in transit (refer note V below)	-	1,075
Balance in current account	469	382
Balance in deposit with original maturity of less than 3 months	1,199	1,560
Cash and cash equivalents at the end of the period (refer note IV below)	1,668	3,017

Summary of significant accounting policies (refer note 4)

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/refund are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- IV) The cash and cash equivalent of INR 1,668 (March 31, 2020 INR 1,098) and other bank balance of INR 1,803 (March 31, 2020 INR 2,462) forms part of the cash and bank balance of INR 3,471 (March 31, 2020 INR 3,560) as disclosed in note 18.
- V) Cash in transit includes INR 1,075 disbursed by Power Finance Corporation Limited (PFC) in case of Renewables Trinethra Private Limited on December 31, 2019. However, disbursement was credited to RTPL's current account only on January 01, 2020. However, as PFC has already made disbursement on December 31, 2019; we have included the same as part of borrowings as at December 31, 2019 and also accounted under cash and cash equivalent as Cash in transit as at December 31, 2019.

The accompanying notes are an integral part of the Special Purpose Unaudited Combined Financial Statements.

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003

On behalf of the Board of Directors of

Continuum Energy Levanter Pte. Ltd.

(for Restricted Group)

per Pritesh Maheshwari

Partner

Membership No. : 118746

Pan Peiwen

Director

Tarun Bhargava

Chief Financial Officer

Place : Mumbai

Date : 30/01/2021

Place : Singapore

Date : 30/01/2021

Place : Mumbai

Date : 30/01/2021

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS

(All amounts in INR millions, unless otherwise stated)

1 Background and purpose of Special Purpose Unaudited Combined Financial Statements

Continuum Green Energy Limited (erstwhile known as Continuum Wind Energy Limited) ("CGEL") a Singapore holding company, through its 100% owned Indian subsidiary Continuum Green Energy (India) Private Limited (erstwhile known as Continuum Wind Energy (India) Private Limited) ("CGE IPL") owns 100% in all its Indian Subsidiaries including following India Subsidiaries except Watsun where it holds majority share holding:

- Bothe Windfarm Development Private Limited ("Bothe")
- DJ Energy Private Limited ("DJEPL")
- Uttar Urja Projects Private Limited ("UUPPL")
- Watsun Infrabuild Private Limited Private Limited ("Watsun")
- Trinethra Wind and Hydro Power Private Limited ("Trinethra")
- Renewables Trinethra Private Limited ("RTPL")

Continuum Energy Levanter Pte Ltd ("CELPL") has been incorporated, as a 100% subsidiary of CGEL, on 30 May 2017, domiciled in Singapore proposes to issue USD Senior Secured Notes ("securities") and invest proceeds out of the issue into proposed issue of Non-Convertible Debentures in Indian rupees (INR) by Identified Subsidiaries. The registered office is situated at 10 Changi Business Park, Central 2, #05-01, Hansapoint @CBP, Singapore.

These Special Purpose Unaudited Combined Financial Statements comprises of CELPL, Bothe, DJEPL, UUPPL, Watsun, Trinethra and RTPL, together considered as the "Restricted Group" and individually considered as the "Identified Subsidiaries" of Continuum Restricted Group.

The Restricted Group is engaged in the business of generation and sale of electricity from renewable energy sources in India. The Restricted Group has entered into and / or in the process of entering into long term power purchase agreements with various governments agencies and private institutions to sell electricity generated from its wind farms/solar plants [currently with operational capacity of approx. 723 megawatts ("MW")] in the states of Maharashtra, Madhya Pradesh, Gujarat and Tamil Nadu, India.

The Identified Subsidiaries, except CELPL, are domiciled in India and Corporate office of these Identified Subsidiaries is located at 102, El Tara, Hiranandani Gardens, Mumbai, India.

The management of Identified Subsidiaries are responsible for the preparation of Special Purpose Unaudited Combined Financial Statements of the Restricted Group.

These Special Purpose Unaudited Combined Financial Statements for the nine months ended December 31, 2020 have been prepared solely in connection with the proposed issuance of USD Senior Secured Notes by Continuum Energy Levanter Pte. Ltd and for inclusion in offering memorandum in relation to proposed issuance of USD Senior Secured Notes.

2 Basis of preparation

The Special Purpose Unaudited Combined Financial Statements of the Restricted Group comprises of Special Purpose Unaudited Combined Balance Sheets as at December 31, 2020 and March 31, 2020, the Special Purpose Unaudited Combined Statements of Profit and Loss, Special Purpose Unaudited Combined Cash Flow Statements and a summary of significant accounting policies and other explanatory information for the nine months ended December 31, 2020 and December 31, 2019.

The Restricted Group in the past has not constituted a separate legal group of the Identified Subsidiaries for the purpose of preparation of Special Purpose Unaudited Combined Financial Statements, and individually, the Identified Subsidiaries within the Restricted Group reported their financial statements under Indian GAAP. Taking into account the specifics to be considered in preparing Special Purpose Unaudited Combined Financial Statements which are explained below, in preparing these financial statements, they have been prepared in accordance with AS 25 "Interim Financial Reporting" and other accounting standards notified under Section 133 of the Companies Act, 2013, except for disclosure requirement of AS-20 Earnings per share, read together with Companies (Accounting Standard) Amendment Rules, 2016 (together referred as "Indian GAAP") and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("The Guidance Note").

For the purposes of the Special Purpose Unaudited Combined Financial Statements, the Identified Subsidiaries have measured its assets and liabilities at the carrying amounts that were included in CGE IPL's Consolidated Financial Statements prepared under Indian GAAP including goodwill on consolidation and minority interest (MI) recorded by CGE IPL for the Identified Subsidiaries. Accordingly, the Special Purpose Unaudited Combined Financial Statements have been prepared on a "carve-out" basis from the consolidated financial statements of CGE IPL prepared under Indian GAAP.

These Special Purpose Unaudited Combined Financial Statements have been prepared on the accrual and going concern basis of respective identified subsidiaries, using the historical cost convention. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the Identified Subsidiaries used for the purpose of combination are drawn upto to the same reporting date i.e.. nine months ended on December 31; whereas for comparative period for Special Purpose Unaudited Balance Sheet is March 31 and for Special Purpose Unaudited Statement of Profit and Loss is December 31.

All assets and liabilities are presented as current or non-current as per the Identified Subsidiaries' normal operating cycle and other criteria as set out in the Schedule III of the Companies Act, 2013. The Identified subsidiaries have ascertained their operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

Scope of combination

As required by the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, the details of various entities comprised in the Special Purpose Unaudited Combined Financial statements is as given below:

Name	Principal activities	Control w.e.f.	Country of Incorporation	% of interest held by CGEL as	
				31-Dec-2020	31-Mar-2020
Continuum Energy Levanter Private Limited	Holding of investment securities	30-May-17	Singapore	100%	100%
Bothe Windfarm Development Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%
DJ Energy Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%
Uttar Urja Projects Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%
Watsun Infrabuild Private Limited	Generation and sale of wind and solar energy	30-May-16	India	72.15%	74.24%
Trinethra Wind and Hydro Power Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%
Renewables Trinethra Private Limited	Generation and sale of wind energy	13-Jun-19	India	100%	100%

3 Basis of combination

Indian GAAP does not provide specific guidance for the preparation of Combined Financial Statements and, accordingly, in preparing these Special Purpose Unaudited Combined Financial Statements, accounting conventions commonly used for the preparation of Consolidated Financial Statements in accordance with AS 21 Consolidated Financial Statements have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same these financial statements are prepared on a basis that combines the results and assets and liabilities of each of the Identified Subsidiaries and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business.

Accordingly, intra-group balances within the Restricted Group, income and expenses, unrealized gains and losses resulting from transactions between the Restricted Group entities have been eliminated in the Special Purpose Unaudited Combined Financial Statements.

Minority shareholders represents equity shares held by the Group captive customers of Watsun. Further, it also includes share in reserves and surplus of Watsun from the date on which investment in Watsun was made by group captive customers.

Minority Interest in the net assets of the Identified Subsidiaries is identified and presented in the Special Purpose Unaudited Combined Balance Sheet separately from liabilities and equity of the Combined shareholders funds as Minority shareholders' funds. Minority interest in the net assets of the Identified Subsidiaries consists of:

- The amount of equity attributable to minority at the date on which investment in the Identified Subsidiary is made; and
- The minority share movements in equity since the date of such investment in the Identified Subsidiary.

Minority interest's share in Net Profit / Loss for the year of the Identified Subsidiaries is identified and presented separately as Minority shareholders' funds.

Due to the preparation of Special Purpose Unaudited Combined Financial Statements, disclosures related to the presentation of share capital, reserves and surplus, foreign currency translation reserves and net assets attributable to parent and MI, differs from the presentation as prescribed by Schedule III. Combined capital represents the difference between the assets and liabilities of the identified subsidiaries, being net worth.

Transactions with the other entities which are directly or indirectly controlled by CGEL are disclosed as transactions with related parties (refer Note 30).

The Special Purpose Unaudited Combined Financial Statements include allocations of direct and indirect costs related to the operations of the Identified Subsidiaries made by CGEIPL to depict the business on a standalone basis till December 31, 2020. Indirect costs relate to certain support functions that are provided on a centralised basis within CGEIPL and such costs are allocated basis projected revenue of subsidiary company based on their project completion stage.

The Management believes that the methodology used for allocation of common overheads reflects its best estimate of how the benefits arise from relevant activities.

Earnings per Share (EPS) is not disclosed at the Restricted Group level since the Restricted Group does not constitute a separate legal group of the Identified Subsidiaries as explained above.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS

(All amounts in INR millions, unless otherwise stated)

4 Summary of significant accounting policies

The policies set out below have been consistently applied to all the periods presented in the Special Purpose Unaudited Combined Financial Statements.

a. Use of estimates

The preparation of Special Purpose Unaudited Combined 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 Restricted 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 average power purchase cost (APPC) rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of Bothe's unsigned PPA's and the surplus power as per the rate prescribed by relevant state regulatory commission to state discoms.

Active and reactive charges are recorded as operating expenses and not adjusted against sale of electricity.

Unbilled revenue represents the revenue that Bothe recognises at eligible rates for the arrangement where Bothe has all approvals in place except that PPA is pending to be signed between Bothe and DISCOMS.

Accrued revenue represents the revenue that the Restricted Group recognizes where the PPA is signed but invoice is raised subsequent to the balance sheet date.

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 equipments. Interest income is included under the head "other income" in the Special Purpose Unaudited Combined Statement of Profit and Loss.

c. Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Restricted Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

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.

d. Foreign currency transactions and translations

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 Restricted 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.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

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 statement of profit and loss.

e. Property, plant and equipment

Property, plant and equipment 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 it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the 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 statement of profit and loss when the asset is derecognised.

The Restricted 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. Depreciation on property, plant and equipment

The Restricted 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 Restricted 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
Plant and equipment*	WDV	3 - 15 years
	SLM	3 - 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 methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g. Goodwill attributable to Identified Subsidiaries

Goodwill attributable to Identified Subsidiaries represents the difference between the cost of investment in the Identified Subsidiaries, and CGE IPL's share of net assets at the time of acquisition of share in the Identified Subsidiaries.

h. Borrowing costs

Borrowing Cost includes Interest and amortisation of ancillary cost incurred in connection with the arrangement of borrowings.

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 cost are expensed in the period they occur.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

i. Impairment

The Restricted 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 Restricted 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 the Restricted 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 recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Restricted Group estimates the asset's or cash-generating unit'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 amount 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 statement of profit and loss.

j. Leases

Where the Restricted 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 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 Special Purpose Unaudited Combined 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 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, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Restricted Group operates. 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 Restricted 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.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Restricted Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Restricted 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 Restricted Group recognises 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 Special Purpose Unaudited Combined Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Restricted Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Restricted Group does not have convincing evidence that it will pay normal tax during the specified period.

All Identified Subsidiaries except CELPL had opted the option available under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 (refer note 8 for the recognition and measurement of deferred tax and MAT for the current year).

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS

(All amounts in INR millions, unless otherwise stated)

m. Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss for the year when the contributions are due. The Restricted Group has no obligation, other than the contribution payable to the provident fund.

The Restricted 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 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 Restricted 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 Restricted 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 statement of profit and loss and are not deferred. The Restricted 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 Restricted 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 Restricted 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 Restricted 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 statement of profit and loss net of any reimbursement.

o. 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

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.

p. 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 Restricted 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 Restricted Group does not recognise a contingent liability but discloses its existence in the Special Purpose Unaudited Combined Financial Statements.

q. Current and non-current classification

The Restricted Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to 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 Restricted 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 Restricted Group has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

r. Measurement of EBITDA

As per the Guidance Note on the Schedule III to the Companies Act, 2013, the Restricted Group has opted to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Restricted Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Restricted Group does not include depreciation and amortization expense, finance costs and tax expense.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

5 Combined shareholders' funds - Restricted Group

a) Combined Share Capital

	As at December 31, 2020	As at March 31, 2020
Share Capital*	5,338	5,346
	<u>5,338</u>	<u>5,346</u>

b) Combined Reserves and Surplus and others

	As at December 31, 2020	As at March 31, 2020
Reserves and surplus*	(332)	(834)
Foreign currency translation reserves**	4	(5)
Net assets attributable to parent*	315	315
	<u>(13)</u>	<u>(524)</u>

* Share capital and reserves and surplus represents the aggregate amount of share capital and reserves and surplus of identified subsidiaries of Continuum Restricted Group for the period ended and does not necessarily represent legal share capital for the purpose of the Restricted Group. Net assets attributable to parent represents the difference between the cost of investment and CGEIP's share of net assets at the time of acquisition of share in certain subsidiaries which are part of the Restricted Group. It has been reported under shareholder's fund of Restricted Group since it represents amount invested by CGEIP in the Restricted Group.

** Foreign currency translation reserves represents accumulated translation reserves relating to CELPL, whose functional reporting currency is US dollars and for these Special Purpose Unaudited Combined Financial Statements have been converted into INR.

6 Compulsory fully convertible debentures (CFCDs/CCDs/Debentures) (unsecured)

	As at December 31, 2020	As at March 31, 2020
10% Unsecured CFCDs of INR 10 each. 576,665,000 (March 31, 2020; 576,665,000) CFCDs;	5,767	5,767
10% Unsecured CCDs of INR 10 each. 207,685,888 (March 31, 2020; 207,685,888) CCDs;	2,077	2,077
	<u>7,844</u>	<u>7,844</u>

A Details and Terms of CFCDs:

- CFCDs include CFCDs issued by Bothe 214,375,000 (March 31, 2020; 214,375,000) and Watsun 362,290,000 (March 31, 2020; 362,290,000).
- Debentures shall be convertible into equity shares at any time at the option of the debenture holders subject to prior intimation to be provided to Lender for conversion of CFCDs to ordinary share; in case of Watsun, 51% of shares so converted shall be pledged with the lenders of the project.
- CFCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier;
- Debentures shall be convertible into equity shares at par, or such higher price as required by Applicable Law, into one equity share for each debenture;
- Coupon for the Debentures shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the Lenders;
- Interest on CFCDs shall be accrued but any dividend/interest/coupon on CFCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of Lenders.
- The equity shares to be issued to the debenture holders upon conversion of debentures shall rank pari passu with the existing equity shares.
- Promoters contribution by way of Compulsorily Fully Convertible Debentures shall not have any charge/ recourse to project assets.
- Prior approval of the Lender would be required for transferring CFCDs to any other party other than the present CFCD holders.
- No interest shall be payable / accruable on such instruments till COD of the respective project.
- CFCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
- CFCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Identified Subsidiaries of the Restricted Group.
- In case of Watsun, interest on debentures for nine months ended December 31, 2020 has been waived off by debenture holders entirely. Interest on debentures for nine months ended December 31, 2019 has been entirely waived off by CGEL and CGEIP has also waived off the interest on debentures amounting to INR 109.

B Details and Terms of CCDs:

- CCDs include CCDs issued by DJEPL 79,442,888 (March 31, 2020; 79,442,888), UUPPL 63,478,000 (March 31, 2020; 63,478,000), Trinethra 50,600,000 (March 31, 2020; 50,600,000) and RTPL 14,165,000 (March 31, 2020; 14,165,000).
- Debentures shall be convertible into equity shares at any time at the option of the debenture holders subject to prior intimation to be provided to Lender for conversion of CCDs to ordinary share;
- CCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier;
- Debentures shall be convertible into equity shares at par, or such higher price as required by Applicable Law, into one equity share for each debenture;
- Coupon for the Debentures shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the Lenders;
- Interest on CCDs shall be accrued but any dividend/interest/coupon on CCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of Lenders.
- The equity shares to be issued to the debenture holders upon conversion of debentures shall rank pari passu with the existing equity shares.
- Promoters contribution by way of Compulsorily Fully Convertible Debentures shall not have any charge/ recourse to project assets.
- Prior approval of the Lender would be required for transferring CCDs to any other party other than the present CFCD holders.
- No interest shall be payable / accruable on such instruments till COD of the respective project.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

11. CCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
12. CCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Identified Subsidiaries of the Restricted Group.

7 Long term borrowings

	Non-current		Current	
	As at December 31, 2020	As at March 31, 2020	As at December 31, 2020	As at March 31, 2020
Indian rupee term loans (secured)				
From banks	3,507	3,392	207	186
From financial institutions	28,495	28,661	1,780	2,186
From related parties (refer note 30)	1,905	1,884	-	-
Non convertible debentures (NCD) (unsecured)				
28,330,000 10.50% Non convertible debentures of INR 10 each	283	283	-	-
	34,190	34,220	1,987	2,372
Current maturities disclosed under the head "other current liabilities" (refer note 12)	-	-	(1,987)	(2,372)
Total long term borrowings	34,190	34,220	-	-

The borrowing have been obtained by respective subsidiaries of the Restricted Group. The Key terms of the loan and the security thereon are summarised below:

A Bothe – Term loan of INR 7,946 (March 31, 2020; INR 8,287) from financial institution and related party.

Terms and security of loan from financial institution:

- Secured by pari passu first charge on Bothe's movable properties, immovable properties, tangible assets, intangible assets, current assets, all bank accounts, all the right, title, interest, benefits, claims and demands whatsoever of Bothe in the Project Documents including Power Purchase Agreement, Clearances, Insurance, etc. both present and future and;
- Pari Passu charge over pledge of 100.00% (i.e.: 214,375,000 shares) of the equity share capital of Bothe held by CGEIP provided that the 26.00% (i.e.: 55,737,500 shares) of the Shares as pledged shall be released out of the Pledged Shares on (i) availability of two credit ratings of minimum (BBB-); and (ii) after the creation and perfection of the entire Security Interest as stipulated in Refinancing Loan Agreement by rupee term lender.
- Corporate guarantee of CGEL, Singapore of INR 8,551 to Power Finance Corporation Ltd Provided that this Corporate Guarantee shall stand reduced to INR 700 after Bothe creates and perfects the Security Interest as stipulated in the Refinancing Loan Agreement. Provided further that, on creation and perfection of security interest as mentioned in the Refinancing Loan Agreement, this Corporate Guarantee shall stand released entirely after availability of two credit ratings (by SEBI approved rating agencies) of minimum (BBB-).
- Exclusive charge over pledge of 77.00% (i.e.: 165,068,750 CFCDs) of the Compulsorily fully convertible debentures (CFCDs) of Bothe held by CGEIP to Power Finance Corporation Ltd provided that 26.00% (i.e.: 55,737,500 CFCDs) of the total CFCDs issued by Bothe shall be released upon the entire Security Interest under the Refinancing Loan Agreement is created and perfected.

Terms of interest and repayment:

- The Loan from PFC carries fixed interest rate of 10.25% p.a. and principle outstanding as at December 31, 2020 is repayable in 50 unequal quarterly instalments ranging between 0.75% to 2.50% of loan;

Moratorium note:

The term loan lenders of Bothe have approved deferment of payment of Principal due for repayment and interest falling due between March 01, 2020 to May 31, 2020 in accordance with Reserve Bank of India's (RBI) Circular no. RBI/2019-20/186 dated March 27, 2020. Further, one of the term loan lender, Power Finance Corporation Limited has also extended benefits for further period from June 01, 2020 to August 31, 2020 in accordance with RBI circular no. RBI/2019-20/244 dated May 23, 2020. Accordingly, Bothe had availed benefits extended by RBI and deferred its principal due for repayment amounting to INR 275 and Interest amounting to INR 344. The deferred amount of principal and interest shall be repaid to Lenders at the end of original repayment tenure as per the deferment policy of PFC. In case of L&T Infra, Bothe has repaid the entire loan which was due for payment in Dec 20 along with such deferred principal and interest amounts.

Terms and security of loan from related party:

- Unsecured loan from CGEIP is interest free;
- Unsecured loan from CGEIP will be repaid out of the surplus funds calculated in accordance with the terms of the financing documents and accordingly classified as long term.

B DJEPL – term loan of INR 6,218 (March 31, 2020; INR 6,285) from financial institutions.

Terms and security of loan from financial institutions:

- First Pari -passu charge on movable properties, immovable properties, tangible assets, intangible assets, current assets and all bank accounts both present and future.
- First Pari -passu charge on all the rights, titles, interests, benefits, claims and demands whatsoever of DJEPL in the project documents including clearances, insurance, letter of credit, guarantee, liquidated damages, performance bond, etc.
- Pledge of 100.00% (i.e.: 126,608,586 shares) {March 31, 2020; 100.00% (i.e.: 126,608,586 shares)} of the shares of DJEPL held by CGEIP in favour of Security Trustee for the benefit of secured term loan lenders of DJEPL and deposit of 100.00% (i.e.: 79,442,888 CCDs) {March 31, 2020; 100.00% (i.e.: 79,442,888 CCDs)} of CCDs of DJEPL with the Escrow Agent.
- CGEIP and CGEL have provided undertaking to IFC and IIFCL (lenders of DJEPL) towards meeting any shortfall in financial obligations which shall become due and payable including creation of requisite DSRA in accordance with financing documents on or prior to the Project Financial completion date (PFCD).
- Corporate Guarantee from CGEIP upto INR 1,410.

Terms of interest and repayment:

The effective interest for (payable monthly except IFC):

- L&T Infrastructure Finance Company Limited (L&T Infra), India Infrastructure Finance Company Limited (IIFCL) and India Infradebt Limited : L&T Infra PLR minus 5.95% p.a.
- International Finance 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).

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

Remaining instalments as at December 31, 2020 are due on a quarterly basis except for IFC :

- L&T Infra: 59 quarters of unequal instalments ranging between 0.13% to 8.31% of loan.
- IREDA: 41 quarters of unequal instalments ranging between 0.63% to 19.52% of loan.
- IIFCL: 43 quarters of unequal instalments ranging between 0.79% to 2.76% of loan.
- India Infradebt: 41 quarters of unequal instalments ranging between 0.52% to 17.60% of loan.
- IFC: 16 semi-annual repayments in unequal instalment ranging between 2.10% to 7.10% of loan.

Moratorium note:

The term loan lenders of DJEPL have approved deferment of payment of Principal due for repayment and interest falling due between March 01, 2020 to May 31, 2020 in accordance with Reserve Bank of India's (RBI) Circular no. RBI/2019-20/186 dated March 27, 2020. Accordingly, DJEPL had availed benefits extended by RBI for the period March 01, 2020 to May 31, 2020 and deferred its Principal repayment instalments due for payment amounting to INR 50 and Interest amounting to INR 128. As per the approved benefit, the deferred amount of principal instalment due on quarterly basis will be extended by one quarter and so on for the remaining tenure of loan. Deferred Interest amount is converted into funded term loan interest (FITL) and shall be repaid proportionately as per deferred repayment tenure.

C UUPPL – term loan of INR 5,039 (March 31, 2020; INR 5,108) from financial institutions.

Terms and security of loan from financial institutions:

- First Pari -passu charge on movable properties, immovable properties, tangible assets, intangible assets, current assets and all bank accounts both present and future.
- First Pari -passu charge on all the rights, titles, interests, benefits, claims and demands whatsoever of UUPPL in the project documents including clearances, insurance, letter of credit, guarantee, liquidated damages, performance bond, corporate guarantee, bank guarantee etc.
- Pledge of 100.00% (i.e.: 99,428,384 shares) {March 31, 2020; 100.00% (i.e.: 99,428,384 shares)} of the shares of UUPPL held by CGEIPL in favour of Security Trustee for the benefit of secured term loan lenders of UUPPL and deposit of 100.00% (i.e.: 63,478,000 CCDs) of CCDs {March 31, 2020; 100.00% (i.e.: 63,478,000 CCDs) of CCDs} of UUPPL with the Escrow Agent.
- CGEIPL and CGEL have provided undertaking to IFC and IIFCL (lenders of UUPPL) towards meeting any shortfall in financial obligations which shall become due and payable including creation of requisite DSRA in accordance with financing documents on or prior to the Project Financial completion date (PFCDD).
- Corporate Guarantee from CGEIPL upto INR 1,090.

Terms of interest and repayment:

The effective interest for (payable monthly except IFC):

- L&T Infra, & IIFCL and India Infradebt : L&T Infra PLR minus 5.95% p.a.
- IFC: Fixed Interest rate ranging between 10.65% p.a. and 11.1725% p.a. for each tranche of draw down (payable semi-annually).

Remaining instalments as at December 31, 2020 are due on a quarterly basis except for IFC :

- L&T Infra: 58 quarters of unequal instalments ranging between 0.13% to 8.31% of loan.
- IREDA: 44 quarters of unequal instalments ranging between 0.63% to 25.11% of loan.
- IIFCL: 44 quarters of unequal instalments ranging between 1.18% to 2.50% of loan.
- India Infradebt: 41 quarters of unequal instalments ranging between 0.51% to 24.66% of loan.
- IFC: 17 semi-annual repayments in unequal instalment ranging between 2.80% to 10.75% of loan.

Moratorium note:

The term loan lenders of UUPPL have approved deferment of payment of Principal due for repayment and interest falling due between March 01, 2020 to May 31, 2020 in accordance with Reserve Bank of India's (RBI) Circular no. RBI/2019-20/186 dated March 27, 2020. Accordingly, UUPPL had availed benefits extended by RBI for the period March 01, 2020 to May 31, 2020 and deferred its principal due for repayment amounting to INR 44 and Interest amounting to INR 104. The deferred amount of principal which was due in March 20 is repaid on next principal repayment due date falling after May 31, 2020 and deferred interest amount is converted into funded term loan interest (FITL) and shall be repaid proportionately as per deferred repayment tenure.

D Watsun Infrabuild Pvt Ltd- term loan of INR 9,488 (March 31, 2020; INR 9,615) from a bank, financial institution and related party.

Terms and security of loan from financial institutions and bank:

- Secured by paripassu first charge on entire immovable properties, cashflows, receivables, book debts, revenue (whatsoever nature and wherever arising), intangible assets (including but not limited to goodwill and uncalled capital, intellectual property) and on Trust and Retention Account (TRA), Debt Service Reserve and any other reserves and other bank accounts (wherever maintained) of the Project, both present and future.
- Paripassu first charge by way of hypothecation of entire immovable properties of the project, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicle, raw material, stock-in-trade, inventory and all other movable properties of whatsoever nature.
- Paripassu first charge / assignment by way of hypothecation, as the case may be, of all the rights, title, interest, benefits, claim and demands whatsoever of Watsun in the project documents, clearances, security provided by any party to the project documents and all insurance contracts.
- Pledge of shares (equity as well as CFCDs) of Watsun in the following manner:
CGEIPL has given Security for loan taken by Watsun by way of pledge of 51% (i.e.: 19,507,500 shares) {March 31, 2020; 51% (i.e.: 19,507,500 shares)} of the shares of Watsun and pledge of 100 % (i.e.: 362,290,000 CFCD) {March 31, 2020; 100 % (i.e.: 362,290,000 CFCD (including CFCDs held by CGEL)) of CFCDs held by it in Watsun.
- Paripassu first charge on all the monies receivable by CGEL or CGEIPL from Watsun under the unsecured loan granted by CGEL or CGEIPL to Watsun brought in for the promoters contribution.
- For the project, corporate guarantee given by CGEL remain valid (i) until security is perfected, (ii) for the funding cost overrun and (iii) for the DSRA amount till DSRA is created whichever is later. Upon completion of these three conditions, this Corporate Guarantee shall stand released.

Terms of interest and repayment:

The effective interest for (payable monthly):

- PTC India Financial Services Ltd (PFS), State Bank of India (SBI - Wind) and Indian Renewable Energy Development Agency Ltd (IREDA): 2.30% p.a. above one year SBI MCLR post Commercial date of operation (COD) subject to Watsun creating DSRA and achieving investment grade External Credit Rating or above.
- State Bank of India (SBI Solar): 2.30% p.a above six month SBI MCLR till COD & 1.75% p.a. above six month SBI MCLR post COD subject to completion of security perfection, external credit rating of minimum of "BBB" Rating and creation of 2 quarters DSRA. Further interest rate is reduced by 0.35% on account of KfW concessional interest rate.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

Remaining instalments as on December 31, 2020 are due on quarterly basis:

- PFS, SBI - Wind, IREDA: 53 remaining unequal quarterly instalments ranging between 1.07% to 2.48% of principal loan amount.
- SBI - Solar: 53 remaining unequal quarterly instalments ranging between 1.07% to 2.48% of principal loan amount.

Moratorium note:

The term loan lenders of Watsun have approved deferment of payment of Principal due for repayment and interest falling due between March 01, 2020 and May 31, 2020 in accordance with Reserve Bank of India's (RBI) Circular no. RBI/2019-20/186 dated March 27, 2020. Further, Lenders has also extended benefits for further period from June 01, 2020 to August 31, 2020 in respect of principal repayment due, in accordance with RBI circular no. RBI/2019-20/244 dated May 23, 2020. Accordingly, Watsun had availed benefits extended by RBI and deferred its principal due for repayment amounting to INR 157 and Interest amounting to INR 192. The deferred amount of principal and interest shall be repaid to Lenders as per deferred repayment tenure. However, after availment of deferment Watsun has repaid entire deferred amount of Principal and Interest and as at December 31, 2020; the loan amounts do not include any deferred portion of Principal and Interest.

Terms and security of loan from related party:

- Unsecured loan shall be repaid to CGEIPPL only after the Watsun pays its senior debt liabilities and hence classified as non current. Unsecured Loan of INR 99 is provided for the wind project of the Watsun and it carries Nil interest rate. Unsecured Loan INR 352 represents promoter contribution towards funding of Solar project cost. It carries interest equivalent to State bank of India (SBI) facility interest rate but no interest shall be payable/accruable on such loan till commercial operation date of the project.

E Trinethra Wind and Hydro Power Private Limited - term loan of INR 6,010 (March 31, 2020; INR 5,842) from financial institution and related party.

Terms and security of loan from financial institution:

- Pari passu first charge by way of mortgage in a form and manner acceptable to the Rupee Term Lender, over all Trinethra's immovable properties (in case of leased land, mortgage of leasehold right) and pari passu first charge on Trinethra's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Trinethra and pari passu first charge on the Debt Service Reserve Account, Trust and Retention Account, any letter of credit and other reserves and any other bank accounts of the Trinethra wherever maintained, both present and future pertaining to the Project.
- Pari passu first charge by way of hypothecation, in a form and manner acceptable to the Rupee Term Lender, over all the Trinethra'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 Trinethra;
- Pari Passu assignment in favour of the Rupee Term Lender/ Security Trustee, on all the rights, titles, interests, benefits, claims and demands whatsoever of Trinethra 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, land lease agreements, service contracts, etc.), duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied or supplemented from time to time and in the clearances relating to the project and in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents and all Insurance Contracts and Insurance Proceeds and assignment of guarantees from EPC Contractor/ module supplier (if any) relating to the Project, both present and future;
- Trinethra has created pari passu pledge of the 76% equity share (i.e.: 30,780,000 shares) {March 31, 2020; 76% equity share (i.e.: 30,780,000 shares)} and 76% CCDs (i.e.: 38,456,000 CCDs) {March 31, 2020; 76% CCDs (i.e.: 38,456,000 CCDs)} and exclusive pledge over 23.99% (i.e.: 9,719,990 shares) {March 31, 2020; 23.99% (i.e.: 9,719,990 shares)} and 24% CCDs (i.e. 12,144,000 CCDs) {March 31, 2020; 24% CCDs (i.e. 12,144,000 CCDs)}, both present and future, held by the Pledgor, aggregating to the specified percentage till the final settlement date for, 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 Trinethra. On repayment of 75% (seventy five percent) of the facility, the rupee term lender may consider to release 21% (i.e.: 8,505,000 shares) pledge of the equity share capital. On creation and perfection of security exclusive pledge of 23.99% equity share and 24% CCDs shall be release.

Terms of interest and repayment:

- 11% p.a. (fixed) payable quarterly up to the standard due date immediately following the COD (3 year reset rates);
- The principal loan outstanding from PFC as at December 31, 2020, is repayable in 59 unequal quarterly instalments ranging between 1.25% to 3.80% of loan.

Moratorium note:

The term loan lender, Power Finance Corporation (PFC) of Trinethra have approved deferment of payment of interest falling due between March 01, 2020 to May 31, 2020 in accordance with Reserve Bank of India's (RBI) Circular no. RBI/2019-20/186 dated March 27, 2020. No benefit was availed towards Repayment of principal instalment as repayment of term loan starts from July, 2020. Further, PFC has also extended benefits for further period from June 01, 2020 to August 31, 2020 in accordance with RBI circular no. RBI/2019-20/244 dated May 23, 2020. Accordingly, Trinethra had availed benefits extended by RBI and deferred its principal due for repayment amounting to INR 94 and Interest amounting to INR 262. The deferred amount of principal and interest shall be due for payment to PFC at the end of original repayment tenure as per the deferment policy of PFC.

Terms and security of loan from related party:

- Unsecured loan from CGEIPPL amounting to INR 1,113 carries interest rate as applicable for the term loan facility given by the rupee term lender, Power Finance Corporation (PFC) and as part of promoter contribution. Interest on said unsecured loan shall be accrued and paid only after project achieved commercial operation date (COD). The balance unsecured loan of INR 10 is interest free and can be repaid subject to lenders approval and accordance with the terms of agreement with lender. Accordingly, these unsecured loans have been classified as long term.

F Renewables Trinethra Private Limited - term loan of INR 1,476 (March 31, 2020; INR 1,455) from financial institution and related party.

PFC project term loan:

RTPL has tied up term loan facility of INR 2,308 for its 50.40 MW capacity from PFC.

Terms and security of loan from financial institution:

- Pari passu first charge by way of mortgage in a form and manner acceptable to the Lender, over all RTPL's immovable properties (in case of leasehold land mortgage of leasehold rights, as may be applicable) and pari passu first charge on RTPL's operating cash flows, book debts, receivables, the Trust and Retention Account (TRA) including Debt Service Reserve Account (DSRA), with exclusive charge of 2 quarter DSRA with project lender, any letter of credit and other reserves and any other bank accounts of RTPL wherever maintained, both present and future;
- Pari passu first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all RTPL'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.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

- Pari passu first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all RTPL's intangible, goodwill, uncalled capital, both present and future.
- Pari passu assignment in favour of the Lender on all the rights, titles, interests, benefits, claims and demands whatsoever of RTPL 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/module supplier (if any) relating to the project duly acknowledged and consented to by the relevant counter-parties to such Project Documents;
- RTPL has created pledge over 100% equity shares (i.e. 14,165,000 shares) {March 31, 2020; 100% equity shares (i.e. 14,165,000 shares)}, 100% CCDs (i.e.14,165,000 CCDs) {March 31, 2020; 100% CCDs (i.e.14,165,000 CCDs)} and 100% NCDs (i.e. 28,330,000 NCDs) {March 31, 2020; 100% NCDs (i.e. 28,330,000 NCDs)} till the tenure of PFC Rupee term loan.
- Corporate Guarantee given by CGEL. The Corporate Guarantee shall be valid (i) Till power curve guarantee test (PCGT) for the entire project, i.e.50.40 MW and (ii) Till 2 years of successful operation in adherence to generation base case, to the satisfaction of lenders.

Terms of interest and repayment:

- The loan from PFC carries interest rate of 10.65% p.a. payable monthly upto the standard due date.
- The loan from PFC is repayable in 180 (One Eighty) structured monthly instalments ranging between 0.33% to 2.67% of loan.
- First repayment date will fall due on 12 months after Scheduled Commercial Operation Date (SCOD) of the project.

Moratorium note:

As RTPL project was under construction and repayment of principal was not due, the company has not availed any deferred payment scheme available under Reserve Bank of India's (RBI) Circular no. RBI/2019-20/186 dated March 27, 2020 and RBI circular no. RBI/2019-20/244 dated May 23, 2020.

Terms and security of loan from related party:

Terms of unsecured loan:

- Unsecured loan from CGEIPPL is interest free and will be paid subject to lenders approval and in accordance with the terms in agreement of Term Loan with the lender of RTPL and accordingly classified as long term.

Terms of NCDs:

- NCDs shall be rupee denominated, redeemable, unsecured, unrated and unlisted non-convertible debenture.
- No interest payable/accruable on such instruments till commercial operation date of the project.
- Coupon for the NCD's shall be ten point five percent per annum compounded annually, on cumulative basis from commercial operation date of the project.
- Any dividend/interest/coupon on NCDs shall be out of dividend distribution surplus left in the trust and retention account after meeting all reserve requirements and all debt obligation and with prior permission of term loan lender;
- NCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully);
- Rights under NCDs shall always be subordinated to facility during the tenor of the facility;
- Prior approval of the Lender would be required for transferring NCDs to any other party other than the present NCD holders.
- NCDs shall be redeemed at the end of the 20 years from the date of allotment.

8 Deferred tax liability (net)

	As at December 31, 2020	As at March 31, 2020
Deferred tax liability		
Property, plant and equipment: Impact of difference between book depreciation and tax depreciation (refer note below)	2,558	2,035
Gross deferred tax liability	<u>2,558</u>	<u>2,035</u>
Deferred tax asset		
Impact of unabsorbed depreciation (refer note below)	2,039	1,718
Gross deferred tax asset	<u>2,039</u>	<u>1,718</u>
Net deferred tax liability	<u>519</u>	<u>317</u>

Note:

- The finance Ministry of India has introduced a new Section 115BAA 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 required to pay tax under Section 115JB relating to Minimum Alternative Tax ('MAT'), however, the company is required 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.

Identified subsidiaries other than CELPL, have opted the option made available from Assessment year 2020-21 and accordingly, they have re-measured Deferred tax liability recognised and outstanding as at April 01, 2019 as per revised income tax rate of 25.17% from earlier applicable tax rates. 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 statement of profit and loss during the period ended December 31, 2019.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

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 have been 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 had been recognised in statement of profit and loss account for the year ended March 31, 2020.

- 2 The Restricted 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 Restricted Group would be able to recover the asset.

9 Other long term liabilities

	As at December 31, 2020	As at March 31, 2020
Security deposits from customers*	76	76
Due to related parties (refer note 30)**	307	223
Interest accrued but not due on borrowing (related party) (refer note 30)**	446	208
	829	507

* Security Deposits received from customers is interest free and payable at the end of contract.

** Related party payables will be paid subject to lenders approval and in accordance with the terms as stipulated in the loan agreements entered with the term loan lenders of the Identified Subsidiaries and accordingly classified as long term.

10 Provisions

	Non Current		Current	
	As at December 31, 2020	As at March 31, 2020	As at December 31, 2020	As at March 31, 2020
Provision for employee benefits				
Provision for gratuity (refer note 28)	15	12	3	2
Provision for leave benefits	-	-	8	5
	15	12	11	7

11 Short term borrowings

	As at December 31, 2020	As at March 31, 2020
Working capital (secured)		
From banks	739	327
From financial institution	1,238	631
From related party (refer note 30)	-	21
	1,977	979

The borrowings have been obtained by respective subsidiaries of the Restricted Group. The key terms of the loan and the security thereon are summarized below:

	Security
Bothe - working capital loan of INR 1,133 (As at March 31, 2020; INR 635) from bank and financial institution.	• Pari Passu first charge on Bothe's movable properties, immovable properties, tangible assets, intangible assets, current assets including all trade receivables, all bank accounts, all the right, title, interest, benefits, claims and demands whatsoever of Bothe in the Project Documents including Clearances, Insurance, etc, both present and future. • Pari Passu charge over pledge of 100.00% (i.e.: 214,375,000 shares) of the equity share capital of Bothe held by CGEIPL provided that the 26.00% (twenty six percent) (i.e.:55,737,500) of the Shares as pledged shall be released out of the Pledged Shares on availability of two credit ratings of minimum (BBB-). • 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 5.50% p.a. • Corporate guarantee of CGEL, Singapore for Cash credit limit of INR 650. • Loan is repayable on demand.
DJEPL - working capital loan of INR 388 (As at March 31, 2020; INR 192) from financial institution and related party.	• First Pari -Passu charge on movable properties, immovable properties, tangible assets, intangible assets, current assets and all bank accounts both present and future. • First Pari -Passu charge on all the right, title, interest, benefits, claims and demands whatsoever of DJEPL in the project documents including clearances, insurance, letter of credit, guarantee, liquidated damages, performance bond, etc. • The interest on cash credit facility carries an interest rate of L&T Finance Limited PLR minus 4.75% p.a., payable on monthly basis. • Loan is repayable on demand. • Loan from related party is interest free.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

UUPPL - working capital loan of INR 307 (As at March 31, 2020; INR 152) from financial institution

- First Pari -Passu charge on movable properties, immovable properties, tangible assets, intangible assets, current assets and all bank accounts both present and future.
- First Pari -Passu charge on all the right, title, interest, benefits, claims and demands whatsoever of UUPPL in the project documents including clearances, insurance, letter of credit, guarantee, liquidated damages, performance bond, corporate guarantee, bank guarantee, etc.
- The interest on cash credit facility carries an interest rate of L&T Finance Limited PLR minus 4.75% p.a., payable on monthly basis.
- Loan is repayable on demand.

Trinethra - working capital loan of INR 149 (As at March 31, 2020; INR Nil) from bank.

- Pari passu first charge by way of mortgage on all of the project land and all of project asset in a form and manner acceptable to the lenders over immovable properties pertaining to the project, both present and future (in case of leased land, mortgage of leasehold right) and pari passu first charge on Trinethra's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of Trinethra and pari passu first charge on the trust and retention account, any letter of credit and other reserves and any other bank accounts of Trinethra wherever maintained, both present and future pertaining to the project;
- Pari passu first charge by way of hypothecation, in a form and manner acceptable over all Trinethra'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 Trinethra;
- Pari Passu assignment in favour of the lenders, on all the rights, titles, interests, benefits, claims and demands whatsoever of Trinethra 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, land lease agreements, service contracts, etc.), duly acknowledged and consented to by the relevant counter-parties to such project documents, all as amended, varied or supplemented from time to time and in the clearances relating to the project and in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents and all insurance contracts and insurance proceeds and assignment of guarantees from EPC contractor/ module supplier (if any) relating to the project, both present and future;
- Trinethra has created pari passu pledge of the 76.00% (i.e. 30,780,000 shares) of equity shares and CCDs, both present and future, held by the Pledgor, aggregating to the specified percentage till the final settlement date, 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 Trinethra.
- Interest rate is ICICI's six months MCLR + 2.75 % p.a. ;
- Trinethra has to maintain 1 quarter interest liability under DSRA or keep an FD lien marked with ICICI Bank. DSRA amount to be calculated on sanctioned working capital limits.
- Corporate guarantee from CGEIPL for entire tenor and quantum of working capital facility (including the enhanced working capital limits upto INR 250) provided upfront.

12 Trade payables and other current liabilities

	As at December 31, 2020	As at March 31, 2020
Trade payables		
Outstanding dues of micro and small enterprises (refer note 31)	2	1
Outstanding dues to creditors other than micro and small enterprises	214	168
	216	169
Other liabilities :		
Current maturities of long term borrowings (refer note 7)	1,987	2,372
Capital creditors	279	10
Due to related party (refer note 30)	249	204
Interest accrued but not due on borrowings	207	344
Interest accrued but not due on borrowings (related parties) (refer note 30)	396	234
Statutory dues payable (refer note i below)	6	63
Provision towards commitment charges (refer note ii below)	9	73
Provision towards litigation and contingencies (refer note iii below)	127	127
Others	1	26
	3,261	3,453

Note :

- Includes tax deducted at source, employees provident fund, employees profession tax, Goods and Service Tax (GST) and Employees State Insurance Corporation.
- Movement for provision towards commitment charges:

	As at December 31, 2020	As at March 31, 2020
At the beginning of the year	73	-
Arising during the period/year	-	73
Utilised during the period/year	(33)	-
Provision no longer required written back	(31)	-
At the end of the period/year	9	73

- Provision towards litigation and contingencies made during the period amounts to INR Nil (March 31, 2020; INR 127).

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

13 (a) Property, plant and equipment

Particulars	Land*	Buildings	Plant and equipment**	Furnitures and fixtures	Vehicles	Office equipments	Computer	Total
Cost								
As at April 01, 2019	1,111	8	35,508	7	1	4	7	36,646
Additions	110	-	6,435	0	-	0	1	6,546
Sales/disposals/adjustments	-	-	0	-	-	-	-	-
As at December 31, 2019	1,221	8	41,943	7	1	4	8	43,192
Additions	12	-	696	-	-	0	1	709
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2020	1,233	8	42,639	7	1	4	9	43,901
Additions	17	4	3,671	0	-	0	1	3,693
Sales/disposals/adjustments	-	-	2	-	-	-	-	2
As at December 31, 2020	1,250	12	46,308	7	1	4	10	47,592
Depreciation								
As at April 01, 2019	-	0	4,874	4	1	3	6	4,888
Charge for the period	3	0	1,187	1	0	0	1	1,192
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at December 31, 2019	3	0	6,061	5	1	3	7	6,080
Charge for the period	1	0	421	0	0	0	0	422
Sales/disposals/adjustments	-	-	-	-	0	-	-	-
As at March 31, 2020	4	0	6,482	5	1	3	7	6,502
Charge for the period	5	0	1,332	0	0	0	1	1,338
Sales/disposals/adjustments	-	-	0	-	-	-	-	-
As at December 31, 2020	9	0	7,814	5	1	3	8	7,840
Net block								
As at March 31, 2020	1,229	8	36,157	2	-	1	2	37,399
As at December 31, 2020	1,241	12	38,494	2	-	1	2	39,752

* 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 199 (March 31, 2020; INR 204).

* Land includes freehold land amounting to INR 1,113 (P.Y. March 31, 2020; 1,113)

** The Finance cost net capitalized during the year includes interest expenses of INR 124 (March 31, 2020; INR 7) and other borrowing cost of INR 26 (March 31, 2020; INR 17) .

** Plant and equipment includes Plant and machinery - Wind Turbine Generator (WTG), Networking Equipment, Sub Station, 33KV Line and other enabling assets.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

13 (b) Goodwill attributable to Identified Subsidiaries

Particulars	Goodwill
Cost	
As at April 01, 2019	315
Additions	-
Sales/disposals/adjustments	-
As at December 31, 2019	315
Additions	-
Sales/disposals/adjustments	-
As at March 31, 2020	315
Additions	-
Sales/disposals/adjustments	-
As at December 31, 2020	315
Amortization	
As at April 01, 2019	-
Charge for the period	-
Sales/disposals/adjustments	-
As at December 31, 2019	-
Charge for the period	-
Sales/disposals/adjustments	-
As at March 31, 2020	-
Charge for the period	-
Sales/disposals/adjustments	-
As at December 31, 2020	-
Net block	
As at March 31, 2020	315
As at December 31, 2020	315

Note :

Goodwill attributable to Identified Subsidiaries represents the difference between the cost of investment in DJEPL, UUPPL and Wastun, and CGEIP's share of net assets at the time of acquisition of share in these companies.

14 Non-current investments

(valued at cost, unless stated otherwise)

	As at December 31, 2020	As at March 31, 2020
Investment in fellow subsidiaries :		
Investment in Optionally Convertible Redeemable Preference shares (OCRPS) (unquoted)		
63,800,000 (P.Y. 63,800,000) 0.01% OCRPS of Rs. 10 each fully paid-up in Srijan Energy Systems Private Limited (SESPL) (refer note 30)	638	638
40,000,000 (P.Y. 40,000,000) 0.01% OCRPS of Rs. 10 each fully paid-up in Continuum MP Windfarm Development Private Limited (CMPWDPL) (refer note 30)	400	400
Investment in mutual funds (quoted)*	50	50
	1,088	1,088

* Market value as at December 31, 2020 is INR 56 (March 31, 2020; INR 54). Investment is made towards Debt Service Reserve Account as required under lender's agreement amounting to INR 50 (P.Y. INR 50) by Watsun.

Terms of Optionally Convertible Redeemable Preference Shares

- Each OCRPS shall have a face value of INR 10/- (Indian Rupees ten only);
- OCRPS shall carry a preferential right vis-à-vis Equity Shares of SESPL and CMPWDPL with respect to payment of dividend and proceeds of liquidation;
- OCRPS shall carry dividend at the rate of 0.1% per annum from the date of the allotment on a cumulative basis;
- Each OCRPS will be convertible into one ordinary share of SESPL and CMPWDPL of face value INR 10/- (Indian Rupees ten only), at any time at the option of the holder of the OCRPS provided that the holder is in compliance with any laws applicable to it, for conversion of its investment into ordinary shares;
- OCRPS may be redeemed by SESPL and CMPWDPL at any time, subject to a prior notice of minimum 30 (thirty) days, either from surplus profits of SESPL and CMPWDPL or from proceeds of a fresh issue of share capital or as provided under applicable law from time to time; and
- OCRPS shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013, as amended from time to time.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

15 Loans and advances

Unsecured, considered good unless stated otherwise

	Non-current		Current	
	As at December 31, 2020	As at March 31, 2020	As at December 31, 2020	As at March 31, 2020
Capital advances	9	666	-	-
Security deposit	119	119	-	-
	128	785	-	-
Advance recoverable in cash or in kind				
Loans and advances to related parties (refer note 30 and note i, ii and iii below)	3,496	3,550	53	52
Advances recoverable from vendor	-	-	-	14
Other advances	-	-	9	52
	3,496	3,550	62	118
Other loans and advances				
Advance income tax (net of provision for tax)	39	46	-	-
Prepaid expenses	12	22	73	68
Balance with statutory/ government authorities	7	7	-	-
Imprest to staff	-	-	1	1
	58	75	74	69
	3,682	4,410	136	187

Note:

- i) Loan given to CGEIPL as at December 31, 2020, amounting to INR 1,050 is repayable in 11 yearly unequal instalments ranging from 4.08% to 29.31% and carries an interest of 0.75% over the interest rate payable to lender of DJEPL and UUPPL.
Further, the DJEPL and UUPPL had given additional loan amounting to INR 1,735 to CGEIPL in FY 2019-20 which is repayable at will of the borrower, in one or more parts, at any time prior to the expiry of 15 (fifteen) years from the date of borrowing and carries an interest of 0.75% over the interest rate payable to lender of DJEPL and UUPPL.
- ii) Loan given to SESPL and CMPWDPL is repayable at will of the borrower, in one or more parts, at any time prior to the expiry of 15 (fifteen) years from the date of borrowing and carries an interest of 0.75% over the interest rate payable to lender of DJEPL
- iii) Loan given to Skyzen Infrabuild Private Limited (SIPL) is repayable on or before October 9, 2022 and settlement schedule which is forming part of the agreement, has defined repayment alongwith interest amount.

16 Other non-current asset

Unsecured, considered good unless stated otherwise

	As at December 31, 2020	As at March 31, 2020
Fixed deposit with remaining maturity for more than 12 months (refer note 18)*	471	296
Unamortised ancillary borrowing cost	208	221
Interest on unsecured loans receivable (refer note 30)	143	5
Unbilled revenue**	400	357
	1,222	879

* Includes deposits amounting to INR 179 (March 31, 2020; INR 6) on which lien has been marked against letter of credit issued by ICICI bank.

** 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 period/year end. (refer note 34)

17 Trade receivables

	As at December 31, 2020	As at March 31, 2020
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment	528	1
Other trade receivables	3,238	1,406
	3,766	1,407

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

18 Cash and bank balances

	Non-current		Current	
	As at December 31, 2020	As at March 31, 2020	As at December 31, 2020	As at March 31, 2020
Cash and cash equivalent				
Cash on hand	-	-	0	0
Balances with banks :				
- Current account	-	-	469	581
- Deposits with original maturity of less than 3 months	-	-	1,199	517
Total	-	-	1,668	1,098
Other bank balance				
- Deposits with remaining maturity upto a period of 12 months *			1,803	2,462
- Deposits with remaining maturity for more than 12 months	471	296	-	-
	471	296	1,803	2,462
Amount disclosed under other non-current assets (refer note 16)	(471)	(296)	-	-
	-	-	1,803	2,462
Total	-	-	3,471	3,560

* Includes deposits amounting to INR 82 (March 31, 2020; INR 338) on which lien has been marked against bank guarantees and letter of credits issued by various banks and deposits created towards Debt Service Reserve Account as required under lender's agreement amounting to INR 1,952 (March 31, 2020; INR 1,539) by the Restricted Group.

* RTPL has kept margin money in fixed deposit amounting INR 4 (March 31, 2020 ; INR Nil) as part of requirement towards facility of INR 50 (March 31, 2020 ; Nil) including non fund based limits, availed from ICICI Bank. The interest rate for this facility is ICICI's six months MCLR + 3.25 % p.a..

19 Other current assets

Unsecured, considered good unless stated otherwise

	As at December 31, 2020	As at March 31, 2020
Accrued income (refer note below)	527	568
Accrued interest		
On bank deposits	67	48
On unsecured loan to related party (refer note 30)	194	129
Others	2	3
Ancillary cost of arranging borrowings	44	43
Other current assets	0	0
Total	834	791

Note: Accrued income represents revenue earned but not billed to the customers as at period/year end.

20 Revenue from operations

	For the nine months ended	
	December 31, 2020	December 31, 2019
Revenue from operations		
Sale of electricity	5,962	6,086
Other operating revenue		
Generation Based Incentive (GBI)	276	330
Total	6,238	6,416

Note:

Watsun has commissioned its solar project on June 26, 2020 and started supply of electricity. However, Watsun is awaiting the signing of wheeling agreement with the Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) and pending approval, Watsun cannot bills its supply of electricity to its customers / TANGEDCO and accordingly, Watsun has not recognised revenue towards supply of electricity from June 26, 2020 till date. Watsun will recognise revenue for supply of electricity only on prospective basis from the date of wheeling approval.

21 Other income

	For the nine months ended	
	December 31, 2020	December 31, 2019
Interest income on :		
Bank deposits	118	153
On unsecured loan to related party (refer note 30)	323	100
Income tax refund	1	4
Balance written back	-	6
Provisions no longer required written back	31	-
Miscellaneous Income	0	2
Total	473	265

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

22 Operating and maintenance expenses

	For the nine months ended	
	December 31, 2020	December 31, 2019
Operation and maintenance expenses	502	399
Transmission, open access and other operating charges	295	248
	797	647

23 Employee benefits expense

	For the nine months ended	
	December 31, 2020	December 31, 2019
Salary, wages and bonus	76	68
Contribution to provident fund / other fund (refer note 28)	3	3
Gratuity expenses (refer note 28)	4	4
Leave benefits	2	2
Staff welfare expenses	2	1
Total	87	78

24 Other expenses*

	For the nine months ended	
	December 31, 2020	December 31, 2019
Rent (refer note 27)	5	5
Insurance expense	68	34
Rates and taxes	10	11
Travelling, lodging and boarding	14	18
Legal and professional fees	76	66
Repairs and maintenance Plant and machinery	4	15
Repairs and maintenance others	2	37
Site related expenses	3	9
Common overheads (refer note 30)	129	148
Rebate and discount	16	18
Payment for early commissioning incentive	-	10
Miscellaneous expenses	14	16
	341	387

* Other expenses disclosed are net of amount capitalised by the Restricted Group (refer note 29).

25 Finance costs*

	For the nine months ended	
	December 31, 2020	December 31, 2019
Interest on borrowings	2,865	2,254
Interest on unsecured loan (refer note 30)	92	9
Interest on CCDs (refer note 30)	307	380
Other borrowing costs**	97	158
	3,361	2,801

* Finance cost are net of amount capitalised by the Restricted Group (refer note 29).

** Other borrowing costs includes audit fees amounting INR 19.

26 Segment reporting

The Restricted group is involved in the business of generation and sale of electricity. 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: The Restricted Group as lessee

- The Restricted 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 of 20 years.
- Operating lease payment recognised in the statement of profit and loss amounting to INR 5 (December 31, 2019; INR 5) (refer note 24).
- Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at December 31, 2020	As at December 31, 2019
Within one year	1	1
After one year but not more than five years	3	2
More than five years	10	8
	14	11

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

28 Employee Benefits

a) Defined Contribution Plan

Amount recognised and included in Note 23 "Contribution to Provident and other Funds" - INR 3 (December 31, 2019; INR 3).

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 Special Purpose Unaudited Combined Statement of Profit and Loss account and amounts recognised in the Special Purpose Unaudited Combined Balance Sheet:

i) Expenses recognised:

Particulars	For the nine months ended	
	December 31, 2020	December 31, 2019
Current service cost	2	1
Past services cost	-	-
Interest cost	1	1
Actuarial (gain)/loss	1	2
Net benefit expense	4	4

ii) Amount recognized in the balance sheet:

Particulars	As at December 31, 2020	As at March 31, 2020
Present value of defined benefit obligation	18	14
Fair value of plan assets	-	-
Plan liability	18	14

iii) The changes in the present value of the defined benefit obligation are as follows:

Particulars	As at December 31, 2020	As at March 31, 2020
Opening defined benefit obligation	14	9
Current service cost	2	2
Past service cost	-	-
Interest cost on benefit obligation	1	1
Liability transferred out (net)	0	-
Benefits paid	0	-
Actuarial loss	1	2
Closing defined benefit obligation	18	14

iv) The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	As at December 31, 2020	As at March 31, 2020	As at December 31, 2019
Discount rate	5.84% - 6.62%	6.32% - 6.62%	6.70% - 7.50%
Rate of Salary Increase	10.00%	10.00%	10.00%
Expected rate of return on planned assets	Not Applicable	Not Applicable	Not Applicable
Rate of employee turnover	12.00%	12.00%	12.00%
Retirement age	60 years	60 years	60 years
Mortality Rate	Indian Assured Lives Mortality (2006-08)	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.

29 Capitalisation of expenditure

The Restricted 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 Special Purpose Unaudited Combined Financial Statements are net of amounts capitalised by the Restricted Group.

	For the nine months ended	
	December 31, 2020	December 31, 2019
Application fees	0	2
Insurance expense	-	4
Interest expense	60	29
Legal and professional fees	2	12
Rent expense	0	1
Site development expenses	0	3
Travelling, lodging and boarding	-	5
Miscellaneous expense	-	0
Other borrowing cost	0	64
	62	120

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

30 Related party disclosure

a) Names of the related parties and related party relationship

Related parties where control exists (refer note 2 in basis of preparation)

Ultimate Holding Company	Continuum Green Energy Limited, Singapore	
Immediate Holding Company of the Identified Subsidiaries except CELPL	Continuum Green Energy (India) Private Limited	
Fellow subsidiaries with whom transaction have taken place during the year*	Continuum MP Windfarm Development Private Limited Srijan Energy Systems Private Limited	
Enterprise over which key managerial person have significant influence	Skyzen Infrabuild Private Limited	
Key management personnel	Arvind Bansal Raja Parthasarathy Arno Kikkert N V Venkataramanan Marc maria van't noordende Vikram chandravadan maniar Tarun Bhargava Gautam Chopra Ranjeet Kumar Sharma Pan Peiwen Peter Farley Mitchell	Director & Chief Executive officer (CEO) of CGE IPL Director of CGE IPL & subsidiaries (w.e.f. May 8, 2019) Director of CGE IPL Chief Operating Officer of CGE IPL, Director and Chief Executive Officer of the Indian Subsidiaries Director of the Indian Subsidiaries Director of the Indian Subsidiaries (till May 15, 2019) Chief Financial Officer of CGE IPL and Indian Subsidiaries Vice President - Project development of CGE IPL Vice President - Projects wind business of CGE IPL Director of CELPL Director of CELPL

* These are subsidiaries that have not been combined as a part of the Restricted Group for which related party disclosures have made at the Restricted Group Level.

b) Related party transactions during the period ended

Particulars	December 31, 2020	December 31, 2019
Intercompany borrowing received by the Restricted Group		
Continuum Green Energy (India) Private Limited	21	849
Intercompany borrowing received, repaid by the Restricted Group		
Continuum Green Energy (India) Private Limited	52	78
Reimbursement of Common overheads		
Continuum Green Energy (India) Private Limited	129	148
Interest income on borrowing given by the Restricted Group		
Continuum Green Energy (India) Private Limited	244	100
Skyzen Infrabuild Private Limited	57	-
Srijan Energy Systems Private Limited	12	-
Continuum MP Windfarm Development Private Limited	10	-
Paid towards statutory dues on behalf of the Restricted Group & reimbursed		
Continuum Green Energy (India) Private Limited	150	198
Interest expenses on CFCDs		
Continuum Green Energy (India) Private Limited	307	380
Interest expenses on unsecured loan		
Continuum Green Energy (India) Private Limited	92	9
Issue of share capital		
Continuum Green Energy (India) Private Limited	-	0
Investment in Optionally Convertible Redeemable Preference Shares		
Srijan Energy Systems Private Limited	-	638
Continuum MP Windfarm Development Private Limited	-	400
Reimbursement of expense		
Key management personnel	0	1

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

c) **Year end balances arising from transactions with related parties**

Particulars	December 31, 2020	March 31, 2020
Reimbursement of common overheads and expense payable		
Continuum Green Energy (India) Private Limited	556	427
Payable towards intercorporate borrowings		
Continuum Green Energy (India) Private Limited	1,905	1,905
Payable towards interest expenses		
Continuum Green Energy (India) Private Limited	842	442
Intercorporate borrowing receivable		
Continuum Green Energy (India) Private Limited	2,783	2,836
Skyzen Infrabuild Private Limited	510	510
Srijan Energy Systems Private Limited	143	143
Continuum MP Windfarm Development Private Limited	113	113
Interest receivable on intercorporate borrowing		
Continuum Green Energy (India) Private Limited	254	129
Skyzen Infrabuild Private Limited	60	3
Srijan Energy Systems Private Limited	13	1
Continuum MP Windfarm Development Private Limited	10	1

Other transaction:

- i) During the period ended December 31, 2019, bank guarantee facility amounting to INR 286 is availed by CGEIPPL for the purpose of providing Bank Guarantee in lieu of Debt Service Reserve Account to the secured term loan lenders of DJEPL. Bank Guarantee was given in favour of Security Trustee who is acting on behalf of secured term loan lenders of DJEPL.
- ii) During the period ended December 31, 2019, bank guarantee facility amounting to INR 230 is availed by CGEIPPL for the purpose of providing Bank Guarantee in lieu of Debt Service Reserve Account to the secured term loan lenders of UUPPL. Bank Guarantee was given in favour of Security Trustee who is acting on behalf of secured term loan lenders of UUPPL.
- iii) During the period ended December 31, 2019, unsecured loan given by CGEIPPL to WIPL of INR 415 is converted into compulsorily fully convertible debentures (CFCDs) of Rs. 10/- each (Indian rupees Ten).
- iv) Trinethra has availed letter of credit facility against which CMPWDPL has provided fixed deposit of INR Nil (March 31, 2020; INR 110) as security.
- v) During the period ended December 31, 2019, RTPL has received unsecured loan of INR 581 from CGEIPPL against which it has issued 14,155,000 Equity shares of INR 10/- each, 14,165,000 CCDs of INR 10/- each and 22,730,000 NCDs of INR 10/- each. The total conversion of loan into aforesaid securities aggregating to INR 511.
- vi) RTPL has availed letter of credit facility against which CMPWDPL has provided fixed deposit of INR Nil (March 31, 2020; INR 24) as security.

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

There are no micro and small enterprises, to whom the Restricted Group owes dues, which are outstanding for more than 45 days as at December 31, 2020 and March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Restricted Group.

32 Capital and other commitments

Capital commitments and Other commitments remaining to be executed as on December 31, 2020 is INR 326 (March 31, 2020; INR 2,545) and INR 340 (March 31, 2020; INR 340) respectively.

33 Expenditure in Foreign Currency (accrual basis)

	For the nine months ended	
	December 31, 2020	December 31, 2019
Other borrowing cost	5	5
Professional fees	6	-
	11	5

34 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 Bothe as part of regulatory process for generation of electricity under renewable energy policy, Bothe 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 Bothe has recognized revenues for sale of electricity in the statement of profit and loss and corresponding receivables are accounted as unbilled revenue under non-current assets. However, in the absence of WEPA, Bothe cannot raise the invoice for the electricity sold out of these WTGs.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE UNAUDITED COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

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 December 31, 2020 and December 31, 2019.

During the previous year, Bothe had 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 a 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 partially in favour of Bothe. Bothe has preferred an appeal before Appellate Tribunal for Electricity (APTEL). APTEL has granted a stay on the matter and the matter is currently sub-judice.

35 Contingent liabilities

	As at December 31, 2020	As at March 31, 2020
Income tax demand	5	5

36 COVID-19 impact assessment:

The Restricted Group has considered the possible effects that may result from the pandemic relating to COVID-19 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 Restricted Group, as at the date of approval of these Special Purpose Unaudited Combined Financial Statements has evaluated the performance till date along with internal and external sources on the expected future performance of the Restricted Group.

The Restricted Group, based on the recent performance and considering current estimates expects the carrying amount of these property, plant and equipment, Investments, receivables and other current assets are fairly stated and fully recoverable. Considering, the Restricted Group is in the business of generation and supply of power (renewable energy) being classified under essential services, believes that impact of COVID-19 on the Special Purpose Unaudited Combined Financial Statements is not material.

37 Subsequent event

No events occurred from the Balance sheet date which has material impact on the financial statements at that date or for the period then ended.

38 Amount less than INR 0.5 appearing in the Special Purpose Unaudited Combined Financial Statements are disclosed as "0" due to presentation in millions.

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

On behalf of the Board of Directors of
Continuum Energy Levanter Pte. Ltd.
(for Restricted Group)

per Pritesh Maheshwari
Partner
Membership No. : 118746

Pan Peiwen
Director

Tarun Bhargava
Chief Financial Officer

Place : Mumbai
Date : 30/01/2021

Place : Singapore
Date : 30/01/2021

Place : Mumbai
Date : 30/01/2021

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Continuum Energy Levanter Pte. Ltd. (the 'Company')

Opinion

We have audited the Special Purpose Combined Financial Statements of Continuum Energy Levanter Pte. Ltd, 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 (together referred to as the "Restricted Group"), which comprise the Special Purpose Combined Balance Sheets as at March 31, 2020, March 31, 2019 and March 31, 2018, the Special Purpose Combined Statements of Profit and Loss and the Special Purpose Combined Cash Flow Statements for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 and Notes to the Special Purpose Combined Financial Statements including a summary of significant accounting policies and other explanatory information (collectively, the "Special Purpose Combined Financial Statements"). As more fully described in note 2, 'Basis of Preparation' to the Special Purpose Combined Financial Statements, the accompanying Special Purpose Combined Financial Statements have been prepared for the information and use of the Board of Directors of the Company and for the purpose stated in note 1 of the accompanying Special Purpose Combined Financial Statements.

In our opinion, the accompanying Special Purpose Combined Financial Statements of the Restricted Group for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 are prepared, in all material respects, in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Combined Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Combined Financial Statements 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 Restricted 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 Special Purpose Combined Financial Statements.

Emphasis of Matter

We draw attention to Note 2 to the Special Purpose Combined Financial Statements, which states that;

- a) the Restricted Group has not formed a separate group of entities during the years ended March 31, 2020, March 31, 2019 and March 31, 2018; the basis of preparation, including the approach to and the purpose of preparing the Special Purpose Combined Financial Statements, as stated in Note 1, therein. Consequently, the Special Purpose Combined Financial Statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group that would have occurred if it had operated as a separate standalone entity during the periods presented.
- b) these Special Purpose Combined Financial Statements do not include the comparative combined financial information for the year ended March 31, 2018, following the exemption provided in the Guidance Note issued on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India.



Our opinion is not modified in relation to the above matters.

Responsibilities of management and those charged with governance for the Special Purpose Combined Financial Statements

The management of the Company is responsible for the preparation and fair presentation of the Special purpose Combined Financial Statements of the Restricted Group in accordance with basis of preparation set out in Note 2 to the Special Purpose Combined Financial Statements. This responsibility also includes safeguarding of the assets of the Restricted 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 special purpose combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Combined Financial Statements, the Management is responsible for assessing the entities forming part of the Restricted Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any entity forming part of the Restricted Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Restricted Group's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Combined Financial Statements of the Restricted 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 Special Purpose Combined Financial Statements.

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 Special Purpose Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Restricted 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 entities forming part of Restricted Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Combined Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entities forming part of Restricted Group to cease to continue as a going concern.

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

Restriction of Use

This report on the Special Purpose Combined Financial Statements has been issued solely in connection with the proposed issuance of USD Senior notes by Continuum Energy Levanter Pte. Ltd. as stated in Note 1 of the Special Purpose Combined Financial Statements and for inclusion in the Offering Memorandum in relation to the proposed issuance of USD Senior notes. Our report should not be used, referred to or distributed for any other purpose except with our prior written consent.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Pritesh Maheshwari**
Partner

Membership Number: 118746
UDIN: 21118746AAAAAI8423



Place: Mumbai

Date: January 30, 2021

CONTINUUM RESTRICTED GROUP
SPECIAL PURPOSE COMBINED BALANCE SHEET
(All amounts in INR millions, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
<u>Equity and Liabilities</u>				
Combined shareholders' funds - Restricted Group				
Combined Share Capital	5 (a)	5,346	4,479	3,958
Combined Reserves and Surplus and others	5 (b)	(524)	(768)	(1,323)
		4,822	3,711	2,635
Minority shareholders' funds				
		81	48	21
Compulsory fully convertible debentures (CFCDs)				
	6	7,844	7,286	6,780
Non-current liabilities				
Long term borrowings	7	34,220	26,503	23,272
Deferred tax liability (net)	8	317	783	586
Other long term liabilities	9	507	686	369
Long term provisions	10	12	8	7
		35,056	27,980	24,234
Current liabilities				
Short term borrowings	11	979	973	801
Trade payables				
Outstanding dues of micro and small enterprises	12	1	1	-
Outstanding dues to other than micro and small enterprises	12	168	69	64
Other current liabilities	12	3,453	1,761	1,846
Short term provisions	10	7	5	54
		4,608	2,809	2,765
TOTAL		52,411	41,834	36,435
<u>Assets</u>				
Non-current assets				
Property, plant and equipment	13 (a)	37,399	31,757	26,474
Goodwill attributable to Identified Subsidiaries	13 (b)	315	315	315
Capital work in progress		2,375	288	463
Non-current investments	14	1,088	50	131
Long term loans and advances	15	4,410	2,553	3,016
Other non current assets	16	879	623	459
		46,466	35,586	30,858
Current assets				
Trade receivables	17	1,407	1,013	3,034
Cash and bank balances	18	3,560	4,303	1,884
Short term loans and advances	15	187	309	143
Other current assets	19	791	623	516
		5,945	6,248	5,577
TOTAL		52,411	41,834	36,435
Summary of significant accounting policies	4			

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003

On behalf of the Board of Directors of
Continuum Energy Levanter Pte. Ltd.
(for Restricted Group)

per Pritesh Maheshwari

Partner

Membership No. : 118746

Pan Peiwen

Director

Tarun Bhargava

Chief Financial Officer

Place : Mumbai

Date : 30/01/2021

Place : Singapore

Date : 30/01/2021

Place : Mumbai

Date : 30/01/2021

CONTINUUM RESTRICTED GROUP
SPECIAL PURPOSE COMBINED STATEMENT OF PROFIT AND LOSS
(All amounts in INR millions, unless otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Income				
Revenue from operations	20	7,636	6,332	4,704
Other income	21	474	297	214
Total income (A)		8,110	6,629	4,918
Expenses				
Operating and maintenance expenses	22	863	513	349
Employee benefits expense	23	112	92	74
Other expenses	24	747	462	450
Total expenses (B)		1,722	1,067	873
Earnings before interest, tax, depreciation and amortisation (EBITDA) (A-B)		6,388	5,562	4,045
Depreciation expense	13 (a)	1,613	1,351	1,063
Finance costs	25	3,985	3,414	3,061
Profit/(loss) before tax		790	797	(79)
Tax expenses/(credit)				
Current tax		-	163	63
Minimum Alternate Tax (MAT) credit entitlement	15	-	(160)	(63)
MAT credit entitlement of prior year	15	-	(1)	(32)
MAT credit entitlement charge		256	-	-
Deferred tax		(466)	197	338
Total tax expenses/(credit)		(210)	199	306
Profit/(loss) after tax		1,000	598	(385)
Share of profit/(loss) attributable to minority shareholders' funds		31	28	(67)
Profit/(loss) for the year		969	570	(318)
Summary of significant accounting policies	4			

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

On behalf of the Board of Directors of
Continuum Energy Levanter Pte. Ltd.
(for Restricted Group)

per Pritesh Maheshwari
Partner
Membership No. : 118746

Pan Peiwen
Director

Tarun Bhargava
Chief Financial Officer

Place : Mumbai
Date : 30/01/2021

Place : Singapore
Date : 30/01/2021

Place : Mumbai
Date : 30/01/2021

CONTINUUM RESTRICTED GROUP
SPECIAL PURPOSE COMBINED CASH FLOW STATEMENT
(All amounts in INR millions, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities			
Profit/(loss) before tax	790	797	(79)
Adjustment to reconcile profit/(loss) before tax to net cash flows:			
Depreciation expense	1,613	1,351	1,063
Balances written back	(6)	-	0
Balances written off	-	-	5
Finance costs	3,985	3,414	3,061
Profit on sale of mutual funds	-	(16)	(4)
Interest income	(350)	(278)	(210)
Operating profit before working capital changes	6,032	5,268	3,836
Movements in working capital:			
Increase/(decrease) in trade payables	105	6	(10)
Increase in other liabilities	461	171	13
Increase in provisions	7	2	1
(Increase)/ decrease in trade receivables	(394)	2,021	(1,130)
Decrease / (increase) in loans and advances	64	(52)	(64)
(Increase)/decrease in other current assets and non current assets	(288)	(131)	1,636
Cash generated from operations	5,987	7,285	4,282
Direct taxes paid (net)	-	(228)	(31)
Net cash flows from operating activities (A)	5,987	7,057	4,251
Cash flows from investing activities			
Purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors	(9,164)	(6,007)	(4,946)
Purchase of mutual funds	-	(50)	(44)
Advance for investment in mutual funds	-	-	(37)
Investment in optionally convertible redeemable preference shares	(1,038)	-	-
Proceeds on redemption of mutual funds	-	184	95
Investment in fixed deposits	(422)	(1,522)	(698)
Loan given to related party	(2,423)	-	-
Unsecured loan repaid by related party	-	30	44
Interest received	353	243	196
Net cash flows (used in) investing activities (B)	(12,694)	(7,122)	(5,390)
Cash flows from financing activities			
Proceeds from long term borrowings	18,698	9,887	16,761
Proceeds from non convertible debentures	56	-	-
Repayment of long term borrowings	(9,367)	(6,680)	(13,649)
(Repayment) / proceeds of short term borrowings (net)	6	172	(544)
Proceeds from issuance of CFCDs	-	506	1,815
Proceeds from issuance of Equity shares	0	404	1
Finance costs paid	(3,656)	(3,231)	(3,356)
Net cash flows from financing activities (C)	5,737	1,058	1,028
Foreign currency translation reserve (D)	2	3	0
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	(968)	996	(111)
Cash and cash equivalents at the beginning of the year	2,066	1,070	1,181
Cash and cash equivalents at the end of the year	1,098	2,066	1,070

CONTINUUM RESTRICTED GROUP
SPECIAL PURPOSE COMBINED CASH FLOW STATEMENT
(All amounts in INR millions, unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Reconciliation of cash and cash equivalents with the balance sheet:			
Components of cash and cash equivalents			
Cash on hand	-	-	2
Cheque on hand	-	-	0
Balance in current account	581	146	157
Balance in deposit account	517	1,920	911
Cash and cash equivalents at the end of the year (refer note 18 and note IV below)	1,098	2,066	1,070

Summary of significant accounting policies (refer note 4)

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 1,098 (March 31, 2019; INR 2,066 and March 31, 2018; INR 1,070) and other bank balance of INR 2,462 (March 31, 2019; INR 2,237 and March 31, 2018; INR 814) forms part of the cash and bank balance of INR 3,560 (March 31, 2019; INR 4,303 and March 31, 2018; INR 1,884) as disclosed in note 18.
- V) During year ended March 31, 2020, the Restricted Group has issued 73,036,970 bonus equity share of INR 10/- each to CGE IPL. Further, it has issued 14,155,000 equity share, 55,705,000 CCDs of INR 10/- each and 22,730,000 NCDs of INR 10/- each by converting unsecured loan outstanding from CGE IPL.

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.

As per our report of even date.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003

On behalf of the Board of Directors of

Continuum Energy Levanter Pte. Ltd.

(for Restricted Group)

per Pritesh Maheshwari

Partner

Membership No. : 118746

Pan Peiwen

Director

Tarun Bhargava

Chief Financial Officer

Place : Mumbai

Date : 30/01/2021

Place : Singapore

Date : 30/01/2021

Place : Mumbai

Date : 30/01/2021

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

1 Background and purpose of special purpose combined financial statements

Continuum Green Energy Limited (erstwhile known as Continuum Wind Energy Limited) ("CGEL") a Singapore holding company, through its 100% owned Indian subsidiary Continuum Green Energy (India) Private Limited (erstwhile known as Continuum Wind Energy (India) Private Limited) ("CGE IPL") owns, 100% in all its Indian Subsidiaries including following India Subsidiaries except Watsun where it holds majority share holding:

- Bothe Windfarm Development Private Limited ("Bothe")
- DJ Energy Private Limited ("DJEPL")
- Uttar Urja Projects Private Limited ("UUPPL")
- Watsun Infrabuild Private Limited Private Limited ("Watsun")
- Trinethra Wind and Hydro Power Private Limited ("Trinethra")
- Renewables Trinethra Private Limited ("RTPL")

Continuum Energy Levanter Pte Ltd ("CELPL") has been incorporated, as a 100% subsidiary of CGEL, on 30 May 2017, domiciled in Singapore proposes to issue USD Senior Notes ("securities") and invest proceeds out of the issue into proposed issue of Non-Convertible Debentures in Indian rupees (INR) by Identified Subsidiaries. The registered office is situated at 10 Changi Business Park, Central 2, #05-01, Hansapoint @CBP, Singapore.

These special purpose combined financial statements comprises of CELPL, Bothe, DJEPL, UUPPL, Watsun, Trinethra and RTPL, together considered as the "Restricted Group" and individually considered as the "Identified Subsidiaries" of Continuum Restricted Group.

The Restricted Group is engaged in the business of generation and sale of electricity from renewable energy sources in India. The Restricted Group has entered into and / or in the process of entering into long term power purchase agreements with various governments agencies and private institutions to sell electricity generated from its wind farms/solar plants [currently with operational capacity of approx. 723 megawatts ("MW")] in the states of Maharashtra, Madhya Pradesh, Gujarat and Tamil Nadu, India.

The Identified Subsidiaries, except CELPL, are domiciled in India and Corporate office of these Identified Subsidiaries is located at 102, El Tara, Hiranandani Gardens, Mumbai, India.

The management of Identified Subsidiaries are responsible for the preparation of special purpose combined financial statements of the Restricted Group.

These special purpose combined financial statements for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 have been prepared solely in connection with the proposed issuance of USD Senior secured notes by Continuum Energy Levanter Pte. Ltd and for inclusion in offering memorandum in relation to proposed issuance of USD Senior Secured Notes.

2 Basis of preparation

The Special Purpose Combined Financial Statements of the Restricted Group comprises of special purpose combined balance sheets as at March 31, 2020, March 31, 2019 and March 31, 2018, the Special Purpose Combined Statements of Profit and Loss, Special Purpose Combined Cash Flow Statements and a summary of significant accounting policies and other explanatory information for the years ended March 31, 2020, March 31, 2019 and March 31, 2018.

The Restricted Group in the past has not constituted a separate legal group of the Identified Subsidiaries for the purpose of preparation of the Special Purpose Combined Financial Statements, and individually, the Identified Subsidiaries within the Restricted Group reported their financial statements under Indian GAAP. Taking into account the specifics to be considered in preparing Special Purpose Combined Financial Statements which are explained below, in preparing these Financial Statements, they have been prepared in accordance with the recognition, measurement and disclosure principles specified in the accounting standards notified under Section 133 of the Companies Act, 2013, except for disclosure requirement of AS-20 Earnings per share, read together with Companies (Accounting Standard) Amendment Rules, 2016 (together referred as "Indian GAAP") and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("The Guidance Note").

For the purposes of the special purpose combined financial statements, the Identified Subsidiaries have measured its assets and liabilities at the carrying amounts that were included in CGE IPL's consolidated financial statements prepared under Indian GAAP including goodwill on consolidation and minority interest (MI) recorded by CGE IPL for the Identified Subsidiaries. Accordingly, the special purpose combined financial statements have been prepared on a "carve-out" basis from the consolidated financial statements of CGE IPL prepared under Indian GAAP.

These special purpose combined financial statements have been prepared on the accrual and going concern basis of respective identified subsidiaries, using the historical cost convention. The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the Identified Subsidiaries used for the purpose of combination are drawn up to the same reporting date i.e. year ended on March 31 each year.

All assets and liabilities are presented as current or non-current as per the Identified Subsidiaries' normal operating cycle and other criteria as set out in the Schedule III of the Companies Act, 2013. The Identified subsidiaries have ascertained their operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

These special purpose combined financial statements includes comparative combined financial information for the year ended March 31, 2020 and March 31, 2019 however there is no comparative combined financial information for the year ended March 31, 2018. In relation to same, the Restricted Group has considered the exemption provided under the Guidance Note.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

Scope of combination

As required by the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, the details of various entities comprised in the special purpose combined financial statements is as given below:

Name	Principal activities	Control w.e.f.	Country of Incorporation	% of interest held by CGEL as at		
				31-Mar-2020	31-Mar-2019	31-Mar-2018
Continuum Energy Levanter Private Limited	Holding of investment securities	30-May-17	Singapore	100%	100%	100%
Bothe Windfarm Development Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%	100%
DJ Energy Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%	100%
Uttar Urja Projects Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%	100%
Watsun Infrabuild Private Limited	Generation and sale of wind / solar energy	30-May-16	India	74.24%	75.73%	74%
Trinethra Wind and Hydro Power Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%	100%
Renewables Trinethra Private Limited	Generation and sale of wind energy	13-Jun-19	India	100%	Not applicable	Not applicable

3 Basis of combination

Indian GAAP does not provide specific guidance for the preparation of Combined Financial Statements and, accordingly, in preparing these special purpose combined financial statements, accounting conventions commonly used for the preparation of Consolidated Financial Statements in accordance with AS 21 Consolidated Financial Statements have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same these financial statements are prepared on a basis that combines the results and assets and liabilities of each of the Identified Subsidiaries and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business.

Accordingly, intra-group balances within the Restricted Group, income and expenses, unrealized gains and losses resulting from transactions between the Restricted Group entities have been eliminated in the Special Purpose Combined Financial Statements.

Minority shareholders' funds represents equity shares held by the Group captive customers of Watsun. Further, it also includes share in reserves and surplus of Watsun from the date on which investment in Watsun was made by group captive customers.

Minority Interest in the net assets of the Identified Subsidiaries is identified and presented in the special purpose combined balance sheet separately from liabilities and equity of the Combined shareholders funds as Minority shareholders' funds. Minority interest in the net assets of the Identified Subsidiaries consists of:

- The amount of equity attributable to minority at the date on which investment in the Identified Subsidiary is made; and
- The minority share movements in equity since the date of such investment in the Identified Subsidiary.

Minority interest's share in Net Profit / Loss for the year of the Identified Subsidiaries is identified and presented separately as Minority shareholders' funds.

Due to the preparation of special purpose combined financial statements, disclosures related to the presentation of share capital, reserves and surplus, foreign currency translation reserves and net assets attributable to parent and MI, differs from the presentation as prescribed by Schedule III. Combined capital represents the difference between the assets and liabilities of the identified subsidiaries, being net worth.

Transactions with the other entities which are directly or indirectly controlled by CGEL are disclosed as transactions with related parties (refer Note 30).

The special purpose combined financial statements include allocations of direct and indirect costs related to the operations of the Identified Subsidiaries made by CGEIPL to depict the business on a standalone basis till March 31, 2020. Indirect costs relate to certain support functions that are provided on a centralised basis within CGEIPL and such costs are allocated basis projected revenue of subsidiary company based on their project completion stage.

The Management believes that the methodology used for allocation of common overheads reflects its best estimate of how the benefits arise from relevant activities.

Earnings per Share (EPS) is not disclosed at the Restricted Group level since the Restricted Group does not constituted a separate legal group of the Identified Subsidiaries as explained above.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

4 Summary of significant accounting policies

The policies set out below have been consistently applied to all the periods presented in the special purpose combined financial statements.

a. Use of estimates

The preparation of special purpose combined financial statements in conformity with 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 Restricted 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 average power purchase cost (APPC) rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of Bothe's unsigned PPA's and the surplus power as per the rate prescribed by relevant state regulatory commission to state discoms

Active and reactive charges are recorded as operating expenses and not adjusted against sale of electricity.

Unbilled revenue represents the revenue that Bothe recognises at eligible rates for the arrangement where Bothe has all approvals in place except that PPA is pending to be signed between Bothe and DISCOMS.

Accrued revenue represents the revenue that the Restricted Group recognizes where the PPA is signed but invoice is raised subsequent to the balance sheet date.

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 special purpose combined statement of profit and loss.

c. Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Restricted Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

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.

d. Foreign currency transactions and translations

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.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS

(All amounts in INR millions, unless otherwise stated)

Translation of integral and non-integral foreign operation

The Restricted 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 statement of profit and loss.

e. Property, plant and equipment

Property, plant and equipment 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 it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the 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 statement of profit and loss when the asset is derecognised.

The Restricted 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. Depreciation on property, plant and equipment

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

g. Goodwill attributable to Identified Subsidiaries

Goodwill attributable to Identified Subsidiaries represents the difference between the cost of investment in the Identified subsidiaries, and CGEIP's share of net assets at the time of acquisition of share in the identified subsidiaries.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

h. Borrowing costs

Borrowing Cost includes Interest and amortisation of ancillary cost incurred in connection with the arrangement of borrowings.

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 cost are expensed in the period they occur.

i. Impairment

The Restricted 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 Restricted 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 the Restricted 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 recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Restricted Group estimates the asset's or cash-generating unit'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 amount 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 statement of profit and loss.

j. Leases

Where the Restricted 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 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 special purpose combined 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 special purpose combined 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, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Restricted Group operates. 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 Restricted 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.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS

(All amounts in INR millions, unless otherwise stated)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Restricted Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Restricted 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 Restricted 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 Restricted Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Restricted Group does not have convincing evidence that it will pay normal tax during the specified period.

All Identified subsidiaries except CELPL had opted the option available under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 (refer note 8 and note 15 for the recognition and measurement of deferred tax and MAT for the current year).

m. Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss for the year when the contributions are due. The Restricted Group has no obligation, other than the contribution payable to the provident fund.

The Restricted 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 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 Restricted 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 Restricted 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 statement of profit and loss and are not deferred. The Restricted 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 Restricted 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 Restricted 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 Restricted 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 statement of profit and loss net of any reimbursement.

o. 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

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.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS

(All amounts in INR millions, unless otherwise stated)

p. 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 Restricted 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 Restricted Group does not recognise a contingent liability but discloses its existence in the special purpose combined financial statements.

q. Current and non-current classification

The Restricted Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to 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 Restricted 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 Restricted Group has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

r. Measurement of EBITDA

As per the Guidance Note on the Schedule III to the Companies Act, 2013, the Restricted Group has opted to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Restricted Group measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Restricted Group does not include depreciation and amortization expense, finance costs and tax expense.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

5 Combined shareholders' funds - Restricted Group

a) Combined Share Capital

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Share Capital*	5,346	4,479	3,958
	<u>5,346</u>	<u>4,479</u>	<u>3,958</u>

b) Combined Reserves and Surplus and others

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Reserves and surplus*	(834)	(1,071)	(1,638)
Foreign currency translation reserves**	(5)	(12)	0
Net assets attributable to parent*	315	315	315
	<u>(524)</u>	<u>(768)</u>	<u>(1,323)</u>

* Share capital and reserves and surplus represents the aggregate amount of share capital and reserves and surplus of identified subsidiaries of Continuum Restricted Group for the period ended and does not necessarily represent legal share capital for the purpose of the Restricted Group. Net assets attributable to parent represents the difference between the cost of investment and CGEIP's share of net assets at the time of acquisition of share in certain subsidiaries which are part of the Restricted Group. It has been reported under shareholder's fund of the Restricted Group since it represents amount invested by CGEIP in the Restricted Group.

** Foreign currency translation reserves represents accumulated translation reserves relating to CELPL, whose functional reporting currency is US dollars and for these special purpose combined financial statements have been converted into INR.

6 Compulsory fully convertible debentures (CFCDs/CCDs/Debentures) (unsecured)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
10.00% Unsecured CFCDs of INR 10 each. March 31, 2020; 576,665,000 CFCDs, March 31, 2019; 535,125,000 CFCDs ; March 31, 2018; 535,125,000 CFCDs	5,767	5,351	5,351
10.00% Unsecured CCDs of INR 10 each. March 31, 2020; 207,685,888 CCDs, March 31, 2019; 193,520,888 CCDs ; March 31, 2018; 142,920,888 CCDs	2,077	1,935	1,429
	<u>7,844</u>	<u>7,286</u>	<u>6,780</u>

A Details and terms of CFCDs:

- CFCDs include CFCDs issued by Bothe 214,375,000 (March 31, 2019; 214,375,000 and March 31, 2018; 214,375,000) and Watsun 362,290,000 (March 31, 2019; 320,750,000 and March 31, 2018; 320,750,000)
- Debentures shall be convertible into equity shares at any time at the option of the debenture holders subject to prior intimation to be provided to Lender for conversion of CFCDs to ordinary share; in case of Watsun, 51% of shares so converted shall be pledged with the lenders of the project.
- CFCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier;
- Debentures shall be convertible into equity shares at par into one equity share for each debenture;
- Coupon for the Debentures shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the Lenders;
- Interest on CFCDs shall be accrued but any dividend/interest/coupon on CFCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of Lenders.
- The equity shares to be issued to the debenture holders upon conversion of debentures shall rank pari passu with the existing equity shares.
- Promoters contribution by way of Compulsorily Fully Convertible Debentures shall not have any charge/ recourse to project assets.
- Prior approval of the Lender would be required for transferring CFCDs to any other party other than the present CFCD holders.
- No interest shall be payable / accruable on such instruments till COD of the project.
- CFCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
- CFCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Identified Subsidiaries of the Restricted Group.
- Incase of Watsun, interest on debentures for the year ended March 31, 2020 has been entirely waived off by CGEL and CGEIP had waived off the interest on debentures amounting to INR 223. Interest on Debentures for the year ended March 31, 2019 and March 31, 2018 was waived off by both the debenture holders of Watsun entirely. Further, incase of Bothe, interest on debentures was waived off by debenture holder for the year ended March 31, 2018.

B Details and terms of CCDs:

- CCDs include CCDs issued by DJEPL 79,442,888 (March 31, 2019; 79,442,888 and March 31, 2018; 79,442,888), UUPPL 63,478,000 (March 31, 2019; 63,478,000 and March 31, 2018; 63,478,000), Trinethra 50,600,000 (March 31, 2019; 50,600,000 and March 31, 2018; Nil) and RTPL 14,165,000 (March 31, 2019; Nil and March 31, 2018; Nil)
- Debentures shall be convertible into equity shares at any time at the option of the debenture holders subject to prior intimation to be provided to Lender for conversion of CCDs to ordinary share;
- CCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier;
- Debentures shall be convertible into equity shares at par into one equity share for each debenture;
- Coupon for the Debentures shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the Lenders;
- Interest on CCDs shall be accrued but any dividend/interest/coupon on CCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of Lenders.
- The equity shares to be issued to the debenture holders upon conversion of debentures shall rank pari passu with the existing equity shares.
- Promoters contribution by way of Compulsorily Fully Convertible Debentures shall not have any charge/ recourse to project assets.
- Prior approval of the Lender would be required for transferring CCDs to any other party other than the present CFCD holders.
- No interest shall be payable / accruable on such instruments till COD of the project.
- CCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
- CCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Identified Subsidiaries of the Restricted Group.

7 Long term borrowings

	Non-current As at March 31, 2020	Non-current As at March 31, 2019	Non-current As at March 31, 2018	Current As at March 31, 2020	Current As at March 31, 2019	Current As at March 31, 2018
Indian rupee term loans (secured)						
From banks	3,392	3,861	2,522	186	203	53
From financial institution	28,661	20,752	20,122	2,186	1,199	1,060
From related parties (refer note 30)	1,884	1,890	628	-	-	410
Non convertible debentures (NCD) (unsecured)						
28,330,000 10.50% Non convertible debentures of INR 10 each (refer note 30)	283	-	-	-	-	-
	<u>34,220</u>	<u>26,503</u>	<u>23,272</u>	<u>2,372</u>	<u>1,402</u>	<u>1,523</u>
Current maturities disclosed under the head "other current liabilities" (refer note 12)	-	-	-	(2,372)	(1,402)	(1,523)
Total long term borrowings	<u>34,220</u>	<u>26,503</u>	<u>23,272</u>	<u>-</u>	<u>-</u>	<u>-</u>

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

The borrowing have been obtained by respective subsidiaries of the Restricted Group. The Key terms of the loan and the security thereon are summarised below:

A Bothe – Term loan of INR 8,287 (As at March 31, 2019; INR 9,157 and as at March 31, 2018; INR 10,914) from financial institution and related party.

Terms and security of loan from financial institution:

- Secured by pari passu first charge on Bothe's movable properties, immovable properties, tangible assets, intangible assets, current assets, all bank accounts, all the right, title, interest, benefits, claims and demands whatsoever of Bothe in the Project Documents including Power Purchase Agreement, Clearances, Insurance, etc. both present and future and;
- Pari Passu charge over pledge of 100.00% (i.e.: 214,375,000 shares) of the equity share capital of Bothe held by CGEIPL provided that the 26.00% (i.e.: 55,737,500 shares) of the Shares as pledged shall be released out of the Pledged Shares on (i) availability of two credit ratings of minimum (BBB-); and (ii) after the creation and perfection of the entire Security Interest as stipulated in Refinancing Loan Agreement by PFC.
- Corporate guarantee of CGEL, Singapore of INR 1,156 to in favour of SBICAP Trustee Company Ltd for the benefit of the Power Finance Corporation Ltd and L&T Infrastructure Finance Company Limited (L&T Infra). This Corporate Guarantee shall stand released entirely after repayment of entire loan facility taken from L&T Infra.
- Corporate guarantee of CGEL, Singapore of INR 8,551 to Power Finance Corporation Ltd Provided that this Corporate Guarantee shall stand reduced to INR 700 after Bothe creates and perfects the Security Interest as stipulated in the Refinancing Loan Agreement. Provided further that, on creation and perfection of security interest as mentioned in the Refinancing Loan Agreement, this Corporate Guarantee shall stand released entirely after availability of two credit ratings (by SEBI approved rating agencies) of minimum (BBB-).
- Exclusive charge over pledge of 77.00% (i.e.: 165,068,750 CFCDs) of the Compulsorily fully convertible debentures (CFCDs) of Bothe held by CGEIPL to Power Finance Corporation Ltd provided that 26.00% (i.e.: 55,737,500 CFCDs) of the total CFCDs issued by Bothe shall be released upon the entire Security Interest under the Refinancing Loan Agreement is created and perfected.

Terms of interest and repayment:

- 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;
- The Loan from L&T carries interest rate of L&T Infra PLR minus 5.25% p.a. and principle outstanding as at March 31, 2020 is repayable at the end of the tenure.

Terms and security of loan from related party:

- Unsecured loan from CGEIPL is interest free;
- Unsecured loan from CGEIPL will be repaid out of the surplus funds calculated in accordance with the terms of the financing documents and accordingly classified as long term.

B DJEPL – term loan of INR 6,285 (As at March 31, 2019; INR 5,096 and as at March 31, 2018; INR 5,371) from financial institutions and bank.

Terms and security of loan from financial institutions:

- First Pari -passu charge on movable properties, immovable properties, tangible assets, intangible assets, current assets and all bank accounts both present and future.
- First Pari -passu charge on all the rights, titles, interests, benefits, claims and demands whatsoever of DJEPL in the project documents including clearances, insurance, letter of credit, guarantee, liquidated damages, performance bond, etc.
- Pledge of 100.00% (i.e.: 126,608,586 shares) of the shares of DJEPL held by CGEIPL in favour of Security Trustee for the benefit of secured term loan lenders of DJEPL and deposit of 100.00% (i.e.: 79,442,888 CCDs) of CCDs of DJEPL with the Escrow Agent.
- CGEIPL and CGEL have provided undertaking to IFC and IIFCL (lenders of DJEPL) towards meeting any shortfall in financial obligations which shall become due and payable including creation of requisite DSRA in accordance with financing documents on or prior to the Project Financial completion date (PFCD).
- Corporate Guarantee from CGEIPL upto INR 1,410.

Terms of interest and repayment:

The effective interest for (payable monthly except IFC):

- L&T Infrastructure Finance Company Limited (L&T Infra), India Infrastructure Finance Company Limited (IIFCL) and India Infradebt Limited : L&T Infra PLR minus 5.50% p.a.
- International Finance 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).

Remaining instalments as at March 31, 2020 are due on a quarterly basis except for IFC :

- L&T Infra: Ranging from 37 to 60 quarters of unequal instalments ranging between 0.13% to 19.52% of loan.
- IIFCL: 46 quarters of unequal instalments ranging between 0.72% to 2.76% of loan.
- India Infradebt: 44 quarters of unequal instalments ranging between 0.48% to 17.60% of loan.
- IFC: 18 semi-annual repayments in unequal instalment ranging between 1.92% to 7.10% of loan.

C UUPPL – term loan of INR 5,108 (As at March 31, 2019; INR 4,187 and as at March 31, 2018; INR 4,413) from financial institutions and bank.

Terms and security of loan from financial institutions:

- First Pari -passu charge on movable properties, immovable properties, tangible assets, intangible assets, current assets and all bank accounts both present and future.
- First Pari -passu charge on all the rights, titles, interests, benefits, claims and demands whatsoever of UUPPL in the project documents including clearances, insurance, letter of credit, guarantee, liquidated damages, performance bond, corporate guarantee, bank guarantee etc.
- Pledge of 100.00% (i.e.: 99,428,384 shares) of the shares of UUPPL held by CGEIPL in favour of Security Trustee for the benefit of secured term loan lenders of UUPPL and deposit of 100.00% (i.e.: 63,478,000 CCDs) of CCDs of UUPPL with the Escrow Agent.
- CGEIPL and CGEL have provided undertaking to IFC and IIFCL (lenders of UUPPL) towards meeting any shortfall in financial obligations which shall become due and payable including creation of requisite DSRA in accordance with financing documents on or prior to the Project Financial completion date (PFCD).
- Corporate Guarantee from CGEIPL upto INR 1,090.

Terms of interest and repayment:

The effective interest for (payable monthly except IFC):

- L&T Infra, & IIFCL and India Infradebt : L&T Infra PLR minus 5.50% p.a.
- IFC: Fixed Interest rate ranging between 10.65% p.a. and 11.1725% p.a. for each tranche of draw down (payable semi-annually).

Remaining instalments as at March 31, 2020 are due on a quarterly basis except for IFC :

- L&T Infra: Ranging from 41 to 60 quarters of unequal instalments ranging between 0.13% to 24.66% of loan.
- IIFCL: 47 quarters of unequal instalments ranging between 1.07% to 2.50% of loan.
- India Infradebt: 44 quarters of unequal instalments ranging between 0.47% to 24.66% of loan.
- IFC: 19 semi-annual repayments in unequal instalment ranging between 2.80% to 10.75% of loan.

D Watsun Infrabuild Pvt Ltd- term loan of INR 9,615 (As at March 31, 2019; INR 8,342 and as at March 31, 2018; INR 3,755) from a bank, financial institution and related party.

Terms and security of loan from financial institutions and bank:

- Secured by paripassu first charge on entire immovable properties, cashflows, receivables, book debts, revenue (whatsoever nature and wherever arising), intangible assets (including but not limited to goodwill and uncalled capital, intellectual property) and on Trust and Retention Account (TRA), Debt Service Reserve and any other reserves and other bank accounts (wherever maintained) of the Project, both present and future.
- Paripassu first charge by way of hypothecation of entire immovable properties of the project, both present and future, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicle, raw material, stock-in-trade, inventory and all other movable properties of whatsoever nature.
- Paripassu first charge / assignment by way of hypothecation, as the case may be, of all the rights, title, interest, benefits, claim and demands whatsoever of Watsun in the project documents, clearances, security provided by any party to the project documents and all insurance contracts.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

- Pledge of shares (equity as well as CFCDs) of Watsun in the following manner.
 - i Pledge of 51.00% (i.e.: 19,507,500 shares) of the total paid up share capital and pledge of 100.00% (i.e.: 330,575,000 CFCD) of CFCDs held by CGEIPL in Watsun.
 - ii Pledge over 100.00% (i.e.: 31,715,000 CFCD) of the total issued compulsory convertible debentures held by CGEL in Watsun.
- Paripassu first charge on all the monies receivable by CGEL or CGEIPL from Watsun under the unsecured loan granted by CGEL or CGEIPL to Watsun brought in for the promoters contribution.
- For the project, corporate guarantee given by CGEL remain valid (i) until security is perfected, (ii) for the funding cost overrun and (iii) for the DSRA amount till DSRA is created whichever is later. Upon completion of these three conditions, this Corporate Guarantee shall stand released.

Terms of interest and repayment:

The effective interest for (payable monthly):

- PTC India Financial Services Ltd (PFS), State Bank of India (SBI - Wind) and Indian Renewable Energy Development Agency Ltd (IREDA): 2.30% p.a. above one year SBI MCLR post Commercial date of operation (COD) subject to Watsun creating DSRA and achieving investment grade External Credit Rating or above.
- State Bank of India (SBI - Solar) : 2.30% p.a. above one year SBI MCLR till COD and 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 quarter DSRA.

Remaining instalments as on March 31, 2020 are due on quarterly basis:

- PFS, SBI - Wind, IREDA: 57 quarters (56 quarters of SBI) of structured instalments ranging between 1.07% to 2.48% of loan.
- SBI - Solar: 56 quarters of structured instalments ranging between 1.07% to 2.48% of loan.

Terms and security of loan from related party:

- Unsecured loan shall be repaid to CGEIPL only after the Watsun pays its senior debt liabilities and hence classified as non current. Unsecured Loan of INR 99 is provided for the wind project of the Watsun and it carries Nil interest rate. Unsecured Loan INR 352 represents promoter contribution towards funding of Solar project cost. It carries interest equivalent to State bank of India (SBI) facility interest rate but no interest shall be payable/accruable on such loan till commercial operation date of the project.

For solar project, the Watsun has obtained term loan facility of INR 2,150 from SBI. These loan facility includes non-fund based facility of INR 1,945. Letter of credit (LC) facility has been issued with expiry date of March 31, 2020 which is further extended to May 31, 2020. Upon presentation of bills under LC period, utilised LC value will get converted into term loan facility of SBI.

As at the March 31, 2020, bills presented under LC is INR.1,598 which got converted in term loan of SBI and unutilised LC value is INR 347.

E Trinethra Wind and Hydro Power Private Limited - term loan of INR 5,842 (As at March 31, 2019; INR 1,123 and as at March 31, 2018; INR 244) from financial institution and related

Terms and security of loan from financial institution:

- Pari passu first charge by way of mortgage in a form and manner acceptable to the Rupee Term Lender, over all Trinethra's immovable properties (in case of leased land, mortgage of leasehold right) and pari passu first charge on Trinethra's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of the Trinethra and pari passu first charge on the Debt Service Reserve Account, Trust and Retention Account, any letter of credit and other reserves and any other bank accounts of the Trinethra wherever maintained, both present and future pertaining to the Project.
- Pari passu first charge by way of hypothecation, in a form and manner acceptable to the Rupee Term Lender, over all the Trinethra'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 Trinethra;
- Pari Passu assignment in favour of the Rupee Term Lender/ Security Trustee, on all the rights, titles, interests, benefits, claims and demands whatsoever of Trinethra 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, land lease agreements, service contracts, etc.), duly acknowledged and consented to by the relevant counter-parties to such Project Documents, all as amended, varied or supplemented from time to time and in the clearances relating to the project and in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents and all Insurance Contracts and Insurance Proceeds and assignment of guarantees from EPC Contractor/ module supplier (if any) relating to the Project, both present and future:
- Trinethra has created pari passu pledge of the 99.99% (i.e.: 40,499,990) {P.Y. 76% (i.e.: 30,780,000 shares)} of Equity Shares and 100.00% (i.e. 50,600,000 CCDs) {P.Y.76% (i.e.: 38,456,000 CCDs)} , both present and future, held by the Pledgor, aggregating to the Specified Percentage till the Final Settlement Date, 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 Trinethra. On repayment of 75.00% (seventy five percent) of the facility, the rupee term lender may consider to release 21.00% (i.e.: 8,505,000 shares) pledge of the equity share capital.

Terms of interest and repayment:

- 11.00% p.a. (fixed) payable quarterly up to the standard due date immediately following the COD (3 year reset rates);
- The Loan from PFC is repayable in 60 unequal quarterly instalments ranging between 1.25% to 3.80% of loan.
- First repayment date will fall due on 15th July 2020 i.e. 12 months from original Scheduled Commercial Operation Date

Terms and security of loan from related party:

- Unsecured loan from CGEIPL amounting to INR 1,113 carries interest rate as applicable for the term loan facility given by the rupee term lender, Power Finance Corporation (PFC) and as part of promoter contribution. Interest on said unsecured loan shall be accrued and paid only after project achieved commercial operation date (COD). The balance unsecured loan of INR 10 is interest free and can be repaid subject to lenders approval and accordance with the terms of agreement with lender. Accordingly, these unsecured loans have been classified as long term.

F Renewables Trinethra Private Limited - term loan of INR 1,455 from financial institution and related party.

Terms and security of loan from financial institution:

- Pari passu first charge by way of mortgage in a form and manner acceptable to the Lender, over all RTPL's immovable properties (in case of leasehold land mortgage of leasehold rights, as may be applicable) and a first charge on RTPL's operating cash flows, book debts, receivables, the Trust and Retention Account (TRA) including Debt Service Reserve Account (DSRA), with exclusive charge of 2 quarter DSRA with project lender, any letter of credit and other reserves and any other bank accounts of RTPL wherever maintained, both present and future;
- Pari passu first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all RTPL'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.
- Pari passu first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all RTPL's intangible, goodwill, uncalled capital, both present and future.
- Pari passu assignment in favour of the Lender on all the rights, titles, interests, benefits, claims and demands whatsoever of RTPL 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/module supplier (if any) relating to the project duly acknowledged and consented to by the relevant counter-parties to such Project Documents;
- RTPL has created pledge over 100.00% equity shares (i.e. 14,165,000 shares), 100.00% CCDs (i.e.14,165,000 CCDs) and 100.00% NCDs (i.e. 28,330,000 NCDs) with the validity till the tenure of loan from PFC.
- Corporate Guarantee of CGEL. The Corporate Guarantee shall be valid (i) Till power curve guarantee test (PCGT) for the entire project, i.e.50.40 MW and (ii) Till 2 years of successful operation in adherence to generation base case, to the satisfaction of lenders.

Terms of interest and repayment:

- The loan from PFC carries interest rate of 10.65% p.a. payable monthly upto the standard due date.
- The loan from PFC is repayable in 180 (One Eighty) structured monthly instalments ranging between 0.33% to 2.67% of loan.
- First repayment date will fall due on 12 months after Scheduled Commercial Operation Date (SCOD) of the project.

Terms and security of loan from related party:

Terms of unsecured loan:

- Unsecured loan from CGEIPL is interest free and will be paid subject to lenders approval and in accordance with the terms in agreement of Term Loan with the lender of RTPL and accordingly classified as long term.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

Terms of NCDs:

- NCDs shall be rupee denominated, redeemable, unsecured, unrated and unlisted non-convertible debenture.
- No interest payable/accruable on such instruments till commercial operation date of the project.
- Coupon for the NCD's shall be ten point five percent per annum compounded annually, on cumulative basis from commercial operation date of the project.
- Any dividend/interest/coupon on NCDs shall be out of dividend distribution surplus left in the trust and retention account after meeting all reserve requirements and all debt obligation and with prior permission of rupee term lender;
- NCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully);
- Rights under NCDs shall always be subordinated to facility during the tenor of the facility;
- Prior approval of the Lender would be required for transferring NCDs to any other party other than the present NCD holders.
- NCDs shall be redeemed at the end of the 20 years from the date of allotment.

G The term loan lender of Bothe, DJEPL, UUPPL, Watsun and Trinethra has approved deferment of payment of term loan instalment and interest falling due between March 01, 2020 and May 31, 2020 in accordance with Reserve Bank of India's Circular no. RBI/2019-20/186 dated March 27, 2020. Accordingly, these subsidiaries has classified current maturities of long term borrowings and interest accrued but not due on these borrowings in their financial statements. Subsequent to year end, Watsun has repaid the deferred amount. (refer note 12)

8 Deferred tax liability (net)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Deferred tax liability			
Property, plant and equipment: Impact of difference between book depreciation and tax depreciation (refer note below)	2,035	1,150	586
Gross deferred tax liability	<u>2,035</u>	<u>1,150</u>	<u>586</u>
Deferred tax asset			
Impact of unabsorbed depreciation (refer note below)	1,718	367	-
Gross deferred tax asset	<u>1,718</u>	<u>367</u>	<u>-</u>
Net deferred tax liability	<u>317</u>	<u>783</u>	<u>586</u>

Note:

- The finance Ministry of India has introduced a new Section 115BAA 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 required 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.

Identified subsidiaries except CELPL, has opted 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%.

Also, as per earlier tax provisions under tax scheme, till March 31, 2019; 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 have been 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 is being recognised in special purpose combined statement of profit and loss account for the year ended March 31, 2020 amounting INR 681 (March 31, 2019 Nil and March 31, 2018 Nil)

- The Restricted 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 Restricted Group would be able to recover the asset.

9 Other long term liabilities

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Security deposits from customers*	76	14	-
Due to related parties (refer note 30)	223	238	128
Interest accrued but not due on borrowing (related party) (refer note 30)	208	434	241
	<u>507</u>	<u>686</u>	<u>369</u>

*Security Deposits received from customers is interest free and payable at the end of contract.

10 Provisions

	Non Current As at March 31, 2020	Non Current As at March 31, 2019	Non Current As at March 31, 2018	Current As at March 31, 2020	Current As at March 31, 2019	Current As at March 31, 2018
Provision for income-tax, net of advance tax						
Provision for taxation (net of advance taxes)	-	-	-	-	1	51
	-	-	-	-	1	51
Provision for employee benefits						
Provision for gratuity (refer note 28)	12	8	7	2	1	1
Provision for leave benefits	-	-	-	5	3	2
	<u>12</u>	<u>8</u>	<u>7</u>	<u>7</u>	<u>5</u>	<u>54</u>

11 Short term borrowings

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Working capital (secured)			
From banks	327	421	765
From financial institution	631	552	36
From related party (refer note 30)	21	-	-
	<u>979</u>	<u>973</u>	<u>801</u>

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

The borrowings have been obtained by respective subsidiaries of the Restricted Group. The key terms of the loan and the security thereon are summarized below:

Security

Bothe - working capital loan of INR 635 (As at March 31, 2019; INR 808 and as at March 31, 2018; INR 765) from bank and financial institution.

- Pari Passu first charge on Bothe's movable properties, immovable properties, tangible assets, intangible assets, current assets including all trade receivables, all bank accounts, all the right, title, interest, benefits, claims and demands whatsoever of Bothe in the Project Documents including Clearances, Insurance, etc, both present and future.
- Pari Passu charge over pledge of 100.00% (i.e.: 214,375,000 shares) of the equity share capital of Bothe held by CGEIPPL provided that the 26.00% (twenty six percent) (i.e.:55,737,500) of the Shares as pledged shall be released out of the Pledged Shares on availability of two credit ratings of minimum (BBB-).
- 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.
- Corporate guarantee of CGEL, Singapore for Cash credit limit of INR 650.
- Loan is repayable on demand.

DJEPL - working capital loan of INR 192 (As at March 31, 2019; INR 87 and as at March 31, 2018; INR 36) from financial institution and related party.

- First Pari -Passu charge on movable properties, immovable properties, tangible assets, intangible assets, current assets and all bank accounts both present and future.
- First Pari -Passu charge on all the right, title, interest, benefits, claims and demands whatsoever of DJEPL in the project documents including clearances, insurance, letter of credit, guarantee, liquidated damages, performance bond, etc.
- The interest on cash credit facility carries an interest rate of L&T Finance Limited PLR minus 4.75% p.a., payable on monthly basis.
- Loan is repayable on demand.
- Loan from related party is interest free.

UUPPL - working capital loan of INR 152 (As at March 31, 2019; INR 78 and as at March 31, 2018; INR Nil) from financial institution

- First Pari -Passu charge on movable properties, immovable properties, tangible assets, intangible assets, current assets and all bank accounts both present and future.
- First Pari -Passu charge on all the right, title, interest, benefits, claims and demands whatsoever of UUPPL in the project documents including clearances, insurance, letter of credit, guarantee, liquidated damages, performance bond, corporate guarantee, bank guarantee, etc.
- The interest on cash credit facility carries an interest rate of L&T Finance Limited PLR minus 4.75% p.a., payable on monthly basis.
- Loan is repayable on demand.

12 Trade payables and other current liabilities

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Trade payables			
Outstanding dues of micro and small enterprises (refer note 31)	1	1	0
Outstanding dues to creditors other than micro and small enterprises	168	69	64
	169	70	64
Other liabilities :			
Current maturities of long term borrowings (refer note 7)	2,372	1,402	1,523
Capital creditors	10	199	205
Due to related party (refer note 30)	204	15	-
Interest accrued but not due on borrowings (refer note 7 (G))	344	81	86
Interest accrued but not due on borrowings (related parties) (refer note 30)	234	-	-
Salary payable	3	0	0
Statutory dues payable (refer note i below)	63	61	32
Advance received from customers	0	-	-
Provision towards commitment charges (refer note ii below)	73	-	-
Provision towards litigation and contingencies (refer note iii below)	127	-	-
Others	23	3	0
	3,453	1,761	1,846

Note:

i Includes tax deducted at source, employees provident fund, employees profession tax, Goods and Service Tax (GST) and Employees State Insurance Corporation.

ii Movement for provision towards commitment charges:

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
At the beginning of the year	-	-	-
Arising during the year	73	-	-
Utilised during the year	-	-	-
At the end of the year	73	-	-

iii Provision towards litigation and contingencies made during the year amounts to INR 127 (March 31, 2019; INR Nil and March 31, 2018; INR Nil).

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

13 (a) Property, plant and equipment

Particulars	Land*	Buildings	Plant and equipment**	Furniture and fixtures	Vehicles	Office equipments	Computer	Total
Cost								
As at April 1, 2017	792	2	24,825	6	1	4	6	25,636
Additions	32	7	4,343	1	0	0	1	4,384
Sales/disposal/adjustments	5	2	-	1	-	0	0	8
As at April 01, 2018	819	7	29,168	6	1	4	7	30,012
Additions	293	0	6,339	1	-	0	1	6,634
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at April 01, 2019	1,112	7	35,507	7	1	4	8	36,646
Additions	122	-	7,132	0	-	0	1	7,255
Sales/disposals/adjustments	-	-	0	-	-	-	-	-
As at March 31, 2020	1,234	7	42,639	7	1	4	9	43,901
Depreciation								
As at April 1, 2017	-	0	2,466	3	0	2	4	2,475
Charge for the year	-	0	1,060	1	0	1	1	1,063
Sales/disposals/adjustments	-	0	-	0	-	0	-	-
As at April 01, 2018	-	0	3,526	4	0	3	5	3,538
Charge for the year	-	0	1,348	1	0	1	1	1,351
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at April 01, 2019	-	0	4,874	5	0	4	6	4,889
Charge for the year	4	0	1,607	1	0	0	1	1,613
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2020	4	0	6,481	6	0	4	7	6,502
Net block								
As at March 31, 2018	819	7	25,642	2	1	1	2	26,474
As at March 31, 2019	1,112	7	30,633	2	1	-	2	31,757
As at March 31, 2020	1,230	7	36,158	1	1	-	2	37,399

* 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 204 (March 31, 2019; INR 210 and March 31, 2018; INR 210).

* Land includes freehold land amounting to INR 1,113 (March 31, 2019; INR 1,111 and March 31, 2018; INR 818)

** The Finance cost net capitalized during the year includes interest expenses of INR 7 (March 31, 2019; INR 73 and March 31, 2018; INR Nil) and other borrowing cost of INR 17 (March 31, 2019; INR 17)

** Plant and equipment includes Plant and machinery - Wind Turbine Generator (WTG), Networking Equipment, Sub Station, 33KV Line and other enabling assets.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

13 (b) Goodwill attributable to Identified Subsidiaries

Particulars	Goodwill
Cost	
As at April 1, 2017	315
Additions	-
Sales/disposal/adjustments	-
As at April 01, 2018	315
Additions	-
Sales/disposals/adjustments	-
As at April 01, 2019	315
Additions	-
Sales/disposals/adjustments	-
As at March 31, 2020	315
Amortization	
As at April 1, 2017	-
Charge for the year	-
Sales/disposals/adjustments	-
As at April 01, 2018	-
Charge for the year	-
Sales/disposals/adjustments	-
As at April 01, 2019	-
Charge for the year	-
Sales/disposals/adjustments	-
As at March 31, 2020	-
Net block	
As at March 31, 2018	315
As at March 31, 2019	315
As at March 31, 2020	315

Note:

Goodwill attributable to Identified Subsidiaries represents the difference between the cost of investment in DJEPL, UUPPL and Wastun, and CGEPL's share of net assets at the time of acquisition of share in these companies.

14 Non-current investments

(valued at cost, unless stated otherwise)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Investment in fellow subsidiaries :			
Investment in Optionally Convertible Redeemable Preference shares (OCRPS) (unquoted)			
63,800,000 (P.Y. 63,800,000) 0.01% OCRPS of Rs. 10 each fully paidup in Srijan Energy Systems Private Limited (SESPL) (refer note 30)	638	-	-
40,000,000 (P.Y. 40,000,000) 0.01% OCRPS of Rs. 10 each fully paidup in Continuum MP Windfarm Development Private Limited (CMPWDPL) (refer note 30)	400	-	-
Investment in mutual funds (quoted) *	50	50	131
	1,088	50	131

* Market value as at March 31, 2020 is INR 54 (March 31, 2019; INR 50 and March 31, 2018; 139). Investment in mutual fund for the year ended March 31, 2020 and March 31, 2019 is towards Debt Service Reserve Account as required under lender's agreement amounting to INR 50 (March 31, 2019; INR 50) by Watsun. Investment in mutual fund for the year ended March 31, 2018 is lien marked against bank guarantee issued for obtaining connectivity approval.

Terms of Optionally Convertible Redeemable Preference Shares (OCRPS)

- Each OCRPS shall have a face value of INR 10/- (Indian Rupees ten only);
- OCRPS shall carry a preferential right vis-à-vis Equity Shares of SESPL and CMPWDPL with respect to payment of dividend and proceeds of liquidation;
- OCRPS shall carry dividend at the rate of 0.10% per annum from the date of the allotment on a cumulative basis;
- Each OCRPS will be convertible into one ordinary share of SESPL and CMPWDPL of face value INR 10/- (Indian Rupees ten only), at any time at the option of the holder of the OCRPS provided that the holder is in compliance with any laws applicable to it, for conversion of its investment into ordinary shares;
- OCRPS may be redeemed by SESPL and CMPWDPL at any time, subject to a prior notice of minimum 30 (thirty) days, either from surplus profits of SESPL and CMPWDPL or from proceeds of a fresh issue of share capital or as provided under applicable law from time to time; and
- OCRPS shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013, as amended from time to time.

15 Loans and advances

Unsecured, considered good unless stated otherwise

	Non-current As at March 31, 2020	Non-current As at March 31, 2019	Non-current As at March 31, 2018	Current As at March 31, 2020	Current As at March 31, 2019	Current As at March 31, 2018
Capital advances	666	1,033	1,491	-	-	-
Security deposit	119	105	224	-	150	0
	785	1,138	1,715	-	150	0
Advance recoverable in cash or in kind						
Loans and advances to related parties (refer note 30 and note i,ii and iii below)	3,550	1,101	1,161	52	78	48
Advances recoverable from vendor	-	-	-	14	-	-
Other advances	-	1	1	52	56	5
	3,550	1,102	1,162	118	134	53
Other loans and advances						
Advance income tax (net of provision for tax)	46	47	32	-	-	-
Prepaid expenses	22	3	2	68	25	53
Advance for investment	-	-	-	-	-	37
Minimum Alternate Tax (MAT) credit entitlement (refer note iv below)	-	256	95	-	-	-
Balance with statutory/ government authorities	7	7	10	-	-	-
Imprest to staff	-	-	-	1	0	0
	75	313	139	69	25	90
	4,410	2,553	3,016	187	309	143

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

Note:

- i) Loan given to CGEIPL as at March 31, 2020, amounting to INR 1,101 is repayable in 11 yearly unequal instalments ranging from 4.08% to 29.31% and carries an interest of 0.75% over the interest rate payable to lender of DJEPL and UUPPL.
Further, the DJEPL and UUPPL has given additional loan amounting to INR 1,735 to CGEIPL in the year ended March 31, 2020 which is repayable at will of the borrower, in one or more parts, at any time prior to the expiry of 15 (fifteen) years from the date of borrowing and carries an interest of 0.75% over the interest rate payable to lender of DJEPL and UUPPL.
- ii) Loan given to SESPL and CMPWDPL is repayable at will of the borrower, in one or more parts, at any time prior to the expiry of 15 (fifteen) years from the date of borrowing and carries an interest of 0.75% over the interest rate payable to lender of DJEPL.
- iii) Loan given to Skyzen Infrabuild Private Limited (SIPL) is repayable on or before October 9, 2022 and settlement schedule which is forming part of the agreement, has defined repayment alongwith interest amount.
- iv) During the year ended March 31, 2020, Bothe, DJ and UUPPL has opted the option available under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Consequent to this amendment, these companies will not be eligible to take the credit of outstanding MAT credit receivable aggregating to INR 256 and hence written off in the statement of profit and loss during the year.

16 Other non-current asset

Unsecured, considered good unless stated otherwise

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Fixed deposit with remaining maturity for more than 12 months (refer note 18)*	296	99	0
Unamortised ancillary borrowing cost	221	244	259
Interest on unsecured loans receivable (refer note 30)	5	-	-
Unbilled revenue**	357	280	200
	879	623	459

* Includes deposits amounting to INR 6 (March 31, 2019; INR Nil and March 31, 2018; INR Nil) on which lien has been marked against letter of credit issued by ICICI bank and deposits created towards debt service reserve account as required under lender's agreement amounting to INR Nil (March 31, 2019; INR 4 and March 31, 2018; Nil) by the Restricted Group.

** 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 34).

17 Trade receivables

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless stated otherwise			
Outstanding for a period exceeding six months from the date they are due for payment	1	-	-
Other trade receivables	1,406	1,013	3,034
	1,407	1,013	3,034

18 Cash and bank balances

	Non-current As at March 31, 2020	Non-current As at March 31, 2019	Non-current As at March 31, 2018	Current As at March 31, 2020	Current As at March 31, 2019	Current As at March 31, 2018
Cash and cash equivalent						
Cash on hand	-	-	-	0	0	2
Cheques on hand	-	-	-	-	-	0
Balances with banks :						
- Current account	-	-	-	581	146	157
- Deposits with original maturity of less than 3 months	-	-	-	517	1,920	911
Total	-	-	-	1,098	2,066	1,070
Other bank balance						
- Deposits with remaining maturity upto a period of 12 months*				2,462	2,237	814
- Deposits with remaining maturity for more than 12 months	296	99	0	-	-	-
	296	99	0	2,462	2,237	814
Amount disclosed under other non-current assets (refer note 16)	(296)	(99)	0	-	-	-
	-	-	-	2,462	2,237	814
Total	-	-	-	3,560	4,303	1,884

* Includes deposits amounting to INR 338 (March 31, 2019; INR 575 and March 31, 2018; INR Nil) on which lien has been marked against bank guarantees and letter of credits issued by various banks and deposits created towards Debt Service Reserve Account as required under lender's agreement amounting to INR 1,539 (March 31, 2019; INR 1,317 and March 31, 2018; INR 715) by the Restricted Group.

19 Other current assets

Unsecured, considered good unless stated otherwise

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Accrued income	568	334	304
Accrued interest			
On bank deposits	48	43	17
On unsecured loan to related party (refer note 30)	129	118	132
Others	3	27	4
Ancillary cost of arranging borrowings	43	78	57
Insurance claim receivable	-	1	-
Other current assets	0	22	2
Total	791	623	516

Note: Accrued income represents revenue earned but not billed to the customers as at year end.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

20 Revenue from operations

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Sale of electricity	7,247	5,929	4,337
Other operating revenue			
Generation Based Incentive (GBI)	389	393	365
Revenue loss recovered from contractor	-	10	2
Total	7,636	6,332	4,704

21 Other income

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on :			
Bank deposits*	202	146	63
On unsecured loan to related parties (refer note 30)	148	132	146
Income tax refund	4	0	1
Profit on sale of mutual fund units	-	16	4
Balance written back	6	0	0
Insurance claim received	7	2	-
Income arising due to liquidated damages**	105	-	-
Miscellaneous Income	2	1	0
Total	474	297	214

* Interest income on bank deposits are net of amount capitalised by the Restricted Group (refer note 29).

** During the year ended March 31, 2020; one of the subsidiary has 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.

22 Operating and maintenance expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Operation and maintenance expenses	524	359	321
Transmission, open access and other operating charges	339	154	28
	863	513	349

23 Employee benefits expense*

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Salary, wages and bonus	98	83	67
Contribution to provident fund / other fund (refer note 28)	4	4	3
Gratuity expenses (refer note 28)	5	2	2
Leave benefits	3	1	0
Staff welfare expenses	2	2	2
Total	112	92	74

* Employee benefit expense are net of amount capitalised by the Restricted Group (refer note 29).

24 Other expenses*

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent (refer note 27)	7	6	6
Insurance expense	51	38	37
Rates and taxes	19	21	24
Travelling, lodging and boarding	30	29	23
Legal and professional fees	103	84	145
Repairs and maintenance Plant and machinery	17	3	6
Repairs and maintenance others	49	11	5
Site related expenses	17	50	8
Provision towards litigation and contingencies	127	-	-
Provision for commitment charges	73	-	7
Payment of early commissioning incentive	10	-	-
Common overheads (refer note 30)	191	179	137
Balance written off	-	0	5
Rebate and discount	22	24	19
Miscellaneous expenses	31	17	28
	747	462	450

* Other expenses disclosed are net of amount capitalised by the Restricted Group (refer note 29).

25 Finance costs*

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	3,076	2,753	2,472
Interest on unsecured loan (refer note 30)	40	-	13
Interest others	0	1	0
Interest on CCDs (refer note 30)	481	357	143
Other borrowing costs	388	303	433
	3,985	3,414	3,061

* Finance cost are net of amount capitalised by the Restricted Group (refer note 29).

26 Segment reporting

The Restricted group is involved in the business of generation and sale of electricity. 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'.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

27 Leases

Operating lease: The Restricted Group as lessee

- a) The Restricted 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 of 20 years.
- b) Operating lease payment recognised in the special purpose combined statement of profit and loss amounting to INR 7 (March 31, 2019; INR 6 and March 31, 2018; INR 6) (refer note 24).
- c) Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Within one year	1	1	2
After one year but not more than five years	2	2	1
More than five years	8	6	-
	11	9	3

28 Employee Benefits

a) Defined Contribution Plan

Amount recognised and included in Note 23 "Contribution to Provident and other Funds" - INR 4 (March 31, 2019; INR 4 and March 31, 2018; INR 3).

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 special purpose combined profit and loss account and amounts recognised in the balance sheet:

i) Expenses recognised:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	2	2	2
Past services cost	-	-	0
Interest cost	1	0	0
Actuarial loss	2	-	0
Net benefit expense*	5	2	2

* This includes INR Nil (March 31, 2019; INR Nil and March 31, 2018; INR 0) gratuity expense of Watsun capitalised to Capital work-in-progress during the year.

ii) Amount recognized in the balance sheet:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligation	14	9	8
Fair value of plan assets	-	-	-
Plan liability	14	9	8

iii) The changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	9	8	6
Current service cost	2	2	2
Past service cost	-	-	0
Interest cost on benefit obligation	1	0	0
Liability transferred out (net)	-	0	0
Benefits paid	-	(1)	0
Actuarial loss	2	0	0
Closing defined benefit obligation	14	9	8

iv) The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Discount rate	6.32% - 6.62%	7.27% - 7.50%	7.65%
Rate of Salary Increase	10.00%	10.00%	12.00%
Expected rate of return on planned assets	Not Applicable	Not Applicable	Not Applicable
Rate of employee turnover	12.00%	12.00%	14.50%
Retirement age	60 years	60 years	60 Years
Mortality Rate	Indian Assured Lives Mortality (2006-08)	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.

29 Capitalisation of expenditure

The Restricted 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 special purpose combined financial statements are net of amounts capitalised by the Restricted Group.

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Application fees	2	0	-
Insurance expense	6	3	0
Interest expense	93	53	73
Legal and professional fees	12	14	10
Rates and taxes	0	-	3
Rent expense	1	0	-
Employee benefit expenses	-	6	15
Site development expenses	4	6	5
Travelling, lodging and boarding	5	5	-
Miscellaneous expense	0	0	151
Other borrowing cost	74	102	-
	197	189	257
Less :			
Interest on fixed deposits	-	-	9
	197	189	248

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

30 Related party disclosure

a) Names of the related parties and related party relationship

Related parties where control exists (refer note 2 in basis of preparation)

Ultimate Holding Company	Continuum Green Energy Limited, Singapore
Immediate Holding Company of the Identified Subsidiaries except CELPL	Continuum Green Energy (India) Private Limited
Fellow subsidiaries with whom transaction have taken place during the year*	Continuum MP Windfarm Development Private Limited Srijan Energy Systems Private Limited
Enterprise over which key managerial person have significant influence	Skyzen Infrabuild Private Limited
Key management personnel	Arvind Bansal Raja Parthasarathy Arno Kikkert N V Venkataramanan Marc maria van't Noordende Vikram chandravadan maniar Tarun Bhargava Gautam Chopra Ranjeet Kumar Sharma Pan Peiwen Peter Farley Mitchell Director & Chief Executive officer (CEO) of the CGE IPL Director of CGE IPL & subsidiaries (w.e.f. May 8, 2019) Director of CGE IPL Chief Operating Officer of CGE IPL, Director and Chief Executive Officer of the Indian Subsidiaries Director of the Indian Subsidiaries Director of the Indian Subsidiaries (till May 15, 2019) Chief Financial Officer of CGE IPL and Indian Subsidiaries Vice President - Project development of CGE IPL Vice President - Projects wind business of CGE IPL Director of CELPL Director of CELPL

* These are subsidiaries that have not been combined as a part of the Restricted Group for which related party disclosures have made at Restricted Group Level.

b) Related party transactions during the year ended

Particulars	March 31, 2020	March 31, 2019	March 31, 2018
Intercompany borrowing received by the Restricted Group			
Continuum Green Energy (India) Private Limited	941	1,551	2,520
Continuum Green Energy Limited	-	-	98
Intercompany borrowing received by the Restricted Group, repaid			
Continuum Green Energy (India) Private Limited	-	602	4,036
Intercompany borrowing given by the Restricted Group			
Continuum Green Energy (India) Private Limited	1,735	-	29
Skyzen Infrabuild Private Limited	510	-	-
Srijan Energy Systems Private Limited	143	-	-
Continuum MP Windfarm Development Private Limited	113	-	-
Intercompany borrowing given by the Restricted Group, repaid			
Continuum Green Energy (India) Private Limited	78	29	72
Bill discounting facility availed			
Continuum Green Energy (India) Private Limited	-	408	-
Bill discounting repaid			
Continuum Green Energy (India) Private Limited	-	408	-
Reimbursement of Common overheads			
Continuum Green Energy (India) Private Limited	191	179	137
Reimbursement of expenses incurred on behalf of the Restricted Group by			
Continuum Green Energy (India) Private Limited	-	-	19
Other borrowing cost			
Continuum Green Energy (India) Private Limited	-	50	-
Interest income on borrowing given by the Restricted Group			
Continuum Green Energy (India) Private Limited	143	132	146
Skyzen Infrabuild Private Limited	3	-	-
Srijan Energy Systems Private Limited	1	-	-
Continuum MP Windfarm Development Private Limited	1	-	-

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

Particulars	March 31, 2020	March 31, 2019	March 31, 2018
Paid towards statutory dues on behalf of the company & reimbursed Continuum Green Energy (India) Private Limited	232	303	128
Interest expenses on CFCDs Continuum Green Energy (India) Private Limited	481	357	143
Interest expenses on unsecured loan incurred Continuum Green Energy (India) Private Limited	40	-	13
Issue of share capital Continuum Green Energy (India) Private Limited	0	404	-
Continuum Green Energy Limited	-	-	1
Issue of Compulsorily fully convertible debentures Continuum Green Energy (India) Private Limited	-	506	2,060
Issue of Non convertible debentures Continuum Green Energy (India) Private Limited	56	-	-
Investment in Optionally Convertible Redeemable Preference Shares Srijan Energy Systems Private Limited	638	-	-
Continuum MP Windfarm Development Private Limited	400	-	-
Reimbursement of expense Key management personnel	1	1	1

c) Year end balances arising from transactions with related parties

Particulars	March 31, 2020	March 31, 2019	March 31, 2018
Reimbursement of common overheads and expense payable Continuum Green Energy (India) Private Limited	427	253	128
Payable towards intercorporate borrowings Continuum Green Energy (India) Private Limited	1,905	1,890	940
Continuum Green Energy Limited	-	-	98
Payable towards interest expenses Continuum Green Energy (India) Private Limited	442	434	241
Intercorporate borrowing receivable Continuum Green Energy (India) Private Limited	2,836	1,179	1,209
Skyzen Infrabuild Private Limited	510	-	-
Srijan Energy Systems Private Limited	143	-	-
Continuum MP Windfarm Development Private Limited	113	-	-
Interest receivable on intercorporate borrowing Continuum Green Energy (India) Private Limited	129	118	132
Skyzen Infrabuild Private Limited	3	-	-
Srijan Energy Systems Private Limited	1	-	-
Continuum MP Windfarm Development Private Limited	1	-	-
Reimbursement of expense payable Key management personnel	-	0	-

Other transaction:

March 31, 2020

- During the year ended March 31, 2020, bank guarantee facility amounting to INR 286 is availed by CGEIPL for the purpose of providing Bank Guarantee in lieu of Debt Service Reserve Account to the secured term loan lenders of DJEPL. Bank Guarantee was given in favour of Security Trustee who is acting on behalf of secured term loan lenders of DJEPL.
- During the year ended March 31, 2020, bank guarantee facility amounting to INR 230 is availed by CGEIPL for the purpose of providing Bank Guarantee in lieu of Debt Service Reserve Account to the secured term loan lenders of UUPPL. Bank Guarantee was given in favour of Security Trustee who is acting on behalf of secured term loan lenders of UUPPL.
- During the year ended March 31, 2020, unsecured loan given by CGEIPL to WIPL of INR 415 is converted into compulsorily fully convertible debentures (CFCDs) of Rs. 10 each.
- Trinethra has availed letter of credit facility against which Continuum MP Windfarm Development Private Limited has provided fixed deposit of INR 110 as security.
- During the year ended March 31, 2020, RTPL has received unsecured loan of INR 581 from CGEIPL against which it has issued 14,155,000 Equity shares of INR 10/- each, 14,165,000 CCDs of INR 10/- each and 22,730,000 NCDs of INR 10/- each. The total conversion of loan into aforesaid securities aggregating to INR 511.
- RTPL has availed letter of credit facility against which Continuum MP Windfarm Development Private Limited has provided fixed deposit of INR 24 as security.
- During the year ended March 31, 2020, DJEPL has issued 42,008,586 bonus share and UUPPL has issued 31,028,384 bonus shares having face value of Rs. 10/- each to CGEIPL.

March 31, 2019

- Trinethra has availed letter of credit facility against which Continuum MP Windfarm Development Private Limited has provided fixed deposit of INR 27 as security.
- During the year ended March 31, 2019, unsecured loan given by CGEL to CELPL of INR 105 is converted into Equity share capital of CELPL.

March 31, 2018

- During the year ended March 31, 2018, unsecured loan given by CGEIPL to WIPL of INR 25 is converted into compulsorily fully convertible debentures (CFCDs) of Rs. 10/- each.
- CGEIPL has availed Bank Guarantee facility against which Bank Guarantee of INR 175 was issued on behalf of Trinethra to obtain connectivity approvals from Gujarat Energy Transmission Corporation Limited.

CONTINUUM RESTRICTED GROUP
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

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

There are no micro and small enterprises, to whom the Restricted Group owes dues, which are outstanding for more than 45 days as at March 31, 2020, March 31, 2019 and March 31, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Restricted Group.

32 Capital and other commitments

Capital commitments and Other commitments remaining to be executed as on March 31, 2020 is INR 2,545 (March 31, 2019; INR 8,012 and March 31, 2018; INR 4,617) and INR 340 (March 31, 2019; INR 340 and March 31, 2018; INR 340) respectively.

33 Expenditure in Foreign Currency (accrual basis)

For the year ended For the year ended For the year ended

	March 31, 2020	March 31, 2019	March 31, 2018
Professional fees	-	0	-
Other borrowing cost	7	7	6
	7	7	6

34 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 Bothe as part of regulatory process for generation of electricity under renewable energy policy, Bothe 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 Bothe has recognized revenues for sale of electricity in the statement of profit and loss and corresponding receivables are accounted as unbilled revenue under non-current assets. However, in the absence of WEPA, Bothe cannot raise the invoice for the electricity sold out of these WTGs.

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 year ended March 31, 2020, March 31, 2019 and March 31, 2018.

During the year ended March 31, 2020, Bothe had 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 a 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 partially in favour of Bothe. Bothe has preferred an appeal before Appellate Tribunal for Electricity (APTEL). APTEL has granted a stay on the matter and the matter is currently sub-judice.

35 Contingent liabilities

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Income tax demand	5	19	19

36 COVID-19 impact assessment:

The Restricted Group has considered the possible effects that may result from the pandemic relating to COVID-19 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 Restricted Group, as at the date of approval of these Special Purpose Combined financial statements has evaluated the performance till the said date along with internal and external sources on the expected future performance of the Restricted Group. The Restricted Group, based on the recent performance and considering current estimates expects the carrying amount of these property, plant and equipment, Investments, receivables and other current assets are fairly stated and fully recoverable. Considering, the Restricted 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 special purpose combined financial statements is not material.

37 Subsequent event

No events occurred from the Balance sheet date which has material impact on the financial statements at that date or for the period then ended.

38 Amount less than INR 0.5 appearing in the special purpose combined financial statements are disclosed as "0" due to presentation in millions.

As per our report of even date.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. : 324982E/E300003

On behalf of the Board of Directors of
Continuum Energy Levanter Pte. Ltd.
(for Restricted Group)

per Pritesh Maheshwari
Partner
Membership No. : 118746

Pan Peiwen
Director

Tarun Bhargava
Chief Financial Officer

Place : Mumbai
Date : 30/01/2021

Place : Singapore
Date : 30/01/2021

Place : Mumbai
Date : 30/01/2021

APPENDIX A — ONSHORE DEBT TERMS AND CONDITIONS

TERMS AND CONDITIONS OF THE ONSHORE DEBT

The following is the text of the terms and conditions (the “Conditions”) which shall apply to the Onshore Debt. References to a numbered “Condition” shall be construed as a reference to the Condition so numbered in these Conditions.

You can find the definitions of certain terms used in these Conditions under Condition 24 “Definitions.” In these Conditions, the term “Issuer” refers to the respective Indian Restricted Subsidiary that is issuing Onshore Debt pursuant to these Conditions.

1 ISSUE AND FORM OF DEBENTURES

- (a) The Debentures will be issued in dematerialised form in a single series and in a single tranche, pursuant to the depository arrangements made by the Issuer with the Depository. The Debenture holders are required to hold the Debentures in dematerialised form only, and no Debenture certificates will be issued. The Issuer shall not re-materialise the Debentures.
- (b) The depository accounts of the Debenture holders with the Depository will be credited with the Debentures within 2 Business Days from the Deemed Date of Allotment.
- (c) Each Debenture shall be of face value Rs. [10,000,000] (referred to as the “**principal amount**” of each Debenture) and shall be issued at a discount of Rs. [●] to the principal amount.

2 DEBENTURES TO RANK PARI PASSU

- (a) The Debentures together with the principal amount, interest amount, Redemption Premium and all other monies secured under the Debenture Documents and payable in respect of the Debentures shall, as between the Debenture holders inter se, rank pari passu without any preference or priority whatsoever of one over the other.
- (b) The Debentures will be direct, unconditional and unsubordinated obligations of the Issuer and shall rank (i) senior to all other unsecured, unsubordinated debt of the Issuer and (ii) at least equally with all other senior secured debt of the Issuer.

3 DEBENTURES FREE FROM EQUITIES

The Debenture holders shall be entitled to their Debentures free from equities or cross claims by the Issuer against the original or any intermediate holders thereof.

4 TRANSFER

The Debentures shall be freely transferable by issuance of transfer instructions to the Depository by the relevant Debenture holders in accordance with applicable law. The Debentures may be transferred and/or transmitted by or to a transferor or transferee in accordance with the applicable provisions of the Companies Act, 2013 and other applicable laws including the rules/procedures as prescribed by the relevant Depositories and the relevant depository participants of the transferor or transferee.

5 SECURITY AND GUARANTEE

5.1 Security

All of the obligations of the Issuer under the Debentures and the Debenture Documents including the payment of the Debt shall be secured by:

- 5.1.1** a first ranking exclusive pledge over 100% (one hundred percent) of the equity shares of the Issuer and each other Restricted Group Issuer (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);
- 5.1.2** a first ranking charge over the moveable and immovable assets (both present and future) of the Issuer in connection with the Project operated by the Issuer (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 Issuer;
- 5.1.3** a second ranking charge over the current assets of the Issuer;
- 5.1.4** a first ranking charge over the Restricted Group Issuer PPA, insurance policies and project documents;
- 5.1.5** 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 Issuer; and
- 5.1.6** 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 Issuer.

5.2 Guarantee

The Debt shall be guaranteed by each Restricted Group Issuer pursuant to the Deed of Guarantee to be executed by the other Restricted Group Issuers on or prior to May 9, 2021. Each Restricted Group Issuer's obligations under the Deed of Guarantee shall be secured on a pari passu basis with the security created by such Restricted Group Issuer for the Restricted Group Issuer Rupee 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, the obligations of each Restricted Group Issuer under the Deed of Guarantee shall continue subject to Condition 6.25.

5.3 Timelines

The Security and guarantee stipulated in this Condition 5 that will be created/issued in favour of the Common Security Trustee, and designation of the Common Security Trustee as loss payee under Insurance policies, shall be created and perfected within the following timelines:

- 5.3.1** Within 90 days from the Initial Issue Date, the Pledgor shall create and perfect a first ranking exclusive charge over 100% (one hundred percent) of the equity shares of each Restricted Group Issuer (other than in the case of Watsun Infrabuild Private Limited where the Pledgor shall create

and perfect a first ranking exclusive charge over 51% (fifty one percent) of the equity shares of Watsun Infrabuild Private Limited);

- 5.3.2** Within 180 days from the Initial Issue Date, the Issuer and each other Restricted Group Issuer shall create and perfect a first ranking charge over its respective moveable and immovable assets (both present and future) in connection with the Project operated by the Issuer (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), other than its respective current assets;

Provided that in the case of Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited, Security over their respective leasehold revenue land shall be created and perfected within 90 days from the date of receipt of approval from the relevant Government Authority, in each case, for the creation and perfection of the Security by way of mortgage on the relevant immovable property;

- 5.3.3** Within 180 days from the Initial Issue Date, the Issuer and each other Restricted Group Issuer shall create and perfect a second ranking charge over its respective current assets;
- 5.3.4** Within 180 days from the Initial Issue Date, the Issuer and each other Restricted Group Issuer shall create and perfect a first ranking charge over the respective Restricted Group Issuer PPAs, insurance policies and other project documents;
- 5.3.5** Within 180 days from the Initial Issue Date, the Issuer and each other Restricted Group Issuer shall create and perfect a second ranking charge over its following respective accounts: the RCF Facility Enforcement Proceeds Account, the Operating Account, the Statutory Dues Account, the O&M Expenses Account, the Restricted Debt Service Account, the Distribution Account and the RCF Facility Restricted Amortization Account; and
- 5.3.6** Within 180 days from the Initial Issue Date, the Issuer and each other Restricted Group Issuer shall create and perfect a first ranking charge over its following respective accounts: the Issue Proceeds Escrow Account, the Debt Service Reserve Account, the Restricted Surplus Account, the Senior Debt Restricted Amortization Account and the Senior Debt Enforcement Proceeds Account.

6 UNDERTAKINGS

The Issuer undertakes that:

6.1 Accounts

The Issuer shall provide to the Debenture Trustee:

- 6.1.1** within 75 days after the close of each Financial Year, copies of the audited Aggregated Accounts in respect of that Financial Year with any statements, reports (including any directors' and auditors' reports) and notes attached to or intended to be read with any of them; and
- 6.1.2** within 75 days after the close of the first six-month period of each Financial Year, copies of unaudited but reviewed Aggregated Accounts in respect of that period.

6.2 Form of Accounts

The Issuer must ensure that each set of Aggregated Accounts supplied by it under Condition 6.1 gives a true and fair view of the combined financial condition of the Issuer and the Restricted Group Issuers as at the date to which those Accounts were drawn up and of the results of their combined operations during such period.

6.3 Compliance Certificate

Together with each set of Aggregated Accounts provided under Condition 6.1, the Issuer (together with the other Restricted Group Issuers) will provide a Compliance Certificate substantially in the form set out in Schedule 7 of the Debenture Trust Deed to the Debenture holders (with a copy to the Debenture Trustee) which sets out:

- 6.3.1** the aggregate amount that the Issuer is entitled to transfer to its Distribution Account in accordance with the Operating Accounts Waterfall and the Distribution Conditions as at the relevant Calculation Date;
- 6.3.2** the Debt Service Cover Ratio for the Calculation Period ending on the relevant Calculation Date and calculations thereof;
- 6.3.3** if any amounts have been received pursuant to an Equity Cure, details of (i) the Debt Service Cover Ratio for the Calculation Period ending on the relevant Calculation Date without taking into account the Equity Cure and (ii) the Debt Service Cover Ratio for the Calculation Period ending on the relevant Calculation Date after taking into account the Equity Cure, and in each case with calculations thereof;
- 6.3.4** if any amounts have been spent by way of Capital Expenditure, details of the amount utilised and the use of proceeds of such amounts;
- 6.3.5** the cash balance in the Project Accounts as at the Calculation Date;
- 6.3.6** the MCS Amount paid by the Issuer up to (and including) the Calculation Date, and the amount of shortfall in the MCS Amount;
- 6.3.7** if any amounts have been received as equity or Subordinated Debt for the purposes of paying any MCS Amount due, details of the amount utilised and the timing of any amounts utilised;
- 6.3.8** a confirmation from the Issuer that it is acting prudently and that the cash balance can be distributed as permitted under the relevant Debenture Documents;

and includes a confirmation by the Issuer (together with the other Restricted Group Issuers) that, to the best of its knowledge having made due enquiry, no Default subsists or, if a Default subsists, sets out the nature of the Default and provides details as to the corrective actions that the Issuer has taken or proposes to take in respect of it.

The Debenture Trustee shall not be obliged to monitor compliance with this Condition 6.3 or to track receipt by the Debenture holders and/or the Debenture Trustee of any Compliance Certificate as

contemplated in this Condition 6.3 or to review any Compliance Certificate provided hereunder or to check or verify the information or calculations contained in or annexed to any such Compliance Certificate as is referred to in this Condition 6.3 or to ensure that the information in any such Compliance Certificate or other document meets the requirements of or covers each of the line items specified in Condition 6.3 or to review or check any information contained in any set of Aggregated Accounts attached to or delivered with any Compliance Certificate as is referred to in this Condition or to determine whether any term sheet or refinancing plan attached to or delivered with any Compliance Certificate as is referred to in this Condition 6.3 meets the requirements of the Debenture Documents, and each of them may rely conclusively and without any investigation on any such Compliance Certificate and any attachment thereto or document delivered with such Compliance Certificate and on each set of Aggregated Accounts and each other document as aforesaid, as the case may be, and none of them shall be responsible or liable to the Debenture holders, the Issuer or any other person for not doing so or for so relying.

6.4 Notification of Default

The Issuer must immediately:

- 6.4.1** notify the Debenture Trustee in writing if it becomes aware of the occurrence of any Default and the steps, if any, it proposes to take to remedy it; and
- 6.4.2** within 14 days of any request by the Debenture Trustee, provide a certificate signed by an Authorized Officer of the Issuer confirming that, to the best of its knowledge having made due enquiry, no Default subsists or, if a Default subsists, sets out the nature of the Default and provides details as to the corrective actions that the Issuer has taken or proposes to take in respect of it.

6.5 Authorized Officer

The Issuer shall notify the Debenture Trustee in writing of any change in Authorized Officers of the Issuer, such notification to be signed by an Authorized Officer of the Issuer and accompanied by specimen signatures of each new Authorized Officer.

6.6 General information

The Issuer will provide such other information in its possession as the Debenture Trustee may reasonably require in order to perform its duties under the relevant Transaction Document to which it is a party.

6.7 Corporate existence

Subject to Condition 6.25 below, the Issuer must do all things necessary to maintain its corporate existence and its registration as a company under the Companies Act, 2013 in the place of its registration as at the Initial Issue Date.

6.8 Compliance with laws

The Issuer must comply in all material respects with all laws applicable to it to which it is subject (including Environmental Laws).

6.9 Maintenance of assets

The Issuer must maintain in good working order and condition all assets necessary for the conduct of the Permitted Businesses, fair wear and tear excepted, if failure to do so would have a Material Adverse Effect. Additionally, the Issuer must use reasonable endeavours to ensure that its assets are operated and maintained in good operational order and in a prudent manner.

6.10 Permitted Businesses

6.10.1 The Issuer will not engage in any business other than the Permitted Businesses.

6.10.2 The Issuer shall not incorporate or acquire any Subsidiary or contribute equity to any other entity, *provided that* nothing in this clause shall restrict the Issuer from subscribing to any equity shares of any other Person (or any instruments compulsorily or optionally convertible into equity shares of such person) or extending Finance Debt to a Person (each a “**Permitted Investment**”), where such Permitted Investment is made out of the proceeds in the Distribution Account.

6.11 Material Documents

The Issuer must:

6.11.1 do all things reasonably necessary to enforce its rights, powers and remedies under each Restricted Group Issuer PPA prudently, except where to do so would result or be reasonably likely to result in it breaching any law or Authorization or any direction or any order issued under or in connection with any law or Authorization;

6.11.2 use reasonable endeavours to ensure that the Restricted Group Issuer PPAs remain valid and enforceable and that it is not unlawful for the Issuer to perform any of its obligations under the Restricted Group Issuer PPAs;

6.11.3 comply in all material respects with its obligations under the Restricted Group Issuer PPAs to which it is a party where such non-compliance would have a Material Adverse Effect;

6.11.4 not take or fail to take any action under a Restricted Group Issuer PPA to which it is a party where taking or failing to take (as applicable) that action would have a Material Adverse Effect;

6.11.5 not amend, vary, repudiate, assign or transfer any Restricted Group Issuer PPA, other than where (a) such amendment, variation, repudiation, assignment or transfer would not have a Material Adverse Effect or (b) any assignment pursuant to Condition 6.25; and

6.11.6 maintain good and valid title to all material assets, other than any assets disposed of pursuant to a Permitted Disposal.

6.12 Authorizations

The Issuer will obtain, maintain and comply in all material respects with all Authorizations necessary to:

6.12.1 enable it to enter into the Debenture Documents;

- 6.12.2** fully comply with its obligations under the Transaction Documents and allow them to be enforced;
- 6.12.3** fully comply with its obligations under the Restricted Group Issuer PPAs and allow them to be enforced, unless failure to do so would not have a Material Adverse Effect;
- 6.12.4** carry on the Permitted Businesses (including under any Environmental Law), unless failure to do so would not have a Material Adverse Effect; and
- 6.12.5** fully comply with its obligations under the Companies Act, 2013 in order to issue any guarantee for the Restricted Group Issuer Rupee Debentures, Incur any Permitted Finance Debt and/or extend any Permitted Finance Debt to each other Restricted Group Issuer.

6.13 Insurance

The Issuer will:

- 6.13.1** insure and keep insured its assets with reputable insurers for providing insurance of the relevant type against any risks and liabilities to which the Issuer is exposed, to the extent that insurance is required under the relevant Restricted Group Issuer PPA or is prudent having regard to the risks and liabilities applicable to the Permitted Businesses and Good Industry Practice in India for such assets for companies carrying on the same or substantially similar business in India to the Permitted Businesses and which is otherwise in accordance with the relevant Restricted Group Issuer PPA and the Transaction Documents and has not otherwise been taken out by any other party;
- 6.13.2** within the time prescribed under Condition 5.3, ensure that the Common Security Trustee is designated as loss payee under all applicable insurance policies and provide certificates of confirmation to the Common Security Trustee and the Debenture Trustee; and
- 6.13.3** ensure that any Insurance proceeds to be paid or payable by any insurer will be paid as follows: (i) any Insurance proceeds in respect of any public liability policies will be paid or payable to the relevant third parties or to the insured entity as indemnity for amounts paid by it to third parties, and (ii) all other Insurance proceeds (including in respect of any business interruption, advance consequential loss and other revenue replacement insurance or other compensation money) will be paid or payable into the Operating Account, in each case, as notified to the insurer by the Common Security Trustee in accordance with the Trust and Accounts Deed.

6.14 Pari passu

The Issuer must ensure that at all times its payment obligations under the Debenture Documents rank at least *pari passu* with all other unsubordinated creditors of the Issuer except for those creditors whose claims are mandatorily preferred by laws of general application to companies in India.

6.15 Hedging

The Issuer shall not enter into any derivatives transactions, whether for the purposes of hedging or otherwise.

6.16 Taxes

The Issuer must:

- 6.16.1** file all Tax returns required to be filed by it in any relevant jurisdiction in which the Issuer is resident for Tax purposes; and
- 6.16.2** pay all Taxes imposed on it or its property, assets or income to the extent the same have become due and payable, *provided that* the Issuer need not pay any such Tax if:
 - (i) the Tax (including the amount, applicability or validity thereof) is being contested in good faith; and
 - (ii) where no amount is payable until the dispute is resolved and the Issuer has made adequate reserves for the same in accordance with IGAAP.

6.17 Access

The Issuer must, to the extent it is able to do so under existing contractual arrangements and applicable law, 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 of the Issuer, *provided that* the Debenture Trustee, Receiver or Delegate and their respective accountants and professional advisers comply at all times with all applicable laws, rules and regulations governing such access and that compliance with any such rules, regulations and policies (and any consequential restriction on the access of the Debenture Trustee, any Receiver or any Delegate and their respective accountants or professional advisers) will not be deemed to be a failure on the part of the Issuer to comply with this Condition 6.17.

6.18 Directors

- 6.18.1** The Issuer must have at least one independent director on its board of directors at all times. Provided that, the first independent director shall be appointed within 90 days from the Initial Issue Date.
- 6.18.2** The Issuer must ensure that the members of its audit committee include all the independent director(s) on the board of directors.
- 6.18.3** The Issuer must ensure that any voluntary liquidation as required under the Companies Act, 2013 or voluntary proceedings under the Insolvency and Bankruptcy Code, 2016 must be approved by the independent director(s) through an audit committee vote.
- 6.18.4** The Issuer shall ensure that it is eligible under the Companies Act, 2013 (i) to issue guarantees for the Restricted Group Issuer Rupee Debentures and/or incur any Permitted Finance Debt, and (ii) to extend any Permitted Finance Debt to each other Restricted Group Issuer, and shall continue to maintain such eligibility so long as the Debentures remain outstanding.

6.19 Subordinated Creditor key terms

The Issuer shall ensure the following:

- 6.19.1** each Subordinated Creditor shall be bound by the Subordination Deed;

- 6.19.2** each Subordinated Creditor shall be and shall at all times continue to remain a related party of the Issuer (as such term is defined/understood under the Insolvency and Bankruptcy Code, 2016);
- 6.19.3** prior to the expiry of the Security Period, payment due to each Subordinated Creditor shall be permitted only if made in accordance with Condition 6.31 or if any outstanding amounts to which such payment relates is converted to ordinary equity;
- 6.19.4** [if any Event of Default occurs and is continuing: (i) all outstanding Subordinated Debt shall, on the instructions of the Common Security Trustee, within 7 (seven) Business Days of the receipt of such instruction, be converted into equity shares or preference shares (that are redeemable after the date falling 6 months after the Maturity Date) of the Issuer; and (ii) each Subordinated Creditor and the Issuer shall take all required corporate and other actions with respect to such conversion, including obtaining necessary board and shareholder approvals and issuing and allotting the equity shares or preference shares, as the case may be;]

[Note: For Watsun, the following clause will be set out]

[if any Event of Default occurs and is continuing: (i) all outstanding Subordinated Debt shall, on the instructions of the Common Security Trustee, within 7 (seven) Business Days of the receipt of such instruction, be (a) converted into equity shares or preference shares (that are redeemable after the date falling 6 months after the Maturity Date) of the Issuer, or (b) security in form and substance satisfactory to the Debenture Trustee shall be created over all outstanding Subordinated Debt of the Issuer, and each Subordinated Creditor and Watsun Infrabuild Private Limited shall be entitled to elect whether to comply with (a) or (b); and (ii) each Subordinated Creditor and the Issuer shall take all required corporate and other actions with respect to such conversion (including obtaining necessary board and shareholder approvals and issuing and allotting the equity shares or preference shares, as the case may be) or security creation (and any enforcement thereof, including obtaining necessary board and shareholder approvals);]

- 6.19.5** no Subordinated Creditor shall be entitled to any enforcement or acceleration actions during the Security Period other than conversion to ordinary equity or preference shares (that are redeemable after the date falling 6 months after the Maturity Date) of the Issuer under any of the Subordinated Documents or in accordance with the Subordination Deed; and
- 6.19.6** all Subordinated Debt will be unsecured, non-amortizing and repayable in a single lump sum with the scheduled repayment date falling at least six months after the Maturity Date, provided however that voluntary payments on Subordinated Debt to Subordinated Creditors shall be permitted prior to the scheduled repayment date from amounts standing to the credit of the Distribution Account and in accordance with Conditions 6.19.3 and 6.19.4.

6.20 Project independence

The Issuer must maintain its independence from the Continuum Group by, amongst other things:

- 6.20.1** maintaining books, records, financial statements and accounts separate from any other person or entity, other than the other Restricted Group Issuers;
- 6.20.2** conducting its business in its own name;
- 6.20.3** observing all corporate or other formalities required by its own constitution or memorandum or articles of association;

- 6.20.4** refraining from pledging or commingling its assets for the benefit of any other person or entity, other than the other Restricted Group Issuers, and not making any loans or advances to any other entity or person (except as permitted under these Conditions);
- 6.20.5** allocating fair and reasonable overhead for shared office space and corporate overheads with members of the Continuum Group;
- 6.20.6** issuing separate invoices and checks from members of the Continuum Group;
- 6.20.7** paying the salaries of its own employees;
- 6.20.8** refraining from acquiring obligations or securities of any member of the Continuum Group (except as permitted under these Conditions);
- 6.20.9** maintaining in a prudent manner such surplus cash as may be required by the Issuer to independently manage its operational, financial, maintenance and statutory requirements; and
- 6.20.10** refraining from guaranteeing or becoming obliged for the debts of any other person or entity or holding out its credit as being available to satisfy the obligations of others other than as permitted under these Conditions.

6.21 Further assurances

The Issuer must promptly do all such acts or execute all such documents as the Debenture Trustee may require (and in such form as the Debenture Trustee may require):

- 6.21.1** to give effect to each Debenture Document;
- 6.21.2** to perfect, protect or maintain any Security Interest, right, power, authority, discretion, remedy or privilege afforded or created, or intended to be afforded or created, by any Debenture Document;
- 6.21.3** after the occurrence and during the subsistence of a Default, to invoke any legal or regulatory mechanism for collecting unpaid overdue receivables, as required to maintain the Issuer's credit standing;
- 6.21.4** for the exercise of any rights, powers and remedies of the Debenture Trustee or the Debenture holders provided by or pursuant to the Debenture Document relating to the Debentures or by law; or
- 6.21.5** after the occurrence and during the subsistence of a Default, to facilitate the realization of the assets which are, or are intended to be, the subject of any Security Document.

This may include any of the following, in each case to the extent required by the Debenture Trustee for one of the purposes described above:

- (i) doing anything to make, procure or obtain any Authorization (including registration of any Debenture Document);

- (ii) creating, procuring or executing any document, including any notice, consent or agreement, or legal or statutory mortgage or transfer; or
- (iii) after the occurrence and during the subsistence of a Default, delivering documents or evidence of title and executed blank transfers, or otherwise giving possession or control with respect to any Debenture Documents.

6.22 Use of Proceeds

The Issuer shall deposit the proceeds of the issue of the Debentures into an escrow account (the “**Issue Proceeds Escrow Account**”) to be maintained with the Account Bank in accordance with clause 2 of the Trust and Accounts Deed.

6.23 Negative pledge

On and from the Initial Issue Date, the Issuer shall not create or attempt to create or permit to subsist any Security Interest over any of its assets other than a Permitted Security Interest.

6.24 No disposals

6.24.1 The Issuer shall not sell, transfer or otherwise dispose of any asset other than in connection with a Permitted Disposal.

6.24.2 If the Issuer receives net proceeds of a Permitted Disposal, the Issuer must deposit an amount equal to the net proceeds into the Operating Account in accordance with Condition 6.31 and the Trust and Accounts Deed.

6.25 No mergers

The Issuer shall not enter into any amalgamation, demerger, merger or reconstruction (a “**Merger**”) other than:

6.25.1 with the prior written consent of the Debenture Trustee, acting on the instructions of the Debenture holders by Extraordinary Resolution; or

6.25.2 any Merger with one or more of the other Restricted Group Issuers (the Issuer, the “**Transferor Entity**”) such that either the Issuer or any of the other Restricted Group Issuers remains the surviving entity (such entity, the “**Transferee Entity**”), *provided that*, pursuant to such Merger (such Merger, the “**Continuum Group Reorganization**”):

- (i) all obligations of the Transferor Entity in respect of the Debentures issued by it are assumed in their entirety by the Transferee Entity and the Transferee Entity shall be bound by the provisions of the Debenture Documents;
- (ii) the assets of the Transferor Entity that are subject to the Security Interest created and perfected/to be created and perfected by the Transferor Entity for securing the Debentures shall be transferred to the Transferee Entity without any impairment to such Security Interest or the obligation to create such Security Interest, as the case may be;

- (iii) the Transferee Entity shall take all steps as required under applicable law or the Debenture Documents to create and/or perfect the Security Interest within: (a) 90 days from the Effective Date in case of Security specified in Condition 5.1.1; (b) 180 days from the Effective Date in case of Security specified in Conditions 5.1.2 to 5.1.6, over the assets of the Transferor Entity that have been transferred to it and over which Security Interest was created and perfected or required to be created and perfected, as the case may be, by the Transferor Entity, provided that in the case of Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited, Security over their respective leasehold revenue land shall be created and perfected within 90 days from the date of receipt of approval from the relevant Government Authority, in each case, for the creation and perfection of the Security by way of mortgage on the relevant immovable property. For the purposes of this Condition, “**Effective Date**” means the date of effectiveness of the scheme for Merger for the Continuum Group Reorganization, as specified in the scheme for Merger;
- (iv) the Pledgor shall, if required, take all steps as required under applicable law or the Debenture Documents to create and perfect the Security Interest within 90 days from the Effective Date over the shares of the Transferee Entity by way of pledge as security for the Debentures;
- (v) no Default would occur on the consummation of the Merger; and
- (vi) the Transferee Entity will execute such reasonable and customary documentation in relation to the above, to the satisfaction of the Debenture Trustee.

6.26 No Distributions

After the Initial Issue Date, the Issuer shall not pay or make any Distribution save for a Permitted Distribution.

6.27 Arm’s length dealings

The Issuer will not enter into any transaction with any person other than:

- 6.27.1** transactions under the Transaction Documents or that the Issuer is required to enter into under the terms of a Transaction Document;
- 6.27.2** in connection with any Permitted Disposal, Permitted Security Interest or Permitted Finance Debt;
- 6.27.3** transactions with third parties (including any joint venture, any shareholder or partner in a joint venture) or (subject to Condition 6.27.8) Affiliates in the ordinary course of business;
- 6.27.4** (subject to Condition 6.27.8 in relation to any Affiliate Transaction) in the nature of any Permitted Businesses or any other transaction as permitted under these Conditions or the Debenture Documents;
- 6.27.5** acquisitions of all or any part of the business (relating to Specified Assets) or Specified Assets of any entity by the Issuer other than undertaken in accordance with Condition 6.25;
- 6.27.6** for the purposes of any Distribution in accordance with the terms of these Conditions;

6.27.7 the Agreed Intergroup Transactions;

6.27.8 transactions with Affiliates, to make payment to, or enter into, renew or extend any transaction or arrangement with any Affiliates (each, an “**Affiliate Transaction**”), *provided that* such Affiliate Transaction:

- (i) is in the ordinary course of business and on an arm’s length basis;
- (ii) is in the nature of Permitted Businesses and on an arm’s length basis;
- (iii) is amongst and between the Issuer and a related party of the Issuer (as such term is defined/ understood under the Insolvency and Bankruptcy Code, 2016); or
- (iv) such Affiliate Transaction is otherwise permitted under these Conditions and any other Transaction Document.

6.28 Constituent Documents

The Issuer shall not amend or vary its constitution, memorandum or articles of association in a way which would be materially prejudicial to any Senior Secured Creditor.

6.29 Incurrence of Additional Debt

The Issuer shall not Incur any Finance Debt save for Permitted Finance Debt.

If such Permitted Finance Debt constitutes Subordinated Debt, the Issuer shall ensure that each Subordinated Creditor in respect of such Subordinated Debt shall accede to the Subordination Deed.

6.30 Debt Service Cover Ratio

6.30.1 The Issuer shall, on each Calculation Date commencing on June 30, 2021, ensure that the Debt Service Cover Ratio is not less than 1.1:1.0.

6.30.2 On each Calculation Date commencing on June 30, 2021, the Debt Service Cover Ratio shall be calculated based on the Aggregated Accounts in respect of the Calculation Period ending on the relevant Calculation Date.

6.31 Operating Accounts and Operating Account Waterfall

6.31.1 Establishment

- (i) The Issuer must, in accordance with the Trust and Accounts Deed, establish and maintain in its name with the Account Bank, an Operating Account in the form of an escrow account as is necessary to implement the Operating Accounts Waterfall.
- (ii) The Issuer must maintain its Operating Account or any replacement thereof at all times in accordance with the Trust and Accounts Deed.

6.31.2 Funding

Following the repayment in full of the indebtedness under the Existing Debt Documents, the Issuer will ensure that (i) the net amounts standing to the credit of its existing bank accounts after monies standing to the credit of the existing bank accounts on February 9, 2021 have been utilised for Agreed Intergroup Transactions and (ii) all Operating Revenue received by it or on its behalf, in each case, must be transferred or deposited directly, as the case may be, into its Operating Account following such repayment or receipt, as the case may be, in accordance with the timelines set out in the Trust and Accounts Deed.

6.31.3 Withdrawals from the Operating Account

Prior to an Enforcement Action, the Issuer may only make a withdrawal or transfer from its Operating Account to pay, or to put another Restricted Group Issuer in funds to pay, the following amounts as and when those amounts are due and payable (including, in each case, an amount on account of any Tax payable by it in respect of the relevant payment) and in the following order of priority ("**Operating Account Waterfall**"):

- (i) first, at any time, payment into the Statutory Dues Account towards Taxes and statutory dues;
- (ii) second, at any time, payment into the O&M Expenses Account towards Operating Expenses and payment into the Petty Expenses Account;
- (iii) third, at any time, pro rata and pari passu towards any Costs and liabilities Incurred by or due and payable to the Debenture Trustee, the Account Bank, the Common Security Trustee, and each representative under the Senior Secured Documents and the RCF Documents;
- (iv) fourth, at any time, pro rata and pari passu towards accrued interest (including default interest) and Costs due and payable to any Senior Secured Creditor under any Senior Secured Document and the lenders under the RCF Documents;
- (v) fifth, at any time, pro rata and pari passu towards (A) the principal amount outstanding (including break costs, make whole and other redemption amounts (but not including payments of MCS Amounts)) which is due and payable under the Senior Secured Documents including the applicable Debenture Amortization Amount, each as set forth in the Notional Scheduled Amortizing Structure and (B) the principal amount (including break costs and other redemption amounts) outstanding which is due and payable under the RCF Documents;
- (vi) sixth, at any time, pro rata and pari passu towards any other amounts (excluding any amounts in paragraphs (iv) and (v) above) due but unpaid to any Senior Secured Creditor under any Senior Secured Document or to the lenders under the RCF Documents, as applicable;
- (vii) seventh, at any time, towards transfer of the relevant amounts to its Debt Service Reserve Account to the extent necessary to ensure that the Debt Service Reserve Account together with the debt service reserve accounts under each Restricted Group Issuer Rupee Debentures (taken together) are funded to the Required DSRA Balance in relation to the relevant Senior Debt;

- (viii) eighth, at any time, towards deposit of the applicable MCS Amount in the Restricted Surplus Account, each as set forth in the Notional Scheduled MCS Structure. Any shortfall in MCS Amount deposited in each period shall be carried forward to and be due and payable in the next applicable period and shall continue to be carried forward until paid or February 9, 2027;
- (ix) ninth, at any time, towards transfer of the relevant amounts to its Restricted Debt Service Account to the extent necessary to comply with Conditions 6.32.1(i)(a) to 6.32.1(i)(d); and
- (x) tenth, if no Payment Blockage then subsists and subject to Condition 6.32, transfers of the amount of any Permitted Distributions to the Distribution Account and otherwise in accordance with the Operating Account Waterfall.

To the extent that funds are insufficient at any level of the Operating Account Waterfall to satisfy the relevant payments in full, payments applicable at such levels shall be used to make such payment, pro rata to any other payment at such level, and no amounts shall be paid to any lower level of the waterfall as a result; *provided that* the Issuer may make a Permitted Capital Expenditure at any level in the waterfall.

The Issuer shall use any amounts in excess of its requirements at each of paragraphs (i) through (vii) to put another Restricted Group Issuer in funds at such equivalent level to the extent of any such shortfall at such Restricted Group Issuer, and no amounts shall be paid to any lower level of the waterfall as a result.

Any surplus monies available with the Issuer in the Operating Account after applying the Operating Accounts Waterfall and not deposited in the Distribution Account shall be retained in the Operating Account.

All payments made towards satisfaction of paragraphs (iv), (v) and (vi) of this Condition 6.31 shall (I) in respect of payments under the Senior Secured Documents, be initially paid into the Senior Debt Restricted Amortization Account, and (II) in respect of payments under the RCF Documents, be initially be paid into the RCF Facility Restricted Amortization Account, in each case prior to payment of such amounts.

6.32 Restrictions

6.32.1 Debt Service Cover Ratio and Funding Restrictions

- (i) If on any Calculation Date, the Waterfall Criteria has been met and
 - (a) the Debt Service Cover Ratio is more than 1.5:1, the Issuer and each other Restricted Group Issuer shall be permitted to make any amounts available for such payment into its respective Distribution Accounts, *provided that* the Debt Service Cover Ratio for the immediately preceding Calculation Period was also greater than or equal to 1.5:1;
 - (b) the Debt Service Cover Ratio is equal to or less than 1.5:1.0, the Issuer shall not (and no other Restricted Group Issuer shall) make any payments into its respective Distribution Accounts in an amount greater than 60% of the funds otherwise available

to pay into such accounts pursuant to Condition 6.31 and the Trust and Accounts Deed as at such Calculation Date, and any amounts that would otherwise be available for such payment shall be transferred to the Issuer's and each other Restricted Group Issuer's (as applicable) respective Restricted Debt Service Accounts, until such time as the Debt Service Cover Ratio is greater than or equal to 1.5:1.0 for two consecutive Calculation Periods;

- (c) the Debt Service Cover Ratio is equal to or less than 1.4:1.0, the Issuer shall not (and no other Restricted Group Issuer shall) make any payments into its respective Distribution Accounts in an amount greater than 50% of the funds otherwise available to pay into such accounts pursuant to Condition 6.31 and the Trust and Accounts Deed as at such Calculation Date, and any amounts that would otherwise be available for such payment shall be transferred to the Issuer's and each other Restricted Group Issuer's (as applicable) respective Restricted Debt Service Accounts, until such time as the Debt Service Cover Ratio is greater than or equal to 1.5:1.0 for two consecutive Calculation Periods;
- (d) the Debt Service Cover Ratio is equal to or less than 1.3:1.0 and equal to or greater than 1.1:1.0, the Issuer shall not (and no other Restricted Group Issuer shall) make any payments into its respective Distribution Accounts in respect of the funds otherwise available to pay into such accounts pursuant to Condition 6.31 and the Trust and Accounts Deed as at such Calculation Date, and any amounts that would otherwise be available for such payment shall be transferred to the Issuer's and each other Restricted Group Issuer's (as applicable) respective Restricted Debt Service Accounts, until such time as the Debt Service Cover Ratio is greater than or equal to 1.5:1.0 for two consecutive Calculation Periods; or
- (e) the Funds From Operations to Net Debt ratio is below 6.0% and none of the events under paragraphs (b) to (d) above has occurred and is continuing, the Issuer shall not (and no other Restricted Group Issuer shall) make any payments into their respective Distribution Accounts in an amount greater than 75.0% of the funds otherwise available to pay into such accounts pursuant to Condition 6.31 and the Trust and Accounts Deed as at such Calculation Date, and any amounts that would otherwise be available for such payment shall be transferred to the Issuer's and each other Restricted Group Issuer's (as applicable) respective Restricted Debt Service Accounts, until the Funds From Operations to Net Debt ratio is equal to or greater than 6.0% for two consecutive Calculation Periods and the removal of such restriction would not result in the Funds From Operations to Net Debt ratio to be less than 6.0%.

The Debenture Trustee shall not be obliged to monitor compliance with this Condition 6.32.

6.32.2 Equity Cure

- (i) If the Debt Service Cover Ratio is less than 1.1:1.0, the Issuer may procure the contribution of New Injections which, subject to the conditions in paragraphs (ii) to (v) (inclusive) below, shall have the effect that such Debt Service Cover Ratio is recalculated giving effect to such New Injections as Cashflow Available for Debt Service provided it is contributed in a manner which qualifies towards the calculation of the Cashflow Available for Debt

Service for the relevant Calculation Period, making any further adjustment needed to ensure no double counting or accumulation of cure benefit, and compliance with Condition 12.1 will be determined by reference to the relevant recalculation (an “**Equity Cure**”).

- (ii) The contribution of New Injections for an Equity Cure may only be made a maximum of one time in aggregate.
- (iii) Any recalculation made under this Condition 6.32.2 will be solely for the purpose of curing a potential breach of Condition 12.1 (*Events of Default*) and not for any other purpose.
- (iv) The proceeds of any New Injection for an Equity Cure shall be deposited into the Restricted Debt Service Account. The New Injection proceeds shall remain in the Restricted Debt Service Account until such time as the Debt Service Cover Ratio is greater than or equal to 1.5:1.0 for two consecutive Calculation Periods.
- (v) Contribution of New Injections that are not designated and not used for an Equity Cure may be made at any time into any Account, as determined by the Issuer. Any New Injection that is not designated as an Equity Cure shall not count in the calculation of Debt Service Cover Ratio.

6.33 Petty Expenses Accounts

The Issuer may operate and maintain a current account (“**Petty Expenses Account**”) with the Account Bank or any other bank having a branch at the location of the Project of the Issuer, as may be agreed in writing with the Debenture Trustee, for the purpose of payment of petty expenses incurred by the Issuer in relation to the Project of the Issuer. The Issuer shall ensure that at any given point of time the aggregate amounts standing to the credit of the Petty Expenses Account shall not exceed Rs. 10,000,000.

6.34 Cash Credit Accounts

The Issuer may operate and maintain a cash credit / overdraft account (“**Cash Credit Account**”) with the lender(s) of the RCF Facility for the purpose of availing the RCF Facility by the Issuer in accordance with the RCF Documents and for the payment of amounts, costs, fees and charges in accordance with the RCF Documents; provided that, all monies disbursed in connection with the RCF Facility in the Cash Credit Account shall only be deposited and transferred to the Operating Account of the Issuer.

6.35 Trustee monitoring

Without prejudice to the other provisions in these Conditions, the Debenture Trustee shall not be under any duty to monitor (and none of them will be responsible or liable to Debenture holders, the Issuer, any other Restricted Group Issuer or any other person for any loss arising from not monitoring) whether the Issuer and the other Restricted Group Issuers has complied with the provisions of this Condition 6, and unless it has received express notice in writing from the Issuer or any other Restricted Group Issuer in accordance with the Debenture Documents or the Trust and Accounts Deed to the contrary, the Debenture Trustee may assume that the Issuer and each other Restricted Group Issuer has complied fully with all the provisions of this Condition 6.

7 INTEREST

7.1 Interest rate and Interest Payment Dates

The Debentures bear interest on their outstanding principal amount from and including the Initial Issue Date at the rate of [●] per cent. per annum, payable semi-annually in arrears on [●] and [●], in each year (each an “**Interest Payment Date**”). The first payment of interest will be made on [●] in respect of the period from (and including) the Initial Issue Date to (but excluding) [●].

If any Interest Payment Date falls on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

The rate of interest may be increased at any time subject to mutual agreement between the Issuer and the Debenture holders.

7.2 Interest accrual

Each Debenture will cease to bear interest from the due date for redemption unless, upon the due date for redemption, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until the day on which all sums due in respect of such Debenture up to that day are received by or on behalf of the relevant Debenture holder.

7.3 Calculation of broken interest

If interest is required to be calculated for a period of less than six months, the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

8 REDEMPTION AND PURCHASE

8.1 Final Redemption

Unless previously redeemed, or purchased and cancelled, the Debentures will be redeemed at their principal amount (together with accrued but unpaid interest (if any)) on [●] (the “**Maturity Date**”). The Debentures may not be redeemed at the option of the Issuer other than in accordance with this Condition 8.

8.2 Redemption for taxation reasons

8.2.1 The Debentures may, subject to Condition 8.2.4 below, be redeemed at the option of the Issuer, in whole or in part, at any time, on giving not less than 10 Business Days’ nor more than 60 days’ notice to the Debenture holders (in accordance with Condition 17 and to the Debenture Trustee in writing which notice shall be irrevocable), at their principal amount (together with interest accrued but excluding the date fixed for redemption), if (i) the Issuer satisfies the Debenture Trustee in accordance with Condition 8.2.2 below immediately prior to the giving of such notice that on the occasion of the next payment due under the Debentures, the Issuer has or will become obliged to pay Excess Additional Tax Amounts as a result of any change in, or amendment to, the laws, regulations or treaties of the relevant Tax Jurisdiction (as defined in Condition 11), or any change

in the application or official interpretation of such laws, regulations or treaties, which change or amendment becomes effective on or after the Initial Issue Date and (ii) such obligation cannot be mitigated by the Issuer taking reasonable measures available to it, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Excess Additional Tax Amounts were a payment in respect of the Debentures then due.

8.2.2 Prior to issuance of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver to the Debenture Trustee (A) a certificate in English signed by two Directors of the Issuer each of whom are also Authorized Officers of the Issuer stating that the Issuer is obliged to pay Excess Additional Tax Amounts in accordance with Condition 11 and that such obligation cannot be mitigated by the Issuer taking reasonable measures available to it and (B) an opinion of independent legal or tax advisors of recognized standing in the relevant Tax Jurisdiction of the Issuer to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Debenture Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 8.2, in which event the same shall be conclusive and binding on the Debenture holders.

8.2.3 “**Excess Additional Tax Amounts**” means any Additional Tax Amounts payable by the Issuer in excess of the Additional Tax Amounts applicable as on the Initial Issue Date.

8.2.4 The Issuer shall not redeem any Debentures pursuant to this Condition 8.2 until the completion of the VRR Holding Period.

8.3 Illegality

If, at any time, it is, becomes or will become unlawful or contrary to any regulation in any applicable jurisdiction for a Debenture holder to fund or maintain its investment in the Debentures arising out of a change in law, the Debenture holder may require the Issuer to redeem its Debentures by delivering a notice in writing to the Issuer. The Issuer shall redeem each Debenture held by such Debenture holder in full at its principal amount (together with accrued but unpaid interest (if any)) on the date specified in the notice delivered by such Debenture holder (which shall be the earlier of (i) the date falling 60 days after the date of such notice in writing, and (ii) the last day of any applicable grace period permitted by law or regulation, as the case may be).

8.4 MCS Redemption

The Debentures will be redeemed in part in an amount equal to the applicable MCS Amount then available in the Restricted Surplus Amount on each Interest Payment Date (falling immediately after the last day of the relevant Amortization Period specified on the left hand column of the Notional Scheduled MCS Structure) on a pro rata basis. For the avoidance of doubt, interest accrued on the applicable MCS Amount will be paid on the relevant Interest Payment Date.

8.5 Scheduled Amortization

The Debentures will be redeemed in part in an amount equal to the applicable Debenture Amortization Amount on each Interest Payment Date (falling immediately after the last day of the relevant Amortization Period specified on the left hand column of the Notional Scheduled Amortising Structure) on a pro rata

basis. For the avoidance of doubt, interest accrued on the applicable Debenture Amortization Amount will be paid on the relevant Interest Payment Date.

8.6 Redemption at the option of the Debenture holder

Each Debenture holder shall have the right to require that the Issuer redeem all (but not some only) of the Debentures held by such Debenture holder at an amount equal to the principal amount plus the Redemption Premium applicable to the Debentures (together with interest accrued to but excluding the date fixed for redemption) on giving not less than 10 Business Days' nor more than 60 days' notice to the Issuer in accordance with Condition 17 and to the Debenture Trustee in writing any time on or after (i) the date falling 12 Business Days prior to February 9, 2027 or (ii) the date on which the aggregate principal amount of all outstanding Restricted Group Issuer Rupee Debentures (including the Debentures) is less than Rs. 18,500,000,000. For the avoidance of doubt, the Debenture Trustee does not have any responsibility or liability to the Debenture holders, the Issuer or any other person with respect to the calculation or verification of any calculation of the Redemption Premium.

8.7 Voluntary Redemption by the Issuer

The Issuer shall, at any time after the Initial Issue Date, have the right to redeem all or any part of the Debentures held by a Debenture holder at an amount equal to the principal amount plus the Voluntary Redemption Premium applicable to the Debentures (together with interest accrued to but excluding the date fixed for redemption) on giving not less than 10 Business Days' nor more than 60 days' notice to the Debenture holder and the Debenture Trustee in accordance with Condition 17.

For the purpose of this Condition, "**Voluntary Redemption Premium**" shall be calculated as follows:

Year	Voluntary Redemption Premium (as a % of the principal amount)
[●]	[●]
[●]	[●]
[●]	[●]

8.8 Voluntary redemption on India Equity Offering

The Issuer shall, at any time after the Initial Issue Date, have the right to redeem up to a whole number of Debentures, being no more than 40% in aggregate principal amount of the Debentures issued on the Initial Issue Date, at an amount equal to the principal amount plus the Makewhole Amount applicable to the Debentures (together with interest accrued to but excluding the date fixed for redemption) on giving not less than 10 Business Days' nor more than 60 days' notice to the Debenture holder and the Debenture Trustee in accordance with Condition 17 provided that any such redemption: (i) is made with the net cash proceeds received by the Pledgor or Continuum Green Energy Limited in an India Equity Offering but only to the extent contributed to the Issuer by the Pledgor or Continuum Green Energy Limited; and (ii) occurs within 90 days of the date of the closing of such India Equity Offering.

For the purpose of this Condition, "**Makewhole Amount**" in respect of each Debenture being redeemed pursuant to this Condition means the amount of interest paid on such Debenture on the Interest Payment Date immediately preceding the date of redemption.

8.9 Redemption premium

- 8.9.1** In addition to interest, each Debenture shall accrue a redemption premium at the rate of 2 per cent. per annum of the outstanding principal amount (the “**Redemption Premium**”).
- 8.9.2** The Redemption Premium shall be paid in full by the Issuer on the Maturity Date or otherwise at the date of redemption in full of a Debenture to the extent not paid earlier in accordance with this Condition.
- 8.9.3** Each Debenture holder shall have the right to require the Issuer to pay in full or in part the accrued but unpaid Redemption Premium in respect of the Debentures held by such Debenture holder at any time prior to the Maturity Date by giving not less than 10 Business Days’ nor more than 60 days’ notice to the Issuer in accordance with Condition 17.
- 8.9.4** The Issuer shall have the right to pay in full or in part, on a pro rata basis, the accrued but unpaid Redemption Premium in respect of the Debentures held by each Debenture holder at any time prior to the Maturity Date by giving not less than 10 Business Days’ nor more than 60 days’ notice to the Debenture Holders in accordance with Condition 17.

8.10 Redemption Amounts

The Debenture Trustee shall not be under any duty to determine, calculate or verify any amount payable on redemption under this Condition 8 and will not be responsible to Debenture holders or any other person for any loss arising from any failure by it to do so.

8.11 Purchase

The Issuer or any other Restricted Group Issuer may at any time (if permitted under applicable laws) purchase Debentures in the open market or otherwise at any price. The Debentures so purchased, while held by or on behalf of the Issuer or any other Restricted Group Issuer, shall not entitle the holder to vote at any meetings of the Debenture holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Debenture holders or for the purposes of Conditions 12, 13 and 14.1.

9 REDEMPTION MECHANICS

- (a) No action is required on the part of any Debenture holder(s) at the time of payment of amounts in respect of or redemption of the Debentures.
- (b) On the relevant payment date, the relevant amounts shall be paid by the Issuer, in accordance with Condition 10, to those Debenture holders whose names appear on the Register of Beneficial Owners as on the Record Date and, for these purposes, a statement issued by the Depository shall be conclusive evidence in respect thereof.
- (c) All Debentures that are redeemed in full on any Redemption Date will forthwith be cancelled and extinguished through appropriate corporate action.

10 PAYMENTS

- (a) Any payments to be made to a Debenture holder pursuant to these Conditions shall be made by the Issuer in INR in same day funds using the services of electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT) into such bank account of the Debenture holder as may be notified to the Issuer by such Debenture holder or the Debenture Trustee (acting on behalf of the Debenture holder).
- (b) Payment of the applicable principal, premium (if any) and interest will be made to the sole holder and in case of joint holders to the one whose name stands first in Register of Beneficial Owners as on the Record Date.
- (c) Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day.
- (d) All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Debenture holders in respect of such payments.
- (e) Debenture holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Debenture if the due date is not a Business Day.

11 TAXATION

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Debentures shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic of India or any authority therein or thereof having power to tax (each a “**Tax Jurisdiction**”), unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts (“**Additional Tax Amounts**”) as will result in receipt by the Debenture holders of such amounts as would have been received by them had no such withholding or deduction been required by a Tax Jurisdiction, except that no Additional Tax Amounts shall be payable in respect of any Debenture:

- (i) **Other connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Debenture by reason of his having some connection between the holder (or a fiduciary, settler, beneficiary, member, partner or shareholder of the holder if the holder is an estate, nominee, trust, partnership, limited liability company or corporation) and the relevant Tax Jurisdiction, other than the mere holding of the Debenture; or
- (ii) **Failure to provide certification:** to the extent a holder is liable for such taxes, duties, assessments or governmental charges because of the holder’s failure to comply with any reasonable certification, identification or other reporting requirements concerning its (or its Beneficial Owner’s) nationality, residence, identity or connection with a relevant Tax Jurisdiction if (1) compliance is required by applicable law, regulation or administrative practice as a precondition to exemption from all or a part of such taxes, duties, assessments or governmental charges, (2) the holder (and its Beneficial Owner, if any) is able to comply with those

requirements without undue hardship and (3) the relevant Issuer has given to the holder prior written notice, at a time which would enable the holder acting reasonably to comply with such request, before any such withholding or deduction that the holder will be required to comply with such certification, identification or reporting requirements.

“Relevant Date” in respect of any Debenture means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made.

Notwithstanding the foregoing, no Additional Tax Amounts shall be payable for or on account of (i) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge, (ii) any taxes, duties, assessments or governmental charges that are imposed otherwise than by deduction or withholding from payments made under or with respect to the Debentures, (iii) any taxes, duties, assessments or governmental charges that are imposed on or with respect to any payment on a Debenture to a holder who is a fiduciary, partnership, limited liability company, or person other than the Beneficial Owner of such payment to the extent that the Beneficial Owner with respect to such payment (or portion thereof) would not have been entitled to the Additional Tax Amounts had the payment (or the relevant portion thereof) been made directly to such Beneficial Owner and (iv) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, or any successor provisions (**“FATCA”**), any current or future U.S. 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. As used in paragraph (iii) above of this Condition 11, **“Beneficial Owner”** means the person who is required by the laws of the relevant Tax Jurisdiction to include the payment in income for tax purposes.

12 EVENTS OF DEFAULT

12.1 Events of Default

It will be an event of default (each an **“Event of Default”**) if any of the following events occur:

- 12.1.1** *Non-payment:* the Issuer or any other Restricted Group Issuer (in its capacity as guarantor in respect of the Debentures) fails to pay an amount due and owing under these Conditions or any other Debenture Document in the manner required under such documents unless the failure to pay is caused by administrative or technical error and the payment is made within three Business Days of its due date.
- 12.1.2** *Breach of Debt Service Cover Ratio:* any requirement of Condition 6.30 is not satisfied.
- 12.1.3** *Breach of other obligations:* the Issuer or any other Restricted Group Issuer (in its capacity as guarantor in respect of the Debentures) or the Pledgor does not perform or comply with any one or more of its other obligations under these Conditions or any other Debenture Document, which default has a Material Adverse Effect and is in the opinion of the Debenture Trustee incapable of remedy or, if in the opinion of the Debenture Trustee capable of remedy, is not remedied within 15 Business Days of the earlier of the date on which (i) notice of such default was given to the Issuer by the Debenture Trustee or (ii) the Issuer became aware of the relevant default and notified the Debenture Trustee promptly of the same.

- 12.1.4** *Cross-acceleration:* (i) any other present or future indebtedness (other than any indebtedness payable under a Subordinated Debt) of the Issuer or any other Restricted Group Issuer 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 or (ii) the Issuer or any other Restricted Group Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised (other than any indebtedness payable under a Subordinated Debt); *provided that* (a) the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above have occurred in respect of the Issuer and the other Restricted Group Issuers taken together equals or exceeds Rs. 2,000,000,000 (or its equivalent in another currency) and (b) the foregoing shall not apply in the case of any Existing Debt Document at any time prior to the date which falls 180 calendar days after the Initial Issue Date.
- 12.1.5** *Cross default:* an event of default occurs under (a) any Restricted Group Issuer Rupee Debentures or (b) any Continuum Group Financial Indebtedness *provided that* the aggregate amount of the relevant Continuum Group Financial Indebtedness in respect of which an event of default has occurred taken together equals or exceeds USD 250,000,000 (or its equivalent in another currency).
- 12.1.6** *Enforcement Proceedings:* a distress, attachment or execution is levied, enforced or a petition thereof is filed and admitted against the material part of the assets of the Issuer and is not discharged or stayed within 60 days.
- 12.1.7** *Security enforced:* 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.
- 12.1.8** *Insolvency:* the Issuer or any Restricted Group Issuer is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes, by reason of any actual or anticipated financial difficulty, a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; provided however that the Issuer or any Restricted Group Issuer availing of any industry-wide moratorium or general moratorium made available to entities incorporated in the Republic of India in relation to payments under working capital facilities shall not be an Event of Default under this Condition.
- 12.1.9** *Winding-up:* an order is made and is not discharged or stayed within 60 days or an effective resolution passed for the winding-up or dissolution of the Issuer or any Restricted Group Issuer, or the Issuer or any Restricted Group Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations other than in accordance with Condition 6.25.
- 12.1.10** *Nationalization:* the 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 in the Issuer or, in each case, a final order is made in relation to such action.

- 12.1.11** *Illegality*: it is or will become unlawful for the Issuer or any other Restricted Group Issuer (in its capacity as guarantor in respect of the Debentures) or the Pledgor to perform or comply with any one or more of its obligations under any Debenture Document or any Debenture Document is or becomes void, voidable or unenforceable in whole or in part.
- 12.1.12** *Analogous events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of Conditions 12.1.6 to 12.1.9.
- 12.1.13** *Authorization and consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required to be taken, fulfilled or done, which has not been remedied within a period of 90 days from the Issuer becoming aware of the requirement of such remedial action, in order (i) to enable the Issuer or any other Restricted Group Issuer (in its capacity as guarantor in respect of the Debentures) or the Pledgor lawfully to enter into, exercise its respective rights and perform and comply with its respective obligations under any Debenture Document to which it is a party, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make any Debenture Document admissible in evidence in the courts of India is not taken, fulfilled or done which have a Material Adverse Effect.
- 12.1.14** *Repudiation*: (i) if any Debenture Document ceases to be, or is claimed by the Issuer or any other Restricted Group Issuer or the Pledgor not to be, in full force and effect; or (ii) the Issuer or any other Restricted Group Issuer or the Pledgor terminates or repudiates any Debenture Document to which it is a party.
- 12.1.15** *Unsatisfied judgment*: one or more judgments, arbitral awards, settlements or orders from which no further appeal or review is permissible under applicable law is rendered against the Issuer or any other Restricted Group Issuer or any of them for the payment of money in relation to an amount more than Rs. 2,000,000,000 (or its equivalent in another currency) and continue(s) unsatisfied and unstayed after the date specified for payment in that judgment, award, settlement or order, or, if not so specified, for a period of 60 consecutive days after the date(s) thereof.
- 12.1.16** *Misrepresentation*: any material representation or warranty made by the Issuer or any other Restricted Group Issuer (in its capacity as guarantor in respect of the Debentures) in any Debenture Document is incorrect or misleading in a material respect when made or deemed to be made, unless the events or circumstances causing the misrepresentation are in the opinion of the Debenture Trustee capable of remedy and the Issuer or the relevant other Restricted Group Issuer has remedied the circumstances causing the misrepresentation within 5 Business Days of the Issuer becoming aware of the event or circumstance.
- 12.1.17** *Security Document*: (i) the Issuer or any Restricted Group Issuer or the Pledgor does not perform or comply with any one or more of its obligations under Conditions 5.1 or 5.3, (ii) any Security Document required to be entered into by the terms of any Debenture Document is not entered into, or is not valid, binding and effective, by the date specified in that Debenture Document; (iii) any Security Document is not (once entered into) in full force and effect or does not (once entered into) create in favour of the Common Security Trustee/Debenture Trustee for the benefit of the Debenture holders, the Security Interest it is expressed to create with the ranking and priority it is expressed to have (other than as (A) a result of the restrictions on enforcement caused by applicable bankruptcy, insolvency, liquidation, reorganization and other laws or regulations of

general application affecting the rights of creditors generally, (B) general principles of equity, (C) the qualifications as to matters of law in the most recent legal opinions delivered to the relevant Senior Secured Creditors in connection with the relevant Senior Secured Documents, or (D) in accordance with Condition 6.25 in case of a Continuum Group Restructuring).

12.1.18 *Projects:*

- (i) one or more Restricted Group Issuer PPAs are terminated, varied, or adversely affected by regulatory change or are or become illegal, void, voidable, unenforceable or of limited force and effect (together, the “**Affected PPAs**”), which in each case or in the aggregate results in, or is reasonably likely to result in, a reduction of 25% or more in the revenue of the Issuer under the Restricted Group Issuer PPA and the revenue of the Restricted Group Issuers under the Restricted Group Issuer PPAs in aggregate in any Financial Year and the Affected PPAs are not replaced within 12 months with one or more Restricted Group Issuer PPAs, as applicable, providing for such amount of revenue which ensures that the net loss of revenue to the Issuer under the Restricted Group Issuer PPA and the Restricted Group Issuers under the Restricted Group Issuer PPAs in aggregate is less than 25% in any subsequent Financial Year; or
- (ii) one or more disputes between the Issuer and any counterparty relating to a Restricted Group Issuer PPA is adversely determined to the Issuer or in aggregate which results in a Material Adverse Effect.

12.1.19 *Abandonment of operations:* (i) any loss to the business, operations, financial condition, assets or cash flow of the Issuer which has Material Adverse Effect and is not covered by any insurance or (ii) the Issuer suspends the operation of, or ceases to operate any part of the Permitted Businesses (other than any temporary suspension or cessation in accordance with Good Industry Practice).

12.1.20 *Material Adverse Effect:* any event, circumstance or condition (other than any event of default howsoever defined in relation to a Material Adverse Effect, in any other provision of a Debenture Document) occurs or exists which has had and continues to have, or could reasonably be expected to have, a Material Adverse Effect in relation to paragraphs (a) or (b) of the definition of “Material Adverse Effect”.

12.2 If any Event of Default occurs and is continuing, the Debenture Trustee shall, if so directed by an Extraordinary Resolution (*provided that* in any such case the Debenture Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), (i) give notice to the Issuer that the Debentures are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest, (ii) enforce the Security in accordance with the Security Documents and make demands under the Deed of Guarantee and (iii) take all other actions and exercise all other rights as may be available to it under the Transaction Documents or under applicable law. An Event of Default shall be deemed to be “**continuing**” if (x) it shall not have been waived in writing by the Debenture Trustee pursuant to the provisions of the Debenture Trust Deed or (y) it shall not have been remedied to the satisfaction of the Debenture Trustee acting on the instructions of the Debenture holders by Extraordinary Resolution.

13 ENFORCEMENT

At any time after the Debentures become due and payable, the Debenture Trustee may, at its discretion and without further notice, (i) take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Debenture Trust Deed and the Debentures, and (ii) take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit, and issue instructions in this regard to the Common Security Trustee, to enforce the Security in accordance with the Security Documents, but the Debenture Trustee need not take any such steps, actions or proceedings unless (A) it shall have been so directed by an Extraordinary Resolution, and (B) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Debenture holder may proceed directly against the Issuer or take any action against the Issuer or against any assets of the Issuer to enforce its rights in respect of the Debentures or to enforce any of the Security Documents unless the Debenture Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 MEETINGS OF DEBENTURE HOLDERS, MODIFICATION, WAIVER AND AUTHORIZATION

14.1 Meetings of Debenture holders

The Debenture Trust Deed contains provisions for convening meetings of Debenture holders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Debenture Trust Deed and any other Debenture Document. Such a meeting may be convened by the Issuer or the Debenture Trustee (and shall be convened by the Debenture Trustee (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of the Debenture holders holding not less than 25 per cent. in aggregate principal amount of the Debentures for the time being outstanding). The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more Debenture holders or agents present in person representing $66\frac{2}{3}$ per cent. in aggregate principal amount of the Debentures for the time being outstanding, or at any adjourned meeting two or more Debenture holders or agents present in person whatever the aggregate principal amount of the Debentures held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Debentures or the dates on which interest is payable in respect of the Debentures, (ii) to reduce or cancel the principal amount or any premium payable on redemption of, or interest on, the Debentures, or (iii) to modify the provisions concerning the quorum required at any meeting of Debenture holders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than $66\frac{2}{3}$ per cent., or at any adjourned meeting not less than $33\frac{1}{3}$ per cent., in aggregate principal amount of the Debentures for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Debenture holders (whether or not they were present at the meeting at which such resolution was passed).

The Debenture Trust Deed shall provide that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate principal amount of the Debentures for the time being outstanding, and who are for the time being entitled to receive notice of a meeting in accordance with the provisions of the Debenture Trust Deed, shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Debenture holders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Debenture holders.

14.2 Modification of the Debenture Trust Deed

The Debenture Trustee may, but shall not be obliged to, agree, without the consent of the Debenture holders (i) to any modification of any of these Conditions or any of the provisions of the Debenture Trust Deed or any other Debenture Document to which the Debenture Trustee is a party, that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of law; and (ii) to any other modification (except as mentioned in the Debenture Trust Deed), or to waive or authorize, on such terms as seem expedient to it, any breach or proposed breach by the Issuer or any Restricted Group Issuer or the Pledgor of any of these Conditions or any of the provisions of the Debenture Trust Deed or determine that an Event of Default or Potential Event of Default will not be treated as such, if, in the opinion of the Debenture Trustee, it is not materially prejudicial to the interests of the Debenture holders, *provided that* the Debenture Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 12. Any such modification, authorization or waiver shall be binding on the Debenture holders and such modification, authorization or waiver shall be notified by the Issuer to the Debenture holders as soon as practicable.

14.3 Amendments to Transaction Documents

Any amendment which relates to a Transaction Document will be made in accordance with such Transaction Document.

14.4 Entitlement of the Debenture Trustee

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those referred to in this Condition 14), the Debenture Trustee shall have regard to the general interests of the Debenture holders as a class and shall not have regard to any interest arising from circumstances particular to individual Debenture holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Debenture holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Debenture Trustee shall not be entitled to require, nor shall any Debenture holder be entitled to claim, from the Issuer or the Debenture Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Debenture holders, except to the extent provided for in Condition 9 and/or any undertaking given in addition thereto or in substitution therefor pursuant to the Debenture Trust Deed.

15 INDEMNIFICATION OF THE DEBENTURE TRUSTEE

The Debenture Trust Deed contains provisions for the indemnification of the Debenture Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking steps, actions or proceedings to enforce payment or taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Debenture Trustee is entitled to enter into business transactions with the Issuer, any other party to any Security Document or any Transaction Document and any entity related (directly or indirectly) to the Issuer, any other party to any Security Document or any Transaction Document without accounting for any profit.

The Debenture Trustee may rely without liability to Debenture holders, the Issuer or any other person on any report, confirmation, certificate or information from or any advice or opinion of any legal counsel,

accountants, financial advisers, financial institution, rating agency or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Debenture Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Debenture Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, information, advice or opinion, in which event such report, confirmation, certificate, information, advice or opinion shall be binding on the Issuer and the Debenture holders. The Debenture Trustee shall not be responsible or liable to the Issuer, the Debenture holders, any other party to any Security Document or any Transaction Document or any other person for any loss occasioned by acting on or refraining from acting on such report, confirmation, certificate, information, advice or opinion.

Whenever the Debenture Trustee is required or entitled by the terms of the Debenture Trust Deed and the other relevant Debenture Document or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Debenture Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Debenture holders by way of Extraordinary Resolution, and the Debenture Trustee shall not be responsible or liable for any loss or liability incurred by the Issuer, the Debenture holders, any other party to any Security Document or any Transaction Document or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Debenture holders or in the event that no direction is given to the Debenture Trustee by the Debenture holders. The Debenture Trustee shall not be liable to any Debenture holder, the Issuer, any other party to any Security Document or any Transaction Document or any other person for any action taken by the Debenture Trustee in accordance with the instructions, direction, request or resolution of the Debenture holders. The Debenture Trustee shall be entitled to rely on any instructions, direction, request or resolution of Debenture holders given by the Debenture holders of the requisite principal amount of Debentures outstanding or passed at a meeting of Debenture holders convened and held in accordance with the Debenture Trust Deed.

16 FURTHER ISSUES

Unless required under applicable law in connection with the Continuum Group Reorganization, the Issuer shall not create and issue any further securities under the same ISIN as that of the Debentures and shall ensure that the ISIN of the Debentures remains unique to the Debentures being issued in terms of the Debenture Trust Deed and shall not issue any bonds or debentures under the same ISIN as that of the Debentures.

17 NOTICES

17.1 Communications

Any communication to be made under or in connection with the Debenture Documents shall be made in writing and, unless otherwise stated, may be made by fax, letter or electronic mail.

17.2 Address – Issuer

Notices and communications to be given to the Issuer shall be sent to:

Address: 102, El Tara, Hiranandani Gardens, Powai, Mumbai 400 076, Maharashtra, India

Attention: Nilesh Patil

Fax number: +91 22 2570 3360

Email address: nilesh.patil@continuumenergy.in

or any substitute address, fax number, electronic mail address, or department or officer as the Issuer may notify to the Debenture Trustee by not less than 5 Business Days' notice.

17.3 Address – Debenture Trustee

Notices and communications to be given to the Debenture Trustee shall be sent to:

Address: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India

Attention: Ritobrata Mitra/Mandeep Kaur

Fax number: +91 22 6631 1776

E-mail address: rmitra@idbitrustee.com, mandeep@idbitrustee.com

or any substitute address, fax number, electronic mail address, or department or officer as the Debenture Trustee may notify to the Issuer by not less than 5 Business Days' notice.

17.4 Address – Debenture Holders

Notices and communications to be given to a Debenture Holder shall be sent to the address, fax number or electronic mail address of that Debenture Holder as set out in the records of the Depository at the relevant time (or if Debenture Holder has provided any substitute address, fax number or electronic mail address to the Debenture Trustee and/or the Issuer by not less than 5 Business Days' notice, to such substitute address, fax number or electronic mail id.).

17.5 Delivery

Any communication or document made or delivered by one person to another under or in connection with these Condition will only be effective:

- (a) if sent by fax before 6 p.m. on a Business Day, when sent or, if sent by fax at any other time, at 9:30 a.m. on the next Business Day, provided, in each case, that the person sending the fax shall have received a transmission receipt;

- (b) if by way of letter, when it has been left at the relevant address before 6 p.m. on a Business Day or, if left any other time, at 9:30 a.m. on the next Business Day or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address, as the case may be, and
- (c) if sent by electronic mail before 6 p.m. on a Business Day, when sent or, if sent by electronic mail at any other time, at 9:30 a.m. on the next Business Day, provided, in each case, the electronic mail is actually received in readable form;

and if it is expressly marked for the attention of the department or officer identified in Condition 17.2 (*Address – Issuer*), Condition 17.3 (*Address – Debenture Trustee*) or Condition 17.4 (*Address – Debenture Holders*) (or any substitute department or officer as the other person shall specify for this purpose).

18 NON-PETITION

Only the Debenture Trustee may pursue the remedies available under general law or under the Security Documents to enforce the Security and no other person (including any Debenture holder or the Debenture Trustee) will be entitled to proceed directly against the Issuer to enforce the Security Documents.

19 DAY COUNT CONVENTION

Any interest, premium, commission or fee accruing on the Debentures will accrue from day to day and is calculated on the basis of the actual number of days elapsed (actual/actual).

20 DISCHARGE

A Debenture shall be taken as discharged on payment of all amounts due in respect thereof on the applicable redemption date for that Debenture to the Debenture holder whose name appears in the Register of Beneficial Owners on the relevant Record Date. On such payments being made, the Issuer will inform the Depository and accordingly the account of the Debenture holders with the Depository will be adjusted.

21 DEBENTURE HOLDERS NOT ENTITLED TO SHAREHOLDERS RIGHTS

Except as provided in the Debenture Trust Deed, the Debenture holders will not be entitled to any of the rights and privileges available to the members of the Issuer including right to receive notices of or to attend and vote at general meetings. If, however, any resolution affecting the rights attached to the Debentures is placed before the members of the Issuer, the Issuer shall ensure that such resolution will first be placed before the Debenture holders for their consideration and not take any action in pursuance of such resolution unless the resolution has been approved by the applicable majority of Debenture holders.

22 GOVERNING LAW

The Debentures are governed by Indian law.

23 ENFORCEMENT

- (a) Subject to paragraph (c) below, the courts and tribunals of Delhi have exclusive jurisdiction to settle any dispute arising out of or in connection with the Debentures (including a dispute regarding the existence,

validity or termination of the Debentures) (a “**Dispute**”) and, accordingly, any legal action, suit or proceedings (collectively referred to as “**Proceedings**”) arising out of or in connection with a Dispute may be brought in those courts and tribunals and the Issuer irrevocably submits to and accept for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts and tribunals.

- (b) The Issuer agrees that the courts and tribunals of Delhi are the most appropriate and convenient courts and tribunals to settle Disputes and accordingly it will not argue to the contrary. The Issuer (i) irrevocably waives (a) any objection now or in future, to the laying of the venue of any Proceedings in the courts and tribunals in Delhi, and (b) any claim that any such Proceedings have been brought in an inconvenient forum and (ii) irrevocably agrees that a judgment in any Proceedings brought in the courts and tribunals in Delhi shall be conclusive and binding upon it and may be enforced in the courts and tribunals of any other jurisdiction (subject to the laws of such jurisdiction) by a suit upon such judgment, a certified copy of which shall be conclusive evidence of such judgment, or in any other manner provided by law.
- (c) This Condition 23 is for the benefit of the Debenture Trustee and Debenture holders only. As a result, neither the Debenture Trustee nor any Debenture holder shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Debenture Trustee and the Debenture holders may take concurrent proceedings in any number of jurisdictions.
- (d) The Issuer irrevocably and generally consents in respect of any proceedings anywhere in connection with any Transaction Document to the giving of any relief or the issue of any process in connection with those proceedings including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those proceedings.
- (e) The Issuer irrevocably agrees that, should any Secured Party take any proceedings anywhere in India (whether for an injunction, specific performance, damages or otherwise in connection with any Transaction Document), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those proceedings, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or with respect to its assets, any such immunity being irrevocably waived. The Issuer irrevocably agrees that it and its assets are, and shall be, subject to such proceedings, attachment or execution in respect of its obligations under the Transaction Documents.

24 DEFINITIONS

“**Account Bank**” has the meaning given to it in the Trust and Accounts Deed.

“**Accounts**” means the statement of financial performance and statements of financial position.

“**Affiliate**” means, in relation to any Person, any other Person that controls, is controlled by, or is under common control with, such Person.

“**Aggregated Accounts**” means the aggregated Accounts of the Issuer and the other Restricted Group Issuers (taken as a whole) prepared in accordance with IGAAP including the applicable accounting standards specified under the Indian Companies Act, 2013 (though not strictly applicable) and all applicable laws.

“Agreed Intergroup Transactions” means an (a) incurrence of Finance Debt by the Issuer from any other Restricted Group Issuer or any member of the Continuum Group; (b) repayment of and payment of interest on Finance Debt incurred by the Issuer or any other Restricted Group Issuer; (c) grant of loans, payment of dividends by any Issuer or any other Restricted Group Issuer to any member of the Continuum Group; (d) payment by the Issuer or any other Restricted Group Issuer to any member of the Continuum Group for any amounts outstanding unpaid in respect of any Operating Expenses relating to the period prior to the issue of Restricted Group Issuer Rupee Debentures; (e) transfer or assignment of any Subordinated Debt of a Restricted Group Issuer to the Issuer; *provided that* any Finance Debt incurred by the Issuer as an Agreed Intergroup Transaction (i) is fully subordinated to the Rupee Debentures, (ii) complies with the requirements of Subordinated Debt set forth in the Rupee Debentures and (iii) includes a provisions that upon an Event of Default, the Restricted Group Issuer who is the creditor on any such Finance Debt shall convert such debt into equity or preference shares of the relevant Restricted Group Issuer that is the debtor on such Finance Debt; *provided that*, the total amounts used for (a), (b), (c), (d) and (e) shall not exceed together with the Agreed Intergroup Transaction of an Issuer that are paid by the Issuer to the Continuum Group funded utilizing the proceeds of the Debentures taken together with all other Agreed Intergroup Transactions of the Restricted Group Issuers that are paid by the Restricted Group Issuers to the Continuum Group funded utilizing the proceeds of the Debentures and the Restricted Group Issuer Rupee Debentures shall not exceed an amount of Rs. 3,200,000,000 (or its equivalent in another currency); provided further that monies standing to the credit of the existing bank accounts of the Issuer and the Restricted Group Issuers on February 9, 2021 may also be freely utilised for the purposes of Agreed Intergroup Transactions, which shall be in addition to Agreed Intergroup Transactions done using the proceeds of the Debentures and the Restricted Group Issuer Rupee Debentures in accordance with the foregoing.

“Amortization Period” means:

- (a) in respect of Debenture Amortization Amounts, each Amortization Period specified on the left-hand column of the Notional Scheduled Amortising Structure; and
- (b) in respect of MCS Amount, each Amortization Period specified on the left-hand column of the Notional Scheduled MCS Structure.

“Authorization” means:

- (a) any material consent, authorization, registration, filing, lodgement, agreement, notarisation, certificate, permission, license, approval, authority or exemption from, by or with a Government Authority; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Government Authority intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

“Authorized Officer” means in relation to the Issuer, any officer of the Issuer whose title is or includes the words “Chief Financial Officer”, “Director” or “Company Secretary” or a person appointed as an authorized officer of the Issuer for the purposes of the Debenture Documents by a resolution of the board of Directors of the Issuer and in respect of whom the Debenture Trustee has received a certificate signed by a Director of the Issuer who is also an Authorized Officer of the Issuer pursuant to the Debenture Trust Deed:

- (a) setting out that person’s name, title and specimen signature; and
- (b) confirming the appointment,

provided the Debenture Trustee has not received notice of revocation of that appointment.

“Business Day” means a day (other than a Saturday or a Sunday) on which banks are open for general business in Delhi and Mumbai.

“Calculation Date” means each June 30, and December 31, occurring on or after June 30, 2021.

“Calculation Period” means:

- (a) for the first Calculation Date falling on June 30, 2021, the period commencing from July 1, 2020 and ending on that Calculation Date; and
- (b) in respect of each subsequent Calculation Date, the 12-month period ending on that Calculation Date.

“Capital Expenditure” means, at any time, the expenditure or obligation in respect of expenditure used to establish, maintain, repower as required and operate the assets and which, in accordance with IGAAP, is treated as capital expenditure.

“Cashflow Available for Debt Service” means, in respect of any period, the aggregate amount of CFADS Operating Revenue for that period (which, for the avoidance of doubt, includes interest revenue accrued by the Issuer and each other Restricted Group Issuer on all Project Accounts (including the Distribution Accounts, to the extent any such interest is transferred to an Operating Account) to the extent not already included in CFADS Operating Revenue), less:

- (a) Operating Expenses (other than: (i) any Costs or fees payable in connection with the Existing Indebtedness, the Senior Secured Documents and any Costs or break fees payable as a consequence of the repayment or prepayment of the Existing Indebtedness; and (ii) any common overhead expenses as shown in the financial statements funded through New Injections or Subordinated Debt provided by any member of the Continuum Group or amounts withdrawn from the Distribution Account in accordance with these Conditions and the Trust and Accounts Deed), Permitted Capital Expenditure, if any, and Petty Expenses, if any, paid in that period funded by amounts withdrawn from a Project Account in accordance with these Conditions or the Trust and Accounts Deed;
- (b) Taxes paid by the Issuer and each other Restricted Group Issuer in that period; and
- (c) amounts paid by the Issuer and each other Restricted Group Issuer to the Debenture Trustee (other than principal, interest and premiums paid or any similar amounts paid to the Debenture Trustee under the Rupee Debenture),

in each case for (b) and (c) of this definition, without double counting.

“CFADS Operating Revenue” means Operating Revenue excluding (without double counting):

- (a) non-recurring significant items (including, but not limited to, profits and losses on disposal of assets outside the ordinary course of business);

- (b) extraordinary items;
- (c) any other non-cash items (including but not limited to property revaluations);
- (d) insurance proceeds, other than business interruption insurance proceeds or advance consequential loss of profit insurance proceeds or any proceeds applied towards reimbursement for repairs or reinstatement of an asset where the cost of the relevant repair or reinstatement is an Operating Expense;
- (e) proceeds of any Finance Debt or equity; and
- (f) any compensation, warranty claim or indemnity payment received under a Restricted Group Issuer PPA, other than any amounts calculated with respect to or provided in lieu of revenue or where the cost, liability or loss being compensated for or the subject of the relevant warranty or indemnity is an Operating Expense.

Notwithstanding the foregoing, amounts received as a New Injection and designated as an Equity Cure pursuant to a compliance certificate in accordance with these Conditions or the Trust and Accounts Deed will be counted in CFADs Operating Revenue for the Calculation Period in which such compliance certificate is being provided but not for any subsequent period, without double counting and solely for that specified period.

“Common Security Trustee” means the security trustee appointed as common security trustee pursuant to a common security trustee agreement to hold the benefit of security and guarantee in respect of the Debentures and the Restricted Group Issuer Rupee Debentures and the RCF Facility.

“Compliance Certificate” means a compliance certificate with respect to a Calculation Period as referred to in Condition 6.3 and in the form set out in Schedule 7 of the Debenture Trust Deed or in such other form acceptable to the Debenture Trustee (acting on the instruction of the Debenture holder by Extraordinary Resolution).

“Continuum Group” means Continuum Green Energy Limited, Singapore and its Subsidiaries, joint ventures and associates (in each case, to the extent of Continuum Green Energy Limited’s ownership, directly or indirectly) as defined under IGAAP and as would be included for purposes of preparing Continuum Green Energy Limited’s consolidated financial statements in accordance with IGAAP.

“Continuum Group Financial Indebtedness” means any indebtedness, present or future, actual or contingent in respect of any form of financial accommodation whatsoever, including moneys borrowed (including overdrafts), any contingent liabilities (including guarantees) and moneys raised including moneys raised under or pursuant to any debenture, bond, indenture, credit facility, bank guarantee facility, note or loan stock or other similar instrument by Continuum Green Energy Limited and its Subsidiaries, joint ventures and associates, in each case that are incorporated outside India, including any successor or transferee of any of the foregoing entities as permitted under and in accordance with the terms of the relevant debenture, bond, indenture, credit facility, bank guarantee facility, note or loan stock or other similar instrument relating to such indebtedness.

“control” means in relation to an entity (of any kind) control or influence of, or having the capacity to control or influence, the composition of a majority of the members of the board, or control or having the capacity to control the decision making, directly or indirectly, in relation to the financial and operating policies of the entity, whether through the ownership of voting capital, by contract or otherwise.

“Costs” means costs, charges, fees, expenses and disbursements (including without limitation any sales, value added, turnover, withholding or other tax on such amounts as aforesaid).

“Debenture Amortization Amount” means, in respect of each Amortization Period specified on the left hand column of the Notional Scheduled Amortising Structure, the amount calculated by multiplying (a) the percentage corresponding to the relevant Amortization Period and appearing in the right hand column titled ‘% of the Original Rupee Debenture Debt Amount to be deposited to the Senior Debt Restricted Amortization Account’ of the Notional Scheduled Amortizing Structure by (b) the amount of the Original Rupee Debenture Debt Amount.

“Debenture Documents” means:

- (a) the Debenture Trust Deed;
- (b) the Debenture Trustee Appointment Agreement;
- (c) the Deed of Guarantee;
- (d) the Subordination Deed;
- (e) the Trust and Accounts Deed;
- (f) each Security Document; and
- (g) any other document designated as a Debenture Document by the Issuer and the Debenture Trustee.

“Debenture Trust Deed” means the debenture trust deed dated [●] entered into between the Issuer and the Debenture Trustee for the issuance of the Debentures.

“Debentures” means the Rs. [●] senior secured unlisted non-convertible debentures due [●] issued by the Issuer pursuant to the Debenture Trust Deed.

“Debt Documents” means each Senior Secured Document, each Subordinated Document and any other document designated as such by the Debenture Trustee and the Issuer or any other Restricted Group Issuer.

“Debt Service Cover Ratio” means, in relation to a Calculation Period ending on the relevant Calculation Date, the ratio of (i) Cashflow Available for Debt Service to (ii) the aggregate amount of (a) the Debenture Amortization Amounts and interest payments in respect of Debentures and the Restricted Group Issuer Rupee Debentures and (b) interest payment in respect of any RCF Facility if applicable under the relevant RCF Facility, if any, calculated on an aggregate basis across the Issuer and each other Restricted Group Issuer.

For the Calculation Period ending June 30, 2021, paragraph (ii) above shall be the aggregate amount of (a) scheduled principal repayment (to the extent not refinanced, prepaid or repaid, and/or marked for refinancing), (b) interest payments to creditors of Existing Indebtedness and payments of any Costs (of recurring nature) to creditors in relation to Existing Indebtedness due or accrued during that period, (c) the Debenture Amortization Amount and interest payments in respect of Debentures and the Restricted Group Issuer Rupee Debentures (excluding amounts due pursuant to MCS Amount payments, any prepayments)

and (d) interest payment in respect of any RCF Facility if applicable under the relevant RCF Facility, if any, calculated on an aggregate basis across the Issuer and each other Restricted Group Issuer.

“Debt Service Reserve Account” has the meaning given to it in the Trust and Accounts Deed.

“Deed of Guarantee” means the deed of guarantee entered into by the Issuer, the Restricted Group Issuers and the Common Security Trustee in respect of the Debentures and the Restricted Group Issuer Rupee Debentures and the RCF Facility.

“Default” means an Event of Default or a Potential Event of Default.

“Depository” means Central Depository Services (India) Limited and/or National Securities Depository Limited.

“Delegate” means any agent or delegate appointed in writing by a Secured Party to act on behalf of such Secured Party under the Debenture Documents.

“Distribution” means any dividend, charge, interest, management or other fee, loan, advance or other financial accommodation, payment or other distribution, or redemption, repurchase, defeasance, share buy-back, retirement or repayment relating to any share buy-back, capital reduction, Subordinated Debt or otherwise to or for the benefit of the Issuer any other Restricted Group Issuer, any member of the Continuum Group or any holder of the shares of the Issuer, excluding (i) reasonable corporate costs, and (ii) reasonable directors’ fees, and for the avoidance of doubt, shall not include the Agreed Intergroup Transactions.

“Distribution Account” has the meaning given to it in the Trust and Accounts Deed.

“Distribution Conditions” means at the time of the proposed transfer to the relevant Distribution Account:

- (a) no Default subsists or would result from the proposed transfer;
- (b) (i) the Issuer or any other Restricted Group Issuer has not availed of any industry-wide moratorium or general moratorium made available to entities incorporated in the Republic of India in relation to payments under working capital facilities, or (ii) if the Issuer or any other Restricted Group Issuer has availed of a moratorium described under (i) above, then all accrued but unpaid amounts in relation to the working capital facilities to which such moratorium applied have been repaid in full;
- (c) the balance of the Issuer’s Debt Service Reserve Account together with the debt service reserve accounts under each Restricted Group Issuer Rupee Debentures in aggregate is not less than the amount required under Condition 6.31.3(vii) and the Trust and Accounts Deed; and
- (d) the Debt Service Cover Ratio on the last Calculation Date is equal to or not less than 1.3:1.0.

“EBITDA” means the aggregate earnings before interest, tax, depreciation and amortization of the Issuer and each other Restricted Group Issuer for the relevant period, being the aggregate of the Issuer’s and each other Restricted Group Issuer’s profit/(loss) before tax, depreciation and amortization expense and finance Costs; each as calculated in accordance with IGAAP and set out in the most recent Aggregated Accounts

delivered to the Debenture Trustee and the Debenture holders, excluding the effect of (without double counting):

- (a) non-recurring significant items (including, but not limited to, profits and losses on disposal of assets outside the ordinary course of business);
- (b) extraordinary items;
- (c) any other non-cash items (including but not limited to property revaluations);
- (d) insurance proceeds, other than business interruption insurance proceeds or advance consequential loss of profit insurance proceeds or any proceeds applied towards reimbursement for repairs or reinstatement of an asset where the cost of the relevant repair or reinstatement is an Operating Expense;
- (e) any compensation, warranty claim or indemnity payment received under a Restricted Group Issuer PPA, other than any amounts calculated with respect to or provided in lieu of revenue or where the cost, liability or loss being compensated for or the subject of the relevant warranty or indemnity is an Operating Expense; and
- (f) any expenses payable or paid to Related Parties in connection with common overheads which are paid from the Distribution Account.

“Enforcement Action” means any of the following actions to:

- (a) exercise any remedy under the Senior Secured Documents following an Event of Default for the recovery of any amount owed by the Issuer or any other Restricted Group Issuer including by way of set off and including:
 - (i) the exercise of any rights with respect to any Security Interests granted under the Security Documents; or
 - (ii) the exercise of any right of netting, set off or account combination against the Issuer or any other Restricted Group Issuer in respect of any present and future liabilities, debts and other obligations at any time due, owing or incurred in connection with the Senior Secured Documents;
- (b) initiate any insolvency, corporate insolvency resolution or other action (including to initiate any action or proceedings under the Insolvency and Bankruptcy Code, 2016 or any other analogous law for the time being in force), winding-up, liquidation, reorganization, administration or dissolution proceedings or any similar proceedings in each case that involves the Issuer or any other Restricted Group Issuer and is in connection with the Senior Secured Documents, or any analogous procedure or step in any jurisdiction;
- (c) take any action under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the rules made thereunder;
- (d) sue for, commence or join any legal or arbitration proceedings against the Issuer or any other Restricted Group Issuer to recover any present and future liabilities, debts and other obligations at any time due, owing or incurred in connection with the Senior Secured Documents;

- (e) enter into any composition, compromise, assignment or arrangement with the Issuer or any other Restricted Group Issuer which owes any present and future liabilities, debts and other obligations at any time due, owing or incurred, or has given any Security Interests against loss in respect of the present and future liabilities, debts and other obligations at any time due, owing or incurred; or
- (f) levy distress against the Issuer's by the Issuer and or any Restricted Group Issuer's assets or undertaking or attach, levy execution, arrest or otherwise exercise any creditor's process in respect of any asset or undertaking of any of them, in each case in connection with the Senior Secured Documents.

“Environment” means components of the earth, including:

- (a) land, air and water;
- (b) any layer of the atmosphere;
- (c) any organic or inorganic matter and any living organism; and
- (d) any human made or modified structure or area,
- (e) and includes interacting natural ecosystems that include components referred to in paragraphs (a) to (d) of this definition.

“Environmental Laws” means any law relating to:

- (a) the Environment (including any law relating to land use, planning, environmental assessment, pollutions, contamination, chemicals, waste, the use or presence of asbestos or dangerous goods or hazardous substances, building regulations, the occupation of buildings, heritage, species, flora and fauna or noise); or
- (b) any aspect of protection of the Environment.

“Equity Cure” has the meaning given in Condition 6.32.2.

“Event of Default” has the meaning given in Condition 12.1.

“Existing Debt Documents” means the documents executed in connection with the Existing Indebtedness.

“Existing Indebtedness” means the Finance Debt owed by the Issuer and the Restricted Group Issuers as set out below:

<u>Name</u>	<u>Name of the lender</u>	<u>Amount outstanding as on 31 December 2020</u>	<u>Nature of indebtedness</u>
Bothe Windfarm Development Private Limited	Power Finance Corporation Limited	Rs. 7,706,572,534	Term loan
	State Bank of India	Rs. 589,691,039	Working capital facility
	L&T Infrastructure Company Limited	Rs. 543,743,950	Working capital facility
	Continuum Green Energy (India) Private Limited	Rs. 2,143,750,000	Compulsorily convertible debentures
	Continuum Green Energy (India) Private Limited	Rs. 239,754,378	Unsecured loan
	International Finance Corporation	Rs. 1,095,333,200	External commercial borrowing
DJ Energy Private Limited	India Infrastructure Finance Company Limited	Rs. 987,620,383	Term loan
	L&T Infrastructure Finance Company Limited	Rs. 1,437,735,098	Term loan
	India Infradebt Limited	Rs. 1,225,233,827	Term loan
	Indian Renewable Energy Development Agency Limited	Rs. 1,471,622,988	Term loan
	L&T Infrastructure Finance Company Limited	Rs. 388,000,000	Working capital facility
	Continuum Green Energy (India) Private Limited	Rs. 794,428,880	Compulsorily convertible debentures
	International Finance Corporation	Rs. 883,077,525	External commercial borrowing
	India Infrastructure Finance Company Limited	Rs. 787,992,461	Term loan
Uttar Urja Projects Private Limited	L&T Infrastructure Finance Company Limited	Rs. 1,111,440,609	Term loan
	India Infradebt Limited	Rs. 1,105,557,010	Term loan
	Indian Renewable Energy Development Agency Limited	Rs. 1,151,024,612	Term loan
	L&T Infrastructure Finance Company Limited	Rs. 306,500,000	Working capital facility
	Continuum Green Energy (India) Private Limited	Rs. 634,780,000	Compulsorily convertible debentures

<u>Name</u>	<u>Name of the lender</u>	<u>Amount outstanding as on 31 December 2020</u>	<u>Nature of indebtedness</u>
Watsun Infrabuild Private Limited	State Bank of India (Wind)	Rs. 1,751,574,035	Term loan
	Indian Renewable Energy Development Agency Limited	Rs. 4,038,472,104	Term loan
	PTC India Financial Services Limited	Rs. 1,285,791,567	Term loan
	State Bank of India (Solar)	Rs. 1,962,119,529	Term loan
	Continuum Green Energy (India) Private Limited	Rs. 3,622,900,000	Compulsorily convertible debentures
	Continuum Green Energy (India) Private Limited	Rs. 450,304,538	Unsecured loan
Trinethra Wind and Hydro Power Private Limited	Power Finance Corporation Limited	Rs. 4,886,610,595	Term loan
	ICICI Bank Limited	Rs. 148,903,329	Working capital facility
	Continuum Green Energy (India) Private Limited	Rs. 506,000,000	Compulsorily convertible debentures
	Continuum Green Energy (India) Private Limited	Rs. 1,123,419,450	Unsecured loan
Renewables Trinethra Private Limited	Power Finance Corporation Limited	Rs. 1,101,200,000	Term loan
	ICICI Bank Limited ⁽¹⁾	Rs. 39,063,000	Working capital facility
	Continuum Green Energy (India) Private Limited	Rs. 141,650,000	Compulsorily convertible debentures
	Continuum Green Energy (India) Private Limited	Rs. 283,300,000	Non-convertible Debentures
	Continuum Green Energy (India) Private Limited	Rs. 91,225,000	Unsecured loan

Note:

- (1) This represents Non fund based facility availed from ICICI Bank Limited as on December 31, 2020. Further, against the said facility Renewables Trinethra Private Limited has given cash margin of Rs. 4,000,000. Therefore, net amount payable against non fund based facility as on December 31, 2020 is Rs. 35,063,000.

“Extraordinary Resolution” has the meaning given to it in the Debenture Trust Deed.

“Facility Agreement” means each Senior Facility Agreement and each Subordinated Facility Agreement.

“Finance Debt” means any indebtedness, present or future, actual or contingent in respect of any form of financial accommodation whatsoever, including:

- (a) moneys borrowed (including overdrafts);
- (b) moneys raised including moneys raised under or pursuant to any debenture, bond, bank guarantee facility, note or loan stock or other similar instrument;
- (c) any acceptance, endorsement or discounting arrangement;
- (d) receivables sold or discounted (otherwise than on a non-recourse basis to the Issuer or any other Restricted Group Issuer);

- (e) the acquisition cost of any asset or service to the extent payable more than 360 days after the time of acquisition or possession by the person liable as principal obligor for the payment thereof where the deferred payment is arranged primarily as a method of raising finance or financing or refinancing the acquisition of the asset or service acquired;
- (f) finance leases, capital leases, credit sale or conditional sale agreements (whether in respect of land, buildings, plant, machinery, equipment or otherwise) which are treated as finance leases or capital leases in accordance with IGAAP but only to the extent of such treatment and other than land leases;
- (g) the amount payable by the Issuer to any person which is not a Restricted Group Issuer in respect of the redemption of any share capital or other securities issued by it or any Restricted Group Issuer (if the share capital or other securities are redeemable at the option of their holder or if the Issuer or the relevant Restricted Group Issuer is otherwise obliged to redeem them, in each case, prior to or on the maturity date);
- (h) amounts raised under any other transaction required to be accounted for as a borrowing under IGAAP; or
- (i) any guarantee, indemnity or similar assurance against financial loss of any person in respect of any indebtedness falling within paragraphs (a) to (i) (inclusive) of this definition,

and so that, where the amount of Finance Debt is to be calculated or where the existence (or otherwise) of any Finance Debt is to be established:

any:

- A.** Finance Debt owed by the Issuer or any other Restricted Group Issuer to another Restricted Group Issuer or the Issuer; and
- B.** undrawn amounts,

shall not be taken into account; and

in relation to any bank accounts subject to netting arrangements, the net balance shall be used.

For the avoidance of doubt and notwithstanding anything herein to the contrary, land leases shall not constitute “Finance Debt” or indebtedness, and shall not be prohibited by these Conditions and shall not be taken into account when calculating the amount of Finance Debt or indebtedness, or any ratio related thereto, under these Conditions.

“Financial Year” means the 12-month period ending on March 31, of each year.

“Funds From Operations” means EBITDA minus cash Taxes paid on income and adjusted for any positive or negative adjustments in working capital minus cash net interest.

“Good Industry Practice” means the exercise of the degree of skill, care and operating practice which would reasonably and ordinarily be expected from a skilled and experienced person engaged in the same type of undertaking as the Issuer under the same or similar circumstances.

“Government Authority” means a government, a government department, or a governmental, semi-governmental, statutory, administrative, parliamentary, provincial, public, municipal, local, judicial or quasi-judicial body.

“IGAAP” means the accounting standard notified by the Government of India under the Companies (Accounting Standards) Rules, 2006, as amended, modified and supplemented from time to time.

“Incur” means, with respect to any Finance Debt, 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 Finance Debt. The terms **“Incurrence”**, **“Incurred”** and **“Incurrence”** have meanings correlative with the foregoing.

“India Equity Offering” means a public or private issue of the equity interests (including instruments convertible into equity shares) of the Pledgor or a public or private sale of the equity interests (including instruments convertible into equity shares) of the Pledgor by Continuum Green Energy Limited; in each case to the extent that the net proceeds therefrom are contributed to a Restricted Group Issuer by the Pledgor or Continuum Green Energy Limited, Singapore, as applicable.

“Indian Rupee” or **“INR”** means the lawful currency of the Republic of India.

“Initial Issue Date” means the date on which the Debentures are issued by the Issuer.

“Insurance” means the insurance that the Issuer is required to obtain and maintain in accordance with Condition 6.13.

“Interest Period” means each period beginning on (and including) any Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

“Material Adverse Effect” means any event, circumstance, occurrence or condition which has, as of any date of determination, or could reasonably be expected to have, a material adverse effect on:

- (a) the ability of the Issuer or any other Restricted Group Issuer to perform its payment or other material obligations under the Debenture Documents to which it is a party;
- (b) the business, operations, financial condition, assets or cash flow of the Issuer or any other Restricted Group Issuer, having material implications for the business of the Issuer and the Restricted Group Issuers taken as a whole;
- (c) the legality, validity, binding nature or enforceability of the whole or any material part of any of the Debenture Documents; or
- (d) the rights, priority or security of the Debenture Trustee or the Debenture holders under the Debenture Documents.

“MCS Amount” means, in respect of each Amortization Period specified on the left-hand column of the Notional Scheduled MCS Structure, the amount calculated by multiplying (a) the percentage corresponding to the relevant Amortization Period and appearing in the right-hand column of the Notional Scheduled MCS Structure by (b) the amount of the Original Rupee Debenture Debt Amount.

“**Net Debt**” means the total indebtedness of the Restricted Group Issuers excluding any Subordinated Debt less any amounts held in the Senior Debt Restricted Amortization Account, the RCF Facility Restricted Amortization Accounts, the Debt Service Reserve Account, the Restricted Surplus Accounts and the Restricted Debt Service Accounts.

“**New Injection**” means the aggregate amount subscribed for by any person (other than another Restricted Group Issuer) after the Initial Issue Date for ordinary shares or non-redeemable preference shares or preference shares (which are not redeemable until 6 years and 6 months from the date of issuance of Debentures) in the Issuer or a Restricted Group Issuer or any Subordinated Debt provided by a Related Party which is availed by the Issuer or a Restricted Group Issuer.

“**Notional Scheduled MCS Structure**” means the below amortization schedule: [*Note: To be updated*]

<u>Amortization Period</u>	<u>% of Original Rupee Debenture Debt Amount to be deposited to the Restricted Surplus Account</u>
From (and including) February [●], 2022 to (and excluding) August [●], 2022	1.625%
From (and including) August [●], 2022 to (and excluding) February [●], 2023	3.500%
From (and including) February [●], 2023 to (and excluding) August [●], 2023	3.125%
From (and including) August [●], 2023 to (and excluding) February [●], 2024	3.750%
From (and including) February [●], 2024 to (and excluding) August [●], 2024	3.125%
From (and including) August [●], 2024 to (and excluding) February [●], 2025	3.875%
From (and including) February [●], 2025 to (and excluding) August [●], 2025	3.250%
From (and including) August [●], 2025 to (and excluding) February [●], 2026	3.875%
From (and including) February [●], 2026 to (and excluding) August [●], 2026	3.000%
Total	<u>29.125%</u>

“**Notional Scheduled Amortizing Structure**” means the below amortization schedule: [*Note: To be updated*]

<u>Amortization Period</u>	<u>% of Original Rupee Debenture Debt Amount to be deposited to the Senior Debt Restricted Amortization Account</u>
From (and including) February [●], 2021 to (and excluding) August [●], 2021	0.750%
From (and including) August [●], 2021 to (and excluding) February [●], 2022	0.625%
From (and including) February [●], 2022 to (and excluding) August [●], 2022	0.250%
From (and including) August [●], 2022 to (and excluding) February [●], 2023	0.250%
From (and including) February [●], 2023 to (and excluding) August [●], 2023	0.750%
From (and including) August [●], 2023 to (and excluding) February [●], 2024	0.500%
From (and including) February [●], 2024 to (and excluding) August [●], 2024	0.750%
From (and including) August [●], 2024 to (and excluding) February [●], 2025	0.750%
From (and including) February [●], 2025 to (and excluding) August [●], 2025	1.000%
From (and including) August [●], 2025 to (and excluding) February [●], 2026	1.000%
From (and including) February [●], 2026 to (and excluding) August [●], 2026	1.250%
From (and including) [●], 2026 to (and excluding) [●], 2036, at any time during this period at the option of the Issuer	the principal amount then outstanding
Total	100.00%

“**Operating Account**” means each operating account established or to be established and maintained by the Issuer and each other Restricted Group Issuer in accordance with these Conditions and the Trust and Accounts Deed, as the case may be.

“**Operating Accounts Waterfall**” means the payment waterfall set out in Condition 6.31.3.

“**Operating Expenses**” means any Costs of the Issuer in connection with the Permitted Businesses, including:

- (a) any payments under the Restricted Group Issuer PPAs;
- (b) premiums payable in respect of Insurance;
- (c) administrative costs (excluding Distributions but including any amounts payable to meet reasonable directors’ fees);
- (d) Costs in respect of the Project Accounts;
- (e) fees of engineers, accountants, auditors, consultants and legal or other professional advisers;
- (f) any expenditure or obligation in respect of expenditure used to establish, maintain and operate the assets and which, in accordance with IGAAP, is treated as revenue expenditure;
- (g) any investments by the Issuer permitted to be made by it under any Senior Secured Document; and

- (h) any expenditure or obligation in respect of expenditure used to establish, maintain and operate the assets and which, in accordance with IGAAP, is treated as capital expenditure, up to and not exceeding the aggregate agreed amount of Permitted Capital Expenditures;

which are expenses for the purposes of IGAAP but excluding any costs or break fees or prepayment premium or prepayment penalty payable as a consequence of the repayment or prepayment of the Existing Indebtedness (other than Subordinated Debt).

“Operating Revenue” means in respect of any period the revenue of the Issuer for that period, determined in accordance with IGAAP including the proceeds of any Permitted Disposals and any insurance.

“Original Rupee Debenture Debt Amount” means the initial total principal amount of the Debentures.

“Payment Blockage” means:

- (a) a Default is subsisting in relation to non-payment of any amount due to a Senior Secured Creditor; or
- (b) a Default subsists (except an Event of Default in respect of a non-payment of Subordinated Debt), and either:
 - (i) the Debenture Trustee or any Senior Secured Creditor (or its representative) delivers a notice (a **“Payment Blockage Notice”**) to each representative of each Subordinated Creditor and Senior Secured Creditor specifying the relevant Default has occurred and is continuing and suspending payments of the Subordinated Debt; or
 - (ii) the Issuer is otherwise aware that the relevant Default subsists.

A Payment Blockage will subsist until the first to occur of:

- A.** the date on which the Payment Blockage Notice is cancelled or withdrawn by written notice by the Debenture Trustee or any Senior Secured Creditor (or its representative) to each representative of each Subordinated Creditor and each Senior Secured Creditor; or
- B.** the date on which the relevant Default ceases to subsist (except where a Potential Event of Default ceases to subsist because it becomes an Event of Default) as confirmed in a written notice by the relevant representatives of the Senior Secured Creditors.

“Permitted Businesses” means:

- (a) owning, taking on lease, or obtaining a right of use or easementary rights in respect of the Specified Assets;
- (b) operating and maintenance of Specified Assets;
- (c) entering into any finance agreement for the purpose of financing or refinancing (whether directly or indirectly) any Specified Assets; and

- (d) entry into and performance of the provisions of the Restricted Group Issuer PPAs or any amendments or rectifications as required by any Restricted Group Issuer PPA counterparty, procurer or the relevant regulator.

“Permitted Capital Expenditure” means capital expenditures in an amount of up to Rs. 300,000,000 by the Issuer and any Restricted Group Issuer on an aggregate basis *provided that* no more than Rs. 100,000,000 by the Issuer and any Restricted Group Issuer on an aggregate basis may be made in any calendar year and which, in accordance with IGAAP, is treated as capital expenditure; provided further that such amounts are deducted from Cashflow Available for Debt Service in the relevant Calculation Period in which they were made.

“Permitted Disposal” means:

- (a) any sale of electricity;
- (b) any sale, transfer or other disposition of any national, state or foreign production tax credit, tax grant, renewable energy credit, carbon emission reductions, certified emission reductions, generation based incentives or similar credits based on the generation of electricity from renewable resources or investment in renewable generation and related equipment and related costs;
- (c) any disposal effected by way of the grant or creation of a Permitted Security Interest;
- (d) any disposal to any other Restricted Group Issuer;
- (e) the disposal of any asset at arm’s length and for fair value that is obsolete, surplus to requirements or no longer required for the proper and efficient operation of the Issuer’s business;
- (f) the withdrawal or transfer of any amount from the relevant Distribution Account pursuant to the Operating Accounts Waterfall, including without limitation, a Permitted Investment;
- (g) the refund or return of any deposits by the Issuer to its suppliers, purchasers, customers or vendors in the ordinary course of business;
- (h) sale of receivables in the ordinary course of business, provided they are not at more than a discount of 9% per annum;
- (i) disposals at arm’s length and for fair value that in aggregate do not exceed Rs. 50,000,000 (or its equivalent in another currency) in any Financial Year;
- (j) any withdrawal from the Issue Proceeds Escrow Account or any other account of the Restricted Group Issuers as permitted under the Trust and Accounts Deed in connection with the funding of the Agreed Intergroup Transactions; or
- (k) any withdrawal from the Issue Proceeds Escrow Account in connection with the prepayment of any Existing Indebtedness.

“Permitted Distribution” means a Distribution:

- (a) from the Issuer to any other Restricted Group Issuer;
- (b) a Distribution funded by a Subordinated Debt or the proceeds of contribution to the share capital of the Issuer; or
- (c) not otherwise covered by any of paragraphs (a) and (b) above, *provided that* (i) no Default subsists or would result from the proposed Distribution and (ii) the Distribution Conditions would be complied with on the date of such Distribution from the Distribution Account.

“Permitted Finance Debt” means Finance Debt, to the extent permitted under the Debenture Documents, arising under or in respect of:

- (a) any finance leases entered into by the Issuer prior to the Initial Issue Date and any other finance leases (including any operational leases to the extent that they may be characterized as finance leases under IGAAP), hire purchase arrangements or similar facilities where the lease provider’s recourse is limited to the asset leased to the Issuer that is the lessee, and the total value of all such lease facilities entered into by the Issuer and each other Restricted Group Issuer at any time does not exceed Rs. 100,000,000 on an aggregate basis (or its equivalent in another currency) other than by reason of any change in the accounting treatment of any finance lease in accordance with IGAAP;
- (b) any trade credit arising in the ordinary course of trading and security deposit of customers of the Issuer;
- (c) any Senior Secured Debt;
- (d) any Subordinated Debt;
- (e) the compulsorily convertible debentures issued or transferred by the Restricted Group Issuers pursuant to the Agreed Intergroup Transactions;
- (f) the RCF Facility; and
- (g) any workers’ compensation claims, self-insurance obligations, bankers’ acceptances, performance bonds, surety bonds and similar obligations in the ordinary course of business.

“Permitted Security Interest” means:

- (a) Security Interests in favour of a Restricted Group Issuer;
- (b) Security Interests existing on February 9, 2021 in respect of the Existing Indebtedness;
- (c) a lien or charge arising by operation of law in the ordinary course of trading so long as the debt it secures is paid when due or contested in good faith and appropriately provisioned;
- (d) a retention of title arrangement in connection with the acquisition of goods in the ordinary course of trading (which terms must require payment within 360 days);

- (e) bankers' liens, rights of set-off or other netting arrangements and/or any Security Interest arising in respect of any Permitted Finance Debt;
- (f) any lien for:
 - (i) rates, Taxes, duties or fees of any kind payable to a Government Authority; or
 - (ii) money payable for work performed by suppliers, mechanics, workmen, repairmen or employees and, in each case, arising in the ordinary course of business, either not yet due or being contested in good faith by the Issuer;
- (g) any Security Interest over an asset that has been acquired using Finance Debt by way of a finance or operating lease that constitutes Permitted Finance Debt;
- (h) 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;
- (i) any Security Interest incurred or pledges or deposits made in the ordinary course of trading (x) to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or governmental or other authority in connection with the operations of the Restricted Group Issuer or (y) in connection with workers' compensation, unemployment insurance and other types of social security and employee health and disability benefits;
- (j) any Security Interest created or arising in connection with a Senior Secured Document; and
- (k) any Security Interest created or arising in connection with a RCF Document.

"Person" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not being a separate legal entity).

"Pledgor" means Continuum Green Energy (India) Private Limited, a company incorporated under the laws of India with CIN U40102TN2007PTC063507.

"Potential Event of Default" means any event or circumstance which, with the giving of notice, lapse of time, satisfaction of a condition or determination (or any combination of these) would be an Event of Default.

"Projects" means [●]. [*Note: Specific project(s) of each Issuer to be set out*]

"Project Accounts" means, for the Issuer and each other Restricted Group Issuer, each of the following accounts and any other bank account opened as a sub-account of any of the above in its name in accordance with the terms of the Trust and Accounts Deed and/or any new accounts or sub-accounts opened in accordance with the terms of the Trust and Accounts Deed: the Debt Service Reserve Account, the Distribution Account, the Senior Debt Enforcement Proceeds Account, the RCF Facility Enforcement

Proceeds Account, the Issue Proceeds Escrow Account, the O&M Expenses Account, the Operating Account, the Statutory Dues Account, the Restricted Debt Service Account, the Restricted Surplus Account, the Senior Debt Restricted Amortization Account and the RCF Facility Restricted Amortization Account.

“RBI” means the Reserve Bank of India established under the RBI Act.

“RBI Act” means the Reserve Bank of India Act, 1934 of India.

“RCF Documents” means the RCF Facility Agreement and any other document entered into by the Issuer in relation to an RCF Facility and designated as such by the Issuer and the lender under the RCF Facility Agreement.

“RCF Facility” means the working capital facilities (fund based and/or non-fund based) incurred by the Issuer or any other Restricted Group Issuer or any refinancing of such working capital facilities provided that the outstanding amount of all such working capital facilities does not exceed Rs. 2,560,000,000 (or its equivalent another currency) in aggregate for the Issuer and the Restricted Group Issuers at any time.

“RCF Facility Agreement” means one or more working capital facility agreement(s) entered into by the Issuer or a Restricted Group Issuer, as the case may be, in relation to an RCF Facility.

“Related Party” means a ‘related party’, as defined under the Insolvency and Bankruptcy Code, 2016.

“Receiver” means a receiver or manager, in each case, appointed under a Security Document.

“Record Date” means the date falling 5 Business Days prior to any date for redemption or any Interest Payment Date.

“Register of Beneficial Owners” means the register of beneficial owners of the Debentures maintained in the records of the Depository.

“Relevant Calculation Period” means:

- (a) the period from the Initial Issue Date to (and including) June 30, 2021; and
- (b) each six-month period thereafter.

“Required DSRA Balance” means, in relation to the Debt Service Reserve Account, at any time, the balance required for the Debt Service Reserve Account, equal to the aggregate amount of (a) the Debenture Amortization Amount and interest payable (or reasonably anticipated to be payable) in respect of the Debentures, and (b) interest payable (or reasonably anticipated to be payable) in respect of any RCF Facility if applicable under the relevant RCF Facility, if any, for each Relevant Calculation Period calculated on an aggregate basis across the Issuer and each other Restricted Group Issuer.

“Restricted Group Issuer” means each of Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Renewables Trinethra Private Limited, Trinethra Wind and Hydro Power Private Limited, Uttar Urja Projects Private Limited and Watsun Infrabuild Private Limited.

“Restricted Group Issuer PPAs” means each power purchase agreement entered into by any Restricted Group Issuer.

“Restricted Group Issuer Rupee Debentures” means the INR denominated, unlisted, secured non-convertible debentures to be issued by each Restricted Group Issuer.

“Restricted Surplus Account” has the meaning given to it in the Trust and Accounts Deed.

“SEBI” means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act 1992.

“Secured Party” means the grantee of Security under each Security Document.

“Security” means the Security Interest granted under each Security Document.

“Security Documents” means the agreement for appointment of the common security trustee and the documents executed or to be executed pursuant to Condition 5.1.

“Security Interest” means a mortgage, charge, pledge, lien encumbrance, security interest or any other security agreement or arrangement having a similar effect.

“Security Period” means the period beginning on the Initial Issue Date and ending on the date on which all Senior Secured Debt has been unconditionally and irrevocably paid and discharged in full.

“Senior Debt Restricted Amortization Account” has the meaning given to it in the Trust and Accounts Deed.

“Senior Secured Creditor” means:

- (a) each Debenture holder;
- (b) the Debenture Trustee; and
- (c) the Account Bank.

“Senior Secured Debt” means all present and future liabilities (actual or contingent) owing to the Senior Secured Creditors under the Senior Secured Documents.

“Senior Secured Document” means:

- (a) each Debenture Document; and
- (b) each security document entered into as Security for the Senior Secured Debt.

“Solvent” means, with respect to the Issuer, on a particular date, that on such date:

- (a) it is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts;
- (b) it has not, by reason of actual or anticipated financial difficulties, commenced, or does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness;
- (c) no moratorium has been, or may, in the reasonably foreseeable future be, declared in respect of any of its indebtedness (except for any industry-wide moratorium or general moratorium made available to entities incorporated in the Republic of India in relation to payments under working capital facilities);

- (d) no proceedings have been initiated under the Insolvency and Bankruptcy Code, 2016, which are likely to result in the relevant tribunal, ordering the liquidation of the Issuer under the Insolvency and Bankruptcy Code, 2016; and
- (e) no action has been initiated against or is pending in relation to the Reserve Bank of India (Prudential Framework for Resolution of the Stressed Assets) Directions, 2019 or any other guidelines issued or framework set up by the RBI in relation to resolution of stressed assets.

“Specified Assets” means the Restricted Group Issuer PPAs, the assets of the Issuer related to the service of each Restricted Group Issuer PPA and any ancillary infrastructure assets related thereto, in each case solely in respect of Projects that are fully operational.

“Subordinated Creditor” means any creditor that is a provider of Subordinated Debt under Subordinated Documents.

“Subordinated Debt” means all present and future liabilities (actual or contingent) owing to the Subordinated Creditors under the Subordinated Documents incurred by the Issuer including any refinancing of any Subordinated Debt as permitted under the Debenture Documents.

“Subordinated Document” means each facility agreement or other financing document pursuant to which the Issuer incurs Subordinated Debt as permitted under the Debenture Documents.

“Subordination Deed” means the subordination deed dated on or about [●] between the Debenture Trustee, the Issuer, each Restricted Group Issuer and each Subordinated Creditor.

“Subsidiary” means any company or other business entity of which the first company owns or controls (either directly or indirectly through another or other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or any company or other business entity which at any time has its accounts consolidated with those of the first company, or which under Indian law, regulations or IGAAP from time to time, should have its accounts consolidated with those of the relevant company.

“Tax” means any charges, deductions, duties (including stamp duty, financial institutions duty, transaction duty and bank account debit tax), fees, imposts, levies, taxes (including any consumption tax, goods and services tax and value added tax) and withholdings (together with any interest, penalties, fines and expenses in connection with any of them) imposed by any Government Authority.

“Transaction Documents” means:

- (a) each Senior Secured Document
- (b) each Subordinated Document; and
- (c) each Restricted Group Issuer PPA.

“Transaction Security” means the Security Interests created or evidenced or expressed to be created or evidenced under or pursuant to the Security Documents to secure the relevant Senior Secured Debt.

“Trust and Accounts Deed” means initially, the Trust and Accounts Deed in a form satisfactory to the Issuer and the Debenture Trustee to be entered into between the Issuer, each Restricted Group Issuer, the Common Security Trustee and the Account Bank as amended, restated or replaced provided any such amendment, restatement or replacement is (i) substantially similar to the original trust and accounts deed, and (ii) designated as a “Trust and Accounts Deed” for the purposes of these Conditions by the Issuer and the Debentures Trustee.

“VRR Regulations” means the direction issued by the RBI under the circular titled “*Voluntary Retention Route’ (VRR) for Foreign Portfolio Investors (FPIs) investment in debt*” dated March 1, 2019 read with 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 – relaxations*” dated May 22, 2020, as amended, modified and supplemented from time to time.

“VRR Holding Period” means minimum retention period for investments by foreign portfolio investors pursuant to the VRR Regulations, as reduced, amended and modified from time to time, which minimum retention period, as on the Initial Issue Date, is 3 (three) years from the date of the investment by the foreign portfolio investor.

“Waterfall Criteria” means that the total amounts due for the Issuer under paragraphs (i) through (ix) of Condition 6.31.3 have been funded in full in the aggregate (including the payment in full of the MCS Amount due pursuant to the Notional Scheduled MCS Schedule and any amounts rolled over from any preceding period) and the Issuer has put other Restricted Group Issuers in funds as necessary for the aggregate obligations of the Issuer and the other Restricted Group Issuers under paragraphs (i) through (ix) of Condition 6.31.3 and the Trust and Accounts Deed to be funded in full.

APPENDIX B — PROJECTIONS REPORT



Consultant Report on EBITDA Projections

26 January 2021

Final Report



DISCLAIMER

- a. The recipient ("Recipient") of this Offering Circular ("Document") acknowledges that KPMG has conducted a limited review in accordance with the engagement contract with Continuum Green Energy (India) Private Limited ("Company"), pursuant to which an Independent Consultant's Report dated 26 January, 2021 ("Independent Consultant's Report") has been issued to the Company. However, the Recipient should carry out its own due diligence. It should be also noted that any extracts from the Independent Consultant's Report and/or the Summary of Independent Consultant's Report provided in this Document are only a part of the overall Independent Consultant's Report issued to the Company and may not disclose all relevant matters. The Recipient should read the extracts and/or Summary together with the Independent Consultant's Report (including any scope limitations and disclaimers incorporated therein). For financial information concerning the Company, the Recipient of this Document should review the actual financial statements of Company included in this Document. The procedures followed in preparation of the Independent Consultant's Report do not constitute and are not intended to be an audit certification, examination, attestation, special report, agreed-upon procedures or a review made in accordance with any generally accepted auditing standards. KPMG expressly disclaims any and all liability for, or based on or relating to, any such information contained in, or errors in or omissions from, the Independent Consultant's Report, this Document or based on or relating to the Recipients' use of this Document.
- b. The Recipient acknowledges that there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Further, the scope and sufficiency of the procedures performed by KPMG in preparation of the Independent Consultant's Report is solely the responsibility of the Company and KPMG makes no representation regarding the sufficiency of the procedures for the purpose for which the Independent Consultant's Report has been requested or for any other purpose.
- c. The Independent Consultant's Report does not attest the capabilities of the Company. Accordingly, the Independent Consultant's Report cannot and does not make a recommendation to anyone for investment in the Company.
- d. The Independent Consultant's Report may contain references to market standards or industry practices which may change from time to time or to information from the public domain which has not been independently verified. KPMG does not assume any responsibility for such references in the Independent Consultant's Report.
- e. Performance of KPMG's work as contained in the Independent Consultant's Report with regard to the Company's business, business model, operations, financials and other Company related information was based on certain assumptions and other matters that are not within the control of the Company, KPMG or any other person. Neither the Company, KPMG nor any other party can give any assurance that these assumptions are correct or that these projections and estimates will reflect actual results of operations.
- f. Performance of KPMG's work as contained in the Independent Consultant's Report with regard to the Company's business, business model, operations, financials and other Company related information was also based on facts, information and explanations given to it by the Company, and therefore, KPMG has assumed that the said information is factually accurate and complete without any independent verification or evaluation thereof. KPMG assumes no responsibility for such information. Neither KPMG, nor any of its partners, directors or employees undertake responsibility in any way whatsoever in respect of any errors in the Independent Consultant's Report, arising from incorrect information being provided by the Company.
- g. KPMG's views are not binding on any person, entity, authority or court, hence, no assurance is given that a position contrary to the opinions expressed in the Independent Consultant's Report will not be asserted by any person, entity, authority and/or sustained by an appellate authority or a court of law.
- h. In accordance with its policy, KPMG disclaims all responsibility and liability for any costs, damages, losses, liabilities incurred by any third party including subscribers / users / transmitters / distributors in the Offering who uses or relies upon the Independent Consultant's Report or its Summary or Extracts therefrom.



To,
Board of Directors of:
Continuum Green Energy (India) Private Limited
Deutsche Bank AG, Singapore branch
Emirates NBD Bank PJSC
The Hongkong and Shanghai Banking Corporation Limited
J.P. Morgan Securities plc
Standard Chartered Bank

Date: 26 January, 2021

Dear Sir(s),

We refer to our engagement letter dated 24 January 2021 and scope variation letter dated 25 January 2021 (together "Engagement Letter") signed by KPMG India Services LLP and Continuum Green Energy (India) Private Limited ("Company") and Emirates NBD Bank PJSC, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, Standard Chartered Bank and Deutsche Bank AG, Singapore branch (collectively referred to as "Joint Lead Managers" or "JLMs") for assistance with preparation of report in EBITDA projections Model prepared by the Company, which will be included, or information from which will be included, in the preliminary offering document as well as the final offering document for the Offering and other written documents for the proposed offering of U.S. dollar-denominated bonds by the Company or a wholly-owned subsidiary of the Company under Rule 144A and/or pursuant to Regulation S under the U.S. Securities Act of 1933, as amended. ("Proposed Transaction").

This report shall supersede all previous oral, draft or interim advice, reports and presentations, and no reliance will be placed by you on any such oral, draft or interim advice, reports or presentations other than at your own risk.

This report has been prepared on the basis of our fieldwork conducted at our Mumbai office up to 26 January, 2021 in accordance with the terms of reference set out in our Engagement Letter.

Scope and Purpose

We were responsible for planning and performing certain review procedures and reporting to you on that basis in respect of the specific procedures set out in our scope of work. Our work was limited to analyzing the EBITDA Projections Model ("Model") from a mathematical accuracy point of view, understanding the logic and commenting on the consistency of the assumptions within the Model. For details on specific procedures performed by us, please refer to section 1 related to Approach and Methodology of our report.

In preparation of this report, our work has been performed as per the scope agreed under the engagement letter and is based on the market conditions as existing during the work period. At present it is not possible to assess the impact, both current and future, that may result from the global pandemic 'COVID-19', and therefore any advice, forecasts or recommendations provided in this report shall not be interpreted as a prediction or guarantee of any outcome, especially related to Covid-19.

Our work corresponds with a period of significant global volatility and widespread macro-economic uncertainty. In light of the emergence and spread of the Covid-19, there is uncertainty, which could persist for some time, as to what this may mean for businesses. As a result, our work has not identified, or reliably quantified the impact of, all such uncertainties and implications. The assumptions used for the purpose of our analysis will need to be reviewed and revised to reflect any changes as a result of the Covid-19.



Sources of information

For the purpose of our work, the Company provided us their Model by their communication dated 25 January 2021. The Company is responsible for the preparation and contents of the Model.

Information presented in the report has been obtained from the Company and we have satisfied ourselves, so far as possible, that the information presented in this report is consistent with information which was made available to us in the course of our work in accordance with the terms of our engagement letter. We have not, however, sought to establish the reliability of the sources by reference to other evidence.

We have not independently verified the information gathered or contained in this report and, accordingly, express no opinion or make any representations or warranties concerning its accuracy or completeness unless specifically covered as part of our scope.

Scope limitation

The scope and sufficiency of these procedures is solely the responsibility of the Company. We make no representation regarding the sufficiency of the procedures described in this report for the purpose for which this report has been requested or for any other purpose. This report outlines the procedures we have performed and results of such procedures.

As such, this report may not necessarily disclose all significant matters regarding the Company or Restricted Group (Bothe Windfarm Development Pvt. Ltd., D.J. Energy Pvt. Ltd., Uttar Urja Projects Pvt. Ltd., Renewables Trinethra Pvt. Ltd., Trinethra Wind and Hydro Power Pvt. Ltd. and Watsun Infrabuild Pvt. Ltd.) or reveal errors or irregularities, if any, in the underlying information. Furthermore, such procedures do not constitute an audit, examination or review in accordance with standards established by the Institute of Chartered Accountants of India and, therefore, we do not express an opinion within the meaning of such standards or any other form of assurance on the information presented in our report.

It may be noted that we were not engaged to and did not conduct an examination to express an opinion on the accompanying EBITDA projections. As a result, through this report and observations therein, we do not express an opinion on whether the underlying assumptions provide a reasonable basis for the presentation. Had we performed additional procedures, other matters might have come to our attention that would have been reported to the Company. Further, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report. We do not accept any responsibility for any such information or forecasts represented by the management of the Company ("Management") and will bear no liability against any loss which may arise to any person due to the incorrectness or inaccuracy of such views, statements or forecasts.

You should note that our findings do not constitute recommendations to you as to whether or not you should proceed with the proposed transaction. Our report reflects events and circumstances as they existed during the fieldwork period.

We have not conducted a technical review of the projects, and our analysis is based on information and data (including technical data) provided by the Company.

The terms of reference for this report as outlined in the Engagement Letter, have been agreed by you, and to the fullest extent permitted by law we will not accept responsibility or liability to any other party to whom the report may be shown or who may acquire a copy of the report. We will not accept responsibility for any loss sustained by any person who relies on our report for making any investment decision based on the contents of this report.



As such, this report is intended solely for the information and use of the Company and the JLMs and is not intended to be used or relied upon by anyone else. The report contains procedures agreed upon with the Company and may not be suitable for any investment decision or other purposes.

Yours faithfully,

For KPMG India Services LLP

Bhavik Damodar

Partner



Glossary

AC	Alternating Current
BWDPL	Bothe Windfarm Development Private Limited (199.7 MW)
CERC	Central Electricity Regulatory Commissions
COD	Commercial Operation Date
CUF	Capacity utilization Factor
DC	Direct Current
DGVCL	Dakshin Gujarat Vij Company Limited
DJEPL	D.J. Energy Private Limited (94.0 MW)
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
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
GSECL	Gujarat State Electricity 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
kWh	Kilo Watt Hour
LLP	Limited Liability Partnership
MEDA	Maharashtra Energy Development Agency
MERC	Maharashtra Electricity Regulatory Commission
MGVCL	Madhya Gujarat Vij Company Limited
MNRE	Ministry of New and Renewable Energy
MPERC	Madhya Pradesh Electricity Regulation Commission
MPNERD	Madhya Pradesh New and Renewable Energy Department
MPPDCL	Madhya Pradesh Power Distribution Company Limited
MPPMCL	Madhya Pradesh Power Management Company Limited
MPPTCL	Madhya Pradesh Power Transmission Company Limited



MSEDCL	Maharashtra State Electricity Distribution Company Limited
MSETCL	Maharashtra State Electricity Transmission Company
MW	Mega Watt
NTP	Notice to proceed
O&M	Operations and Maintenance
PGVCL	Paschim Gujarat Viji Company Limited
PLF	Plant Load Factor
PPA	Power Purchase Agreement
RLDC	Regional Load Dispatch Center
RTPL	Renewables Trinethra Private Limited (25.2 MW)
SCADA	Supervisory Control and Data Acquisition
SECI	Solar Energy Corporation of India
SEL	Suzlon Energy Limited
SERC	State Electricity Regulatory Commissions
SGD	Safe-guard duty
SHA	Share Holding Agreement
SLDC	State Load Dispatch Center
SPV	Special Purpose Vehicle
TANGEDCO	Tamil Nadu Generation and Distribution Company Board
TANTRANSCO	Tamil Nadu Transmission Corporation
TNEB	Tamil Nadu Electricity Board
TNERC	Tamil Nadu Electricity Regulatory Commission
TWHPPL	Trinethra Wind and Hydro Power Private Limited (101.2 MW)
UGVCL	Uttar Gujarat Viji Company Limited
USD	United States Dollar
UUPPL	Uttar Urja Projects Private Limited (76.0 MW)
VGf	Viability Gap Funding
WIPL	Watsun InfraBuild Private Limited (203.0 MW)
WRA	Wind Resource Assessment
WTG	Wind Turbine Generator



Contents

1	Approach and Methodology	9
2	Key findings	11
3	Introduction	14
3.1	EBITDA Projections	14
4	Consolidated Financial Projections at P90 generation estimates for the Restricted Group	16
4.1	Capacity and Commissioning Date	16
4.2	Operating Characteristics/Parameters	17
4.2.1	Wind Power Projects	17
4.2.2	Solar Power Projects	17
4.3	Revenue Approach / Assumptions	17
4.3.1	Revenue from Sale of Electricity	17
4.3.2	Income from Generation Based Incentive	23
4.4	Operating Expenses Approach/Assumptions	24
5	Restricted Group and Projections	26
6	Project Level Description and Observations	28
6.1	DJ Energy Pvt Ltd (DJEPL)	28
6.1.1	Project Overview	28
6.1.2	Observations	28
6.2	Uttar Urja Projects Pvt Ltd (UUPPL)	29
6.2.1	Project Overview	29
6.2.2	Observations	29
6.3	Bothe Wind Farm Development Pvt Ltd (BWDPL)	30
6.3.1	Project Overview	30
6.3.2	Observations	31
6.4	Trinethra Wind & Hydro Power Pvt Ltd (TWHPPPL)	31
6.4.1	Project Overview	31
6.4.2	Observations	32
6.5	Renewables Trinethra Pvt Ltd (RTPL)	33
6.5.1	Project Overview	33
6.5.2	Observations	33
6.6	Watsun Infrabuild Pvt Ltd (WIPL)	34
6.6.1	Project Overview	34
6.6.2	Observations	35
	Appendix 1: Management Representation	37



1 Approach and Methodology

As per the scope of work agreed in the engagement letter, we have undertaken specific procedures, as outlined below, with respect to the assumptions relating to Earnings Before Interest, Taxes, Depreciation and Amortization (referred to as "EBITDA") projections of a select set of 644.1 MW of wind energy projects and 78.8 MW_{DC} (55 MW_{AC}) of solar power projects with an aggregate installed capacity of 722.9 MW_{DC} (699.1 MW_{AC}) for the Financial Year 2022 (1 April 2021 to 31 March 2022). The specific procedures outlined have been undertaken for individual projects, however the financial projections have been presented at a consolidated level.

Sr. No.	Items relating to EBITDA Projections	Approach and Methodology
1	EBITDA Projections Model	a. Obtain the EBITDA Projections Model for each project ("Model") from the Company to assess (a) logic and assumptions used in the Model and (b) mathematical accuracy of the EBITDA Projections.
2	Capacity units and Commissioning date	a. For each project, obtain the commissioning certificates issued by authorised agency of the relevant state government from the Company to compare capacity units and commissioning date mentioned in commissioning certificate to the projected financial information considered in the Model.
3	Net Saleable Energy	a. For all wind power projects, obtain Wind Resource Assessment (WRA) reports prepared by third party technical consultants (engaged by the Company) from the Company and compare Net Saleable Energy (P90 estimates over 20 year period as per WRA reports) mentioned in such reports to the projected financial information used in the Model. b. For all solar projects, obtain the Solar Resource Assessment (SRA) reports prepared by third party technical consultants (engaged by the Company) from the Company and compare Net Saleable Energy (P90 estimate during the first year of operation as per SRA report) mentioned in such reports to the projected financial information used in the Model. c. For all solar projects, obtain management's estimate of the annual degradation factor and compare it to the assumption considered in the Model. d. For the entire portfolio, obtain portfolio analysis report prepared by third party technical consultants (engaged by the Company) from the Company and compare the Portfolio Benefit mentioned in the report to the projected financial information used in the Model.
4	Generation based incentives (GBI)	a. For all eligible wind projects, obtain latest GBI registration certificates issued by Indian Renewable Energy Development Agency from the Company and compare the capacity registered as mentioned in the GBI registration certificates to the projected financial information used in the Model.
5	Open Access Charges	a. For projects selling power directly to consumers, obtain the applicable regulations governing transmission/wheeling/banking charges and losses and other open access costs ("Open Access Charges") from the Company and compare the Open Access Charges mentioned in such regulations to the projected financial information used in the Model.
6	Tariff	a. For all projects selling power to electricity utilities, obtain executed copies of power purchase agreements (PPAs) with utilities from the Company and compare the tariff as per the PPAs to the tariffs used in the Model. a. For all projects selling power directly to consumers, obtain from the Company - (a) Executed copies of PPAs with such consumers and (b) relevant tariff orders issued by appropriate State Electricity Regulatory Commissions. Compare



Sr. No.	Items relating to EBITDA Projections	Approach and Methodology
		weighted average of the tariff mentioned in each of the PPAs with consumers applicable as at 31 December 2020 to the tariffs considered in the Model.
7	Operating and maintenance (O&M) expenses	a. For each project, obtain executed copies of O&M agreement from the Company and compare the O&M expenses as per the agreement with the projected expenses as considered in the Model. b. For projects where O&M contract is due for revision in FY22, obtain the O&M expenses data (based on management's internal information) from the Company and compare the same to the projected O&M expenses used in the Model.
8	BoP Maintenance Expense, Predictive Analytics fee, F&S Deviation Charge, Annual Statutory fees, Employee, Administrative and Insurance expenses	a. For each project, obtain BoP Maintenance Expense, Predictive Analytics fee, F&S Deviation Charge, Annual Statutory fees, Employee, Administrative and Insurance expenses (based on management's internal information) from the Company and compare these expenses to the projected BoP Maintenance Expense, Predictive Analytics fee, F&S Deviation Charge, Annual Statutory fees, Employee, Administrative and Insurance expenses considered in the Model.
9	Other Matters	a. 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.

In undertaking the above procedures, we have not:

- a. Conducted any due diligence on any information provided in the technical or due diligence reports provided by 3 Tier, Entura and Hendrickson Renewables to the Company.
- b. Obtained or verified any land record/land agreements/rent agreements/property taxes related documents.
- c. Evaluated the Model logic and/or the associated input assumptions for items below EBITDA including, but not limited to, calculations and assumptions related to taxes, interest, depreciation and amortization, financing structures, (i.e., project debt financing), working capital changes, etc. Our scope also did not include performing any procedures on projected cash flows or projected balance sheet.
- d. Verified, checked, or analysed any historical data of the projects.

The representations provided by management are included as Appendix 1 to this report.



2 Key findings

Based on the above procedures, limitations and the information provided by the Company, the following are our key findings for the EBITDA Projections Model ("Model"):

Sr. No.	Items relating to EBITDA Projections	Key findings
1	EBITDA Projections Model	No mathematical inaccuracies were identified in the Model.
2	Capacity, units and commissioning date	We noted that wind power projects were commissioned in a phased manner. We noted that the Model considers beginning of the quarter in which the individual phase was commissioned for the purpose of computation. For each project, we compared the AC capacity and commissioning date assumptions in the Model to those specified in the commissioning certificates issued by relevant agencies and noted no differences. Observations for individual projects are discussed in Section 6.
3	Net Saleable Energy	We compared Net Saleable Energy in the Model with the P90 estimates set out in the WRA reports and SRA Reports prepared by the technical consultant provided by the Company. For wind projects, Net Saleable Energy assumptions in the Model was equal to the P90 estimates outlined in WRA. We noted that the SRA report for WIPL solar power project estimates energy based on 77 MW_{DC} capacity. Management represented that additional 1.8 MW_{DC} capacity has been installed resulting in a cumulative capacity of 78.8 MW_{DC} for the project. Management represented that the Net Saleable Energy is likely to be proportionately higher than the Net Saleable Energy provided in the SRA due to higher DC capacity installed at the project site. Accordingly, we noted that Net Saleable Energy for WIPL-Solar considered in the Model is proportionately higher than the Net Saleable Energy as per the SRA. For solar projects, we compared the degradation factor considered in the Model with the management representation and noted no differences. Management represented that for all projects, the charges against auxiliary consumption have been considered under Annual Statutory Fees. We compared the diversification benefit in the Model with the Portfolio Benefit set out in the portfolio analysis report and noted no differences. Observations for individual projects are discussed in Section 6.
4	Generation based incentives (GBI)	Based on GBI registration letters from Indian Renewable Energy Development Agency Limited (IREDA), we noted that entire capacity of BWPDL, DJEPL, and UUPPL are registered to avail GBI benefits. We noted that that 6.3 MW capacity of BWDPL does not have a long term PPA under the Feed-in-Tariff (FIT), consequently the capacity is not eligible to receive GBI. Management represented that GBI revenue has not been considered for the 6.3 MW capacity which does not have a long term PPA. Further, we compared the GBI rate mentioned in GBI guidelines issued by IREDA to the GBI rate assumptions in the Model noting no differences. We compared the GBI income considered in the Model with the management representation and noted no differences. Observations for individual projects are discussed in Section 6.



Sr. No.	Items relating to EBITDA Projections	Key findings
5	Open Access Charges	For projects located in Tamil Nadu and Gujarat and selling power directly to consumers, we compared the Open Access Charges as per applicable orders and regulations provided by the Company to the Open Access Charges assumed in the Model and noted no differences. Observations for individual projects are discussed in Section 6.
6	Tariff	For each project selling power to electricity utilities, we compared the tariff assumptions in the Model with the tariffs specified in the PPAs and noted no differences. For 6.3 MW of BWDPL, we noted that a long term PPA has not been signed with electricity utilities. Management represented that energy is likely to be sold to MSEDCL at a tariff of INR 2.52 per kWh for the 6.3 MW capacity during FY22. We compared the tariff considered in the Model with the management representation and noted no difference. For projects selling power directly to consumers, we obtained management's representation on Grid Tariff applicable for individual customers as at 31 December 2020. We compared the weighted average Grid Tariff of the customers with the Grid Tariff considered in the Model and noted no differences. We compared the (a) Grid Tariff and Open Access Charges applicable for the customers at the time of signing of the PPA; (b) Currently applicable Grid Tariff and Open Access Charges; and (c) formula for increase or decrease in Customer Benefit ("Pass Through Formula") based on increase or decrease in Grid Tariff and Open Access Charges with the Grid Tariff, Open Access Charges, and Pass Through Formula considered in the Model and noted no differences. Observations for individual projects are discussed in Section 6.
7	Operating and maintenance (O&M) expenses	We compared the O&M cost and escalation percentage specified in the O&M agreements with the assumptions in the Model and noted no differences. We noted that no O&M agreement is due to expire during the projection period. Further, we noted that the O&M agreement of BWPDL with Suzlon Energy Limited ("SEL") specifies O&M Charges up to 16 December 2021 after which the O&M Charges are subject to revision. Management represented that the O&M Charges and escalation terms applicable before 16 December 2021 are likely to be extended after 16 December 2021. We compared the O&M Charges and escalation rate considered in the Model with the O&M Charges and escalation rate specified in the O&M agreement and noted no differences. For all projects, we compared the O&M charges considered in the Model with the O&M charges specified in the O&M agreements and noted no differences. For all projects except 80 MW capacity of BWDPL where O&M contractor is VWTIPL, we compared the annual escalation rate for O&M charges considered in the Model with the annual escalation rate for O&M charges specified in the O&M agreements and noted no differences. For 80 MW capacity of BWDPL where O&M contractor is VWTIPL, we compared the annual escalation rate for O&M charges considered in the Model with the annual escalation rate for O&M charges represented by the management and noted no differences. For BWDPL we compared the O&M start date considered in the Model with the O&M agreement and noted no differences.



Sr. No.	Items relating to EBITDA Projections	Key findings
8	BoP Maintenance Expense, F&S Deviation Charge, Annual Statutory fees, Employee, Administrative and Insurance expenses	For DJEPL, UUPPL, TWHPPPL, and WIPL, we compared the O&M start date considered in the Model with the O&M start date represented by the management and noted no differences. For RTPL, we compared the O&M start date considered in the Model with the O&M start date communicated by the O&M contractor through email communication and noted no differences. For all projects we noted that 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 charges. We noted that 18% GST on O&M 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. Observations for individual projects are discussed in Section 6. We compared BoP Maintenance Expense, F&S Deviation Charge, Annual Statutory fees, Employee, Administrative and Insurance expenses assumed in the Model with management's representation and noted no differences. Observations for individual projects are discussed in Section 6.

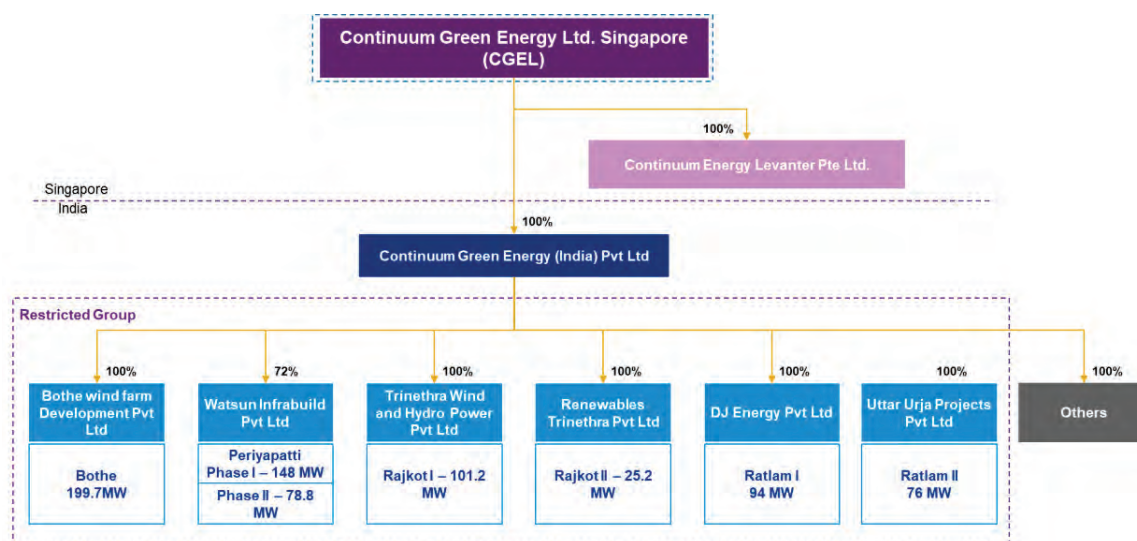
The details about the EBITDA level projections, underlying assumptions and detailed findings are outlined further in this report.



3 Introduction

Continuum Green Energy (India) Private Limited ("Continuum" or "Company") is an independent power producer which owns and operates portfolio of wind and solar based power generation assets in India. Continuum Energy Levanter Pte Ltd, an affiliate of the Company (the "Issuer") proposes to issue US dollar senior notes. The Issuer intends to lend the proceeds from the US dollar senior notes to specified subsidiaries of Continuum ("Restricted Group"). Total operational capacity of the Restricted Group is 722.9 MW_{DC} (699.1 MW_{AC}).

The holding structure of the Continuum pertaining to the Restricted Group, as provided by Management, is presented below:



The Restricted Group consists of 644.10 MW (AC) of operational wind power projects located in the states of Maharashtra, Madhya Pradesh, Gujarat and Tamil Nadu. The Restricted Group also consists of 78.8 MW_{DC} (55.00 MW_{AC}) of operational solar power projects located in Tamil Nadu.

3.1 EBITDA Projections

The Company has prepared the EBITDA projections for the Restricted Group. Details of specific projects considered in the projections are outlined in Section 6 of the report. The Model provides combined and project-wise EBITDA projections for the Restricted Group and financial information associated with these projects including:

- Annual operating parameters
- Degradation factor, Net Saleable Energy, Tariff
- Annual operating revenues
- Annual operating expenses



— Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

Revenues and EBITDA as presented in projected financials have not been recognized in accordance with Generally Accepted Accounting Principles (GAAP) but are instead non-GAAP estimates of future project performance. We have not ascertained the adherence of the projections to Indian GAAP (Ind AS) or IFRS.

Further the projections of energy generation, revenues, expenses and EBITDA are consolidated measures of the projects reflecting 100% ownership. These figures do not take into account minority interests, tax impact on movement of funds outside India, or other financial interests in any of the projects or subsidiaries.



4 Consolidated Financial Projections at P90 generation estimates for the Restricted Group

Based on the assumptions made by the Company in their Model, the combined financial projections for the Restricted Group are shown in the table below:

Particulars	FY22 E	
	INR Million	USD Million ¹
Operational Capacity	722.9 MW _{DC} (699.1 MW _{AC})	
Net Saleable Energy	1,731.4 Million kWh	
Revenue		
Revenue from sale of power	9,632.8	131.9
GBI	392.5	5.4
Net Revenue	10,025.3	137.2
Expenses		
Open Access Charges	841.1	11.5
O&M Expenses	651.8	8.9
BoP Maintenance	167.8	2.3
Employee Expenses	149.1	2.0
Administrative Expenses	84.8	1.2
F&S Deviation Charge	63.2	0.9
Insurance Expenses	53.3	0.7
Annual Statutory Fee	28.3	0.4
Predictive Analytics Fee	3.3	0.0
Total Expenses	2,042.7	28.0
EBITDA	7,982.6	109.3
EBITDA Margin	79.6%	

1. Exchange rate used: USD 1.00 = INR 73.0536

The underlying input assumptions for operating characteristics/parameters, revenues and expenses for the Restricted Group and our overall findings are described below.

4.1 Capacity and Commissioning Date

We obtained the commissioning certificates for all operational projects and compared the commissioning dates and capacity with the assumptions in the Model and noted no differences.

In case of phase-wise commissioning of a project, we noted that the Model considers beginning of the quarter in which the individual phase was commissioned for the purpose of computation.

Our observations on specific projects are discussed in Section 6.



4.2 Operating Characteristics/Parameters

4.2.1 Wind Power Projects

We obtained the WRA Reports prepared by technical consultants 3Tier and Entura for all the wind power projects.

Because of the uncertainty involved in pattern of wind flows, WRA Reports provide estimates of energy generation based on different confidence levels referred to as P99, P95, P90, P75 and P50. This number represents the probability of the actual generation exceeding the estimated generation. A P75 represents 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. We noted that WRA reports estimate the Net Saleable Energy at the project substation. For all wind power projects, we compared the Net Saleable Energy considered in the Model with the WRA reports and noted no differences.

For all wind projects we noted that WRA report does not consider auxiliary consumption of the wind project. The Management represented that the expenses attributable to auxiliary consumption have been considered in the Annual Statutory Fee in the Model.

4.2.2 Solar Power Projects

We obtained the SRA Reports prepared for solar power projects of the Company. We noted that the SRA Reports have been prepared by third party technical consultant 3 Tier.

Because of the uncertainty involved in solar irradiation, energy yield reports provide estimates of energy generation based on different confidence levels referred to as P99, P95, P90, P75 and P50. This number represents the probability of the actual generation exceeding the estimated generation. So, a P75 represents 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. Further, Net Saleable Energy has been adjusted¹ to account for degradation factor.

4.3 Revenue Approach / Assumptions

4.3.1 Revenue from Sale of Electricity

The Restricted Group sells power from operational projects under the following sale models:

¹ Solar Assessment reports give energy estimate for first year of operation. The loss in energy due to degradation is calculated from the first year onwards on a quarterly basis.



- Sale to electricity utilities
- Direct sale to end consumers (industrial / commercial)

4.3.1.1 Sale to Electricity Utilities

BWDPL (193.4 MW out of 199.7 MW), DJEPL and UUPPL have long-term Power Purchase Agreements (PPAs) with state electricity utilities. State electricity utilities have signed long-term PPA for tenures of 13 years (Maharashtra) to 25 years (other states).

PPAs for BWDPL (193.4 MW out of 199.7 MW), DJEPL, and UUPPL have been signed under the Feed-in-tariff ("FIT") mechanism to electricity utilities. Under FIT mechanism, the tariff is fixed by state electricity regulatory commissions and the power generator is paid same tariff for the entire duration of the PPA. We compared the tariff specified in the PPAs to the tariff considered in the Model and noted no differences.

The Company had filed a petition before Maharashtra Electricity Regulatory Commission ("MERC") to direct Maharashtra State Electricity Distribution Company Limited ("MSEDCL") the state utility in Maharashtra to sign a long term PPA with the balance 6.3 MW capacity of BWDPL. In its order in case No. 28 of 2020 dated 1 July 2020, MERC inter-alia held that MSEDCL cannot be compelled to sign a long term PPA. However, in the same order MERC held that as per the existing regulations, MSEDCL may sign a long-term agreement at a tariff discovered and adopted by MERC. We noted that a tariff of INR 2.52 per kWh was discovered in the competitive bidding for procurement of 500 MW wind power conducted in 2019 and the same was adopted by MERC vide its order dated 22 November 2019. Accordingly, management represented that energy is likely to be sold at a tariff of INR 2.52 per kWh for the 6.3 MW capacity during FY22. We compared the tariff considered in the Model with the management representation and noted no difference.

4.3.1.2 Direct sale to industrial / commercial consumers

WIPL is located in Tamil Nadu, TWHPPPL and RTPL are located in Gujarat and have Power Purchase Agreements (PPAs) with industrial and commercial customers. WIPL is sells power to their customers under the captive route (216.8 MW_{DC} / 193 MW_{AC}) as well as under third party open access route (10 MW_{AC}) in while TWHPPPL (101.2 MW) and RTPL (25.2 MW) sell power under third party open access route.

The above stated projects have PPAs directly with the end consumers (industrial / commercial) for a tenure of 3-20 years.

For selling power to end consumers, the projects are subject to certain charges such as cross subsidy surcharge (wherever applicable), additional surcharge, transmission charges and losses, wheeling charges and losses, banking charges, etc. (collectively, referred to as "Open Access Charges") to be paid to electricity utilities. These charges are approved by the state electricity regulatory commissions. Open Access Charges considered in the Model are provided in the following tables.

Open Access Charges applicable for consumers in Tamil Nadu as at 31 December 2020				
S.No.	Particulars	Unit	Details	Reference
1	Transmission and Wheeling Loss	%	3.34%	Weighted average of transmission and wheeling losses applicable for individual customers as per TNERC Order in RP No. 4 of 2017 dated 13 March 2018



2	Transmission Charge	INR per MW per Day	3037.30	TNERC Order in T.P. No. 2 of 2017 dated 11 August 2017
3	Wheeling Charge	INR per kWh	0.21	TNERC Order in T.P. No.1 of 2017 dated 11 August 2017
4	Cross Subsidy Surcharge for non-Group captive open access sales	INR per kWh	1.61	TNERC Order in T.P. No.1 of 2017 dated 11 August 2017
5	Additional Surcharge for non-Group captive open access sales	INR per kWh	0.00	TNERC Order in T.P. No.1 of 2017 dated 11 August 2017
6	Other Fees	INR per MW per Day	122.07	As per Management Representation
7	Brokerage and other charges	INR per kWh	0.15	As per Management Representation
8	Electricity Duty	%	0.00%	Electricity duty has been included in Brokerage and other charges as per Management Representation
9	Concession on Transmission Charge / Wheeling (Distribution) Charge	%	50%	TNERC Order No. 8 of 2020 dated 07 October 2020 (For wind) & TNERC Order No. 9 of 2020 dated 16 October 2020 (For solar)
10	Concession on Cross Subsidy / Additional Surcharge, for non-Group Captive sales	%	40% (Wind) & 30% (Solar)	TNERC Order No. 8 of 2020 dated 07 October 2020 (For wind) & TNERC Order No. 9 of 2020 dated 16 October 2020 (For solar)
11	Banking Charges	%	14%	TNERC Order No. 8 of 2020 dated 07 October 2020

Open Access Charges applicable for consumers in Gujarat as at 31 December 2020				
S.No.	Particulars	Unit	Details	Reference
1	Transmission Loss	%	3.46%	Average transmission loss as per Gujarat SLDC for the twelve month period up to November 2020
2	Wheeling (Distribution) Loss – Weighted average	%	10.00%	GERC Tariff Order Truing-Up for FY2018-19 and Determination of Tariff for FY2020-21 for Uttar Gujarat Vij Company Limited (UGVCL) dated 31 March 2020
3	Transmission Charge	INR per MW per Day	4,176.44	GERC Tariff Order Truing-Up for FY2018-19 and Determination of Tariff for FY2020-21 for Gujarat Energy Transmission Corporation Limited (GETCO) dated 26 March 2020
4	Wheeling (Distribution) Charge	INR per kWh	0.15	GERC Tariff Order Truing-Up for FY2018-19 and Determination of Tariff for FY2020-21 for UGVCL dated 31 March 2020
5	Cross Subsidy Surcharge for non-Group captive open access sales	INR per kWh	1.41	GERC Tariff Order Truing-Up for FY2018-19 and Determination of Tariff for FY2020-21 for Uttar Gujarat Vij Company Limited (UGVCL) dated 31 March 2020



6	Additional Surcharge for non-Group captive open access sales	INR per kWh	0.49	GERC Additional Surcharge order No. 01 of 2020 and order No. 5 of 2020
7	Other Fees	INR per MW per Day	36.16	As per Management Representation
8	Brokerage and other charges	INR per kWh	0.05	As per Management Representation
9	Electricity Duty	%	0%	Gujarat Wind Policy 2016
10	Concession on Transmission Charge / Wheeling (Distribution) Charge	%	0.00%	Gujarat Wind Policy 2016
11	Concession on Cross Subsidy / Additional Surcharge, for non-Group Captive sales	%	50.00%	Gujarat Wind Policy 2016
12	Banking Charges	%	0%	Gujarat Wind Policy 2016

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 tariff charged by electricity distribution utilities 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 case of some of the WIPL 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. The Grid Tariff and Open Access Charges are approved by state electricity regulatory commissions of the respective states through periodic "Tariff Orders".

The Grid Tariff consists of energy charges, demand 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 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 relevant electricity regulatory commissions. Actual figures have not been provided to protect the confidentiality of the Company and its customers.

		Formula	Units	Consumer 1	Consumer 2
Connected load and consumption pattern					
A	Connected voltage		kV	132	132
B	Operating period		Hours	12 (8 am to 8 pm)	24
C	Power factor		%	90%	100%
D	Total Energy consumed in a month per MW considering a flat demand profile	30 days x B x 1000	kWh	360,000	720,000
E	Total Energy consumed during peak hours per MW (7 am to 11 am and 6 pm to 10 pm)	30 days x peak hours of operation x 1000	kWh	150,000	240,000
F	Total Energy consumed during night-time per MW (10 pm to 6 am)	30 days x night-time hours of operation x 1000	kWh	0	240,000
G	Energy consumed during normal hours per MW	D – E – F	kWh	210,000	240,000
Grid Tariff Components					
H	Energy Charge		INR per kWh	4.30	4.30



I	Fuel Adjustment Charges		INR per kWh	1.94	1.94
J	EHV Rebate on Energy Charges		%	1.25%	1.25%
K	Time of Use charges		INR per kWh	0.85	0.85
L	Night Rebate		INR per kWh	0.43	0.43
M	Power factor rebate on Energy Charges		%	0% (at power factor of 90-95%)	2.5% (at power factor of 100%)
N	Electricity Duty		INR per kWh	0.60	0.60
Computation of Grid Tariff					
O	Energy Charge for normal hours	E	INR per kWh	4.30	4.30
P	Energy Charge for normal hours	H + K	INR per kWh	5.15	5.15
Q	Energy Charge for normal hours	H – L	INR per kWh	3.87	3.87
R	Effective Energy charges	$[(O \times G) + (P \times E) + (Q \times F)] / D$	INR per kWh	4.65	4.44
S	Fuel adjustment charges		INR per kWh	1.94	1.94
T	Power factor rebate	M x R	INR per kWh	-	(0.11)
U	Extra high voltage Rebate	J x R	INR per kWh	(0.06)	(0.06)
V	Electricity Duty		INR per kWh	0.60	0.60
Grid Tariff		R + S + T + U + V	INR per kWh	7.14	6.81

The following table shows an illustrative example for computation of customer benefit and PPA tariff based on changes in the Grid Tariff and Open Access Charges for different consumers. 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 relevant electricity regulatory commissions. Actual figures have not been provided to protect the confidentiality of the Company and its customers.

	Formula	Units	Consumer 1	Consumer 2
Tariff applicable at the time of signing of PPA				
A	Grid Tariff	INR per kWh	6.50	6.00
B	Customer Benefit	INR per kWh	0.50	0.50
C	Connected voltage	kV	132	132
D	PPA Tariff	A - B	6.00	5.50
E	Contracted Energy	Million kWh	15.0	15.0
Open Access Charges applicable at the time of signing of PPA				
F	Transmission Loss	%	4%	4%
G	Wheeling Loss	%	0%	0%
H	Wheeling Charge	INR per kWh	0.00	0.00
I	Cross subsidy charges	INR per kWh	1.00	1.00
J	Additional Surcharge	INR per kWh	0.30	0.30
K	Concession on Cross subsidy charges and additional surcharge	%	50%	50%



L	Increase / Decrease in Customer Benefit with change in Grid Tariff and Open Access Charges as per PPA	%	50%	50%	
Tariff Applicable as at 31 December 2020					
M	Revised Grid Tariff	INR per kWh	7.14	6.81	
Open Access Charges applicable as at 31 December 2020					
N	Transmission Loss	%	5.00%	5.00%	
O	Wheeling Loss	%	0%	0%	
P	Wheeling Charge	INR per kWh	0.00	1.20	
Q	Cross subsidy charges	INR per kWh	1.40	1.40	
R	Additional Surcharge	INR per kWh	0.60	0.60	
Computation of adjustment in Customer Benefit					
S	Sharing of Grid Tariff	$L \times (M - A)$	INR per kWh	0.32	0.41
T	Sharing of Transmission Loss	$L \times [(1-F)/(1-N) - 1] \times A$	INR per kWh	0.03	0.03
U	Sharing of Wheeling Charges	$L \times (P - H)$	INR per kWh	0.00	0.00
V	Sharing of Cross subsidy Charges	$L \times (Q - I) \times K$	INR per kWh	0.00	0.05
W	Sharing of Additional Surcharge	$L \times (R - J) \times K$	INR per kWh	0.08	0.08
X	Revised Customer Benefit	$S + T + U + V + W$	INR per kWh	0.93	1.01
Revised PPA Tariff		M - X	INR per kWh	6.21	5.65

For WIPL, TWHPPPL, and RTPL, we obtained representation from the management on the Grid Tariff applicable for the consumers as at 31 December, 2020. We noted that the computation of Consumer Benefit and PPA Tariff applicable as at 31 December, 2020 was as specified in the PPAs. We compared the PPA Tariff considered in the Model with the weighted average of the PPA Tariffs applicable as at 31 December 2020 and noted no differences. The Management represented that the same PPA Tariff has been considered for FY22 in the Model.

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 FY22 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 project (WIPL) will always remain above 26%.

Power sale under group captive structure and third-party open access in Tamil Nadu

Cross subsidy surcharge and additional surcharge are not applicable for wind and solar based captive generating stations. For projects selling power under third party open access route in Tamil Nadu, cross subsidy surcharge and additional surcharge of 60% and 70% are levied on wind and solar projects respectively. As per TNERC Order on RP No. 4 of 2017 dated 13 March 2018, the transmission losses of individual customers vary between 2.34% and 4.29% of energy injected into the grid for Tamil Nadu.

In Tamil Nadu, for projects commissioned prior to 31 March 2018, banking facility is provided over a wind year from April to March and energy not consumed during this period is deemed to be purchased by the sole distribution licensee of the state - TANGEDCO. The payment for such energy is made at the rate of 75% of the



latest generic tariff for wind energy. Further, energy banked in the non-peak hours cannot be consumed during the peak hours, as per the TNERC Tariff Orders.

We noted that out of the total wind capacity of 148 MW of WIPL, only 54 MW was commissioned before 31 March, 2018. Further, management represented that banking is applicable only for only 44 MW. Therefore, banking is not available for balance 104 MW of the project.

Considering the seasonal generation pattern and tenure and applicability of banking period allowed under the regulations, we discussed with management, the possibility of lapse of unutilised energy. Management has represented that it estimates 6.69% of the total energy generated to be banked during the year. The Management further represented that the entire generation including the banked energy from the project shall be sold to customers without any lapse.

Further, as per TNERC order dated 13 April, 2018, banking charges (14% of the banked energy) are applicable to WIPL. Further, grid transmission loss of 2.34% has been considered as per TNERC order dated 12 March, 2018. Such grid transmission loss and banking charges have been considered for estimating Net Saleable Energy for FY22.

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". We compared the Open Access Charges in the relevant orders issued by state electricity regulatory commissions and noted no differences.

Power sale under third party open access route in Gujarat

For projects selling power under third party open access route in Gujarat, cross subsidy surcharge and additional surcharge of 50% are levied on wind and solar projects. As per UGVCL tariff order dated 31 March 2020, the applicable wheeling losses are 10.00%. As per Gujarat SLDC, the average annual transmission losses for the twelve months ending November 2020 was 3.46%.

For open access projects, Uttar Gujarat Vij Company Limited ("UGVCL") and Gujarat Energy Transmission Corporation Limited ("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, (f) Wheeling charges and (g) Self generation tax referred to, collectively, as "Open Access Charges". We compared the Open Access Charges in the relevant orders issued by state electricity regulatory commissions and noted no differences.

Observations for individual projects are discussed in more detail in Section 6.

4.3.2 Income from Generation Based Incentive

We obtained 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 Generation Based Incentives (GBI). Wind power projects commissioned between 1 April, 2012 and 31 March, 2017 (including both the dates) and selling power to electricity utilities under the Feed in Tariff mechanism are eligible for GBI. Wind power projects meeting the eligibility criteria have to register these projects with Indian Renewable Energy Development Agency Ltd (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 State Electricity Regulatory Commissions (SERCs) in various states.

We noted that the IREDA has issued GBI registration letters for the entire capacity of BWPDL, DJEPL and UPPL. For BWPDL, DJEPL and UPPL, we obtained management representation on the likely revenue from GBI in FY22. Management represented. We noted that that 6.3 MW capacity of BWDPL does not have a long term PPA under the Feed-in-Tariff (FiT), consequently the capacity is not eligible to receive GBI. Management represented that GBI revenue has not been considered for the 6.3 MW capacity which does not have a long term PPA.

Please refer Section 6 for detailed analysis of individual projects.

4.4 Operating Expenses Approach/Assumptions

The wind power projects in the Restricted Group have signed agreements for operation & maintenance (O&M) with Suzlon Energy Limited ("SEL"), Vestas Wind Technology India Private Limited ("VWTIPL"), Inox Wind Infrastructure Services Limited and Siemens Games Renewable Private Limited. The solar projects in the Restricted Group have signed agreements for Operation & Maintenance (O&M) with Larsen and Tourbo Limited.

We noted that no O&M agreement is due to expire during the projection period. Further, we noted that the O&M agreement of BWPDL with SEL specifies O&M Charges up to 16 December 2021 after which the O&M Charges are subject to revision. Management represented that the O&M Charges and escalation terms applicable before 16 December 2021 are likely to be extended after 16 December 2021. We compared the O&M Charges and escalation rate considered in the Model with the O&M Charges and escalation rate specified in the O&M agreement and noted no differences.

For all projects, we compared the O&M charges considered in the Model with the O&M charges specified in the O&M agreements and noted no differences. For all projects except 80 MW capacity of BWDPL where O&M contractor is VWTIPL, we compared the annual escalation rate for O&M charges considered in the Model with the annual escalation rate for O&M charges specified in the O&M agreements and noted no differences. For 80 MW capacity of BWDPL where O&M contractor is VWTIPL, we compared the annual escalation rate for O&M charges considered in the Model with the annual escalation rate for O&M charges represented by the management and noted no differences.

For BWDPL we compared the O&M start date considered in the Model with the O&M agreement and noted no differences. For DJEPL, UUPPL, TWHPPPL, and WIPL, we compared the O&M start date considered in the Model with the O&M start date represented by the management and noted no differences. For RTPL, we compared the O&M start date considered in the Model with the O&M start date communicated by the O&M contractor through email communication and noted no differences. For all projects we noted that 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 charges. Since O&M cost as per the agreements is subject to annual escalation, the above approach provides a conservative estimate of O&M cost.

We noted that 18% GST on O&M 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.

Observations for individual projects are discussed in Section 6.

In addition to the above, each of the projects incur BoP Maintenance Expense, Predictive Analytics fee, F&S Deviation Charge, Annual Statutory fees, Employee, Administrative and Insurance expenses (with GST applicable at 18%). These expenses are based on Management's internal estimate and their experience in operating these projects. GST has been considered as per currently applicable rates. We compared these



expenses considered in the Model for each project with the management representation and noted no differences.



5 Restricted Group and Projections

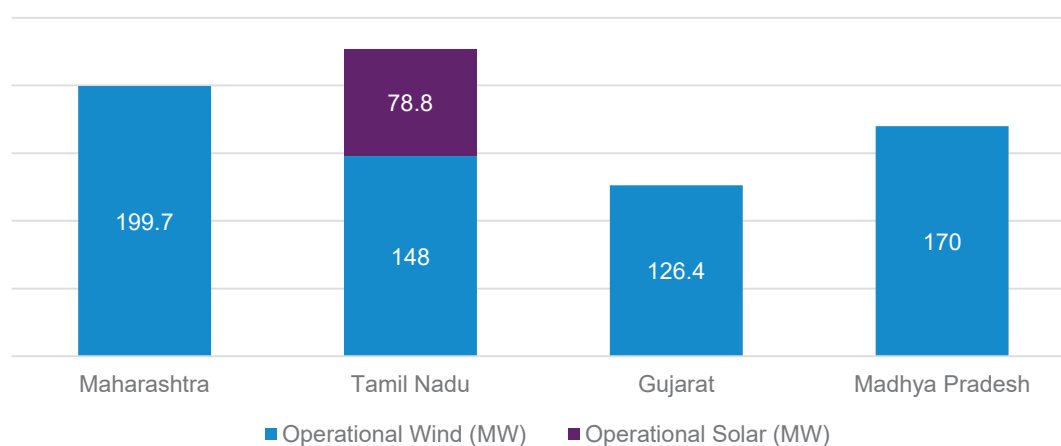
Continuum through its subsidiaries owns and operates a portfolio of wind and solar assets.

The projections made by the Company encompass select operational solar power projects in India with an aggregate installed capacity of 722.9 MW_{DC} (699.1 MW_{AC}).

#	Type	SPV	Project Name	Location	Capacity (MW _{AC})	Capacity (MW _{DC})
1	Wind	DJ Energy Pvt Ltd	DJEPL	Madhya Pradesh	94 MW	94 MW
2	Wind	Uttar Urja Projects Pvt Ltd	UUPPL	Madhya Pradesh	76 MW	76 MW
3	Wind	Bothe wind farm Development Pvt Ltd	BWDPL	Maharashtra	199.7 MW	199.7 MW
4	Wind	Trinethra Wind & Hydro Power Pvt Ltd	TWHPPL	Gujarat	101.2 MW	101.2 MW
5	Wind	Renewables Trinethra Pvt Ltd	RTPL	Gujarat	25.2 MW	25.2 MW
6	Wind and Solar	Watsun Infrabuild Pvt Ltd	WIPL	Tamil Nadu	148 MW Wind 55 MW Solar	148 MW Wind 78.8 MW Solar
Total Solar					699.1 MW	722.9 MW

Projects constituting the Restricted Group are located across four states of India. Capacity distribution by states, status of project and technology is presented below:

Operational Capacity by State (MW_{DC})



Source: Company



Specific observations for projects in the Restricted Group are discussed in the following section. In the project wise discussions, we have outlined a project overview and explained the basis for assumptions related to operational performance, revenue and expenses.



6 Project Level Description and Observations

The following summarizes key project assumptions underlying the Model forecasts, projected financials based on the assumptions and our observations related to these assumptions.

6.1 DJ Energy Pvt Ltd (DJEPL)

6.1.1 Project Overview

DJ Energy Pvt Ltd (DJEPL) is a wind power project located in Madhya Pradesh. The project has AC capacity of 94 MW. As per the commissioning certificates, the project was commissioned progressively between 26 May 2015 and 30 November 2015.

DJ Energy Pvt Ltd (DJEPL)	
Parameter	Value
Installed Capacity (AC)	94 MW
Procurer	Madhya Pradesh Power Management Company Limited ("MPPMCL")

DJEPL has executed a 12-year O&M agreement with Inox Wind Infrastructure Services Limited. As per the agreement, O&M shall commence in a phased manner. Management represented that the weighted average O&M charges commencement date of the plant is 02 February 2019. We noted that the O&M charges start date considered in the Model is the beginning of the quarter i.e. 1 January 2019, 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 expense, Predictive Analytics fee, F&S deviation charge, Annual Statutory fee, Employee expense, Administrative expense and insurance expense based on management's past experience in operating similar projects.

6.1.2 Observations

- We compared the AC capacity of DJEPL in the Model with the capacity specified in the CoD Certificates and the PPA and noted no differences.
- We noted that the WRA estimates Net Saleable Energy for a combined 170 MW which includes 94 MW of DJEPL and 76 MW of UUPPL. We noted that Net Saleable Energy considered for DJEPL in the Model is pro-rated to 94 MW of the total Net Saleable Energy as specified in the WRA. We compared combined Net Saleable Energy for DJEPL and UUPPL in the Model with the P90 estimates outlined in the WRA report prepared by 3 Tier Inc. and noted no differences.
- We noted that the WRA 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.
- We compared the Portfolio Benefit in the Model with the Portfolio Benefit outlined in the portfolio analysis report prepared by Hendrickson Renewables and noted no differences.



- We obtained GBI registration letter from IREDA and observed that the project is registered with IREDA. We compared the revenue from GBI considered in the Model with the management representation and noted no differences.
- We compared the tariff in the Model and the PPAs with MPPMCL and noted no differences.
- Management represented that the weighted average O&M commencement date of the plant is 02 February 2019. We compared the O&M expense and applicable taxes considered in the Model with the cost mentioned in the O&M agreement and noted no differences. We compared the escalation rates for plant O&M considered in the Model with the rate in the O&M agreement and noted no differences.
- We compared BoP Maintenance Expense, Predictive Analytics fee, F&S Deviation Charge, Annual Statutory fees, Employee expense, Administrative expense, and Insurance expense assumed in the Model with management's representation and noted no differences.

6.2 Uttar Urja Projects Pvt Ltd (UUPPL)

6.2.1 Project Overview

Uttar Urja Projects Pvt Ltd (UUPPL) is a wind power project located in Madhya Pradesh. The project has AC capacity of 76 MW. As per the commissioning certificates, the project was commissioned progressively between 11 October 2015 and 25 December 2015.

Uttar Urja Projects Pvt Ltd (UUPPL)	
Parameter	Value
Installed Capacity (AC)	76 MW
Procurer	Madhya Pradesh Power Management Company Limited ("MPPMCL")

UUPPL has executed a 12-year O&M agreement with Inox Wind Infrastructure Services Limited. As per the agreement, O&M shall commence in a phased manner. Management represented that the weighted average O&M commencement date of the plant is 10 May 2019. We noted that the O&M charges start date considered in the Model is the beginning of the quarter i.e. 1 April 2019, 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 expense, Predictive Analytics fee, F&S deviation charge, annual Statutory fee, Employee expense, Administrative expense and insurance expense based on management's past experience in operating similar projects.

6.2.2 Observations

- We compared the AC capacity of UUPPL in the Model with the capacity specified in the CoD Certificates and the PPA and noted no differences.
- We noted that the WRA estimates Net Saleable Energy for a combined 170 MW which includes 94 MW of DJEPL and 76 MW of UUPPL. We noted that Net Saleable Energy considered for UUPPL in the Model is pro-rated to 76 MW of the total Net Saleable Energy as specified in the WRA. We



compared combined Net Saleable Energy for DJEPL and UUPPL in the Model with the P90 estimates outlined in the WRA report prepared by 3 Tier Inc. and noted no differences.

- We noted that the WRA 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.
- We compared the Portfolio Benefit in the Model with the Portfolio Benefit outlined in the portfolio analysis report prepared by Hendrickson Renewables and noted no differences.
- We obtained GBI registration letter from IREDA and observed that the project is registered with IREDA. We compared the revenue from GBI considered in the Model with the management representation and noted no differences.
- We compared the tariff in the Model and the PPAs with MPPMCL and noted no differences.
- Management represented that the weighted average O&M commencement date of the plant is 10 May 2019. We compared the O&M expense and applicable taxes considered in the Model with the cost mentioned in the O&M agreement and noted no differences. We compared the escalation rates for plant O&M considered in the Model with the rate in the O&M agreement and noted no differences.
- We compared BoP Maintenance Expense, Predictive Analytics fee, F&S Deviation Charge, Annual Statutory fees, Employee expense, Administrative expense, and Insurance expense assumed in the Model with management's representation and noted no differences.

6.3 Bothe Wind Farm Development Pvt Ltd (BWDPL)

6.3.1 Project Overview

Bothe Wind Farm Development Pvt Ltd (BWDPL) is a wind power project located in Maharashtra. The project has AC capacity of 199.7 MW. As per the commissioning certificates, the project was commissioned progressively between 17 May 2013 and 30 December 2014.

Bothe Wind Farm Development Pvt Ltd (BWDPL)	
Parameter	Value
Installed Capacity (AC)	199.7 MW
Procurer	Maharashtra State Electricity Distribution Company Limited ("MSEDCL")

BWDPL has executed O&M agreements with (a) SEL for 119.70 MW with term of 12 years and (b) VWTIPL for 80 MW with term of 6 years. As per the agreements with SEL, O&M commencement date is 16 December 2016 and the O&M Charges are subject to revision after 16 December 2021. Management represented that the O&M Charges and escalation applicable after 16 December 2021 under the O&M Agreements are likely to be the same as before 16 December 2021. As per the agreements with VWTIPL, O&M charges commencement date is 01 January 2019. Management represented that annual escalation in O&M expense pertaining to O&M agreements with VWTIPL shall be 4% for FY22. We noted that the O&M charges start date considered in the Model is the beginning of the quarter i.e. 01 October 2016 for agreement with SEL, 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 expense, Predictive Analytics fee, F&S deviation charge, annual Statutory fee, Employee expense, Administrative expense and insurance expense based on management's past experience in operating similar projects.



6.3.2 Observations

- We compared the AC capacity of BWDPL in the Model with the capacity specified in the CoD Certificates and the PPA and noted no differences.
- We noted that BWDPL has a long term PPA for 193.4 MW capacity with MSEDCL. For the balance 6.3 MW, we noted that a long term PPA has not been signed with electricity utilities. Management represented that energy is likely to be sold at a tariff of INR 2.52 per kWh for the 6.3 MW capacity during FY22. We compared the tariff considered in the Model with the management representation and noted no difference. We compared the AC capacity of BWDPL in the Model with the combined capacity specified in the PPA and as per management's representation and noted no differences.
- We compared Net Saleable Energy for BWDPL in the Model with the P90 estimates outlined in the WRA report prepared by 3 Tier Inc. and noted no differences.
- We noted that the WRA 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.
- We compared the Portfolio Benefit in the Model with the Portfolio Benefit outlined in the portfolio analysis report prepared by Hendrickson Renewables and noted no differences.
- We obtained GBI registration letter from IREDA and observed that the project is registered with IREDA. We noted that that 6.3 MW capacity of BWDPL does not have a long term PPA, consequently the capacity is not eligible to receive GBI. Management represented that GBI revenue has not been considered for the 6.3 MW capacity which does not have a long term PPA. We compared the revenue from GBI considered in the Model with the management representation and noted no differences.
- We compared the tariff in the Model with the weighted average tariff as per PPAs with MSEDCL and as per management representation and noted no differences.
- We noted that the O&M agreement of BWPDL with SEL specifies O&M Charges up to 16 December 2021 after which the O&M Charges are subject to revision. Management represented that the O&M Charges and escalation terms applicable before 16 December 2021 are likely to be extended after 16 December 2021. We compared the O&M Charges and escalation rate considered in the Model with the O&M Charges and escalation rate specified in the O&M agreement and noted no differences.
- Management also represented that annual escalation in O&M expense pertaining to O&M agreements with VWTIPL shall be 4% for FY22. We compared the O&M expense and applicable taxes considered in the Model with the cost mentioned in the O&M agreements and noted no differences.
- For O&M expense pertaining to O&M agreements with SEL, we compared the escalation rates for O&M considered in the Model with the annual escalation rate in the O&M agreement and noted no differences.
- We compared BoP Maintenance Expense, Predictive Analytics fee, F&S Deviation Charge, Annual Statutory fees, Employee expense, Administrative expense, and Insurance expense assumed in the Model with management's representation and noted no differences.

6.4 Trinethra Wind & Hydro Power Pvt Ltd (TWHPPPL)

6.4.1 Project Overview

Trinethra Wind & Hydro Power Pvt Ltd (TWHPPPL) is a wind power project located in Gujarat. The project has AC capacity of 101.2 MW. As per the commissioning certificates, the project was commissioned progressively between 21 April 2019 and 04 December 2019.



Trinethra Wind & Hydro Power Pvt Ltd (TWHPPPL)	
Parameter	Value
Installed Capacity (AC)	101.2 MW
Procurer	Commercial and Industrial (C&I) consumers

TWHPPPL has executed a 15-year O&M agreement with VWTIPL. Management represented that the O&M charges commencement date is 18 July 2021. We noted that the O&M charges start date considered in the Model is the beginning of the quarter i.e. 1 July 2021, 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 expense, Predictive Analytics fee, F&S deviation charge, annual Statutory fee, Employee expense, Administrative expense and insurance expense based on management's past experience in operating similar projects.

6.4.2 Observations

- We compared the AC capacity of TWHPPPL in the Model with the capacities specified in the CoD Certificates and the PPA and noted no differences.
- We compared Net Saleable Energy for TWHPPPL in the Model with the P90 estimates outlined in the WRA report prepared by 3 Tier Inc. and noted no differences.
- We noted that the WRA 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.
- We compared the Portfolio Benefit in the Model with the Portfolio Benefit outlined in the portfolio analysis report prepared by Hendrickson Renewables and noted no differences.
- Management represented the grid tariff payable by individual consumers to Gujarat DISCOMs as at 31 December 2020. Management also represented that no escalation has been considered in the grid tariff for FY22. We compared the grid tariff payable by the consumers and escalation in grid tariff assumed in the Model with management's representation and noted no differences.
- Management represented that the Open Access Charges are based on charges prevailing as on 31 December 2020 and no escalation has been considered for the charges for FY22. Management also represented that Open Access Charges include other fees (INR 36.16 per MW per day) and brokerage and other charges (INR 0.05 per kWh) based on their internal estimates. We compared the Open Access Charges considered in the Model with the relevant orders issued by state electricity regulatory commissions and the management representation and noted no differences.
- Management represented that the PPAs due for expiry in FY22 will be extended close to the date of expiry of the current agreement on terms similar to the current agreement. We compared the (a) Grid Tariff and Open Access Charges applicable for the customers at the time of signing of the PPA; (b) Currently applicable Grid Tariff and Open Access Charges; and (c) Pass Through Formula with the Grid Tariff, Open Access Charges, and Pass Through Formula considered in the Model and noted no differences.
- Management represented that the O&M commencement date is 18 July 2021. We compared the O&M expense and applicable taxes considered in the Model with the cost mentioned in the O&M agreement and noted no differences. We compared the escalation rates for O&M considered in the Model with the rate in the O&M agreement and noted no differences.



- We compared BoP Maintenance Expense, Predictive Analytics fee, F&S Deviation Charge, Annual Statutory fees, Employee expense, Administrative expense, and Insurance expense assumed in the Model with management's representation and noted no differences.

6.5 Renewables Trinethra Pvt Ltd (RTPL)

6.5.1 Project Overview

Renewables Trinethra Pvt Ltd (RTPL) is a wind power project located in Gujarat. The project has AC capacity of 25.2 MW. As per the commissioning certificates, the project was commissioned progressively between 12 March 2020 and 26 June 2020.

Renewables Trinethra Pvt Ltd (RTPL)	
Parameter	Value
Installed Capacity (AC)	25.2 MW
Procurer	Commercial and Industrial (C&I) consumers

RTPL has executed a 10-year O&M agreement with Siemens Gamesa Renewable Private Limited. As per the communication with service provider shared by the management, O&M charges commencement date of the plant is 06 May 2020. We noted that the O&M charges start date considered in the Model is the beginning of the quarter i.e. 1 April 2020, 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 expense, Predictive Analytics fee, F&S deviation charge, annual Statutory fee, Employee expense, Administrative expense and insurance expense based on management's past experience in operating similar projects.

6.5.2 Observations

- We compared the AC capacity of RTPL in the Model with the capacities specified in the CoD Certificates and the PPA and noted no differences.
- We compared Net Saleable Energy for RTPL in the Model with the P90 estimates outlined in the WRA report prepared by 3 Tier Inc. and noted no differences.
- We noted that the WRA 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.
- We compared the Portfolio Benefit in the Model with the Portfolio Benefit outlined in the portfolio analysis report prepared by Hendrickson Renewables and noted no differences.
- Management represented the grid tariff payable by individual consumers to Gujarat DISCOMs as at 31 December 2020. Management also represented that no escalation has been considered in the grid tariff for FY22. We compared the grid tariff payable by the consumers and escalation in grid tariff assumed in the Model with management's representation and noted no differences.
- Management represented that the Open Access Charges are based on charges prevailing as on 31 December 2020 and no escalation has been considered for the charges for FY22. Management also



represented that Open Access Charges include other fees (INR 36.16 per MW per day) and brokerage and other charges (INR 0.05 per kWh) based on their internal estimate. We compared the Open Access Charges considered in the Model with the relevant orders issued by state electricity regulatory commissions and the management representation and noted no differences.

- Management represented that the PPAs due for expiry in FY22 will be extended close to the date of expiry of the current agreement on terms similar to the current agreement. We compared the (a) Grid Tariff and Open Access Charges applicable for the customers at the time of signing of the PPA; (b) Currently applicable Grid Tariff and Open Access Charges; and (c) Pass Through Formula with the Grid Tariff, Open Access Charges, and Pass Through Formula considered in the Model and noted no differences.
- We compared the O&M expense and applicable taxes considered in the Model with the cost mentioned in the O&M agreement and noted no differences. We compared the escalation rates for O&M considered in the Model with the rate in the O&M agreement and noted no differences.
- We compared BoP Maintenance Expense, Predictive Analytics fee, F&S Deviation Charge, Annual Statutory fees, Employee expense, Administrative expense, and Insurance expense assumed in the Model with management's representation and noted no differences.

6.6 Watsun Infrabuild Pvt Ltd (WIPL)

6.6.1 Project Overview

Watsun Infrabuild Pvt Ltd (WIPL) has a 148 MW wind power project and 78.8 MW_{DC} (55 MW_{AC}) solar power project located in Tamil Nadu. The project has combined AC capacity of 226.8 MW_{DC} (203 MW_{AC}). As per the commissioning certificates, the wind power project was commissioned progressively between 04 December 2017 and 27 November 2018 and the solar power project was commissioned on 26 June 2020.

Watsun Infrabuild Pvt Ltd (WIPL)	
Parameter	Value
Installed Capacity (AC)	226.8 MW _{DC} (203 MW _{AC}) Wind: 148 MW, Solar: 78.8 MW _{DC} (55 MW _{AC})
Procurer	Commercial and Industrial (C&I) consumers

For wind power project, WIPL has executed a 15-year O&M agreement with VWTIPL. As per the agreement, O&M shall commence in a phased manner. Management represented that the weighted average O&M charges commencement date of the plant is 03 May 2020. We noted that the O&M charges start date considered in the Model is the beginning of the quarter i.e. 1 April 2020, on a conservative basis.

For solar power project, WIPL has executed a 10-year O&M agreement with Larsen and Toubro Limited. Management represented that the O&M commencement date of the plant is 26 June 2020. We noted that the O&M start date considered in the Model is the beginning of the quarter i.e. 1 April 2020, 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 expense, Predictive Analytics fee, F&S deviation charge, annual Statutory fee, Employee expense, Administrative expense and insurance expense based on management's past experience in operating similar projects.

6.6.2 Observations

- We compared the AC capacity of WIPL in the Model with the capacities specified in the CoD Certificate and noted no differences.
- We compared Net Saleable Energy for WIPL wind power project in the Model with the P90 estimates outlined in the WRA report prepared by Entura Inc. and noted no differences.
- We noted that the SRA report for WIPL solar power project estimates energy based on 77 MW_{DC} capacity. Management represented that additional 1.8 MW_{DC} capacity has been installed resulting in a cumulative capacity of 78.8 MW_{DC} for the project. Management represented that the Net Saleable Energy is likely to be proportionately higher than the Net Saleable Energy provided in the SRA due to higher DC capacity installed at the project site. Accordingly, we noted that Net Saleable Energy for WIPL-Solar considered in the Model is proportionately higher than the Net Saleable Energy as per the SRA.
- Management represented that they have considered an annual degradation factor of 0.5%. We compared the degradation factor used in the Model with the management representation and noted no differences.
- We noted that the WRA and SRA 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.
- We compared the Portfolio Benefit in the Model with the Portfolio Benefit outlined in the portfolio analysis report prepared by Hendrickson Renewables and noted no differences.
- Management represented the grid tariff payable by consumers to TANGEDCO as on 31 December 2020 is INR 6.90 per kWh. Management also represented that no escalation has been considered in the grid tariff for FY22.
- We noted that as per TNERC order dated 13 April, 2018, banking charges (14% of the banked energy) are applicable to WIPL. Management represented that 6.69% 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. Further, management represented that the Open Access Charges are based on charges prevailing as on 31 December 2020 and no escalation has been considered for the charges for FY22. Management also represented that Open Access Charges include other fees (INR 122.07 per MW per day) and brokerage and other charges (INR 0.15 per kWh) based on their internal estimates. We compared the Open Access Charges considered in the Model with the relevant orders issued by state electricity regulatory commissions and the management representation and noted no differences.
- Management represented that the PPAs due for expiry in FY22 will be extended close to the date of expiry of the current agreement on terms similar to the current agreement. We compared the (a) Grid Tariff and Open Access Charges applicable for the customers at the time of signing of the PPA; (b) Currently applicable Grid Tariff and Open Access Charges; and (c) Pass Through Formula with the Grid Tariff, Open Access Charges, and Pass Through Formula considered in the Model and noted no differences.
- 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 shares in ownership of the power plant within a variation not exceeding 10%. Management represented that equity shareholding of users shall be adjusted 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 management in the project will always be at above 26% in the project and the consumers shall consume at least 51% of the power generated on an annual basis in compliance with norms specified under Electricity Rules, 2005.

- We compared the O&M expense and applicable taxes considered in the Model with the cost mentioned in the O&M agreement and noted no differences. We compared the escalation rates for O&M considered in the Model with the rate in the O&M agreement and noted no differences.
- We compared BoP Maintenance Expense, Predictive Analytics fee, F&S Deviation Charge, Annual Statutory fees, Employee expense, Administrative expense, and Insurance expense assumed in the Model with management's representation and noted no differences.



Appendix 1: Management Representation



CONTINUUM GREEN ENERGY (INDIA) PRIVATE LIMITED
(Formerly Known as Continuum Wind Energy (India) Private Limited)

25 January 2021

KPMG India Services LLP
Lodha Excelus,
Apollo Mills Compound,
NM Joshi Marg,
Mahalaxmi,
Mumbai 400 011

Subject: Management representation on certain assumptions used in the financial model for projecting EBITDA for FY 2021-22 ("FY22") of the Restricted Group

Dear Sirs,

This representation letter is provided in connection with your engagement on "Preparation of an Independent consultant report" for Continuum Green Energy (India) Private Limited. Continuum Energy Levanter Pte Ltd, an affiliate of Continuum Green Energy (India) Private Limited, is proposing to raise USD Bonds for onward lending to certain subsidiaries (Restricted Group) of Continuum Green Energy (India) Pvt Ltd. Few of the assumptions provided in the financial model for Restricted Group entities are based on management inputs.

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.

Income from GBI

— Estimated GBI Income for eligible projects for FY22 respectively have been considered as provided in the following table:

Income from GBI (INR million)		
Project	Eligible capacity	GBI Income for FY22
BWDPL	193.4 MW*	206.8
DJEPL	94 MW	102.7
UUPPL	76 MW	83.0

*Out of a total installed capacity of 199.7 MW, only 193.4 MW is eligible to receive GBI as the balance capacity does not have a long term PPA

Start dates for commissioning and O&M

— Following dates for commencement for plant O&M may be considered

Effective date for commencement of O&M agreement and its amendments	
Project	Plant O&M
DJEPL	02 February, 2019
UUPPL	10 May, 2019
TWHPPL	18 July, 2021
WIPL – Wind	03 May, 2020
WIPL – Solar	26 June, 2020

Registered Office : "Flat No. 'J', 3rd Floor, 'Khaleel Shirazi Estate' Door No. 276, Pantheon Road, Egmore, Chennai - 600 008"

Corporate Office : 102, "El Tara", Orchard Avenue, Hiranandani Gardens, Powai, Mumbai - 400 076, Maharashtra, India.

+91 22 25701577 +91 22 25703360

CIN: U40102TN2007PTC063507 Website : www.continuumenergy.in Email ID : info@continuumenergy.in



CONTINUUM GREEN ENERGY (INDIA) PRIVATE LIMITED
(Formerly Known as Continuum Wind Energy (India) Private Limited)

PLF and annual degradation factor

- For all projects, P90 estimate as per Resource assessment reports issued by independent engineer has been considered as PLF. For the solar project, annual output degradation factor of 0.5% has been considered.

BoP maintenance expense, F&S deviation charge, annual statutory fee, predictive analytics fee, employee expense, admin expense and insurance expense

- Auxiliary consumption charge has been considered in the annual statutory fee for the project
- BoP maintenance expense, F&S deviation charge, annual statutory fee, predictive analytics fee, employee expense, admin expense and insurance expense for all the projects have been considered as provided in the following table:

Various project level expenses inclusive of GST (INR Million)				
	BoP maintenance expense	F&S deviation charge	Annual statutory fee	Predictive analytics fee
Project	FY22	FY22	FY22	FY22
BWDPL	109.2	8.3	7.5	0.3
DJEPL	14.8	10.9	6.5	0.2
UUPPL	11.4	8.8	5.0	0.1
WIPL	18.2	18.7	5.7	1.5
TWHPPL	14.1	12.9	3.3	0.9
RTPL	-	3.4	0.3	0.2
Total	167.8	63.2	28.3	3.3

Various project level expenses inclusive of GST (INR Million)			
	Employee expense	Admin expense	Insurance expense
Project	FY22	FY22	FY22
BWDPL	67.6	22.4	21.5
DJEPL	18.2	13.0	7.5
UUPPL	14.0	13.0	6.0
WIPL	27.6	24.4	11.0
TWHPPL	17.7	8.8	5.8
RTPL	4.0	3.2	1.5
Total	149.1	84.8	83.3

BWDPL

- O&M charges under the O&M agreement with Suzlon for 119.7 MW capacity are due for revision on 16 December 2021. O&M Charges and escalation terms applicable before 16 December 2021 under the O&M Agreement are likely to be extended after 16 December 2021.
- Annual escalation in O&M expense under O&M agreement with Vestas shall be 4% for FY22
- O&M agreement with Vestas is executed for WTGs with rated capacity of 1.8 MW, which have been rerated to capacity of 2.0 MW.
- 6.3 MW capacity does not have a long term PPA and energy generated from this capacity is budgeted to be sold to MSSEDCL at a tariff of INR 2.52 per kWh during FY22.

Registered Office : "Flat No. 'J', 3rd Floor, 'Khaleel Shirazi Estate' Door No. 276, Pantheon Road, Egmore, Chennai - 600 008"

Corporate Office : 102, "El Tara", Orchard Avenue, Hiranandani Gardens, Powai, Mumbai - 400 076, Maharashtra, India.

+91 22 25701577 +91 22 25703360

CIN: U40102TN2007PTC063507 Website : www.continuumenergy.in Email ID : info@continuumenergy.in



CONTINUUM GREEN ENERGY (INDIA) PRIVATE LIMITED
(Formerly Known as Continuum Wind Energy (India) Private Limited)

WIPL

- Grid tariff payable by the consumers to TANGEDCO as on 31 Dec 2020 is INR 6.90 per kWh. No escalation has been considered for the tariff for FY22.
- PPAs due for expiry in FY22 will be extended close to the date of expiry of the current agreement on terms similar to the current agreement.
- Open access charges are based on charges prevailing as on 31 Dec 2020. No escalation has been considered for the charges for FY22.
- Open Access charges are inclusive of other fees (INR 122.07 per MW per day) and brokerage and other charges (INR 0.15 per kWh). The brokerage and other charges include electricity tax charged in the state of Tamil Nadu. These are based on management's internal estimate and past experience.
- For solar project, additional 1.8 MW DC capacity has been installed beyond the capacity specified in the SRA resulting in a cumulative DC capacity of 78.8 MW for the project. This is likely to increase the total generation in proportion to the increase in capacity.
- As per applicable regulations of Tamil Nadu Electricity Regulatory Commission, banking charges (14% of the banked energy) are applicable to 44 MW capacity of WIPL (out of total wind capacity of 148 MW). Considering 6.69% of net energy export from the entire wind project capacity as banked energy, the banking charges are estimated at 0.94% of the net energy export.
- WIPL sells power to open access customers and meets only a portion of their total energy requirement. There would not be any impact on energy sales to customers due to change in banking regulations. The project would be able to sell the entire energy generated to customers without any lapse.
- Equity shareholding of few users will change in FY22 to reflect the proportionate consumption of power from the plant so as to maintain the group captive generating plant status. Management expects that the shareholding of customers would always remain above 26%.

TWHPPL

- Grid tariff payable by the consumers to Gujarat DISCOMs as on 31 December 2020 is indicated in the table below:

Grid tariff as on 31 Dec 2020							
Consumer No.	Grid Tariff (INR per unit)	Consumer No.	Grid Tariff (INR per unit)	Consumer No.	Grid Tariff (INR per unit)	Consumer No.	Grid Tariff (INR per unit)
1	7.26	10	6.27	19	7.22	28	7.24
2	7.21	11	7.21	20	7.22	29	7.24
3	7.21	12	7.20	21	7.21	30	7.24
4	7.21	13	7.21	22	7.21	31	7.24
5	7.21	14	7.21	23	7.21	32	7.24
6	7.24	15	7.21	24	6.14	33	7.24
7	7.22	16	7.21	25	7.20	34	7.21
8	7.24	17	7.21	26	7.27	35	7.24
9	7.21	18	7.21	27	7.32	36	6.32

- No escalation has been considered in the grid tariff for FY22.

Registered Office : "Flat No. 'J', 3rd Floor, 'Khaleel Shirazi Estate' Door No. 276, Pantheon Road, Egmore, Chennai - 600 008"

Corporate Office : 102, "El Tara", Orchard Avenue, Hiranandani Gardens, Powai, Mumbai - 400 076, Maharashtra, India.

 +91 22 25701577  +91 22 25703360

CIN: U40102TN2007PTC063507 Website : www.continuumenergy.in Email ID : info@continuumenergy.in



CONTINUUM GREEN ENERGY (INDIA) PRIVATE LIMITED
(Formerly Known as Continuum Wind Energy (India) Private Limited)

- Open access charges are based on charges prevailing as on 31 Dec 2020. No escalation has been considered for the charges for FY22.
- PPAs due for expiry in FY22 will be extended close to the date of expiry of the current agreement on terms similar to the current agreement.
- Open Access charges include other fees (INR 36.16 per MW per day) and brokerage and other charges (INR 0.05 per kWh). These are based on management's internal estimate and past experience.

RTPL

- Grid tariff payable by the consumers to Gujarat DISCOMs as on 31 December 2020 is indicated in the table below:

Grid tariff as on 31 Dec 2020			
Consumer No.	Grid Tariff (INR per unit)	Consumer No.	Grid Tariff (INR per unit)
1	6.27	8	7.18
2	7.19	9	7.21
3	7.24	10	7.21
4	7.24	11	7.21
5	6.32	12	7.24
6	7.22	13	7.24
7	7.23		

- No escalation has been considered in the grid tariff for FY22.
- Open access charges are based on charges prevailing as on 31 Dec 2020. No escalation has been considered for the charges for FY22.
- PPAs due for expiry in FY22 will be extended close to the date of expiry of the current agreement on terms similar to the current agreement.
- Open Access charges are inclusive of other fees (INR 36.16 per MW per day) and brokerage and other charges (INR 0.05 per kWh). These are based on management's internal estimate and past experience.

For and on behalf of Continuum Green Energy (India) Pvt Ltd

Name: Arvind Bansal
Title: Director
Date: 25th January 2021

Registered Office : "Flat No. 'J', 3rd Floor, 'Khaleel Shirazi Estate' Door No. 276, Pantheon Road, Egmore, Chennai - 600 008"

Corporate Office : 102, "El Tara", Orchard Avenue, Hiranandani Gardens, Powai, Mumbai - 400 076, Maharashtra, India.



+91 22 25701587

+91 22 25703360

CIN: U40102TN2007PTC063507 Website : www.continuumenergy.in Email ID : info@continuumenergy.in

APPENDIX C — GREEN BOND SECOND OPINION

Continuum Green Energy Green Bond Second Opinion

January 12, 2021

Continuum Green Energy (“Continuum”) is a renewable energy group based in India, focusing on large-scale wind farms which can be co-located with solar photovoltaic (PV) installations. Continuum was founded in 2009 and currently has a total portfolio of 2.0 GW, with an operating capacity of 757.4 MW across six renewable projects in five states in India. One of the projects, the Periyapatti plant in Tamil Nadu, is a wind farm co-located with solar PV arrays. This plant is India’s largest wind and solar co-located power project, with 148 MW of wind and 78.8 MW of solar. Continuum targets an installed capacity of up to 4 GW within the next 3-5 years.

The green bond framework lists eligible projects within the renewable energy category, including wind farms, solar PV plants, and connected storage solutions. The projects will promote the transition to a low carbon, climate resilient growth and sustainable development in India. Continuum’s business activity in providing clean energy inherently reduces emissions by reducing the grid emissions factor in the regions it operates. Continuum has no standalone projects, and all of Continuum’s projects will be connected to the grid. Continuum will sell renewable electricity to several high-polluting customers, including steel and cement producers.

Continuum has established sound procedures to ensure that environmental impacts are considered during construction and operation, as well as transparent allocation and impact reporting. Extensive Environmental and Social Impact Assessments (ESIAs) based on IFC performance standards are conducted for all projects, even if this is not currently required by Indian law.

The investor should be aware that Continuum has included funding of access roads within the project site in their green framework and that project sites that might include dry forested land can be selected. The access roads will be available to the general public, as mandated by the law, and might lead to a rebound effect through an increased fossil fuel-based traffic. For a future wind project an area categorised as “dry forested land” has been selected. The use of forested land, upon requisite approval of the Ministry of Environment and Forest, India, even if not categorised as high value “tropical evergreen forest”, may lead to deforestation and will affect the local habitat. Continuum does not conduct life cycle or climate risk assessments.

Based on the overall assessment of the project types that will be financed by the green bonds, governance and transparency considerations, Continuum’s green bond framework receives a **CICERO Dark Green** shading and a governance score of **Good**. To improve the framework, Continuum could conduct climate risk and life cycle assessments including focusing on emissions from the supply chain and the construction phase. Furthermore, the company could minimise the selection of project sites that might lead to displacement of forest and work to minimise a potential rebound effect from improved access roads.

SHADES OF GREEN

Based on our review, we rate Continuum’s green bond framework **CICERO Dark Green**.

Included in the overall shading is an assessment of the governance structure of the green bond framework. CICERO Shades of Green finds the governance procedures in Continuum’s framework to be **Good**.



GREEN BOND PRINCIPLES

Based on this review, this Framework is found in alignment with the principles.



Contents

1	Terms and methodology	3
	Expressing concerns with 'shades of green'	3
2	Brief description of Continuum's green bond framework and related policies	4
	Environmental Strategies and Policies.....	4
	Use of proceeds.....	5
	Selection.....	5
	Management of proceeds	5
	Reporting	6
3	Assessment of Continuum's green bond framework and policies	7
	Overall shading.....	7
	Eligible projects under Continuum's green bond framework	7
	Background	8
	Governance Assessment.....	9
	Strengths	9
	Weaknesses	10
	Pitfalls.....	10
	Appendix 1: Referenced Documents List	11
	Appendix 2: About CICERO Shades of Green	12

1 Terms and methodology

This note provides CICERO Shades of Green's (CICERO Green) second opinion of the client's framework dated December 2020. This second opinion remains relevant to all green bonds and/or loans issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the client's policies and processes, as well as information gathered during meetings, teleconferences and email correspondence.

Expressing concerns with 'shades of green'

CICERO Green second opinions are graded dark green, medium green or light green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions. The shading methodology aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts. Investments in all shades of green projects are necessary in order to successfully implement the ambition of the Paris agreement. The shades are intended to communicate the following:

CICERO Shades of Green	Examples
 Dark green is allocated to projects and solutions that correspond to the long-term vision of a low carbon and climate resilient future. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Ideally, exposure to transitional and physical climate risk is considered or mitigated.	 Wind energy projects with a strong governance structure that integrates environmental concerns
 Medium green is allocated to projects and solutions that represent steps towards the long-term vision, but are not quite there yet. Fossil-fueled technologies that lock in long-term emissions do not qualify for financing. Physical and transition climate risks might be considered.	 Bridging technologies such as plug-in hybrid buses
 Light green is allocated to projects and solutions that are climate friendly but do not represent or contribute to the long-term vision. These represent necessary and potentially significant short-term GHG emission reductions, but need to be managed to avoid extension of equipment lifetime that can lock-in fossil fuel elements. Projects may be exposed to the physical and transitional climate risk without appropriate strategies in place to protect them.	 Efficiency investments for fossil fuel technologies where clean alternatives are not available
 Brown is allocated to projects and solutions that are in opposition to the long-term vision of a low carbon and climate resilient future.	 New infrastructure for coal

Sound governance and transparency processes facilitate delivery of the client's climate and environmental ambitions laid out in the framework. Hence, key governance aspects that can influence the implementation of the green bond are carefully considered and reflected in the overall shading. CICERO Green considers four factors in its review of the client's governance processes: 1) the policies and goals of relevance to the green bond framework; 2) the selection process used to identify and approve eligible projects under the framework, 3) the management of proceeds and 4) the reporting on the projects to investors. Based on these factors, we assign an overall governance grade: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.

2 Brief description of Continuum's green bond framework and related policies

Continuum Green Energy ("Continuum") is a renewable energy group based in India, founded in 2009 and focused on large-scale wind farms, which can be co-located with solar PV installations. The energy group consists of 15 subsidiaries and is one of the largest providers of renewable power to corporates in the commercial and industrial segment in India. It is currently supplying renewable power to more than 100 industrial customers from diverse industries spanning auto, industrial products, textiles, chemicals, pharma, steel, FMCG (fast moving consumer goods), food, cement, and agriculture. Continuum is building and connecting projects to high-capacity electricity grids or dedicated green electricity corridors to facilitate flexible integration of the renewable energy projects. Around 50% of the electricity generated in the portfolio is related to customers while the other 50% is sold to the grid for general utility. Continuum is supplying all its generated electricity to the grid and does not have any standalone projects delivering electricity to customers directly according to the issuer.

Continuum has a total portfolio of 2.0 GW, with an operating capacity of 757.4 MW across six renewables projects in the states of Gujarat, Maharashtra, Madhya Pradesh and Tamil Nadu. While five out of six of these plants are wind farms, the Periyapatti plant in Tamil Nadu is a wind farm co-located with solar PV arrays. This plant is India's largest wind and solar co-located power project, with 148 MW of wind and 78.8 MW of solar. Further wind projects are under construction, at two new locations and one existing location, and will add an additional 428.0 MW. Within 3-5 years Continuum targets a capacity of up to 4 GW. Plans include developments in new states in India as well as cross-state electricity generation¹.

Environmental Strategies and Policies

Continuum's business activity in providing clean energy inherently reduces emissions by reducing the grid emissions factor in the regions in which it operates. Between April and September 2020, Continuum reported avoided emissions of 862 816 tons of CO₂, based on their energy generation of 938 000 MWh of electricity.²

The company has developed an internal Environmental Management Plan (EMP) to ensure that they are working in line with national laws and regulation and relevant IFC performance standards. The Continuum EMP also sets out responsibilities related to the construction and operation of the projects. Continuum has a HSE (Health, Safety and Environment) policy relating to the health and safety of their employees and operations. They also have a waste management policy in place to ensure that, e.g., hazardous waste is taken care of by a certified facility. However, Continuum does not have any concrete targets related to environment or climate change, like emissions accounting or reduction targets.

The company does not report according to the TCDF (Task force for climate related financial disclosures), has not carried out climate risk assessments, or life cycle assessments of their suppliers and value chain. They do not report according to the GRI guidelines and do not report on Scope 3 emissions (emissions related to, e.g., the construction phase and supply chain).

Under this framework, Continuum aims to contribute to two of the UN Sustainable Development Goals: Goal 7 – Affordable and Clean Energy and Goal 13 – Climate Action.

¹ Generation electricity in one state and transfer to other states using existing grid networks.

² Continuum uses a conversion factor of 0.92 tons CO₂e of emissions reductions per MWh produced, as per CEA CO₂ baseline data for the Indian Power Sector.

Use of proceeds

Under this framework, Continuum will undertake to finance or refinance projects within the renewable energy category. This includes the development, construction and operation of onshore and offshore wind farms, solar energy, and energy storage.

Continuum may own the projects directly or indirectly through their subsidiaries. The group will apply negative screening policies to exclude financing activities that include involvement in fossil-fuel related activities.

Selection

The selection process is a key governance factor to consider in CICERO Green's assessment. CICERO Green typically looks at how climate and environmental considerations are considered when evaluating whether projects can qualify for green finance funding. The broader the project categories, the more importance CICERO Green places on the governance process.

Continuum has established a green bond committee (the Committee) to oversee the selection and evaluation of projects. The committee is comprised of representatives from the Sustainability, Finance and Project & Operations teams, which will meet on an annual basis for the assessment of eligible green projects. The committee will follow a five-step process from (1) project evaluation to (2) approval and (3) monitoring of projects, as well as (4) replacing projects that are no longer eligible and (5) updating the framework if this becomes relevant based on market developments. Decisions on project selections are consensus based. The Committee is responsible for reporting.

Continuum is through their subsidiaries developing Environmental and Social Impact Assessments (ESIA) as a part of selecting the location of new projects. The ESIA will also identify environmental and social risks/impacts in the establishment and operation of projects, including engaging in a dialogue with local stakeholders and communities to mitigate environmental and social impacts. The ESIA's include an EMP and a monitoring plan and cover 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 EMPs inform on the implementation of the ESIA's undertaken for each project. ESIA's are conducted based on relevant IFCs performance standards³ and the Equator principles⁴.

Management of proceeds

CICERO Green finds the management of proceeds of Continuum to be in accordance with the Green Bond Principles.

Continuum will establish a green project portfolio to track the allocation of net proceeds from any green bond issued to eligible projects. The portfolio will be reviewed by the Committee on an annual basis, and routinely monitored by the Treasury Team. Projects will not be affected by ex-ante changes to the green bond framework and will remain in the green project portfolio for as long as they meet the eligibility criteria at the time of bond issuance.

Continuum will aim to fully allocate the net proceeds of any green bonds immediately after issuance. However, any unallocated proceeds will be held in line with general liquidity guidelines in cash, cash equivalents and/or other liquid marketable instruments, and the balance will be reported on in the allocation report. According to the

³ [Performance Standards \(ifc.org\)](https://www.ifc.org/standards)

⁴ [The Equator Principles – Environmental and social risk management for projects \(equator-principles.com\)](https://equator-principles.com/)

company, unallocated proceeds will be invested in stocks/bonds of other renewable energy projects of the Continuum Group and in bank deposits, and not be placed in investments including GHG intensive assets, inconsistent with the transition towards a low carbon economy.

Reporting

Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs. Procedures for reporting and disclosure of green finance investments are also vital to build confidence that green finance is contributing towards a sustainable and climate-friendly future, both among investors and in society.

Continuum has committed to annually publish both allocation and impact reporting on their investor relations website. The allocation report will include details on the total amount of outstanding green bonds, share of financing vs refinancing, size of the green project portfolio with a breakdown by project type, unallocated proceeds, and illustrative examples of green projects to which proceeds have been allocated.

The impact report will detail the environmental impact of financed projects through key performance indicators such as renewable energy capacity installed (MW), annual renewable energy generation (MWh), annual CO₂ emission reduction/avoidance (tons of CO₂). Any assumptions used in calculation methodology, including benchmarks and grid factors, will be clearly stated in the reporting.

An external reviewer will annually produce a verification report on the allocation of proceeds.

3 Assessment of Continuum's green bond framework and policies

The framework and procedures for Continuum's green bond investments are assessed and their strengths and weaknesses are discussed in this section. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised in this section to note areas where Continuum should be aware of potential macro-level impacts of investment projects.

Overall shading

Based on the project category shadings detailed below, and consideration of environmental ambitions and governance structure reflected in Continuum's green bond framework, we rate the framework **CICERO Dark Green**.

Eligible projects under Continuum's green bond framework

At the basic level, the selection of eligible project categories is the primary mechanism to ensure that projects deliver environmental benefits. Through selection of project categories with clear environmental benefits, green bonds aim to provide investors with certainty that their investments deliver environmental returns as well as financial returns. The Green Bonds Principles (GBP) state that the "overall environmental profile" of a project should be assessed and that the selection process should be "well defined".

Category	Eligible project types	Green Shading and some concerns
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.	Dark Green ✓ Renewable energy is key to a low-carbon transition. ✓ Currently, all development projects are onshore projects. Continuum is continuously evaluating its business development opportunities, including offshore wind. The issuer however informs that there are currently no concrete plans related to offshore wind. ✓ The issuer has included investments to access roads in their green projects. The roads will be available to the general public as mandated by the law. Even if the company informed us that the projects are located in scarcely populated areas, this might lead to a rebound effect through an increased fossil fuel-based traffic. ✓ Continuum informed us that for a future wind project an area categorised as "dry forested land" has been selected with vegetation comprising of Thorn Forest. Continuum has received initial approval from the Ministry of Environment and Forest for the installation of this wind project. ✓ In India, wind farm projects are classified as Green Category projects from the environment and forest point



of view and displacement of forest requires a compulsorily afforestation for the displaced forest land in the proximity of the forest. Continuum informed that they will provide mitigation measures in terms of afforestation. The use of forested land, even if not categorised as high value “tropical evergreen forest”, may lead to deforestation, will affect the local habitat and should be minimized.

- ✓ The issuer plans to build both co-located wind and solar photovoltaic (PV) projects as well as projects only including solar PV.
- ✓ Further wind projects are under construction at two new locations and one existing location and will add an additional 428.0 MW.
- ✓ Installed capacity for new projects is expected to be in the range of 25 MW to 150 MW per site for solar projects and 75 MW to 300 MW for wind projects.
- ✓ Wind and solar PV projects can have adverse local environmental impacts and impacts on local communities. The issuer is conducting ESIA's for all their projects. According to the issuer, there is no requirement to conduct EIAs for solar PV and wind-projects in Indian national law.
- ✓ Contractors are required to adhere to the environment policy of Continuum. Environmental requirements to sub-contractors and life cycle impacts of the projects are currently not considered.
- ✓ Continuum is predominately looking at batteries as storage solutions, however other economically viable solutions are being explored and environmental studies being conducted.
- ✓ Energy storage projects can involve the use of lithium-ion batteries. Mining of lithium and other ingredients used in batteries (e.g., cobalt and nickel) can have severe environmental impacts due to the high toxicity and water-intensive processes that are undergone in the industry.

Table 1. Eligible project categories

Background

India has made significant progress in increasing access to clean and affordable energy, energy security, and energy efficiency. India's electricity security has improved markedly through the creation of a single national power system and major investments in both thermal and renewable capacity. In 2018, 78% of India's electricity was based on coal and 19% based on renewables⁵. The associated grid emission factor of the power sector amounts to 708gCO₂/kWh compared to a G20 average of 458gCO₂/kWh⁶. In order to decarbonize the sector, India has set a

⁵ https://www.climate-transparency.org/wp-content/uploads/2019/11/B2G_2019_India.pdf

⁶ https://www.climate-transparency.org/wp-content/uploads/2019/11/B2G_2019_India.pdf

target of 175 GW renewable energy capacity by 2022 including 100 GW of solar and 60 GW of wind power capacity, although as of 2018, the pace of renewable energy capacity addition was not on track to meet this target⁷.

India is expected to be the largest contributor to a record 10% global expansion of renewable energy installed capacity in 2021⁸. The country is expected to almost double capacity additions compared to 2020, as a large number of auctioned wind and solar PV projects are expected to become operational following delays due not only to short-term supply chain disruptions under Covid-19, but also to contract negotiations and land acquisition challenges.

A major priority issue for the increasing renewable generation will be ensuring flexibility of the grid to ensure the successful system integration of wind and solar PV.

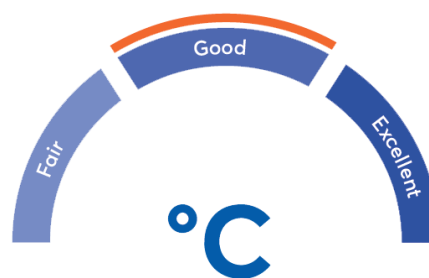
Governance Assessment

Four aspects are studied when assessing Continuum's governance procedures: 1) the policies and goals of relevance to the green bond framework; 2) the selection process used to identify eligible projects under the framework; 3) the management of proceeds; and 4) the reporting on the projects to investors. Based on these aspects, an overall grading is given on governance strength falling into one of three classes: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.

Continuum has established sound procedures to ensure that environmental impacts are considered during construction and operation. Extensive ESIA's based on the IFC performance standards and the Equator principles are conducted for all projects, even if this is not required by Indian law. Selection of eligible green projects and project locations are informed by the recommendations of the ESIA's, and decisions are made in consensus by the green bond committee. Allocation and impact reporting will be made public on Continuum's webpage.

The company is lacking concrete environmental and climate change related targets. Additionally, the issuer does not conduct climate risk or life cycle assessments of their projects, nor report according to the TCFD-recommendations. Continuum is not reporting in line with the GRI-recommendations, i.e. when it comes to emissions from the construction phase and the supply chain.

The overall assessment of the governance structure of Continuum gives it a rating of **Good**. The framework would benefit from applying climate risk as well as life cycle assessments, including ambitions toward managing construction and supply chain emissions.



Strengths

It is a clear strength that Continuum's framework focuses exclusively on low-carbon solutions. Electricity generated from wind and solar PV plants will increase the share of renewable energy in India and reduce both local emissions and GHG-emissions. It is also considered a strength that Continuum is developing integrated plants combining wind and solar PV arrays, taking a holistic approach to renewable energy, and reducing the risks of low output from one of the energy sources. Furthermore, it is a strength that the company is partnering with high-emitting companies. This will increase the awareness of the CO₂-footprint of the energy consumed by the high-emitting sectors, as well as increase the need for renewable energy.

⁷ <https://niti.gov.in/writereaddata/files/175-GW-Renewable-Energy.pdf>

⁸ <https://www.iea.org/reports/renewables-2020>

Continuum is using their own generated electricity for their power needs when local regulation permits and is to small degree using energy from the grid.

The issuer is conducting extensive ESIA's for all projects, even if this is currently not required by Indian law. With this, the company is informed on potential vulnerable biodiversity close to or within the relevant site, and can mitigate negative impacts – e.g., by adjusting the project area selected. Through the ESIA's the company will also get information on other potential risks, like water scarcity. CICERO Green encourages Continuum to make the EIAs available to the general public.

Continuum informed us that they are mitigating negative effects and ensuring a low fatality rate for birds by painting the turbine blades with bright colors and by using bird guards.

According to the company, a main part of the wind turbines is sourced locally, which will reduce emissions from transport. However, the company should also consider conducting life cycle assessments to make sure that emissions arising also in the construction phase is considered in the purchasing process.

Weaknesses

We find no material weaknesses in Continuum's green bond framework.

Pitfalls

While renewable energy projects generally are considered to have a very positive climate mitigation impact, there are nevertheless emissions associated with the construction process. CICERO Green encourages Continuum to conduct life cycle assessments of major projects. Life cycle assessments will provide valuable information on the environmental and climate impacts of the projects and point to suppliers that can lead to a reduction in GHG-emissions.

The investor should be aware that Continuum has included funding of building of new and strengthening of existing access roads located within the project area in their green framework, accounting for 0.5-0.75% of the capital expenditures for the project. The roads will also be assessable for the general public in the project areas, as mandated by law. Even if the projects are located in scarcely populated areas this might lead to increased traffic and create a rebound effect that can lead to increased emissions.

The issuer informed us that they so far do not have projects in forested areas. However, for a future wind project an area categorised as "dry forested land" has been selected with vegetation comprising of Thorn Forest. Continuum has received initial approval from the Ministry of Environment and Forest for the installation of this wind project. In India, wind farm projects are classified as Green Category projects from the environment and forest point of view and displacement of forest requires a mandatory afforestation for the displaced forest land in the proximity of the forest. Continuum informed us that they will provide mitigation measures in terms of afforestation. The use of forested land, even if not categorised as high value "tropical evergreen forest", may lead to deforestation, will affect the local habitat and should be minimized.

The company has not adopted TCFD-reporting and has not carried out climate risk assessment related to a changing climate with increased risks for extreme weather events, increased flooding or droughts and an increased need to consider the durability of the equipment.



Appendix 1: Referenced Documents List

Document Number	Document Name	Description
1	Green Bond Framework. Continuum Green Energy. December 2020	Green Bond Framework provided by Continuum Energy. Dated December 2020
2	Environment Management Plan	Continuum's Environmental Management Plan
3	Disaster Management Plan	Continuum's Plan for disaster management at its project sites
4	HSE Manual	Continuum's Health Safety Environment (HSE) Manual
5	HSE Policy	Continuum's Health Safety Environment (HSE) Policy
6	Environment Report, Continuum Green Energy, April to October 2020	Continuum's Environment Report for Q1 and Q2
7	ESIA Reports	ESIA reports for the Ratlam, Bothe, Periyapatti (wind and solar), and Rajkot sites



Appendix 2: About CICERO Shades of Green

CICERO Green is a subsidiary of the climate research institute CICERO. CICERO is Norway's foremost institute for interdisciplinary climate research. We deliver new insight that helps solve the climate challenge and strengthen international cooperation. CICERO has garnered attention for its work on the effects of manmade emissions on the climate and has played an active role in the UN's IPCC since 1995. CICERO staff provide quality control and methodological development for CICERO Green.

CICERO Green provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green bond investments. CICERO Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO Green is independent of the entity issuing the bond, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. CICERO Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second opinions.

We work with both international and domestic issuers, drawing on the global expertise of the Expert Network on Second Opinions (ENSO). Led by CICERO Green, ENSO contributes expertise to the second opinions, and is comprised of a network of trusted, independent research institutions and reputable experts on climate change and other environmental issues, including the Basque Center for Climate Change (BC3), the Stockholm Environment Institute, the Institute of Energy, Environment and Economy at Tsinghua University and the International Institute for Sustainable Development (IISD).



REGISTERED OFFICE OF THE ISSUER

Continuum Energy Levanter Pte. Ltd.

10 Changi Business Park Central 2

#05-01 Hansapoint@CBP

Singapore 486030

**TRUSTEE, NOTES COLLATERAL AGENT
AND COMMON COLLATERAL AGENT**

DB International Trust (Singapore) Limited

One Raffles Quay

#16-00 South Tower

Singapore 048583

**PAYING AGENT,
TRANSFER AGENT AND REGISTRAR**

Deutsche Bank Trust Company Americas

60 Wall Street, 24th Floor

Mail Stop: NYC60-2405

New York, New York 10005

United States of America

LEGAL ADVISERS

To the Issuer

as to Indian law

Shardul Amarchand Mangaldas

Amarchand Towers

216 Okhla Industrial Estate, Phase III

New Delhi 110 020 India

To the Joint Bookrunners

and Joint Lead Managers

as to Indian law

Talwar Thakore & Associates

3rd Floor, Kalpataru Heritage

127, Mahatma Gandhi Road

Mumbai 400 001 India

To the Issuer

as to New York and U.S. federal law

Linklaters Singapore Pte. Ltd.

One George Street

#17-01 Singapore 049145

To the Issuer

as to Singapore law

Linklaters Singapore Pte. Ltd.

One George Street

#17-01 Singapore 049145

To the Joint Bookrunners

and Joint Lead Managers

as to New York and U.S. federal law

Ashurst LLP

London Fruit & Wool Exchange

1 Duval Square

London E1 6PW

United Kingdom

**To the Trustee
as to New York law**

Mayer Brown

16th—19th Floors, Prince's Building

10 Chater Road, Central, Hong Kong

AUDITORS OF THE RESTRICTED GROUP

S R B C & CO LLP

12th Floor, The Ruby, Senapati Bapat Marg,

Dadar (West), Mumbai – 400028,

Maharashtra, India

