S.R. BATLIBOI & CO. LLP
Chartered Accountants

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Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel : +91 124 681 6000

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

Report on Special Purpose Combined Financial Statement of Restricted Group

Opinion

We have audited the accompanying special purpose combined financial statement of Restricted Group which consist of Clean Renewable Power (Mauritius) Pte. Ltd ("the Company"), a wholly owned subsidiary of Hero Futures Energies Asia Pte Ltd (the "Parent") and certain entities under common control of the Parent as listed in note 1 to the special purpose combined financial statement (collectively known as "the Restricted Group"), which comprise the special purpose combined Balance Sheet as at March 31, 2022 and March 31, 2021, the special purpose combined statements of Profit and Loss including special purpose other comprehensive income, the special purpose combined Cash Flow Statements and the special purpose combined Statement of Changes in Equity for the year ended March 31, 2022 and March 31, 2021 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "special purpose combined financial statement"). These special purpose combined financial statement have been prepared in accordance with the basis of preparation as set out in note 2 to the special purpose combined financial statement.

In our opinion, the accompanying special purpose combined financial statements of the Company for the year ended March 31, 2022 and March 31, 2021 are prepared in all material respects, in accordance with the basis of preparation described in Note 2 to these special purpose combined financial statement.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) as applicable in India. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Restricted Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in India, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction in distribution and Use

We draw attention to the Note 1 and 2 of the accompanying special purpose combined financial statement, which describes that the Restricted Group has not formed a separate legal group of entities during the year ended March 31, 2022 and March 31, 2021 and which also describes the basis of preparation, including the approach to and the purpose for preparing them. Consequently, the Restricted Group's special purpose combined financial statement may not necessarily be indicative of the financial performances and financial position of the Restricted Group that would have occurred if it had operated as a separate group of entities during the periods presented and as a result, these financial statements may not be suitable for another purpose. The special purpose combined financial statement has been prepared solely to comply with financial reporting requirements under the indenture governing the 4.25% senior secured notes. This report is not to be used, referred to or distributed for any other purpose.

Our Opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these special purpose combined financial statement in accordance with the basis of preparation as set out in note 2 to the special purpose combined financial statement and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per Pravin Tulsyan
Partner
Membership Number: 108044
UDIN: 22108044ANQTYP7168
Place of Signature: Gurugram
Date: July 26, 2022

S. R. BATLIBOI & CO. LLP
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Restricted Group
Special Purpose Combined Balance Sheet as at March 31, 2022
(All amounts are in Indian Rupees (in million), unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	27,927.78	28,893.75
(b) Capital work-in-progress	4	-	42.84
(c) Other intangible assets	5	121.65	129.63
(d) Financial assets			
Other financial assets	9	1,369.38	1,049.23
(e) Deferred tax assets (net)	30	411.77	500.91
(f) Other non-current assets	10	193.51	200.86
(g) Non-current tax assets (net)	11	58.54	82.72
		30,082.63	**30,899.94**
Current assets			
(a) Inventories	12	13.38	4.30
(b) Financial assets			
(i) Trade receivables	6	2,731.93	2,657.27
(ii) Cash and cash equivalents	7	1,439.18	4,723.96
(iii) Other bank balances	8	8.10	22,592.89
(iv) Other financial assets	9	1,499.09	507.03
(c) Other current assets	10	165.54	138.79
		5,857.22	**30,624.24**
Total assets		**35,939.85**	**61,524.18**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	3,688.28	3,634.10
(b) Other equity	14	(1,539.69)	(728.41)
		2,148.59	**2,905.69**
LIABILITIES			
Non- current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	28,692.37	29,197.86
(b) Provisions	19	46.71	58.80
(c) Deferred tax liabilities (net)	30	947.64	570.25
(d) Other non-current liabilities	18	996.62	581.84
		30,822.29	**30,408.75**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,903.66	24,173.66
(ii) Trade payables	16		
- total outstanding dues of micro enterprises and small enterprises		1.46	4.37
- total outstanding dues of creditors other than micro enterprises and small enterprises		235.54	1,016.48
(iii) Other financial liabilities	17	681.16	2,934.58
(b) Other current liabilities	18	137.16	77.77
(c) Provisions	19	0.91	2.88
(d) Liabilities for current tax (net)	20	9.08	-
		2,968.97	**28,209.74**
Total equity and liabilities		**35,939.85**	**61,524.18**
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes form an integral part of these Special Purpose Combined financial statements

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration Number: 301003E/E300005

per Pravin Tulsyan
Partner
Membership Number:108044

S. R. BATLIBOI & CO. LLP
GURUGRAM

Place: Gurugram
Date : July 26, 2022

For and on behalf of the Restricted Group

Neer[illegible] N[illegible]
Director

Place: Mauritius
Date : July 26, 2022

Benjamin Paul Fraser
Director

Place: London
Date: July 26, 2022

Restricted Group

Special Purpose Combined Statement of Profit and Loss for year ended March 31, 2022

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

	Particulars	Note	As at March 31, 2022	As at March 31, 2021
I	Revenue from contract with customers	21	4,978.69	As at 4,759.93
II	Other income	22	281.70	220.49
III	**Total income (I +II)**		**5,260.39**	**4,980.42**
IV	**Expenses**			
	Employee benefits expense	23	136.59	101.63
	Finance costs	24	2,665.57	3,409.89
	Depreciation and amortization expense	25	1,077.25	1,400.81
	Impairment of assets	25A	-	58.96
	Other expenses	26	956.96	1,113.38
	Total expenses		**4,836.37**	**6,084.67**
V	**Profit/(Loss) before tax (III-IV)**		**424.02**	**(1,104.25)**
VI	**Tax expense:**	27		
	a) Current tax		301.43	10.07
	b) Adjustment in respect of current tax relating to earlier years		(0.54)	0.10
	b) Deferred Tax charge		400.90	(169.52)
	Total tax expense		**701.79**	**(159.35)**
VII	**Profit/(Loss) for the year (V-VI)**		**(277.77)**	**(944.90)**
VIII	**Other comprehensive income**			
	Other Comprehensive Income that may be reclassified subsequently to statement of profit and loss in subsequent years:	28		
	Exchange Difference on translation of foreign operations		0.82	1.53
	Effective Portion of Cash Flow Hedges (net of tax)		(485.93)	-
	Net comprehensive income that will be reclassified to statement of profit or loss in subsequent years		**(485.11)**	**1.53**
	Other comprehensive income not to be reclassified to statement of profit and loss in subsequent years:	28		
	Re-measurement gains/(losses) on defined benefit plans		8.04	0.62
	Income tax effect		(2.25)	(0.10)
	Net other comprehensive income/ (expense) not to be reclassified to statement of profit and loss in subsequent years		**5.79**	**0.52**
	Other comprehensive income for the year, net of tax		**(479.32)**	**2.05**
IX	**Total comprehensive income/(expense) of the year, net of tax (VII+VIII)**		**(757.09)**	**(942.85)**
	Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes form an integral part of these Special Purpose Combined financial statements

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration Number: 301003E/E300005

per Pravin Tulsyan
Partner
Membership Number:108044

S. R. BATLIBOI & CO. LLP * GURUGRAM *

Place: Gurugram
Date : July 26, 2022

For and on behalf of the Restricted Group

Neeraj Nawaz
Director

Place: Mauritius
Date : July 26, 2022

Benjamin Paul Fraser
Director

Place: London
Date: July 26, 2022

Restricted Group

Special Purpose Combined Statement of Profit and Loss for year ended March 31, 2022

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

A. Equity Share Capital*

Equity shares of Rs 10 each issued, subscribed and fully paid	Number of Equity Shares	Amount
As at April 01, 2020	**302,378,530**	**3,032.76**
Changes in Equity Share Capital during the year	60,017,921	601.34
As at March 31, 2021	**362,396,451**	**3,634.10**
Changes in Equity Share Capital during the year	729,458	54.18
As at March 31, 2022	**363,125,910**	**3,688.28**

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

B. Other Equity*

	Attributable to equity holders									
	Securities premium	Debenture Redemption Reserve	Invested Capital	Equity component of compulsorily convertible debentures	Deemed Capital Contribution	Cash Flow Hedging Reserve	Cost of Hedging Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total equity
As at April 1, 2020	-	**209.58**	**463.31**	**598.81**	**62.91**	-	-	**(5.19)**	**(1,609.88)**	**(280.46)**
Add: Loss for the year	-	-	-	-	-	-	-	-	(944.90)	(944.90)
Add: Other comprehensive expense (net of tax)	-	-	-	-	-	-	-	-	0.52	0.52
Add: Additions during the year	261.40	-	-	246.14	54.18	-	-	1.60	-	563.32
Less: Share Issue Expenses	(3.60)	-	-	-	-	-	-	-	-	(3.60)
Less: transferred to share capital	-	-	-	-	(1.34)	-	-	-	-	(1.34)
Less: transferred to Foreign currency translation reserve	-	-	-	-	0.07	-	-	(0.07)	-	-
Less: Deferred Tax charge	-	-	-	(61.95)	-	-	-	-	-	(61.95)
As at March 31, 2021	**257.80**	**209.58**	**463.31**	**783.00**	**115.82**	-	-	**(3.66)**	**(2,554.26)**	**(728.41)**
Add: Profit for the year	-	-	-	-	-	-	-	-	(277.77)	(277.77)
Add:- Other comprehensive income/(expense) (net of tax)	-	-	-	-	-	(218.25)	(267.69)	-	5.79	(480.15)
Add: Additions during the year (net of tax)	-	-	-	-	-	-	-	0.82	-	0.82
Less: transfer from Debenture Redemption Reserve to retained earnings	-	(209.58)	-	-	-	-	-	-	209.58	-
Less: transferred to Share Capital	-	-	-	-	(54.18)	-	-	-	-	(54.18)
Less: transferred to Foreign Currency Translation Reserve	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	**257.80**	-	**463.31**	**783.00**	**61.64**	**(218.25)**	**(267.69)**	**(2.84)**	**(2,616.66)**	**(1,539.69)**

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

Basis of preparation, measurement and significant accounting policies 2

The accompanying notes form an integral part of these Special Purpose Combined financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration Number: 301003E/E300005

per Pravin Tulsyan
Partner
Membership Number:108044

S. R. BATLIBOI & CO. LLP * GURUGRAM *

Place: Gurugram
Date : July 26, 2022

For and on behalf [illegible] Group

Neeraj [illegible]
Director

Place: Mauritius
Date : July 26, 2022

Benjamin Paul Fraser
Director

Place: London
Date: July 26, 2022

Restricted Group
Special Purpose Combined Statement of Profit and Loss for year ended March 31, 2022
(All amounts are in Indian Rupees (in million), unless otherwise stated)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
I. Cash flow from operating activities		
Profit/(Loss) before tax	424.02	(1,104.25)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	1,077.25	1,400.81
Impairment of assets	-	58.96
Balances written off	-	3.06
Amortisation of government grant	(5.73)	(24.72)
Amortisation of deferred revenue	(26.79)	-
Liability no longer required written back	(13.12)	(21.05)
Unwinding of discount on deposits	(2.50)	(3.64)
Finance costs	2,665.57	3,409.89
Finance income	(162.16)	(121.73)
Provision for doubtful receivables and advances	102.82	43.05
Exchange fluctuation (gain)	1.72	-
Lease rent concession (refer note 34)	-	(1.44)
Gain on termination of leases (refer note 34)	-	(3.90)
Operation and maintenance reserve accretion	(31.33)	(20.38)
	3,605.73	**4,718.91**
Operating profit before working capital changes	**4,029.75**	**3,614.66**
Change in working capital:		
(Increase) in trade and other receivables	(74.66)	(705.32)
(Increase) in inventories	(9.08)	(4.30)
(Decrease)/ Increase in trade and other payables	(766.70)	242.41
(Increase) in other financial assets	(355.30)	(124.97)
(Increase) in other assets	(116.43)	(87.19)
(Decrease)/ Increase in other financial liabilities	(758.40)	930.18
Increase/ (Decrease) in other liabilities	518.13	(1.93)
Change in working capital	**(1,562.44)**	**248.88**
Cash generated from operations	**2,467.31**	**3,863.54**
Less : Taxes paid/ (net of refunds)	**(265.38)**	**(32.32)**
Net cash flow from operating activities	**2,201.93**	**3,831.22**
II. Cash flow from investing activities:		
Purchase of property, plant and equipment	(108.50)	(35.94)
Fixed deposits with banks (net)	137.45	9.89
Balance with banks (net)	22,210.20	(22,682.48)
Loan to related parties (net)	(833.02)	-
Interest received	10.70	35.09
Proceeds from government grant	25.30	-
Net cash generated from/ (used in) investing activities:	**21,410.56**	**(22,673.44)**
III. Net cash flow from financing activities*:		
Proceeds from equity share capital (net of share issue expense)	-	857.80
Proceeds from capital contribution	-	54.74
Payment of principal portion of lease liabilities	-	(12.13)
Issue of Compulsorily Convertible Cumulative Debentures	-	1,349.60
Net (repayment)/ proceeds of working capital facilities	-	41.50
Repayment of borrowings	(24,104.52)	(2,909.01)
Proceeds from borrowings	32.84	27,115.01
Interest paid on borrowings	(3,248.46)	(3,735.18)
Net cash generated from/(used in) financing activities	**(27,320.14)**	**22,762.33**
Net change in Cash & cash equivalents (I+II+III)	(3,707.65)	3,920.11
Cash and cash equivalents as at the beginning of the year (a)	4,579.45	700.57
Effects of exchange rate changes on cash and cash equivalents (b)	32.18	41.23
Cash and cash equivalents as at the end of the year (c)	839.62	4,579.45
Net change in Cash & cash equivalents (c+b-a)	**(3,707.65)**	**3,920.11**
Basis of preparation, measurement and significant accounting policies 2		

Note:
The Cash Flow statement has been prepared under the indirect method as set out in the Ind AS 7" Statement of Cash Flows"
*Refer note 41 for change in financing activities disclosure pursuant to amendment to Ind AS 7.

The accompanying notes form an integral part of these Special Purpose Combined financial statements
As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration Number: 301003E/E300005

per Pravin Tulsyan
Partner
Membership Number: 108044

Place: Gurugram
Date : July 26, 2022

S. R. BATLIBOI & CO. LLP * GURUGRAM *

For and on behalf of the Restricted Group

Neeraj Nawaz
Director

Place: Mauritius
Date : July 26, 2022

Benjamin Paul Fraser
Director

Place: London
Date: July 26, 2022

1 Corporate Information

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

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

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

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

The Special Purpose Combined Financial Statements were authorized for issue in accordance with a resolution of the directors on July 26, 2022.

1.1 Purpose of Special Purpose Combined Financial Statements

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

2 Basis of Preparation, Measurement and Significant Accounting Policies

2.1 Basis of Preparation:

The Special Purpose Combined financial statements of the Restricted Group have been prepared in accordance with recognition and measurement principles laid down by the Indian Accounting Standards (Ind AS) (except Ind AS – 33 on Earnings Per Share) prescribed under section 133 of the Companies Act, 2013, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment Rules), 2016, issued thereunder and other accounting principles generally accepted in India and the guidance note on Combined and Carve-out Financial Statements issued by the Institute of Chartered Accountants of India (ICAI).

Management of the entity has prepared the Special Purpose Combined financial statements, which comprise the Special Purpose combined Balance Sheet as at March 31, 2022 and March 31, 2021, the Special Purpose Combined Statement of Profit and Loss including other comprehensive income, the Special Purpose Combined Statement of Cash Flows and Special Purpose Combined Statement of Changes in Equity for the year ended March 31, 2022 and March 31, 2021, a summary of the significant accounting policies and other explanatory information.

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

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

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

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

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

(a) Combined like items of assets, liabilities, equity, income, expenses and cash flows of the combining entities.

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

S. R. BATLIBOI & CO. LLP * GURUGRAM *

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

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

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

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

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

2.2 Basis of Combination:

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

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

2.3 Summary of significant accounting policies

a) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

Liabilities:

A liability is current when:
(a) It is expected to be settled in normal operating cycle
(b) It is held primarily for the purpose of trading
(c) It is due to be settled within twelve months after the reporting period, or
(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities are classified as non-current.

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

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

b) Fair value measurement

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

For the purpose of fair value disclosures, the Restricted Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. (Refer note 36).

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

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

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

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

· Quantitative disclosures of fair value measurement hierarchy (Refer note 36)
· Financial instruments (including those carried at amortised cost) (Refer note 35)

c) Revenue Recognition

Revenue from contracts with customers
Revenue from contracts with customers is recognised when the electricity is transferred to the customer at the meter reading point at an amount that reflects the consideration to which the Company expects to be entitled in exchange of the electricity transferred.

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

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

Income from sale of credit
Income from sale of carbon credits is recognised at the time of transfer of credits to customers.

Application of interpretation for Service Concession Arrangements (SCA):

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

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

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

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d) Foreign currencies

Functional and presentational currency

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

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Restricted Group at the functional currency spot rates at the date the transaction first qualifies for recognition.
Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.
Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Foreign Operations

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

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
Current income tax assets and liabilities are offset if a legally enforceable right exists to set off these.

Deferred Tax

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

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

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

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

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

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

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

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

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

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

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

f) Government grant

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

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

The grants related to an expense item is presented as other income in the Statement of Profit and Loss. Thus, sale of emission reduction certificates have been recognised as other income.

g) Property, Plant and Equipment

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

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

Accordingly, the Restricted Group adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items recognised in the financial statements for the year ending immediately before the beginning of the first Ind AS financial reporting year pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated August 09, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the year. In other words, the Restricted Group do not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

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

h) Intangible assets

Recognition and measurement

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

i) Depreciation/amortization of fixed assets

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

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

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

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

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

Type of asset	Useful lives (in years)
Customer Contracts acquired during business combination	30-35
Computer Software	3-5

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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During the year, as a part of its annual exercise of review of estimates, the Restricted Group have conducted an operational efficiency review of its wind power plants and solar power plants respectively, classified under category property, plant and equipment. Basis the study and technical advice, with effect from April 1, 2021, the expected useful life of wind power plants and solar power plants has been revised from 25 years to 30 years and 35 years respectively. As a result of change, depreciation expenses recognized in Statement of Profit and Loss during the current year is decreased as compared to previous year. The effect of above changes on actual and expected depreciation expense was as follows.

Particulars	Amounts
Actual effect in current year	
Financial year 2021-22	320.77
Expected amount of effect in future years	
Financial year 2022-23	320.77
Financial year 2023-24	320.77
Financial year 2024-25	320.77
Financial year 2025-26	320.77
Financial year 2026-27	320.77
Financial year 2027-28	320.77

j) Borrowing costs

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

k) Leases

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

Right-of-use assets

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

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

Lease liabilities

At the commencement date of the lease, the Restricted Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Restricted Group and payments of penalties for terminating a lease, if the lease term reflects the Restricted Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Restricted Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low value

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

l) Retirement and other employee benefits

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

Defined benefit plan

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

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

Other Long Term Employee Benefits

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

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m) Provisions

General

Provisions are recognised when the Restricted Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Restricted Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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

Decommissioning costs:

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

n) Inventory

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

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

o) Financial instruments

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

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Restricted Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
-Debt instruments at amortised cost
-Debt instruments at fair value through other comprehensive income (FVTOCI)
-Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
-Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

The category applies to the Restricted Group's trade and other receivables, cash and cash equivalents, security deposits and other loans and advances, etc.
A debt instrument is measured at the amortised cost if both the following conditions are met:
(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Debt instruments at fair value through profit or loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Restricted Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Restricted Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Restricted Group of similar financial assets) is primarily derecognised when:
- The rights to receive cash flows from the asset have expired, or
- The respective Restricted Group has transferred their rights to receive cash flows from the asset or have assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; And

- Either the Restricted Group has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

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

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

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

The Restricted Group follows 'simplified approach for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Restricted Group to track changes in credit risk. Rather it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

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

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

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss (P&L).

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

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

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

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Restricted Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Restricted Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Restricted Group has not designated any financial liability as at fair value through profit and loss.

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

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

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

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

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

Compound Financial Instruments

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

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

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

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

Reclassification of financial assets and liabilities

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

Offsetting of financial instruments

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

p) Impairment of non-financial assets

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 or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Restricted Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The Restricted Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Restricted Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a year of five years. For longer years, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond years covered by the most recent budgets/forecasts, the Restricted Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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

q) Derivative financial instruments

Initial recognition and subsequent measurement

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

Derivative and Hedging activities
Derivative financial instruments and hedge accounting

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

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

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

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

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

r) Cash and cash equivalents

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

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

s) Contingent liabilities

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

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t) Events occurring after the Balance Sheet date

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

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

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

u) Changes in accounting policies and disclosures

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. the Restricted Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Restricted Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. the Restricted Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Restricted Group does not expect the amendment to have any significant impact in its financial statements

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. the Restricted Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. the Restricted Group does not expect the amendment to have any significant impact in its financial statements

v) Standards issued but not yet effective

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

2.4 Significant accounting judgements, estimates and assumptions

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

i) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Considering the applicability of Schedule II of Companies Act, 2013, the management has re-estimated useful lives and residual values of all its property, plant and equipment. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013 (Refer note 3, 4 and 5).

ii) Fair Value measurement of financial instruments

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

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 35 and 36 for further disclosures.

iii) Recognition and estimation of tax expense including deferred tax

The Restricted Group makes various assumptions and estimates while computing deferred taxes which include production related data (PLFs), projected operations and maintenance costs, projected finance costs, proposed availment of deduction under section 80IA of the Income Tax Act, 1961 and the period over which such deduction shall be availed, usage of brought forward losses etc. While these assumptions are based on best available facts in the knowledge of management as on the balance sheet date however, they are subject to change year on year depending on the actual tax laws and other variables in the respective year. Given that the actual assumptions which would be used to file the return of income shall depend upon the tax laws prevailing in respective year, management shall continue to reassess these assumptions while calculating the deferred taxes on each balance sheet date and the impact due to such change, if any, is considered in the respective year. Refer note 30.

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iv) Estimation of assets and obligations relating to employee benefits (including actuarial assumptions)
The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Refer note 32.

v) Recognition and measurement of contingency: Key assumption about the likelihood and magnitude of an outflow of resources
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, legal interpretations of various other acts/laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Restricted Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies. Refer note 30 and 34.

vi) Impairment of non-Financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for useful life of the project and do not include restructuring activities that the Restricted Group entities are not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Refer note 4

vii) Going concern assessment - note 43

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

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

3 Property, plant and equipment

	Freehold land (refer note (a) and (b) below)	Plant and Equipments	Building and Substation	Right of use asset (Land) (refer note 34)	Right of use asset (Building) (refer note 34)	Computers and Data processing Machines	Total
Gross Block							
(At cost)							
As at April 01 2020	1,333.81	32,265.18	976.99	259.34	58.73	48.04	34,942.09
Additions made during the year	-	0.01	0.13	-	-	0.25	0.39
Disposals / adjustments during the year	-	(13.09)	-	-	(58.73)	-	(71.82)
As at March 31, 2021	1,333.81	32,252.10	977.12	259.34	-	48.29	34,870.66
Additions made during the year	32.08	85.15	-	-	-	0.29	117.52
Disposals / adjustments during the year	-	(10.73)	(3.94)	-	-	(0.30)	(14.97)
As at March 31, 2022	1,365.89	32,326.52	973.18	259.34	-	48.28	34,973.21
Depreciation and impairment							
As at April 01 2020	-	4,410.34	137.69	11.92	8.01	28.81	4,596.77
Depreciation charge for the year	-	1,325.23	43.65	11.85	4.68	7.42	1,392.83
On disposals / adjustments during the year	-	-	-	-	(12.69)	-	(12.69)
As at March 31, 2021	-	5,735.57	181.34	23.77	-	36.23	5,976.91
Depreciation charge for the year*	-	1,016.85	35.22	11.86	-	5.36	1,069.29
On disposals / adjustments during the year	-	(0.49)	(0.01)	-	-	(0.27)	(0.77)
As at March 31, 2022	-	6,751.93	216.55	35.63	-	41.32	7,045.43
Net book value							
As at March 31, 2021	1,333.81	26,516.53	795.78	235.57	-	12.06	28,893.75
As at March 31, 2022	1,365.89	25,574.59	756.63	223.71	-	6.96	27,927.78

*Refer note 2.3(i) for change in useful life of wind and solar power plants

(a) 153.51 acre (March 31, 2021: 143.28 acre) of land are hypothecated for long term borrowings.

(b) Refer note 15 for charge against the above mentioned assets.

(c) Title deeds of immovable property not held in name of one of the Indian RG entity, Clean Solar Power (Gulbarga) Private Limited:

Relevant line item in the Balance Sheet	Description of the property	Area (acres)	Gross carrying amount	Title deed held in the name of	Whether title deed holder is promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in the name of the company
As at March 31, 2022							
Property, Plant and Equipment	Land	258.66	-	Various Persons	No	Year 2017-2019	Procedural formalities
As at March 31, 2021							
Property, Plant and Equipment	Land	347.17	-	Various Persons	No	Year 2017-2019	Procedural formalities

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

4 Capital work-in-progress

Movement during the year	Total
As at April 1, 2020	**101.80**
Addition during the year	-
Impairment during the year (Refer note below)	(58.96)
As at March 31, 2021	**42.84**
Addition during the year	-
Impairment during the year (Refer note below)	-
Less: Capitalised during the year	(42.84)
As at March 31, 2022	-

In one of the Restricted Group entity namely Clean Wind Power (Satara) Private Limited, the commissioning of one WTG of 2 MW ("WTG") got delayed due to certain Right of Way (RoW) and other land related issues resulting into expiration of Infrastructure Clearance given by Maharashtra Energy Development Agency ('MEDA'). Considering the fact that the WTG commissioning got delayed, the management had carried an impairment assessment and identified the discounted cash flows based on weighted average cost of capital (WACC) of 10.65% and plant load factor (PLF) of 23.70% ascertained based on project actual performance and external factors. Accordingly, the Company had recognised an impairment charge of Rs. 58.96 million during the year ended March 31, 2021 and Rs. 75.16 million as at March 31, 2021. The said WTG is commissioned in June 2021. The management believes that remaining carrying value of the said WTG under the head 'Property plant and equipment amounting to Rs. 42.84 million as at March, 2022 is fully recoverable as the project is expected to generate future economic benefits.

(i) Capital work-in-progress (CWIP) ageing schedule as at 31 March 2021:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	-	42.84	-	-	42.84

The ageing for an item of CWIP shall be determined from the date of its initial recognition to the date of balance sheet.

5 Other Intangible Assets

	Customer Contracts (Purchase Power Agreements)	Total
Gross Block		
(At cost)		
As at April 01, 2020	**157.00**	**157.00**
Additions made during the year	-	-
As at March 31, 2021	**157.00**	**157.00**
Additions made during the year	-	-
As at March 31, 2022	**157.00**	**157.00**
Amortisation and impairment		
As at April 01, 2020	**19.39**	**19.39**
Amortisation for the year	7.98	7.98
As at March 31, 2021	**27.37**	**27.37**
Amortisation for the year	7.98	7.98
As at March 31, 2022	**35.35**	**35.35**
Net book value		
As at March 31, 2021	**129.63**	**129.63**
As at March 31, 2022	**121.65**	**121.65**

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

6 Trade receivables

	As at March 31, 2022	As at March 31, 2021
Current		
Trade receivables*		
- Receivables considered good - Unsecured;	2,731.93	2,657.27
- Receivables-credit impaired	0.26	0.26
	2,732.19	**2,657.53**
Impairment Allowance (allowance for bad and doubtful debts)		
- Receivables-credit impaired	(0.26)	(0.26)
	2,731.93	**2,657.27**
* Trade receivable include the amount of unbilled revenue.	**383.35**	**382.60**
* Trade receivable include the amount receivable from related parties (refer note 31)	**4.42**	**4.42**

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

b) For terms and conditions relating to related party receivables, refer note 31.

c) Trade receivables are generally on terms of 45 to 60 days.

Below is the ageing, form the due date of payment, of the outstanding trade recievables as at reporting dates:

Particulars	(i) Undisputed Trade receivables - considered good	(ii) Undisputed Trade Receivables - which have significant increase in credit risk	iii) Undisputed Trade Receivables - credit impaired	(iv) Disputed Trade Receivables - considered good	(v) Disputed Trade Receivables - which have significant increase in credit risk	(vi) Disputed Trade Receivables - credit impaired	Total
As at March 21, 2022							
Unbilled	383.35	-	-	-	-	-	**383.35**
Not Due	269.90	-	-	-	-	-	**269.90**
Less than 6 months	1,107.67	-	-	-	-	-	**1,107.67**
6 months- 1 year	955.43	-	-	-	-	-	**955.43**
1-2 years	6.82	-	-	-	-	-	**6.82**
2-3 years	4.26	-	-	-	-	-	**4.26**
More than 3 years	4.50	-	0.26	-	-	-	**4.76**
Total	**2,731.93**	**-**	**0.26**	**-**	**-**	**-**	**2,732.19**
As at March 21, 2021							
Unbilled	382.60	-	-	-	-	-	**382.60**
Not Due	255.26	-	-	-	-	-	**255.26**
Less than 6 months	1,347.63	-	-	-	-	-	**1,347.63**
6 months- 1year	630.20	-	-	-	-	-	**630.20**
1-2 years	36.38	-	-	-	-	-	**36.38**
2-3 years	-	-	-	-	-	-	**-**
More than 3 years	5.20	-	0.26	-	-	-	**5.46**
Total	**2,657.27**	-	**0.26**	-	-	-	**2,657.53**

7 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- Current account*	1,439.18	4,307.88
- Deposits with original maturity of three months or less	-	416.08
	1,439.18	**4,723.96**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Restricted Group, and earn interest at the respective short-term deposit rates.
*Balance with banks-current account of Rs. 270.43 million (March 31, 2021: 3,508 million) pertains to (i) funds which can be used by CRPMPL for meeting its operating expenses and estimated transaction expenses and (ii) funds to be transferred to Indian entities of Restricted Group for expenditure on general corporate purpose of these entities

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

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- Current account	1,439.18	4,307.88
- Deposits with original maturity of three months or less	-	416.08
Bank overdraft (refer note 15)	(599.56)	(144.51)
	839.62	**4,579.45**

8 Other bank balances

	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity for more than 3 months but less than or equal to 12 months*	8.10	145.57
Balance with banks**	-	22,447.32
	8.10	**22,592.89**
* includes deposits held as margin money against bank guarantee and short term loan.	7.74	103.68

**Balance as at March 31, 2021 represents proceeds from the issue of 4.25% Senior secured notes, to be utilised for payment of existing project indebtedness in Indian entities of the Restricted Group along with prepayment charges.

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

9 Other financial assets

	As at March 31, 2022	As at March 31, 2021
Non- current		
Deposits with original maturity of more than 12 months (refer note (i) below)	0.32	0.30
Balance with banks (refer note (ii) below)	127.96	133.40
Loan to related parties (refer note (iii) below and note 31)	880.00	880.00
Security deposits- considered good	35.49	35.53
Security deposits- credit impaired	0.03	0.03
Less: impairment allowances for security deposits- credit impaired	(0.03)	(0.03)
Receivables from government authorities (Refer note 40)	325.61	-
	1,369.38	**1,049.23**
Current		
Deposits with original maturity of more than 12 months (refer note (i) below)	0.03	0.03
Balance with banks (refer note (ii) below)	6.88	-
Loan to related parties (refer note (iii) below and note 31)	833.02	-
Accrued Interest on fixed deposits	-	1.54
Accrued interest on loan to related parties (refer note 31)	297.53	169.18
Security deposits	5.61	4.01
Receivables from government authorities (refer note 40)	24.34	-
Other receivables (refer note 31)	366.21	366.80
Less: provision for doubtful debts (refer note 34 (c) (II))	(34.53)	(34.53)
	1,499.09	**507.03**
Total	**2,868.47**	**1,556.26**

Notes:

(i) Includes fixed deposit with interest under lien held as margin money	0.35	0.33

(ii) This represents 0.5% of outstanding 4.25% Senior secured notes ("Equity Cushion Amount") to be maintained by the Company as per underlying indenture.

(iii) Loan to related parties:

(a) One of the Restricted Group entity, Clean Wind Power (Ratlam) Pvt Ltd. entered into a "Loan Agreement" dated March 04, 2019 with Hero Solar Energy Private Limited for availing loan upto Rs. 1000 million. The loan disbursed and outstanding as at March 31, 2022 is Rs 680 million (March 31, 2021: Rs 680 million). The applicable interest will be 55 bps higher than interest rate of secured lenders.

(b) One of the Restricted Group entity, Clean Solar Power (Rajkot) Pvt Ltd. entered into a "Loan Agreement" dated April 01, 2019 with Hero Wind Energy Private Limited for availing loan upto Rs. 500 million. The loan disbursed and outstanding as at March 31, 2022 is Rs 200 million (March 31, 2021: Rs 200 million). The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan

(c) One of the Restricted Group entity, Clean Wind Power (Bableshwer) Pvt Ltd. entered into a "Loan Agreement" dated April 15, 2021 with Hero Wind Energy Private Limited for availing loan upto Rs. 200 million. The loan disbursed and outstanding as at March 31, 2022 is Rs 181.20 million. The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan

(d) One of the Restricted Group entity, Clean Wind Power (Dhar) Pvt Ltd. entered into a "Loan Agreement" dated April 15, 2021 with Hero Solar Energy Private Limited for availing loan upto Rs. 250 million. The loan disbursed and outstanding as at March 31, 2022 is Rs 207.62 million. The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan

(e) One of the Restricted Group entity, Clean Wind Power (Rajkot) Pvt Ltd. entered into a "Loan Agreement" dated April 15, 2021 with Hero Solar Energy Private Limited for availing loan upto Rs. 150 million. The loan disbursed and outstanding as at March 31, 2022 is Rs 140 million. The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan

(f) One of the Restricted Group entity, Clean Wind Power (Gulbarga) Pvt Ltd. entered into a "Loan Agreement" dated June 19, 2021 with Hero Solar Energy Private Limited for availing loan upto Rs. 750 million. The loan disbursed and outstanding as at March 31, 2022 is Rs 304.20 million. The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan

a) Break up of financial assets carried at amortised cost:	As at March 31, 2022	As at March 31, 2021
Trade receivables (Refer to note 6)	2,731.93	2,657.27
Cash and cash equivalents (Refer to note 7)	1,439.18	4,723.96
Other bank balances (Refer to note 8)	8.10	22,592.89
Other financial assets (Refer to note 9)	2,868.47	1,556.26
Total	**7,047.68**	**31,530.38**

10 Other assets
(Unsecured, considered good, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
Non- current		
Capital advances	90.81	90.81
Less: Provision for doubtful capital advances	(87.51)	(87.51)
Prepaid expenses	39.71	42.53
Prepaid gratuity- funded (net of provision for gratuity) (refer note 32)	3.56	0.72
Deferred asset	146.94	154.31
	193.51	**200.86**
Current		
Balance with government authorities	2.01	0.08
Advance to Vendors	235.69	162.67
Less: provision for doubtful advance (refer note 34 (c) (III))	(132.00)	(39.39)
Prepaid expenses	51.79	5.83
Advance to employees	0.78	2.33
Deferred asset	7.27	7.27
Other receivables	5.82	-
Less: Provision for doubtful receivable	(5.82)	-
	165.54	**138.79**

11 Non- current tax assets (net)

	As at March 31, 2022	As at March 31, 2021
Advance Income Tax (Net) *	58.54	82.72
	58.54	**82.72**
	70.90	107.37

* net of provision for tax

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12 Inventories

	As at March 31, 2022	As at March 31, 2021
Stores and spares	13.38	4.30
	13.38	4.30

13 Equity Share Capital

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

Authorised share capital	As at March 31, 2022	As at March 31, 2021
Equity Share capital		
12,000,000 (March 31, 2021: 12,000,000) equity shares of Rs. 10 each in Clean Wind Power (Bableshwar) Private Limited*	120.00	120.00
45,010,000 (March 31, 2021: 45,010,000) equity shares of Rs. 10 each in Clean Solar Power (Dhar) Private Limited#	450.10	450.10
60,000,000 (March 31, 2021: 60,000,000) equity shares of Rs. 10 each in Bhilwara Green Energy Limited*	600.00	600.00
126,000,000 (March 31, 2021: 126,000,000) equity shares of Rs. 10 each in Clean Solar Power (Gulbarga) Private Limited#	1,260.00	1,260.00
15,000,000 (March 31, 2021: 15,000,000) equity shares of Rs. 10 each in Clean Wind Power (Piploda) Private Limited*	150.00	150.00
15,000,000 (March 31, 2021: 15,000,000) equity shares of Rs. 10 each in Rajkot (Gujarat) Solar Energy Private Limited#	150.00	150.00
35,000,000 (March 31, 2021: 35,000,000) equity shares of Rs. 10 each in Clean Wind Power (Ratlam) Private Limited*	350.00	350.00
120,000,000 (March 31, 2021: 120,000,000) equity shares of Rs. 10 each in Clean Wind Power (Satara) Private Limited*	1,200.00	1,200.00
893,839.30 (March 31, 2021: 164,381) equity shares of $ 1 each in Clean Renewable Power (Mauritius) Pte. Ltd$	65.96	11.78
	4,346.06	4,291.88

Issued, subscribed and paid up	As at March 31, 2022	As at March 31, 2021
Equity share capital		
10,000 (March 31, 2021: 10,000) equity shares of Rs. 10 each in Clean Wind Power (Bableshwar) Private Limited*	0.10	0.10
45,010,000 (March 31, 2021: 45,010,000) equity shares of Rs. 10 each in Clean Solar Power (Dhar) Private Limited#	450.10	450.10
56,960,070 (March 31, 2021: 56,960,070) equity shares of Rs. 10 each in Bhilwara Green Energy Limited*	569.60	569.60
126,000,000 (March 31, 2021: 66,000,000) equity shares of Rs. 10 each in Clean Solar Power (Gulbarga) Private Limited#	1,260.00	1,260.00
13,613,000 (March 31, 2021: 13,613,000) equity shares of Rs. 10 each in Clean Wind Power (Piploda) Private Limited*	136.13	136.13
13,750,000 (March 31, 2021: 13,750,000) equity shares of Rs. 10 each in Rajkot (Gujarat) Solar Energy Private Limited#	137.50	137.50
35,000,000 (March 31, 2021: 35,000,000) equity shares of Rs. 10 each in Clean Wind Power (Ratlam) Private Limited*	350.00	350.00
71,889,000 (March 31, 2021: 71,889,000) equity shares of Rs. 10 each in Clean Wind Power (Satara) Private Limited*	718.89	718.89
893,839.30 (March 31, 2021: 164,381) equity shares of $ 1 each in Clean Renewable Power (Mauritius) Pte. Ltd$	65.96	11.78
	3,688.28	3,634.10

* resperesents entities held by Hero Wind Energy Private Limited
# respresents entities held by Hero Solar Energy Private Limited
$ respresents entities held by Hero Future Energies Asia Pte. Ltd

a) Reconciliation of authorised, issued and subscribed share capital:

i. Reconciliation of authorised share capital as at year end :	No. of shares	(Rs. in million)
Balance as at April 1, 2020	**388,156,460**	**3,890.54**
Issued during the year	40,017,921	401.34
Balance as at March 31, 2021	**428,174,381**	**4,291.88**
Issued during the year	729,458	54.18
Balance as at March 31, 2022	**428,903,839**	**4,346.06**

ii. Reconciliation of issued and subscribed share capital as at year end :	No. of shares	(Rs. in million)
Balance as at April 1, 2020	302,378,530	3,032.76
Issued during the year	60,017,921	601.34
Balance as at March 31, 2021	**362,396,451**	**3,634.10**
Issued during the year	729,458	54.18
Balance as at March 31, 2022	**363,125,909**	**3,688.28**

b) Terms/ rights attached to equity shares:

The Restricted Group has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share and entitled to receive dividends as declared from time to time.

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

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

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

Particulars		No of the shares at the beginning of the year	change during the year	No. of shares at the end of the year	% of total shares at year end	% change during the year
For the year ended March 31, 2022	Hero Wind Energy Private Limited	177,472,070		177,472,070	48.87%	0.00%
	Hero Solar Energy Private Limited	184,760,000		184,760,000	50.88%	0.00%
	Hero Future Energies Asia Pte. Ltd.	164,381	729,458	893,839	0.25%	443.76%
For the year ended March 31, 2021	Hero Wind Energy Private Limited	177,472,070		177,472,070	48.97%	0.00%
	Hero Solar Energy Private Limited	124,760,000	60,000,000	184,760,000	50.98%	48.09%
	Hero Future Energies Asia Pte. Ltd	146,460	17,921	164,381	0.05%	12.24%

Includes shares held by nominee shareholder

d) Details of shareholders holding more than 5% shares

As at March 31, 2022

	No. of shares	Holding %
Hero Wind Energy Private Limited along with its nominee	177,472,070	48.87%
Hero Solar Energy Private Limited along with its nominee	184,760,000	50.88%
Hero Future Energies Asia Pte. Ltd.	893,839	0.25%
	363,125,909	100.00%

As at March 31, 2021

	No. of shares	Holding %
Hero Wind Energy Private Limited along with its nominee	177,472,070	48.97%
Hero Solar Energy Private Limited along with its nominee	184,760,000	50.98%
Hero Future Energies Asia Pte. Ltd.	164,381	0.05%
	362,396,451	100.00%

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

Bhilwara Green Energy Limited
(a) 51% shares are pledged by Hero Wind Energy Private Limited for borrowing obtained by the entity (refer note 15) and
(b) 49% shares are pledged by Hero Wind Energy Private Limited for its own borrowings from lenders.

Clean Wind Power (Bableshwar) Private limited
51% shares are pledged by Hero Wind Energy Private Limited for borrowing obtained by the entity (Refer note 15).

Clean Wind Power (Piploda) Private Limited
51% shares are pledged by Hero Wind Energy Private Limited for borrowing obtained by the entity. (Refer note 15).

Clean Wind Power (Satara) Private Limited
(a) 51% shares are pledged by Hero Wind Energy Private Limited for borrowing obtained by the entity (Refer note 15) and
(b) 49% shares are pledged by Hero Wind Energy Private Limited for the purpose of borrowing in Hero Future Energies Private Limited.

Clean Wind Power (Ratlam) Private Limited
a) 51% shares are pledged by Hero Wind Energy Private Limited for borrowings obtained by the entity (Refer Note 15).
(b) 49% shares are pledged by Hero Wind Energy Private Limited for the purpose of borrowing in Hero Future Energies Private Limited.

Rajkot (Gujarat) Solar Energy Private Limited
51% shares are pledged by Hero Solar Energy Private Limited for borrowing obtained by the entity (Refer note 15).

Clean Solar Power (Dhar) Private Limited
51% shares are pledged by Hero Solar Energy Private Limited for borrowing obtained by the entity (Refer note 15)

Clean Solar Power (Gulbarga) Private Limited
a) 49.57% of equity shares are pledged by Hero Solar Energy Private Limited for the purpose of borrowing obtained by the entity (Refer note 15) and
b) 49.00% of equity shares are pledged by Hero Solar Energy Private Limited for the purpose of borrowing in Hero Future Energies Private Limited.

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

14 Other Equity

	Amount
Retained Earnings	
Opening Balance (April 1, 2020)	**(1,609.88)**
Add:- Deficit in statement of profit and loss	(944.90)
Add:- Other comprehensive expense	0.52
Closing Balance (March 31, 2021)	**(2,554.26)**
Add:- Deficit in statement of profit and loss	(277.77)
Add:- Other comprehensive income	5.79
Add:: Transfer from debenture redemption reserve	209.58
Closing Balance (March 31, 2022)	**(2,616.66)**
Other Reserves	
Securities premium	
Opening Balance (April 1, 2020)	-
Add:- Addition during the year	261.40
Less:- Share Issue Expenses	(3.60)
Closing Balance (March 31, 2021)	257.80
Add:- Addition during the year	-
Closing Balance (March 31, 2022)	**257.80**
Debenture Redemption Reserve	
Opening Balance (April 1, 2020)	209.58
Add:- Addition during the year	-
Closing Balance (March 31, 2021)	**209.58**
Add:- Addition during the year	-
Less:- transferred to retained earnings	(209.58)
Closing Balance (March 31, 2022)	-

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

Invested Capital	
Opening Balance (April 1, 2020)	**463.31**
Add:- Addition during the year	-
Closing Balance (March 31, 2021)	**463.31**
Add:- Addition during the year	-
Closing Balance (March 31, 2022)	**463.31**
Foreign Currency Translation	
Opening Balance (April 1, 2020)	**(5.19)**
Add:- Addition during the year	1.60
Add:- transferred from deemed capital contribution	(0.07)
Closing Balance (March 31, 2021)	**(3.66)**
Add:- Addition during the year	0.82
Closing Balance (March 31, 2022)	**(2.84)**
Cash Flow Hedging Reserve	
Opening Balance (April 1, 2020)	-
Add:- Addition during the year	-
Less:- Utilised during the year	-
Closing Balance (March 31, 2021)	-
Add:- Addition during the year	(189.78)
Less: Tax effect	(28.47)
Less:- Utilised during the year	-
Closing Balance (March 31, 2022)	**(218.25)**
Cost of Hedging Reserve	
Opening Balance (April 1, 2020)	-
Add:- Addition during the year	-
Closing Balance (March 31, 2021)	-
Add:- Addition during the year	(232.77)
Less: Tax effect	(34.92)
Closing Balance (March 31, 2022)	**(267.69)**
Deemed capital contribution	
Opening Balance (April 1, 2020)	**62.91**
Add:- Addition during the year (refer note (a) below)	54.18
Less: Transferred to share capital (refer note (a) below)	(1.34)
Less: Transferred to Foreign currency translation reserve	0.07
Closing Balance (March 31, 2021)	**115.82**
Add:- Addition during the year	-
Less: Transferred to share capital (refer note (a) below)	(54.18)
Closing Balance (March 31, 2022)	**61.64**

(a) The Company had received funds of Rs. Nil million (March 31, 2021: Rs. 54.18 million) from the parent for settlement of the operational expenses, out of which Rs. 53.84 million (March 31, 2021: Rs. 1.34 million) has transferred to share capital.

Equity component of compulsory convertible debentures (refer note (b) below)	
Opening Balance (01 April 2020)	**598.81**
Add:- Addition during the year	246.14
Less:- Deferred tax charge	(61.95)
Closing Balance (31 March 2021)	**783.00**
Add:- Addition during the year	-
Closing Balance (31 March 2022)	**783.00**

(b) One of the Restricted Group Entity, Clean Solar Power (Gulbarga) Private Limited had issued unrated, unlisted, unsecured Compulsory Convertible Cumulative Debentures to it's holding company Hero Solar Energy Private Limited, having a face value of Rs. 10 each to finance the project. The said entity has adopted the split method of accounting under IND AS and discounted the expected cash outflows and determined the same as financial liability as on the date of issue of debentures. The entity has allocated the residual value to the equity component. Refer note 15 for further details.
The entity had opted for lower tax rate under section 115BAA of the Income tax act, 1961 resulting in adjustment to equity component of compulsorily convertible debentures.

Nature and Purpose of Reserve:

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

Debenture Redemption Reserve
One of the Restricted Group entity namely Bhilwara Green Energy Limited ("BGEL"), had issued redeemable non-convertible debentures. Under the Companies (Share capital and Debentures) Rules, 2014 (as amended), the Company was required to create DRR, for amount equivalent to 25% of the value of debentures issued, out of profits of the Company available for payment as dividend. However, Vide notification G.S.R.574 (E) dated August 16, 2019, in case of privately placed debentures, Debenture Redemption Reserve ('DRR') is not required for the Company. Accordingly, the entity has transferred the DRR to retained earnings. Further to this, such debentures have been redeemed fully during the year.

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

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

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

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

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15 Borrowings	As at March 31, 2022	As at March 31, 2021
Non- current		
Secured		
4.25% Senior secured notes (refer note 1 below)	25,326.86	25,826.59
Unsecured		
Optional Convertible Cumulative Debentures (refer note 2 below)	1,799.78	1,799.64
Compulsory Convertible Debentures (refer note 2 below)	1,532.89	1,571.63
Loan from Related Party (refer note 3 below)	32.84	-
	28,692.37	29,197.86
Current		
Secured		
Current maturities of long term borrowings (refer note 4 below)	-	21,337.28
Current maturities of Non-Convertible Debentures- Senior (refer note 4 below)	-	798.50
Current maturities of 4.25% Senior secured notes (refer note 1 below)	1,304.10	465.45
Cash credit (refer note 2 below)	599.56	-
Working Capital facility	-	111.50
Unsecured		
Loan from related parties	-	1,316.42
Bank overdraft	-	144.51
	1,903.66	24,173.66
Total	30,596.03	53,371.52

a) Senior Secured notes attract interest rate of 4.25% p.a.

b) Loan from Related parties, Working Capital facility and cash credit from banks carries interest in the range of @ 8.45% p.a.- 11% p.a.

c) Optional Convertible Cumulative Debentures ("OCCD") carry interest in the range of 8.90% p.a.- 9.94% p.a., which is linked to MCLR

d) Compulsory Convertible Debentures ("CCD") carry interest of 6% p.a.-9.40% p.a., which is linked to MCLR

Notes on security terms:

1 4.25% Senior Secured Notes

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

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

2 Optional Convertible Cumulative Debentures

Entity name	Nature of Lender	Amount (Rs. in million)	Payment terms	Security and other details
Optional Convertible Cumulative Debentures ("OCCD")				
Clean Wind Power (Ratlam) Private Limited	Hero Wind Energy Private Limited	1,047.83	(i) OCCD I (35,000,000 debentures of face value Rs. 10 each)- On 20th anniversary of the issuance of the Series I OCCDs, (Issuance Date- January 20, 2016) (ii) OCCD I (35,000,000 debentures of face value Rs. 10 each)- On 23rd anniversary of the issuance of the Series II OCCDs (Issuance Date- January 20, 2016) (iii) OCCD I (35,000,000 debentures of face value Rs. 10 each)- On 25th anniversary of the issuance of the Series III OCCDs (Issuance Date for 25,000,000 debentures and 10,000,000 debentures- January 20, 2016 and June 28, 2016 respectively), Subject to prior approval from the lenders of the entity at the	Unsecured
Clean Wind Power (Piploda) Private Limited	Hero Wind Energy Private Limited	407.61	(i) OCCD I (20,000,000 debentures of face value Rs. 10 each)- On 20th anniversary of the issuance of the Series I OCCDs (Issuance Date- February 01, 2017) (ii) OCCD II (20,838,000 debentures of face value Rs. 10 each)- On 25th anniversary of the issuance of the Series II OCCDs (Issuance Date- February 01, 2017) Subject to prior approval from the lenders of the entity at the option of Debenture Subscriber.	Unsecured
Rajkot(Gujarat) Solar Energy Private Limited	Hero Solar Energy Private Limited	344.34	(i) OCCD I (20,000,000 debentures of face value Rs. 10 each)- On 20th anniversary of the issuance of the Series I OCCDs (Issuance Date- January 30, 2017), (ii) OCCD II (14,500,000 debentures of face value Rs. 10 each)- On 25th anniversary of the issuance of the Series II OCCDs (Issuance Date- January 30, 2017), Subject to prior approval from the lenders of the entity at the option of Debenture Subscriber.	Unsecured
Total		1,799.78		

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Entity name	Nature of Lender		Payment terms	Security and other details
Compulsory Convertible Debentures ("CCD")				
Clean Solar Power (Gulbarga) Private Limited	Hero Solar Enery Private Limited	1,532.89	(i) CCD (Series I) (57 million of face value Rs 10 each)- Conversion into equity shares is fixed in the ratio of 1:1 upon expiry of 10 year. The entity with a written notice of 30 days, shall have right to call upon the debenture subscriber to convert CCD at any time after 3 years from the date of issuance of the CCD i.e, March 02, 2017 and mandatory conversion upon expiry of 10 years from issuance (ii) CCD (Series I) (50 million of face value Rs 10 each)- Conversion into equity shares is fixed in the ratio of 1:1 upon expiry of 10 year. The entity with a written notice of 30 days, shall have right to call upon the debenture subscriber to convert CCD at any time after 3 years from the date of issuance of the CCD i.e, November 28, 2017 and mandatory conversion upon expiry of 10 years from issuance (iii) CCD (Series A) (129.96 million of face value Rs 10 each)- The entity with a written notice of 30 days, shall have right to call upon the debenture subscriber to convert Series A CCD at any time (iv) CCD IV (Series A*) (20 million of face value Rs 10 each)- The entity with a written notice of 30 days, shall have right to call upon the debenture subscriber to convert Series A CCD at any time. * Allotment of Compulsorily Convertible Debentures Series (A) is of Rs. 5.00 million out of Rs. 20.00 million number of CCDs.	Unsecured
Total		1,532.89		

Entity name	Nature of Lender		Payment terms	Security and other details
Bank Overdraft				
Clean Wind Power (Ratlam) Private Limited	Axis Bank Ltd	286.94	Repayable on demand	Facility is secured by first charge on the entire current assets of the respective entity, present and future; second charge on the entire movable fixed assets of respective entity, present and future and corporate gurantee of Hero Future Energies Private Limited.
Clean Wind Power (Satara) Private Limited	Axis Bank Ltd	38.84	Repayable on demand	
Clean Wind Power (Piploda) Private Limited	Axis Bank Ltd	85.57	Repayable on demand	
Bhilwara Green Energy Limited	Axis Bank Ltd	32.80	Repayable on demand	
Clean Wind Power (Bableshwar) Private Limited	Axis Bank Ltd	100.05	Repayable on demand	
Clean Solar Power (Dhar) Private Limited	Axis Bank Ltd	18.62	Repayable on demand	
Clean Solar Power (Rajkot) Private Limited	Axis Bank Ltd	30.14	Repayable on demand	
Clean Solar Power (Gulbarga) Private Limited	Axis Bank Ltd	6.61	Repayable on demand	
Total		599.56		

3 Loan from Related Parties

(a) The entity has entered into a "Loan Agreement" dated Feb 05, 2016 (amended December 21, 2016) with Hero Wind Energy Private Limited (the holding company) for availing loan upto Rs. 1,500.00 million and accordingly till March 31, 2022 the entity has Rs 0.7 million (March 31, 2021: 583.11 million) outstanding balance against the sanctioned limited.

(b) The Entity has entered into a "Loan Agreement" dated February 5, 2016 with Hero Wind Energy Private Limited (the holding company) for availing loan upto Rs. 500.00 million (March 31, 2021: Rs 500.00 million) and accordingly till March 31, 2022 the entity has Rs. 16.00 million (March 31, 2021: Rs 66.25 million) disbursed against the sanctioned limited.

(c) (i) The entity has entered in to Intercompany Loan Agreement ("Agreement") dated October 18, 2017 with Hero Wind Energy Private Limited ("HWEPL") to borrow an amount of Rs. 205.60 million carrying an interest rate of 13% p.a. to prepay the subordinate non convertible debentures of aggregate face value of Rs. 321.61 million. Outstanding amount as at March 31, 2022 is Rs. Nil (March 31, 2021: Rs. 5.6 million).

(c) (ii) The entity has entered into a "Loan Agreement" dated January 24, 2018 with Hero Wind Energy Private Limited (the holding company) for availing loan upto Rs. 500.00 million and accordingly till March 31, 2022 the Company has received Rs. 13.64 million (March 31, 2021: Rs. 88.00 million) disbursed against the sanctioned limited.

(d) The Entity has entered into a "Loan Agreement" dated December 19, 2016 with Hero Wind Energy Private Limited (the holding company) for availing loan upto Rs. 500.00 million and accordingly till March 31, 2022 the entity has Rs. 2.50 million (March 31, 2021: Rs 479.32 million) disbursed against the sanctioned limit.

4 Term Loans and NCDs availed by various entities of the Restricted Group from various Banks and Financial Institutions are secured by way of charge on all present and future moveable and immovable assets, stores and spares, raw materials, work-in-progress, finished goods, book debts, project receivables, intangibles, uncalled capital receivables, rights under project documents of the respective entities, project cash flows, regulatory deferral accounts, accounts including Debt Service Reserve Accounts and bank accounts, bank guarantees and pledge of shares of entities held by their respective holding companies. Long Term Loan from Banks and Financial Institutions attract interest rate ranging from 9.10%p.a.- 10.95% p.a.

During the current year, Indian Restricted Group entities have subscribed to rupee denominated external commercial borrowings and repaid their existing lenders, therefore as at March 31, 2021, outstanding term loans of these Indian entities of Restricted Group reclassified from non-current borrowings to current maturities of long term borrowings.

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

16 Trade payables

	As at March 31, 2022	As at March 31, 2021
Trade payables		
- Outstanding dues to micro and small enterprises*	1.46	4.37
- Outstanding dues to parties other than micro and small enterprises	235.54	1,016.48
	237.00	**1,020.85**
Includes payable to related parties	51.27	718.89

*These have been identified by the Restricted Group from the available information which has been relied upon by the auditors.
For explanations on the Restricted Group's credit risk management processes, refer to note 38.

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

	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	1.46	4.37
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Below is the ageing of the trade payables outstanding as at reporting dates:

Particulars	(a) Undisputed total outstanding dues of micro and small enterprises	(b) Undisputed total outstanding dues of creditors other than micro and small enterprises	(c) Disputed dues of micro and small enterprises	(d) Disputed total outstanding dues of creditors other than micro and small enterprises	Total
As at March 31, 2022					
Unbilled	0.16	126.73	-	28.14	**155.03**
Not due	0.84	9.51	-	-	**10.35**
Less than 1 Year	0.46	25.07	-	-	**25.53**
1-2 Years	-	0.21	-	-	**0.21**
2-3 Years	-	0.25	-	-	**0.25**
More than 3 Years	-	45.63	-	-	**45.63**
Total	**1.46**	**207.40**	**-**	**28.14**	**237.00**
As at March 31, 2021					
Unbilled	-	176.94	-	28.14	**205.08**
Not due	4.37	103.46	-	-	**107.83**
Less than 1 Year	-	130.80	-	-	**130.80**
1-2 Years	-	102.99	-	-	**102.99**
2-3 Years	-	255.02	-	-	**255.02**
More than 3 Years	-	219.13	-	-	**219.13**
Total	**4.37**	**988.34**	**-**	**28.14**	**1,020.85**

17 Other Financial Liabilities

	As at March 31, 2022	As at March 31, 2021
Non- current		
Derivative Liability	138.95	-
	138.95	**-**
Current		
Interest accrued on borrowings	-	34.99
Interest accrued on 4.25% Senior secured notes	19.10	18.64
Interest accrued on loan from related parties (refer note 31)	77.04	918.89
Interest accrued on OCCD (refer note 31)	87.19	426.36
Interest accrued on Compulsory Convertible Debentures (refer note 31)	132.01	363.44
Payables for property, plant and equipment and intangible asset	346.56	394.60
Other payable (refer note 31)	19.26	777.66
	681.16	**2,934.58**
Total	**820.11**	**2,934.58**

Breakup of financial liabilities at amortised cost:

	As at March 31, 2022	As at March 31, 2021
Borrowings (Refer note 15)	30,596.03	53,371.52
Trade payables (Refer note 16)	237.00	1,020.85
Other financial liabilities (Refer note 17)	681.16	2,934.58
	31,514.19	**57,326.95**

18 Other liabilities

	As at March 31, 2022	As at March 31, 2021
Non- current		
Deferred government grant (Refer note 39)	302.20	305.76
Deferred revenue (Refer note 40)	461.16	-
Operation and maintenance equalisation reserve	233.26	276.08
	996.62	**581.84**
Current		
Deferred government grant (Refer note 39)	26.79	24.72
Deferred revenue (Refer note 40)	22.91	-
Operation and maintenance equalisation reserve	42.82	31.33
Statutory dues	44.64	21.72
	137.16	**77.77**
Total	**1,133.78**	**659.61**

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

19 Provisions	As at March 31, 2022	As at March 31, 2021
Non- current		
Provision for employee benefits:		
- Provision for gratuity (Refer note 32)	0.77	-
- Provision for compensated absences	7.12	10.24
Others		
Provision for decommissioning cost	38.82	48.56
	46.71	**58.80**
Current		
Provision for employee benefits:		
- Provision for gratuity (Refer note 32)	0.15	2.36
- Provision for compensated absences	0.76	0.52
	0.91	**2.88**
Movement of provision for decommissioning cost		
As at 01 April 2020		**44.30**
Additions during the year		4.26
As at 31 March 2021		**48.56**
Additions during the year		3.32
Change in estimates (refer note (i) below)		(13.06)
As at 31 March 2022		**38.82**

(i) Due to change in useful life during the year , the decommissioning liability on Plant and Machinery and Building has been decreased by 13.06 million.

20 Liabilities for current tax (net)	As at March 31, 2022	As at March 31, 2021
Liabilities for current tax (net of advance tax)	9.08	-
	9.08	**-**
* Net of advance tax	81.77	-

21 Revenue from operations	For the year ended As at March 31, 2022	As at March 31, 2021
Type of goods or service		
Sale of electricity	4,755.37	4,582.91
Less: Rebate and Discounts	(34.98)	(38.30)
Sale of electricity (net of rebate and discounts)	**4,720.39**	**4,544.61**
Incentive under generation based incentive scheme	213.61	193.07
Other operating revenue		
Income from Carbon Credit	44.69	22.25
Total revenue from operations	**4,978.69**	**4,759.93**

Performance Obligation

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

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

22 Other income	For the year ended As at March 31, 2022	As at March 31, 2021
Interest income on fixed deposits	8.13	27.28
Interest income on income tax refund	11.42	0.49
Interest income on loan to related parties	142.61	93.96
Unwinding of discount on deposits	2.50	3.64
Amortisation of deferred government grant (Refer note 39)	5.73	24.72
Amortisation of deferred revenue (Refer note 40)	26.79	-
Balances and Provision written back	13.12	21.05
Insurance claim	57.89	42.92
Miscellaneous income	13.51	6.43
	281.70	**220.49**

23 Employee benefit expenses	For the year ended As at March 31, 2022	As at March 31, 2021
Salaries, wages and bonus	126.70	94.56
Contribution to provident and other funds (Refer note 32)	5.45	3.73
Gratuity expense (Refer note 32)	4.37	3.25
Staff welfare expenses	0.07	0.09
	136.59	**101.63**

24 Finance cost	For the year ended As at March 31, 2022	As at March 31, 2021
Interest expense on financial liabilities measured at amortised cost:		
Interest on debts and borrowings banks and financial institutions	184.49	2,379.37
Interest on 4.25% Senior secured notes	2,156.20	19.94
Interest on loan from related parties (Refer note 31)	11.09	257.86
Interest on Optional Cumulative Convertible Debenture (refer note 31)	141.42	165.44
Interest on compulsory convertible debenture (refer note 31)	142.82	62.36
Interest on non convertible debenture	5.91	106.48
Other finance costs	23.64	418.44
	2,665.57	**3,409.89**

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

25 Depreciation and amortisation expense*

	For the year ended	
	As at March 31, 2022	As at March 31, 2021
Depreciation of tangible assets	1,057.41	1,376.30
Depreciation of right of use asset	11.86	16.53
Amortisation of intangible assets	7.98	7.98
	1,077.25	**1,400.81**

*Refer note 2.3(i) for change in useful life of wind and solar power plants

25A Impairment of Assets

	For the year ended	
	As at March 31, 2022	As at March 31, 2021
Impairment of Capital work-in-progress (refer note 4)	-	58.96
	-	**58.96**

26 Other expenses

	For the year ended	
	As at March 31, 2022	As at March 31, 2021
Operation and maintenance	432.49	426.85
Legal and professional expense	67.10	48.92
Exchange fluctuaution expense (net)	1.72	0.01
Balances written-off	-	3.06
Rent, rates and taxes	22.49	18.79
Travelling and conveyance	10.11	6.79
Power and fuel	31.31	66.22
Management Fees (refer note 31)	166.32	158.40
Insurance	59.66	59.10
Provision for doubtful debts and advances	102.82	43.05
Liquidated Damage Charges	-	206.70
Repair and maintenance	16.19	16.54
Director sitting fees	0.26	0.50
Deviation Settlement Charges	26.47	35.08
Miscellaneous expenses	20.02	23.37
	956.96	**1,113.38**
* Includes operation and maintenance equalisation reserve recognised over life of the Operation & maintenance contract	**31.33**	**20.38**

27 Tax expense

	For the year ended	
	As at March 31, 2022	As at March 31, 2021
Current tax	301.43	10.07
Adjustment of tax relating to earlier periods	(0.54)	0.10
Deferred tax	400.90	(169.52)
	701.79	**(159.35)**

28 Other Comprehensive Income

	For the year ended	
	As at March 31, 2022	As at March 31, 2021
Re-measurement gains/ (losses) on defined benefit plans	8.04	0.62
Income Tax Effect on Re-measurement gains/ (losses) on defined benefit plans	(2.25)	(0.10)
Effective Portion of Cash Flow Hedges (net of tax)	(485.93)	-
Foreign Currency Translation Reserve	0.82	1.53
	(479.32)	**2.05**

29 Earnings per Share

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

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

30 Deferred Tax

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021 as follows:

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

	As at March 31, 2022	As at March 31, 2021
Accounting profit before tax	424.02	(1,104.25)
Applicable tax rate	26.00%	26.00%
Computed Tax Expense	**110.25**	**(287.11)**
Difference in tax Rates	(3.29)	(5.88)
Effect of tax rate differences due to entity operating in other jurisdictions	(25.87)	0.29
Non-deductible expenses for tax purposes*	436.95	19.26
Effect on tax due to reassessment of temporary differences reversing under tax holiday period (refer note a below)	93.40	(0.29)
Deferred tax assets (created)/reversed on business losses (refer note c below)	(108.79)	101.74
Tax on deemed dividend	41.95	-
Withholding tax on interest income lapsed	138.67	-
Others	18.52	12.64
Income tax charged to Special Purpose Combined Statement of Profit & Loss	**701.79**	**(159.35)**

*Primarily represent disallowance under section 94B of Income Tax Act, 1961 in respect of interest on Onshore ECB Bond.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	411.77	500.91
Deferred tax liabilities	(947.64)	(570.25)
Net Deferred tax assets/ (liabilities)	**(535.87)**	**(69.34)**

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

As on March 31, 2022

Significant components of deferred tax asset/(liabilities)	**Opening Balance as on April 01, 2021**	**Charged / (credited) to Statement of profit and loss**	**Charged / (credited) to OCI**	**Charged / (credited) directly in Equity**	**Closing Balance as on March 31, 2022**
Carry forward tax loss and Unabsorbed depreciation	**973.56**	79.38	-	-	**894.18**
Higher depreciation and amortization for tax purposes	**(1,406.55)**	544.10	-	-	**(1,950.65)**
Effective interest rate adjustments for borrowings	**2.73**	1.82	-	-	**0.91**
Equity component of compound financial instruments	**56.01**	9.75	-	-	**46.26**
Deferred Government Grant	**21.66**	(3.97)	-	-	**25.63**
Minimum alternative tax credit entitlement (refer note (b) below)	**223.99**	(125.86)	-	-	**349.85**
Gain/(loss) on mark to market of derivative instrument	-	-	-	63.38	**(63.38)**
Others	**59.26**	(104.32)	2.25	-	**161.33**
Total	**(69.34)**	**400.90**	**2.25**	**63.38**	**(535.87)**

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

As at March 31, 2021

Significant components of deferred tax asset/(liabilities)	Opening Balance as on April 01, 2020	Charged / (credited) to Statement of profit and loss	Charged / (credited) to OCI	Charged / (credited) directly in Equity	Closing Balance as on March 31, 2021
Carry forward tax loss and Unabsorbed depreciation	559.50	(414.06)	-	-	973.56
Higher depreciation and amortization for tax purposes	(1,160.23)	246.32	-	-	(1,406.55)
Effective interest rate adjustments for borrowings	(5.08)	(7.81)	-	-	2.73
Equity component of compound financial instruments	137.56	19.60	-	61.95	56.01
Deferred Government Grant	37.25	15.59	-	-	21.66
Minimum alternative tax credit entitlement (refer note (b) below)	216.25	(7.74)	-	-	223.99
Lease liability	13.35	13.35	-	-	-
Right of use asset	(12.77)	(12.77)	-	-	-
Others	37.36	(22.00)	0.10	-	59.26
Total	**(176.82)**	**(169.52)**	**0.10**	**61.95**	**(69.34)**

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

(b) The Indian entities of Restricted Group has recognized an asset of Rs 349.85 million (March 31, 2021: Rs 223.99 million) as "MAT credit entitlement" . It represents that portion of MAT liability which can be set off in subsequent years based on provisions of Income Tax Act 1961. The management based on future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the entities to utilize MAT credit assets.

(c) As at March 31, 2022, one of the restricted group entity namely Clean Solar Pwer (Gulbarga) Private Limited has carry forward tax losses of Rs. 385.65 million (expiring Rs. 59.23 million in financial year 2027-28, Rs. 326.42 million in financial year 2028-29) on which the Company has recognized deferred tax asset of Rs. 97.07 million (which was earlier reversed in the year ended March 31, 2021) primarily due to availability of projected taxable profits as a result of tax impact of Onshore ECB bonds issued in the current year

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

31 Related Party Transactions

a) List of related parties

Name of Related Party	Nature of relationship
BM Munjal Energies Private Limited	Ultimate holding company
Hero Future Energies Private Limited	Intermediate holding company
Hero Future Energies Asia Pte. Ltd.	Holding company
Hero Solar Energy Private Limited	Holding company
Hero Wind Energy Private Limited	Holding company
Clean Wind Power (Anantapur) Private Limited	Fellow subsidiary
Clean Wind Power (Pratapgarh) Private Limited	Fellow subsidiary
Clean Wind Power (Devgarh) Private Limited	Fellow subsidiary
Clean Wind Power (Manvi) Private Limited	Fellow subsidiary
Clean Solar Power (Tumkur) Private Limited	Fellow subsidiary
Clean Solar Power (Chitradurga) Private Limited	Fellow subsidiary
Clean Solar Power (Jaipur) Private Limited	Fellow subsidiary
LNJ Power Ventures Limited	Fellow subsidiary
Waaneep Solar Private Limited	Fellow subsidiary
Vayu Urja Bharat Private Limited	Fellow subsidiary
Clean Wind Power (Bhavnagar) Private Limited	Fellow subsidiary
Hero Future Energies Limited Employees Group Gratuity Trust	Enterprises over which key management personnel and their relatives able to control
Neha Sethi	Company Secretary
Lipsy Gupta (resigned w.e.f March 24, 2022)	Company Secretary
Rahul Kumar (appointed w.e.f March 17,2020)	Company Secretary
Ramswarup Vij	Chief Finance Officer
Ankur Sharma (resigned w.e.f April 23, 2021)	Company Secretary
Aditya Kumar (appointed w.e.f June 10, 2021)	Company Secretary
Pulkit (appointed w.e.f October 1, 2019)	Company Secretary
Teena sharma (appointed w.e.f. August 17, 2020)	Company Secretary
Sanjeev Kumar	Independent Director
Nelson Mandela (appointed w.e.f. August 20, 2020)	Company Secretary
Ashish Kumar Friends	Independent Director

b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	Year ended March 31, 2022	Year ended March 31, 2021
Hero Future Energies Private Limited	Intermediate holding company	Management & development fees	59.73	40.88
		Expenses incurred on entity's behalf	0.12	0.25
Hero Future Energies Asia Pte. Ltd.	Holding company	Capital contribution received	-	53.65
Hero Solar Energy Private Limited	Holding company	Issue of share capital	-	600.00
		Issue of CCD	-	1,349.60
		Loan taken	-	-
		Loan repaid	32.60	2,420.26
		Interest expenses	0.35	3.09
		Loan given	651.82	842.61
		Interest received on Loan	107.75	215.23
		Interest on Compulsory Convertible Debentures	181.56	109.50
		Interest on Optional Convertible Cumulative Debentures	31.59	33.11
		Expenses incurred by holding company on our behalf	4.66	76.10
		Management fees payable	79.82	76.01
		Operation & maintenance expense	128.97	108.16
Hero Wind Energy Private Limited	Holding company	Proceed from loan	87.09	155.00
		Repayment of loan	1,338.08	80.00
		Development, O&M and management fees	311.20	301.29
		Interest payable on loan	10.74	113.50
		Expenses incurred on entity's behalf	3.01	0.39
		Expenses incurred on their behalf	0.64	3.91
		Interest on Optional Convertible Cumulative Debentures	140.68	132.33
		Loan given	181.20	-
		Interest received on Loan	34.86	19.99
Clean Wind Power (Anantapur) Private Limited	Fellow Subsidiary	Expenses incurred on their behalf	0.27	-
Clean Wind Power (Pratapgarh) Private Limited	Fellow Subsidiary	Expenses incurred on entity's behalf	0.00	0.05
Clean Solar Power (Chitradurga) Private Limited	Fellow Subsidiary	Expenses incurred on entity's behalf	0.00	0.15
Waaneep Solar Private Limited	Fellow Subsidiary	Expenses incurred on entity's behalf	-	0.85
		Expenses incurred on their behalf	0.91	-
Clean Wind Power (Bhavnagar) Private Limited	Fellow Subsidiary	Expenses incurred on entity's behalf	-	0.03
LNJ Power Ventures Limited	Fellow Subsidiary	Expenses incurred by us	-	0.02
		Expenses incurred on entity's behalf	-	-
Vayu Urja Bharat Private Limited	Fellow Subsidiary	Expenses incurred on entity's behalf	-	0.04
		Expenses incurred on their behalf	0.06	0.11
Clean Wind Power (Devgarh) Private Limited	Fellow Subsidiary	Expenses incurred on entity's behalf	0.06	-
		Expenses incurred by us	-	0.05
Clean Wind Power (Manvi) Private Limited	Fellow Subsidiary	Expenses incurred on their behalf	0.00	
Clean Solar Power (Jaipur) Private Limited	Fellow subsidiary	Expenses incurred on entity's behalf	-	-
		Purchase of solar module	-	-
Clean Solar Power (Tumkur) Private Limited	Fellow Subsidiary	Expenses incurred on entity's behalf	0.81	0.45

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Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2022
(All amounts are in Indian Rupees (in million), unless otherwise stated)

c) Closing Balance of related parties

Name of Related Party	Relationship	Nature of Transaction	As at March 31, 2022	As at March 31, 2021
Hero Future Energies Private Limited (Formerly Clean solar Power(Hiriyur) Private Limited)	Intermediate holding company	Development fees payable	-	88.97
		Management fees payable	-	39.25
		Advance given for Management fees payable	0.17	
		Module procurement payable	-	3.15
		Other payable	-	7.74
		Other receivable	2.54	2.78
		Receivable on account of sale of goods	0.51	0.51
		Other payable	7.60	0.02
Hero Future Energies Asia Pte. Ltd	Holding company	Other payables	0.20	53.62
Hero Solar Energy Private Limited	Entity under common control	Loan payable	60.00	92.60
		Interest payable	132.06	605.91
		Payable on account of debentures	2,419.60	2,419.60
		Payable on account of Optional Convertible Cumulative Debentures	345.00	345.00
		Payable on account of interest on Optional Convertible Cumulative Debentures	31.21	127.58
		Equity share capital	1,260.00	
		Management fees	0.01	131.43
		Development fee payable	-	186.91
		Operational & maintenance fee payable	-	36.48
		Other payables	3.66	16.02
		Module procurement payable	0.53	124.89
		Receivable for Sale of solar module	3.39	3.39
		Receivable on account of loan	1,331.82	680.00
		Interest receivable	228.87	132.21
		Other Payable	1.00	-
Hero Wind Energy Private Limited	Holding company	Payable on account of loan	32.84	1,283.83
		Interest accrued but not due	132.82	975.19
		Payable on account of business support services	0.23	27.63
		Payable on account of Optionally Convertible Cumulative Debentures	1,458.38	1,458.38
		Equity share capital	-	-
		Advance given on account of Management Fees and Operation and Maintenance services	24.49	
		Management fee and Operational & maintenance fee payable	2.34	95.88
		Expenses incurred	-	-
		Loan receivable	381.20	200.00
		Interest on loan receivable	68.34	36.97
		Other receivable	0.12	0.20
		Other payables	3.38	3.09
Hero Future Energies Limited Employees Group Gratuity Trust	Enterprises over which key management personnel and their relatives able to control	Contribution towards gratuity fund	10.57	9.79
Clean Wind Power (Devgarh) Private Limited	Fellow subsidiary	Receivable for Sale of goods	0.53	0.53
		Other Payable	0.01	
		Other receivable	328.54	328.59
Clean Solar Power (Chitradurga) Private Limited	Fellow subsidiary	Other payables	0.02	0.02
Clean Wind Power (Bhavnagar) Private Limited	Fellow subsidiary	Other payable	0.17	0.17
Clean Solar Power (Jaipur) Private Limited	Fellow subsidiary	Purchase of solar module	48.40	48.40
		Other payables	0.10	0.10
LNJ Power Ventures Limited	Fellow subsidiary	Other receivable	0.14	0.14
Clean Wind Power (Bhavnagar) Private Limited	Fellow subsidiary	Other payable	-	0.17
Waaneep Solar Private Limited	Fellow subsidiary	Other payable	0.03	0.88
Clean Wind Power (Pratapgarh) Private Limited	Fellow Subsidiary	Other receivable	0.05	0.05
Clean Wind Power (Manvi) Private Limited	Fellow Subsidiary	Other receivable	0.00	
		Other payable	0.23	
Clean Wind Power (Anantapur) Private Limited	Fellow Subsidiary	Other receivable	0.27	
Vayu Urja Bharat Private Limited	Fellow subsidiary	Other payables	1.16	1.28
		Other receivable	-	-
Clean Solar Power (Tumkur) Private Limited	Fellow subsidiary	Other payables	1.66	0.85

d) Compensation of Key management personnel of the Restricted Group

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Payment to Key management personnel*	4.99	4.53
Total compensation paid to Key management personnel	**4.99**	**4.53**

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

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e) Other transactions with Related Party
In case of Clean Wind Power (Satara) Private Limited
i) Pursuant to scheme of amalgamation, Stock option holders under erstwhile Hero Future Energies Private Limited (now amalgamated) are entitled to stock options in Hero Future Energies Private Limited. Hero Future Energies Private Limited has not completed the process for the adoption of the new employee stock option plan
During the year no share options are granted to any employees (March 31, 2021: Nil) and no further awards are planned. Management has assessed that it is not probable that total settlements will exceed the already provisioned Rs. 1.64 million and therefore no further expense has been recognised for the year ended March 31, 2022.

(ii) Hero Future Energy Private Limited has given the guarantee in the favour of Axis Trustee Services Limited towards bond related obligations and working capital obligations. Refer note 15 for details.

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

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

32 Gratuity and other post-employment benefit plans

a) Defined contribution plans
The Restricted Group makes contribution towards provident fund/ pension fund. Under the scheme, the Restricted Group is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to the defined contribution scheme. The Restricted Group has recognized Rs. 5.45 million (March 31, 2021: Rs. 3.37 million) during the year as expense towards contribution to the plan.

	Year ended	
	March 31, 2022	March 31, 2021
Provident fund	5.45	3.73
Total	**5.45**	**3.73**

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

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

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

	As at March 31, 2022	As at March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
Change in benefit obligation		
1 Present value of obligation as at the beginning of the year	10.72	7.35
2 Add: Current service cost	4.26	3.33
3 Add: Past service cost	-	0.07
4 Add: Interest cost	0.75	0.44
5 Add: Actuarial (gain) / loss	(7.95)	0.05
6 Less: Benefits paid	-	-
7 Add: Acquisition Adjustment	-	0.43
8 Less: Benefits paid	(1.33)	(0.95)
Present value of obligation as at the end of the year	**6.45**	**10.72**

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

	Year ended	
	March 31, 2022	March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
Cost for the year included under employee benefit		
Add: Current service cost	4.26	3.33
Add: Past service cost	-	0.07
Add: Interest cost	0.75	0.44
Less: Investment Income	(0.64)	(0.58)
Net cost	**4.37**	**3.26**

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

	Year ended	
	March 31, 2022	March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
Fair value of plan assets at the beginning	9.80	8.55
Add: Investment income	0.64	0.58
Add: Expected return on plan assets	0.08	0.67
Add: Actuarial gains / (losses) on the plan assets	-	-
Fair value of plan assets at the end	**10.52**	**9.80**

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

	Year ended	
	March 31, 2022	March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
1 Actuarial gain / (loss) for the year – obligation	7.95	(0.05)
2 Actuarial gain / (loss) for the year - plan assets	0.08	0.67
3 **Total gain / (loss) for the year**	**8.04**	**0.62**
4 Actuarial gain / (loss) recognised in the year	8.04	0.62

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

g) Principal actuarial assumptions at the balance sheet date are as follows:

	Year ended	
	March 31, 2022	March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
Economic assumptions		
1 Discount rate	6.90%	6.85%
2 Rate of increase in compensation levels	10%	14%
Demographic assumptions		
1 Expected average remaining working lives of employees (years)	23.29-30.86	25.59-31.43
2 Retirement Age (years)	60.00	60.00
3 Mortality Table	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate
Withdrawal Rate		
1 Ages up to 30 Years	5.44%	3.24%
2 Ages from 31-44	14.29%	10.05%
3 Above 44 years	1.02%	1.94%

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

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

	Year ended	
	March 31, 2022	March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
Present value of obligation	6.45	10.71
Less: Fair value of plan assets	(10.52)	(9.79)
Net (assets) / liability	(4.07)	0.93

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

	Year ended	
	March 31, 2022	March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
A. Discount rate		
Effect on DBO due to 1% increase in Discount Rate	(3.39)	(4.39)
Effect on DBO due to 1% decrease in Discount Rate	4.20	6.08
B. Salary escalation rate		
Effect on DBO due to 1% increase in Salary Escalation Rate	4.36	6.01
Effect on DBO due to 1% decrease in Salary Escalation Rate	(3.47)	(4.43)
C. Withdrawal Rate		
Effect on DBO due to 50% increase in Withdrawal Rate	(3.40)	(3.96)
Effect on DBO due to 50% decrease in Withdrawal Rate	4.48	6.84
D. Mortality Rate		
Effect on DBO due to 50% increase in Mortality Rate	(2.73)	(5.23)
Effect on DBO due to 50% decrease in Mortality Rate	2.73	5.26

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

	As at March 31, 2022	As at March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
1 year	0.69	0.36
2 to 5 years	2.56	1.75
6 to 10 years	2.47	2.56
More than 10 years	14.70	34.79

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33 Capital Management

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

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

	As at March 31, 2022	As at March 31, 2021
Borrowings (including current maturities of long term borrowings) (Refer to note 15)	30,596.03	53,371.52
Less: Cash and cash equivalents (Refer to note 7)	1,439.18	4,723.96
Net debt	**29,156.85**	**48,647.56**
Equity share capital (Refer to note 13)	3,688.28	3,634.10
Other equity (Refer to note 14)	(1,539.69)	(728.41)
Total Capital	**2,148.59**	**2,905.69**
Capital and net debt	**31,305.44**	**51,553.25**
Gearing ratio	**93.14%**	**94.36%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

In order to achieve this overall objective, the Restricted Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There is no breach covenant except as mentioned in note 15 'Borrowings'.

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34 Commitments and Contingent Liabilities

a. Commitments

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

b. Contingent Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Bank guarantee outstanding	-	2.12
Viability Gap Funding	468.10	442.80
Total	468.10	444.92

Bank guarantees have been provided as a security to make payments to third parties in the event that the Restricted Group does not perform what is expected of it under the terms of any related contracts or commercial arrangements.

Viability gap funding represents the amount already received which the government agencies can demand repayment of in case the project fails to generate power for a long period of time.

As per Subclause (i) and (ii) of clause 'a' of Article 4.2 read with Article 4.1 of VGF Securitization Agreement dated March 28, 2014 made between the 'Clean Solar Power (Dhar) Private Limited and Solar Energy Corporation of India (hereinafter referred to as "SECI"), the entity is liable to refund the amount of VGF received to SECI if it commits certain defaults as specified in VGF Agreement.

c. Other Legal Proceedings

General

I. Land related

There are approximately 3 land cases filed by third parties against one of the Restricted Group entity namely Clean Solar Power (Gulbarga) Private Limited or vice versa on various issues including (i) sale of their ancestral land by relatives/family members, without obtaining their consents, to the said entity (ii) encroachment/erection of towers by the said entity on their land (iii) the reduction of land value and damage to crops due to the installation of power transmission lines over their land (iv) the receipt of inadequate sales consideration from subsidiaries for the sale of their land. The said entity is contesting all such cases and based on advice from legal counsel, management believes that they have a good case on merits. The Restricted Group has concluded that it is only possible, but not probable that the actions of the various third parties will succeed. Accordingly, no provision has been made in these financial statements. Although carrying value of these parcels of land are not individually or collectively material, the potential impact on the future success or viability of the relevant projects could be material to the entity. Given the uncertainty surrounding the various claims against the entity, it is also not practicable to quantify the potential future effect on earnings, operations, cash flow or financial condition of the entity.

II. Others

In case of one of the Restricted Group entity namely, Bhilwara Green Energy Limited has entered into Operation & Maintenance ('O&M') agreement with ReGen Infrastructure and Services Private Limited ('ReGen') dated September 18, 2015. Vide order dated February 19, 2020, National entity Law Tribunal has ordered the commencement of corporate insolvency resolution process of the ReGen and appointed Interim Resolution Professionals ('IRP'). Consequent to financial position of ReGen, to ensure smooth functioning of the plant, the said entity as per approval from ReGen and IRP, paid advance to material/ service vendors of ReGen for replacement/repairs of Generators and other related expenses. As at March 31, 2022, the net outstanding advance (net of amount payable towards O&M services rendered till 31 March 31, 2022 is Rs. 171.54 million (As at March 31, 2021: Rs. 87.40 million) which will either be refunded or adjusted against future services. Basis above facts, historical and continuing arrangement for O&M services and adjustment of advances against services received, transactions of ReGen with fellow subsidiaries, and considering that ReGen is continuing as O&M vendor and will continue to provide services, the Management of the Restricted Group believes that the advance amount is fully recoverable either in cash or through services received from the ReGen, however, as a prudence the management of the entity has provided the amount of provision of Rs. 132 million (As at March 31, 2021: Rs. 35 million) against said advance in the financial statement.
Additionally, the entity has filed claim for liquidity damages as per contractual terms but following conservative principles, it has not recognized as net income (net of provision) in these financial statement.

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35 Fair values

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

a) Fair value of financial assets:

	Carrying values		Fair values	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets measured at amortised cost				
Security deposits (Refer to note 9)	41.10	39.54	41.10	39.54
Trade receivables (Refer to note 6)	2,731.93	2,657.27	2,731.93	2,657.27
Cash and cash equivalents (Refer to note 7)	1,439.18	4,723.96	1,439.18	4,723.96
Other bank balances (Refer to note 8)	8.10	22,592.89	8.10	22,592.89
Other financial assets (Refer to note 9)	2,827.37	1,516.72	2,827.37	1,516.72
	7,047.68	31,530.38	7,047.68	31,530.38

b) Fair value of financial liabilities:

	Carrying values		Fair values	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial liabilities measured at fair value through other comprehensive income				
Derivative Liability designated as hedge	138.95	-	138.95	-
Total A	138.95	-	138.95	-
Financial liabilities measured at amortised cost				
Borrowings (Refer to note 15)	30,596.03	53,371.52	30,639.92	53,421.47
Trade payables (Refer note 16)	237.00	1,020.85	237.00	1,020.85
Other financial liabilities (Refer to note 17)	542.21	2,934.58	403.26	2,934.58
Total B	31,375.24	57,326.95	31,280.18	57,376.90
Total (A+B)	31,514.19	57,326.95	31,419.13	57,376.90

Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables, Interest accrued on borrowings and current maturities of long term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

Discount rate used in determining fair value

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

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

a) Fair values of the Restricted Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the rate as at the end of the reporting year. The own non-performance risk as at March 31, 2022 was assessed to be insignificant.

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

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

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

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36 Fair value hierarchy

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

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

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

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

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

Quantitative disclosures fair value measurement hierarchy for assets

	Level Classification	As at March 31, 2022	As At March 31, 2021
Financial assets measured at amortised cost			
Security deposits (Refer to note 9)	Level 2	41.10	39.54
Trade receivables (Refer to note 6)	Level 2	2,731.93	2,657.27
Cash and cash equivalents (Refer to note 7)	Level 2	1,439.18	4,723.96
Other bank balances (Refer to note 8)	Level 2	8.10	22,592.89
Other financial assets (Refer to note 9)	Level 2	2,827.37	1,516.72
Total		**7,047.68**	**31,530.38**

Quantitative disclosures fair value measurement hierarchy for liabilities

	Level Classification	As at March 31, 2022	As At March 31, 2021
Financial liabilities measured at fair value through other comprehensive income			
Derivative Liability designated as hedge	Level 2	138.95	-
Total A		**138.95**	**-**
Financial liabilities measured at amortised cost			
Borrowings (Refer to note 15)	Level 2	30,639.92	53,421.47
Trade payables (Refer note 16)	Level 2	237.00	1,020.85
Other financial liabilities (Refer to note 17)	Level 2	403.26	2,934.58
Total B		**31,280.18**	**57,376.90**
Total (A+B)		**31,419.13**	**57,376.90**

Management has assessed that trade receivables, cash and cash equivalents, other bank balances, trade payables, Interest accrued on borrowings and current maturities of long term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

There have been no transfers between Level 1 and Level 2 during the year.

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37 Financial risk management objectives and policies

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

The Restricted Group's principal financial assets includes Investment in mutual funds, security deposits, deposit with original maturity of 12 months, trade receivables, cash and cash and interest accrued thereon.

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

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

A. Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant .

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Restricted Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Restricted Group to interest rate risk.

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

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of borrowings affected. With all other variables held constant, the Restricted Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on profit before tax
March 31, 2022	+50	-
	-50	-
March 31, 2021	+50	(179.04)
	-50	179.04

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

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

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

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

B. Credit risk

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

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Restricted Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.
The Restricted Group has state utilities/government entities as it's customers with high credit worthiness, therefore, the Restricted Group does not see any risk related to credit. The credit quality of the customers other than state utilities/government entities is evaluated based on their credit ratings and other publicly available data.

Refer note 4 for the ageing analysis of trade receivables as at respective reporting dates.

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ii) Financial instruments and cash deposits

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

C. Liquidity risk

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

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

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

As at March 31, 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings* #	599.56	305.58	2,201.74	29,421.87	3,368.45	35,897.20
Trade payables	-	1.46	235.54	-	-	237.00
Other financial liabilities	209.05	-	472.11	138.95	-	820.11
Total	**808.61**	**307.04**	**2,909.39**	**29,560.82**	**3,368.45**	**36,954.31**

As at March 31, 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings* #	877.83	23,475.20	1,095.91	10,535.74	23,798.81	59,783.49
Trade payables	-	4.37	1,016.48	-	-	1,020.85
Other financial liabilities	841.64	301.49	1,791.45	-	-	2,934.58
Total	**1,719.47**	**23,781.06**	**3,903.84**	**10,535.74**	**23,798.81**	**63,738.92**

* refer note 15

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

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38 Segment Note

The Restricted Group is engaged in a single segment i.e., the business of "generation and sale of power" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM) including CEO, CFO and the functional heads. All the Restricted Group's resources are dedicated to this single segment and all the discrete financial information is available for this segment.
The Restricted Group operates within India and does not have operations in economic environments with different risks and returns.

39 Accounting of Viability Gap Funding (government grant)

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

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

VGF received is treated as deferred revenue and is being amortized over the useful life of the assets in the same proportion in which depreciation on related assets is charged to statement of profit and loss. Accordingly, the Restricted Group has recorded an amount of Rs. 26.79 million (March 31, 2021 Rs. 24.72 million) as Other income, which is recorded under Note 22 of the financial statements, while an amount of Rs. 328.99 million (March 31, 2021 Rs. 330.47 million) has been recorded as "Deferred government grant" under Note 18 of the financial statements.

Government grants have been received for assistance in setting up the of 30 MW solar plant. There are no unfulfilled conditions attached to these grants.

40 Central Government introduced new Indirect Tax regime "Goods and Services Tax Act" (GST) on July 1, 2017 which resulted in an increase in non-recurring expenditure on the project asset in one of the indian restricted entity namely Clean Solar Power (Gulbarga) Private Limited. Central Electricity Regulatory Commission ('CERC') vide order dated March 26, 2020 has directed SECI to pay the additional cost incurred by the entity on account of change in law subject to certain conditions. SECI vide letters dated December 31, 2021 has agreed to refund the said amount of 489.80 million. Out of 489.80 million, 134.13 million was paid upfront and for rest of the amount in monthly annuity of 4.96 million.

In accordance with accounting policy of the entity, such additional cost incurred in relation to GST has been capitalized under Property, plant and equipment and income is being recognised over the term of PPA from the date when the entity has received first instalment of refund.

Accordingly, the entity has recorded an amount of Rs. 5.73 million as other income, which is recorded under Note 22 of the financial statements, while an amount of Rs. 484.07 million has been recorded as "Deferred income" under Note 18 of the financial statements. The balance of GST receivable as on March 31, 2022 is Rs. 349.96 million has been recorded as "Other financial asset" under Note 9 of the financial statements.

41 Disclosure pursuant to amendment to Ind AS 7 (Cash flow statement):

Particulars	Opening balance (April 01, 2021)	Cash flows	Non-cash transactions				Closing balance (March 31, 2022)
			Processing cost	Interest accretion	Vacated Lease	Others	
Term loans from Financial Institution & Banks	21,337.28	(21,337.28)	-	-	-	-	-
4.25% Senior secured notes	26,292.04	(544.73)	71.14			812.51	26,630.96
Cash credit facilities	111.50	(111.50)	-	-	-	-	-
Loan from Related Party	1,316.42	(1,283.58)	-	-	-		32.84
Non-Convertible Debentures	798.50	(798.50)	-	-	-	-	-
Compulsory Convertible Debentures	1,571.63	-	-	(38.74)	-	-	1,532.89
Optional Convertible Debentures	1,799.64	-	-	0.14	-	-	1,799.78
Total	**53,227.01**	**(24,075.59)**	**71.14**	**(38.60)**	**-**	**812.51**	**29,996.47**

Particulars	Opening balance (April 01, 2020)	Cash flows	Non-cash transactions				Closing balance (March 31, 2021)
			Processing cost	Interest accretion	New Leases	Others	
Term loans from Banks & Financial Institutions	22,213.34	(680.19)	(303.62)	-	-	107.76	21,337.28
4.25% Senior secured notes	-	26,566.30	1.11			(275.38)	26,292.04
Cash credit facilities	70.00	41.50	-	-	-	-	111.50
Loan from Related Party	2,819.08	(1,502.66)	-	-	-		1,316.42
Non-Convertible Debentures	974.62	(177.44)	1.32	-	-	-	798.50
Buyer's credit	0.00	-	-	-	-	-	0.00
Compulsory Convertible Debentures	515.31	1,349.60	-	(47.13)	-	(246.15)	1,571.63
Optionally convertible cumulative debentures	1,799.19	-	0.03	0.06	-	0.36	1,799.64
Lease Liabilities	60.80	(12.13)	-	2.71	(51.38)	-	0.00
Total	**28,452.34**	**25,584.98**	**(301.16)**	**(44.36)**	**(51.38)**	**(413.41)**	**53,227.01**

During the year, the Company has issued equity shares 729,458 (March 31, 2021 : 17,921) equivalent to Rs. 54.18 million (March 31, 2021 : Rs. 1.34 million) to Hero Future Energies Asia Pte Ltd to discharge the liability in respect of expenditure incurred by Hero Future Energies Asia Pte Ltd on behalf of the Company.

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42 During the year ended March 31, 2022, the Company hedged the foreign currency exposure risk related to certain investments in Indian Restricted Group entities denominated in foreign currency through call spread option with cross currency swap for coupon payments. The foreign currency forward contracts and options were not entered for trading or speculative purposes.
The Company documented each hedging relationship and assessed its initial effectiveness on inception date and the subsequent effectiveness was tested on each reporting date using dollar offset method. When the relationship between the hedged items and hedging instrument is effective at achieving offsetting changes in cashflows attributable to the hedged risk, the Company records in other comprehensive income the entire change in fair value of the designated hedging instrument that is included in the assessment of hedge effectiveness. The gain or loss on the hedge contracts shall be reclassified to interest expense when the coupon payments and principal repayments are made on the related investments. The hedge contracts were effective as of March 31, 2022.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the derivative contracts match the terms of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the derivative contracts are identical to the hedged risk components. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. The hedge ineffectiveness can arise from:
(i) Differences in the timing of the cash flows of the hedged items and the hedging instruments
(ii) Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments
(iii) The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items

The Restricted Group recorded an expense of Rs. 927.60 million during the year ended March 31, 2022. Intrinsic value of hedging instrument is reclassified from other comhrensive income to statement of profit and loss acount of Rs. 302.07 million offsetting restatement loss on hedged item, grouped under Foreign Exchange Fluctuation expense (net). There is no ineffectiveness recognised in the statment of profit or loss account.

The following table presents outstanding notional amount and balance sheet location information related to foreign exchange derivative contracts as of March 31, 2022.

	Foreign Currency Option Contracts As at March 31, 2022
Notional Amount (US$ denominated in million)	355.74
Non-current – Other financial Liabilities (INR in million)	138.95
Cash Flow Hedging Reserve (INR in million)	(218.25)
Cost of Hedging Reserve (INR in million)	(267.69)

The Company is holding the following call spread contracts:

Particulars	Less than 1 year	1 year to 5 year	Total
At 31 March 2022			
Call Spread contracts (highly probable forecast transaction)			
Notional amount (in USD)	2.55	47.46	50.01
Average strike price (INR/USD):			
Sell call	81.23	95.08	
Buy Call	75.05	75.05	
Notional amount (in USD)	5.12	95.15	100.26
Average strike price (INR/USD):			
Sell call	81.15	94.18	
Buy Call	74.92	74.92	
Notional amount (in USD)	3.44	63.94	67.38
Average strike price (INR/USD):			
Sell call	81.05	94.16	
Buy Call	74.60	74.60	
Notional amount (in USD)	7.05	131.05	138.09
Average strike price (INR/USD):			
Sell call	81.23	95.08	
Buy Call	75.05	75.05	

43 **Going Concern**
Restricted Group Entities, namely Clean Wind Power (Piploda) Private Limited and Clean Wind Power (Bableshwar) Private Limited, the entities have incurred losses in the financial year, has accumulated losses as at March 31, 2022. The entities expect to have sustainable cash flows addressing any uncertainties around the going concern assumptions, this would result in the revival of the entities and recovery of its losses. Additionally, Hero Wind Energy Private Limited has also agreed to provide such financial support as necessary enable the entities to continue its operations and to meet its liabilities as and when due on continuing basis. Accordingly, these financial statement has been prepared on going concern basis.

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44 Previous year figures have been regrouped and reclassified wherever considered necessary.

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration Number: 301003E/E300005

per Pravin Tulsyan
Partner
Membership Number:108044

Place: Gurugram
Date : July 26, 2022

S.R. BATLIBOI & CO. LLP
GURUGRAM

For and on behalf of the Restricted Group

Neeraj Nawaz
Director

Place: Mauritius
Date : July 26, 2022

Benjamin Paul Fraser
Director

Place: London
Date: July 26, 2022

Restricted Group
Results of Operations-Special Purpose Combined Financials
For the year ended March 31, 2022
(Amount in Rs million, unless otherwise stated)

Operating Results

Revenue from contract with customers

Revenue from contract with customers increased to Rs. 4,978.69 million for the year ended March 31, 2022, from Rs. 4,759.93 million for the year ended March 31, 2021. The primary reason for increase is on account of higher revenue generation from wind power plants owing to higher average wind speed and increase in income from carbon credits during the current year. This increase is partially offset by decrease in revenue generation in solar power plants due to lower average irradiance during the current year.

Generation for the year ended March 31, 2022 and March 31, 2021 was 960.52 GWh million units and 933.91 GWh million units respectively, representing a 2.85% increase as compared to the year ended March 31, 2021.

Other income

Other income increased to Rs. 281.70 million for the year ended March 31, 2022, from Rs. 220.49 million for the year ended March 31, 2021, primarily due to increase in interest income on loan given to related parties pursuant to new loans granted during the year.

Expenses

Employee benefits expense

Employee benefits expense increased to Rs. 136.59 million for the year ended March 31, 2022, from Rs. 101.63 million for the year ended March 31, 2021, primarily due to increase in salaries, wages on account of annual increment cycle, new hirings and impact of performance linked incentive provision during the current year.

Finance costs

Finance costs decreased to Rs. 2,665.57 million for the year ended March 31, 2022, from Rs. 3,409.89 million for the year ended March 31, 2021, primarily on account of (i) decrease in other finance cost due to loan prepayment charges for pre-closure of long term borrowings in the previous year of Rs. 345.58 million; (ii) repayment of inter-company loans taken by Indian entities of Restricted Group which has resulted in reduction of interest expense on loan taken from related parties by Rs 246.77 million and (iii) decrease in interest on non-convertible debenture expense by Rs. 100.57 million.

Depreciation and amortization expense

Depreciation and amortization expense was Rs. 1,077.25 million for the year ended March 31, 2022 and Rs. 1,400.81 million for the year ended March 31, 2021. This change is attributable to lower depreciation on account of revision in useful lives of wind power plants and solar power plants from 25 years to 30 years and 35 years respectively with effect from April 01, 2021 prospectively.

Impairment of assets

Impairment during the previous year was due to impairment of capital work-in-progress in Clean Wind Power (Satara) Private Limited.

Restricted Group
Results of Operations-Special Purpose Combined Financials
For the year ended March 31, 2022
(Amount in Rs million, unless otherwise stated)

Other expenses

Other expenses decreased to Rs. 956.96 million for the year ended March 31, 2022, from Rs. 1,113.38 million for the year ended March 31, 2021, primarily due to one-off liquidated damage charges of Rs.206.70 million during the previous year, partially offset by increase in provision for doubtful debts and advances of Rs. 59.77 million.

Tax expense

Tax expense increased to net tax expense of Rs. 701.79 million for the year ended March 31, 2022, from a net tax credit of Rs. 159.35 million for the year ended March 31, 2021, primarily on account of increase in current tax expense and reversal of deferred asset.

Net Profit/(loss) after tax

As a result of the foregoing, loss for the year decreased to Rs. 277.77 million for the year ended March 31, 2022, from loss of Rs. 944.90 million for the year ended March 31, 2021.

Cash Flow Discussion

Net cash flow from operating activities

In the year ended March 31, 2022, the net cash flow from operating activities was Rs. 2,201.93 million. This net cash flow was primarily attributable to (i) operating profit before working capital changes of Rs. 4,029.75 million during the year; (ii) decrease in working capital of Rs. 1,562.44 million and (iii) taxes paid (net of refunds) of Rs. 265.38 million.

Operating profit before working capital changes of Rs. 4,029,75 million in the year ended March 31, 2022, was primarily attributed to (i) profit before tax of Rs. 424.02 million (ii) adjustment of finance cost of Rs. 2,665.57 million (ii) adjustment of depreciation and amortisation expense of Rs. 1,077.25 million (iii) adjustment of provision for doubtful receivables and advances of Rs. 102.82 million and (iv) adjustment of finance income of Rs. 162.16 million.

The changes in working capital in the year ended March 31, 2022 of Rs. 1,562.44 million, was primarily attributed to (i) decrease in trade and other payables of Rs. 766.70 million; (ii) decrease in other financial liabilities of Rs. 758.40 million; (iii) increase in other financial assets of Rs. 355.30 million and (iv) increase in other assets by 116.43 million, partially offset by increase in other liabilities of Rs. 518.13 million

Net cash generated from investing activities

In the year ended March 31, 2022, the net cash flow from investing activities was Rs. 21,410.56 million, which was primarily on account of decrease in balance with banks by Rs. 22,210.20 million pursuant to use of proceed from 4.25% Senior Secured notes to settle borrowings of Indian entities of Restricted Group, partially offset by increase in loan given to related parties of Rs. 833.02 million.

Net cash generated from financing activities.

In the year ended March 31, 2022, the net cash flow used in financing activities was Rs. 27,320.14 million, which primarily on account of repayments of borrowings of Indian entities of Restricted Group by Rs 24,104.52 million (including working capital facilities) and interest payment of Rs. 3,248.46 million (including loan pre closure charges of Rs. 345.58 million).