

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, 2023 and March 31, 2022, 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, 2023 and March 31, 2022 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, 2023 and March 31, 2022 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, 2023 and March 31, 2022, 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. 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 used, referred to or distributed for any other purpose.

Our Opinion is not modified in respect of this matter.

This report is not to be used, referred to or distributed for any other purpose except without our prior consent in writing.



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.

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.

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.



S.R. BATLIBOI & CO. LLP

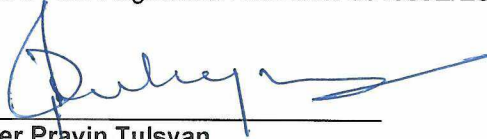
Chartered Accountants

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

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



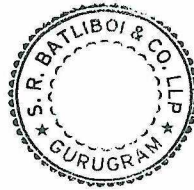
per **Pravin Tulsyan**

Partner

Membership Number: 108044

UDIN: 23108044BGYZIO9680

Place of Signature: Gurugram



Restricted Group
Special Purpose Combined Balance Sheet as at March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	26,671.01	27,704.07
(b) Right of use of asset	3	211.86	223.71
(c) Other intangible assets	4	113.67	121.65
(d) Financial assets			
(i) Trade receivables	5	474.24	-
(ii) Other financial assets	8	2,244.03	1,043.77
(e) Deferred tax assets (net)	19	176.27	411.77
(f) Other assets	9	183.52	193.51
(g) Non-current tax assets (net)	10	137.71	58.54
		30,212.31	29,757.02
Current assets			
(a) Inventories	11	37.53	13.38
(b) Financial assets			
(i) Trade receivables	5	1,145.22	2,731.93
(ii) Cash and cash equivalents	6	1,629.72	1,439.18
(iii) Other bank balances	7	5.57	8.10
(iv) Other financial assets	8	2,444.55	1,474.75
(c) Other current assets	9	561.74	165.54
		5,824.33	5,832.88
Total assets		36,036.64	35,589.90
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	12	4,446.28	3,688.28
(b) Other equity	13	(1,853.56)	(1,539.69)
		2,592.72	2,148.59
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	26,342.51	28,692.37
(ii) Other financial liabilities	16	-	138.95
(b) Provisions	18	48.42	46.71
(c) Deferred tax liabilities (net)	19	760.77	947.64
(d) Other liabilities	17	1,289.24	646.67
		30,440.94	30,472.34
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,732.50	1,903.66
(ii) Trade payables	15		
- total outstanding dues of micro enterprises and small		10.74	1.46
- total outstanding dues of creditors other than micro		189.07	235.54
(iii) Other financial liabilities	16	890.44	681.16
(b) Other current liabilities	17	172.00	137.16
(c) Provisions	18	1.15	0.91
(d) Liabilities for current tax (net)	20	7.08	9.08
		3,002.98	2,968.97
Total equity and liabilities		36,036.64	35,589.90
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

Place: Gurugram
Date: July 26, 2023

For and on behalf of the Restricted Group

Neeraj Nawaz
Director

Place: Mauritius
Date: July 26, 2023

Benjamin Paul Fraser
Director

Place: New Delhi
Date: July 26, 2023



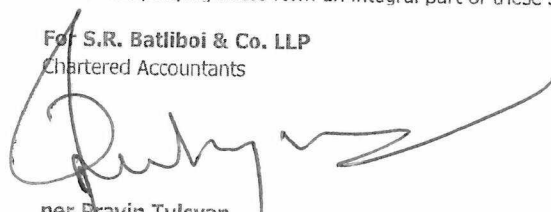
Restricted Group

Special Purpose Combined Statement of Profit and Loss for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

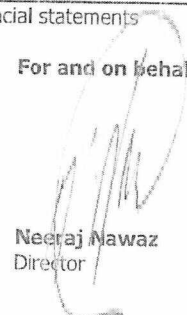
Particulars	Note	As at March 31, 2023	As at March 31, 2022
I Revenue from operations	21	4,769.64	4,978.69
II Other income	22	865.11	281.70
III Total income (I + II)		5,634.75	5,260.39
IV Expenses			
Employee benefits expense	23	131.55	136.59
Finance costs	24	2,647.03	2,665.57
Depreciation and amortization expense	25	1,078.17	1,077.25
Other expenses	26	906.05	956.96
Total expenses		4,762.80	4,836.37
V Profit before share of loss of an associate and tax (III-IV)		871.95	424.02
VI Tax expense:			
a) Current tax	27	250.69	301.43
b) Adjustment in respect of current tax relating to earlier period		0.61	(0.54)
c) Deferred tax charge		48.33	400.90
Total tax expense		299.63	701.79
VII Profit/(loss) for the period (V-VI)		572.32	(277.77)
VIII Other comprehensive income			
Other comprehensive income that may be reclassified subsequently to statement of profit and loss in subsequent period:	28		
Exchange difference on translation of foreign operations		(26.44)	0.82
Effective portion of cash flow hedges (net of tax)		(837.12)	(485.93)
Net comprehensive expense that will be reclassified to statement of profit or loss in subsequent period		(863.56)	(485.11)
Other comprehensive income not to be reclassified to statement of profit and loss in subsequent period:	28		
Re-measurement gains on defined benefit plans		1.16	8.04
Income tax effect		(0.30)	(2.25)
Net other comprehensive income not to be reclassified to statement of profit and loss in subsequent period		0.86	5.79
Other comprehensive income for the period, net of tax		(862.70)	(479.32)
IX Total comprehensive expense of the period, net of tax (VII+VIII)		(290.38)	(757.09)
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


per Pravin Tulsyan
Partner
Membership Number:108044

For and on behalf of the Restricted Group


Neeraj Nawaz
Director


Benjamin Paul Fraser
Director

Place: Gurugram
Date : July 26, 2023



Place: Mauritius
Date : July 26, 2023

Place: New Delhi
Date : July 26, 2023

Restricted Group
Special Purpose Combined Statement of Changes in Equity for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

A. Equity share capital*

Particulars	Number of equity shares	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid		
As at April 01, 2021		
Changes during the year	362,396,451	3,634.10
As at March 31, 2022	729,458	54.18
Changes during the year	363,125,909	3,688.28
As at March 31, 2023	75,799,793	758.00
	438,925,702	4,446.28

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

B. Other equity*

Particulars	Attributable to equity holders									
	Securities premium	Debenture redemption reserve	Invested capital	Equity component of compulsory convertible debentures	Deemed capital contribution	Cash flow hedging reserve	Cost of hedging reserve	Foreign currency translation reserve	Retained earnings	Total
Balance as at April 01, 2021	257.80	209.58	463.31	783.00	115.82	-	-	(3.66)	(2,554.26)	(728.41)
Add: Loss for the period	-	-	-	-	-	-	-	-	(277.77)	(277.77)
Add: Other comprehensive income/(expenses) (net of tax)	-	-	-	-	-	(218.25)	(267.69)	-	5.79	(480.15)
Add: Addition during the period	-	-	-	-	-	-	-	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)
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)
Add: Profit for the period	-	-	-	-	-	-	-	-	572.32	572.32
Add: Other comprehensive income/(expenses) (net of tax)	-	-	-	-	-	-	-	-	0.86	0.86
Add: Addition during the period	-	-	-	-	-	-	-	-	-	(863.55)
Less: Loss on conversion of CCD into equity shares	(23.50)	-	-	-	-	134.65	(971.77)	(26.44)	-	(23.50)
As at March 31, 2023	234.30	-	463.31	783.00	61.64	(83.60)	(1,239.46)	(29.28)	(2,043.48)	(1,853.56)

*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

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 Dr. Vin Tulsyan
Partner
Membership Number: 108044

Place: Gurugram
Date: July 26, 2023

For and on behalf of the Restricted Group

Neeraj Navis
Director

Place: Mauritius
Date: July 26, 2023

Benjamin Paul Fraser
Director

Place: New Delhi
Date: July 26, 2023



Restricted Group
Special Purpose Combined Statement of Cash Flows for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Cash flow from operating activities		
Profit before tax	871.95	424.02
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortization expense	1,078.17	1,077.25
Amortisation of government grant/Deferred revenue	(43.77)	(32.52)
Balances and provisions written off	(6.87)	(13.12)
Unwinding of discount on deposits	(2.74)	(2.50)
Finance costs	2,496.88	2,665.57
Finance income	(227.61)	(162.16)
Interest expenses on discounting of trade receivables	150.15	-
Interest income on unwinding of discounted trade receivables	(62.51)	-
Provision for doubtful receivables and advances	18.78	102.82
Unrealised Exchange fluctuation expense/ (gain)	27.20	1.72
Operation and maintenance reserve accretion	(42.82)	(31.33)
	3,384.86	3,605.73
Operating profit before working capital changes	4,256.81	4,029.75
Change in working capital:		
Decrease/(increase) in trade receivables	1,006.05	(74.66)
(Increase) in inventories	(24.15)	(9.08)
(Decrease) in trade payables	(57.52)	(766.70)
Increase in provisions	3.11	-
Decrease/(increase) in other financial assets	(153.51)	(355.30)
(Increase) in other assets	(386.23)	(116.43)
Increase/(decrease) in other financial liabilities	44.90	(758.40)
Increase in other liabilities	748.23	518.13
Change in working capital	1,180.88	(1,562.44)
Cash generated from operations	5,437.69	2,467.31
Less : Taxes paid/ (net of refunds)	(332.47)	(265.38)
Net cash flow from operating activities	5,105.22	2,201.93
II. Cash flow from investing activities:		
Purchase of property, plant and equipment	(162.01)	(108.50)
Fixed deposits with banks (net)	2.53	137.45
Investment in fellow subsidiary	-	(31.57)
Loan to related parties	(750.00)	(833.02)
Balance with banks (net)	(3.58)	22,210.20
Interest received	46.38	10.70
Proceeds from government grant	-	25.30
Net cash generated from/ (used in) investing activities:	(866.68)	21,410.56
III. Net cash flow from financing activities:		
Proceeds from equity share capital (net of share issue expenses)	734.50	-
Proceeds from borrowings	-	32.84
Repayment of borrowings	(2,192.40)	(24,104.52)
Interest paid on borrowings	(2,046.95)	(3,248.46)
Net cash generated from/ (used in) financing activities	(3,504.85)	(27,320.14)
Net change in Cash & cash equivalents (I+II+III)	733.69	(3,707.65)
Cash and cash equivalents as at the beginning of the year (a)	839.62	4,579.45
Effects of exchange rate changes on cash and cash equivalents (b)	(38.27)	32.18
Cash and cash equivalents as at the end of the period (c)	1,611.58	839.62
Net change in Cash & Cash equivalents (c+b-a)	733.69	(3,707.65)
Basis of preparation, measurement and significant accounting policies	2	

Basis of preparation, measurement and significant accounting policies

Note:

The Statement of Cash Flows has been prepared under the indirect method as set out in the Ind AS 7th 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, 2023



For and on behalf of the Restricted Group

Nedraj Nawaz
Director

Place: Mumbai
Date : July 26, 2023

Benjamin Paul Fraser
Director

Place: New Delhi
Date : July 26, 2023

Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

1 Corporate Information

Clean Renewable Power (Mauritius) Pte. Ltd ("the CRPMPL" or "the Restricted Group") 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 Entity and certain subsidiaries of Hero Future Energies Private Limited, collectively known as "Restricted Group" (as listed below), carry out business activities relating to generation of electricity through non-conventional renewable energy sources engaged in the ownership, maintenance, management of solar and wind power plants and generation of solar and wind energy based on long-term contracts (power purchase agreements or "PPA") with Indian government entities.

During the FY 2020-21, the said entity 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 (Bableshtar) Private Limited	Hero Wind Energy Private Limited	100%	India
Bhilwara Green Energy Limited	Hero Wind Energy Private Limited	100%	India
Clean Solar Power (Dhar) Private Limited	Hero Solar Energy Private Limited	100%	India
Rajkot (Gujarat) Solar Energy Private Limited	Hero Solar Energy Private Limited	100%	India
Clean Solar Power (Gulbarga) Private Limited	Hero Solar Energy Private Limited	100%	India

The Special Purpose Combined Financial Statements were authorized for issue in accordance with a resolution of the directors on July 26, 2023.

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, 2023 and March 31, 2022, 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, 2023 and March 31, 2022, 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.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023 (All amounts are in Indian Rupees (in million), unless otherwise stated)

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

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

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

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

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

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

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

Previous year's figures have been regrouped, reclassified whenever necessary to correspond with current year classification/disclosure in accordance with 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.

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.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

b) Fair value measurement

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

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

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

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

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

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

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

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

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



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

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.

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 Entity 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 Entity 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 Entity 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



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023

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

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

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

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

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

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

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

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

f) Government grant

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

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

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



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023

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

Derecognition

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

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

h) Intangible assets

Recognition and measurement

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

i) Depreciation/amortization of 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.

During previous 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 01, 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 previous year was lower by Rs. 320.77 million.

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.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

k) Leases

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

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.

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.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023 (All amounts are in Indian Rupees (in million), unless otherwise stated)

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.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

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

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

Impairment of financial assets

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

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

Financial asset that are debt instruments and are measured as at FVTOCI

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

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

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

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

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

For Non-Litigated receivables, the Restricted Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The credit risk of the receivables is insignificant since the Group's receivables are primarily with the Central Government or with State Owned DISCOMs.

For litigated receivables, the Group determines the impairment loss basis the legal assessment of recoverability and applies appropriate loss rates basis the assessment.

For recognition of impairment loss on other financial assets and risk exposure, the Restricted Group determines 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 the subsequent period, 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 a 12-month ECL.

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

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

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

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

As a practical expedient, At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) is recognized during the period as expense/ income in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for financial instruments is described below:

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



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

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.



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

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

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

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

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

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

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

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



Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

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.

e) Events occurring after the Balance Sheet date

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

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

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

u) Changes in accounting policies and disclosures

New and amended standards

The Restricted Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2022.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Restricted Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Restricted Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period.

Prior to the application of the amendments, the Restricted Group had not identified any contracts as being onerous as the unavoidable costs under the contracts, which were the costs of fulfilling them, comprised only incremental costs directly related to the contracts. As a result of the amendments, the Restricted Group assessed whether certain other directly related costs are required to be included by the Group in determining the costs of fulfilling the contracts.

In accordance with the transitional provisions, the Restricted Group applies the amendments to contracts for which it has not yet fulfilled all of its obligations, at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Restricted Group as there is no onerous contract as on reporting date.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 *Provisions, Contingent Liabilities and Contingent Assets* or Appendix C, *Levies*, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, *Levies*, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Restricted Group applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the financial statements of the Restricted Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.



Restricted Group

**Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)**

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the financial statements of the Restricted Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter

The amendment permits a subsidiary that elects to apply the exemption in paragraph D16(a) of Ind AS 101 to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022 but do not apply to the Restricted Group as it is not a first-time adopter.

(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Restricted Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the financial statements of the Restricted Group as there were no modifications of the Restricted Group's financial instruments during the year.

(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of Ind AS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of Ind AS 41.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. The amendments had no impact on the financial statements of the Restricted Group as it did not have assets in scope of IAS 41 as at the reporting date.

v) Standards issued but not yet effective

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

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The amendments are not expected to have a material impact on the Restricted Group's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107.

The Restricted Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.

The Restricted Group is currently assessing the impact of the amendments

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.



Restricted Group

**Notes to Special Purpose Combined Financial Statements for the year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)**

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.

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

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 indicator judgement 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) 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 Restricted Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL is the difference between all contractual cash flows that are due to the Restricted Group in accordance with the contract and all the cash flows that the 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



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

3 Property, plant and equipment

Particulars	Freehold land (refer note (a) and (b) below)	Plant and Equipments	Building and Substation	Computers and Data processing Machines	Total	Right of use asset (Land)	Grand Total
Gross block (at cost)							
As at April 01, 2021	1,333.81	32,252.10	977.12	48.29	34,611.32	259.34	34,870.66
Additions during the year	32.08	85.15	-	0.29	117.52	-	117.52
Disposals during the year	-	(10.73)	(3.94)	(0.30)	(14.97)	-	(14.97)
As at March 31, 2022	1,365.89	32,326.52	973.18	48.28	34,713.87	259.34	34,973.21
Additions during the period	-	7.17	16.18	2.29	25.64	-	25.64
Disposals during the period	-	(0.02)	(0.02)	(2.85)	(2.89)	-	(2.89)
As at March 31, 2023	1,365.89	32,333.67	989.34	47.72	34,736.62	259.34	34,995.96
Depreciation and impairment							
As at April 01, 2021	-	5,735.57	181.34	36.23	5,953.14	23.77	5,976.91
Depreciation charge for the year*	-	1,016.85	35.22	5.36	1,057.43	11.86	1,069.29
Disposals during the year	-	(0.49)	(0.01)	(0.27)	(0.77)	-	(0.77)
As at March 31, 2022	-	6,751.93	216.55	41.32	7,009.80	35.63	7,045.43
Additions made during the period	-	1,017.33	37.32	3.69	1,058.34	11.85	1,070.19
Disposals during the period	-	(0.01)	(0.01)	(2.51)	(2.53)	-	(2.53)
As at March 31, 2023	-	7,769.25	253.86	42.50	8,065.61	47.48	8,113.09
Net book value							
As at April 01, 2021	1,333.81	26,516.53	795.78	12.06	28,658.18	235.57	28,893.75
As at March 31, 2022	1,365.89	25,574.59	756.63	6.96	27,704.07	223.71	27,927.78
As at March 31, 2023	1,365.89	24,564.42	735.48	5.22	26,671.01	211.86	26,882.87

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

(a) 1069.15 acre (March 31, 2022: 1069.16 acre) of land are hypothecated for long term borrowings.

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

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

Particulars	As at	
	March 31, 2023	March 31, 2022
Description of the property	Land	Land
Area (acres)	186.06 Acre	258.66 Acre
Title deed held in the name of	Various Persons	Various Persons
Whether title deed holder is promoter, director or relative of promoter/ director or employee of promoter/ director	No	No
Property held since	Year 2017-2019	Year 2017-2019
Reason for not being held in the name of the Entity	Pending procedural formalities	Pending procedural formalities



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

4 Other Intangible Assets

Particulars	Customer contracts (purchase power agreements)	Total
Gross block (at cost)		
As at April 30, 2021	157.00	157.00
Additions made during the year	-	-
As at March 31, 2022	157.00	157.00
Additions made during the year	-	-
As at March 31, 2023	157.00	157.00
Amortisation and impairment		
As at April 30, 2021	27.37	27.37
Amortisation for the year	7.98	7.98
As at March 31, 2022	35.35	35.35
Amortisation for the year	7.98	7.98
As at March 31, 2023	43.33	43.33
Net book value		
As at March 31, 2022	121.65	121.65
As at March 31, 2023	113.67	113.67

This space has been left intentionally



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

5 Trade receivables

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Non-current		
Trade receivables		
- Receivables considered good - Unsecured;	474.24	-
	474.24	-
Current		
Trade receivables*		
- Receivables considered good - Unsecured;	1,145.22	2,731.93
- Receivables-credit impaired	5.14	0.26
	1,150.36	2,732.19
Impairment allowance (allowance for bad and doubtful debts)		
- Receivables-credit impaired	(5.14)	(0.26)
Total	1,145.22	2,731.93
Total Non-current and Current	1,619.46	2,731.93

* Trade receivable include the amount of unbilled revenue.

398.37 383.35

* 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 receivables as at reporting dates: ^

Particulars	(i) Undisputed Trade receivables - considered good	(ii) Undisputed Trade Receivables - which have significant increase in credit risk	iii) Undisputed Trade Receivables - credit impaired	(iv) Disputed Trade Receivables - considered good	(v) Disputed Trade Receivables - which have significant increase in credit risk	(vi) Disputed Trade Receivables - credit impaired	Total
As at March 31, 2023							
Unbilled	398.37	-	-	-	-	-	398.37
Not Due	910.34	-	0.00	-	-	-	910.34
Less than 6 months	298.74	-	0.01	-	-	-	298.75
6 months- 1 year	6.43	-	0.00	-	-	-	6.43
1-2 years	1.58	-	0.21	-	-	-	1.79
2-3 years	0.57	-	0.00	2.00	-	-	2.57
More than 3 years	3.44	-	0.04	2.88	-	-	6.35
Total	1,619.47	-	0.26	4.88	-	-	1,624.60
As at March 31, 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

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

6 Cash and cash equivalents

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balances with banks		
- Current account*	988.78	1,439.18
- Deposits with original maturity of three months or less	640.94	-
Total	1,629.72	1,439.18

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. 281.54 million (March 31, 2022: 270.43 million) pertains to (i) funds which can be used by CRPMPL for meeting its operating expenses and estimated transaction expenses

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balances with banks:		
- Current account	988.78	1,439.18
- Deposits with original maturity of three months or less	640.94	-
Cash Credit (refer note 14)	(18.14)	(599.56)
	1,611.58	839.62



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

7 Other bank balances

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Deposits with original maturity for more than 3 months but less than or equal to 12 months*	5.57	8.10
Total	5.57	8.10

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

8 Other financial assets

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Non-current		
Derivative asset	129.82	128.28
Other assets	1,082.62	-
Loan to related parties (refer note 31)	880.00	880.00
Security deposits- considered good	38.26	35.49
Security deposits- credit impaired	0.03	0.03
Impairment allowances for security deposits- credit impaired	(0.03)	(0.03)
Other receivables (refer note 43)*	113.33	-
Total	2,244.03	1,043.77
Current		
Derivatives not designated as hedges		
Other assets	8.95	6.91
Loan to related parties (refer note 31)	1,583.02	833.02
Accrued interest on fixed deposits with banks	0.24	-
Accrued interest on loan to related parties (refer note 31)	461.20	297.53
Security deposits	5.61	5.61
Other receivables (refer note 43)*	420.06	366.21
Less: provision for doubtful debts	(34.53)	(34.53)
Total	2,444.55	1,474.75

Notes:

- (i) Includes fixed deposit with interest under lien held as margin money
(ii) This represents 0.5% of outstanding 4.25% Senior secured notes ("Equity Cushion Amount") to be maintained by the Entity 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, 2023 is Rs 680 million (March 31, 2022: Rs 680 million). The applicable interest will be 55 bps higher than interest rate of secured lenders and is at fixed rate i.e. 9.30% p.a.
- (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, 2023 is Rs 200 million (March 31, 2022: 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 and is at fixed rate i.e. 9.59% p.a.
- (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, 2023 is Rs 181.20 million (March 31, 2022 is Rs. 181.20). The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan and is at fixed rate i.e. 10.09% p.a.
- (d) One of the Restricted Group entity, Clean Solar 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, 2023 is Rs 207.62 million (March 31, 2022 is Rs. 207.62). The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan and is at fixed rate i.e. 10.09% p.a.
- (e) One of the Restricted Group entity, Clean Solar 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, 2023 is Rs 140 million (March 31, 2022: 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 and is at fixed rate i.e. 10.09% p.a.
- (f) One of the Restricted Group entity, Clean Solar 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, 2023 is Rs 304.20 million. (March 31, 2022: 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 and is at fixed rate i.e. 10.09% p.a.
- (g) One of the Restricted Group entity, Clean Solar Power (Gulbarga) Pvt Ltd. entered into a "Loan Agreement" dated Jan 01, 2023 with Hero Solar Energy Private Limited for availing loan upto Rs. 750 million. The loan disbursed and outstanding as at March 31, 2023 is Rs 750 million. (March 31, 2022: NIL) The applicable interest shall not be lower than the rate applicable based on prevailing yield of government securities closest to the tenure of loan and is at fixed rate i.e. 9.59% p.a.

- (iv) *Other receivables also includes receivables from late payment surcharge (Refer note 43)

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

	As at	As at
	March 31, 2023	March 31, 2022
Trade receivables (Refer to note 5)	1,619.46	2,731.93
Cash and cash equivalents (Refer to note 6)	1,629.72	1,439.18
Other bank balances (Refer to note 7)	5.57	8.10
Other financial assets (Refer to note 8)	4,688.58	2,518.52
Total	7,943.33	6,697.73



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

9 Other assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Non- current (Unsecured)		
Capital advances	90.79	90.81
Less: Provision for doubtful capital advances	(87.51)	(87.51)
Prepaid expenses	36.89	39.71
Prepaid gratuity- funded (net of provision for gratuity) (refer note 32)	3.78	3.56
Deferred asset	139.57	146.94
Total	183.52	193.51
Current (Unsecured)		
Balance with government authorities	-	2.01
Advance to Vendors	616.60	235.69
Less: provision for doubtful advance (refer note 34 (c) (II))	(139.45)	(132.00)
Prepaid expenses - Current	76.38	51.79
Advance to employees	0.08	0.78
Deferred asset	7.27	7.27
Other receivables	8.00	5.82
Less: Provision for doubtful receivable	(7.99)	(5.82)
Prepaid gratuity- funded (net of provision for gratuity) (refer note 32)	0.85	-
Total	561.74	165.54

10 Non- current tax assets (net)

Particulars	As at	
	March 31, 2023	March 31, 2022
Advance income tax (net) *	137.71	58.54
Total	137.71	58.54
* net of provision for tax	7.62	70.90

11 Inventories

Particulars	As at	
	March 31, 2023	March 31, 2022
Stores and spares (At lower of cost and net realisable value)	37.53	13.38
Total	37.53	13.38

This space has been left intentionally



12 Equity Share Capital

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Authorised equity share capital		
12,000,000 (March 31, 2022: 12,000,000) equity shares of Rs. 10 each in Clean Wind Power (Bableshtar) Private Limited*	120.00	120.00
45,010,000 (March 31, 2022: 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, 2022: 60,000,000) equity shares of Rs. 10 each in Bhilwara Green Energy Limited*	600.00	600.00
201,799,793 (March 31, 2022: 126,000,000) equity shares of Rs. 10 each in Clean Solar Power (Gulbarga) Private Limited#	2,018.00	1,260.00
15,000,000 (March 31, 2022: 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, 2022: 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, 2022: 35,000,000) equity shares of Rs. 10 each in Clean Wind Power (Rattlam) Private Limited*	350.00	350.00
120,000,000 (March 31, 2022: 120,000,000) equity shares of Rs. 10 each in Clean Wind Power (Satara) Private Limited*	1,200.00	1,200.00
893,840 (March 31, 2022: 893,840) equity shares of \$ 1 each in Clean Renewable Power (Mauritius) Pte. Ltd\$	65.96	65.96
Total	5,104.06	4,346.06

Issued, subscribed and paid up Equity share capital

Particulars	As at	As at
	March 31, 2023	March 31, 2022
10,000 (March 31, 2022: 10,000) equity shares of Rs. 10 each in Clean Wind Power (Bableshtar) Private Limited*	0.10	0.10
45,010,000 (March 31, 2022: 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, 2022: 56,960,070) equity shares of Rs. 10 each in Bhilwara Green Energy Limited*	569.60	569.60
201,799,793 (March 31, 2022: 126,000,000) equity shares of Rs. 10 each in Clean Solar Power (Gulbarga) Private Limited#	2,018.00	1,260.00
13,613,000 (March 31, 2022: 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, 2022: 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, 2022: 35,000,000) equity shares of Rs. 10 each in Clean Wind Power (Rattlam) Private Limited*	350.00	350.00
71,889,000 (March 31, 2022: 71,889,000) equity shares of Rs. 10 each in Clean Wind Power (Satara) Private Limited*	718.89	718.89
893,840 (March 31, 2022: 893,840) equity shares of \$ 1 each in Clean Renewable Power (Mauritius) Pte. Ltd\$	65.96	65.96
Total	4,446.28	3,688.28

* represents entities held by Hero Wind Energy Private Limited

represents entities held by Hero Solar Energy Private Limited

\$ represents 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:

Particulars	No. of shares	(Rs. in million)
Balance as at April 1, 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
Issued during the year	75,799,793	758.00
Balance as at March 31, 2023	504,703,632	5,104.06

ii. Reconciliation of issued and subscribed share capital:

Particulars	No. of shares	(Rs. in million)
Balance as at April 1, 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
Issued during the year	75,799,793	758.00
Balance as at March 31, 2023	438,925,702	4,446.28

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.



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(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, 2023					
Hero Wind Energy Private Limited	177,472,070		177,472,070	40.43%	0.00%
Hero Solar Energy Private Limited	184,760,000	75,799,793	260,559,793	59.36%	41.03%
Hero Future Energies Asia Pte. Ltd.	893,839		893,839	0.20%	0.00%
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%

Includes shares held by nominee shareholder

d) Details of shareholders holding more than 5% shares

Particulars	No. of shares	Holding %
As at March 31, 2023		
Hero Wind Energy Private Limited along with its nominee	177,472,070	40.43%
Hero Solar Energy Private Limited along with its nominee	260,559,793	59.36%
Hero Future Energies Asia Pte. Ltd.	893,839	0.20%
Total	438,925,702	100.00%
As at March 31, 2022		
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%
Total	363,125,909	100.00%

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

Bhilwara Green Energy Limited

- (a) 74% shares are pledged by Hero Wind Energy Private Limited for borrowing obtained by the entity (refer note 14) and
(b) 26% shares are pledged by Hero Wind Energy Private Limited for its own borrowings from lenders.

Clean Wind Power (Bableshtar) Private Limited

- 51% shares are pledged by Hero Wind Energy Private Limited for borrowing obtained by the entity (Refer note 14).

Clean Wind Power (Piploda) Private Limited

- 51% shares are pledged by Hero Wind Energy Private Limited for borrowing obtained by the entity. (Refer note 14).

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 14) 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 14).

- (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 14).

Clean Solar Power (Dhar) Private Limited

- 51% shares are pledged by Hero Solar Energy Private Limited for borrowing obtained by the entity (Refer note 14)

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 14) 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.

This space has been left intentionally



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

13 Other equity

Particulars	Retained earnings	Securities premium	Debt redemption reserve	Invested capital	Foreign currency translation reserve	Cash flow hedging reserve	Cost of hedging reserve	Deemed capital contribution	Equity component of compulsory convertible debentures (refer note (h) below)	Total
Balance as at March 31, 2021	(2,554.26)	257.80	209.58	463.31	(3.66)	-	-	115.82	783.00	(228.41)
Deficit in statement of profit and loss	(277.77)	-	-	-	-	-	-	-	-	(277.77)
Other comprehensive income	5.79	-	-	-	-	-	-	-	-	5.79
Transferred to retained earnings	-	-	(209.58)	-	-	-	-	-	-	(209.58)
Additions during the year	-	-	-	-	0.82	(169.78)	(232.77)	-	-	(421.73)
Effect of tax	-	-	-	-	-	(28.47)	(34.92)	-	-	(63.38)
Transferred from debt redemption reserve	209.58	-	-	-	-	-	-	-	-	209.58
Transferred to share capital (refer note (a) below)	-	-	-	-	-	-	-	(54.18)	-	(54.18)
Balance as at March 31, 2022	(2,616.66)	257.80	-	463.31	(2.84)	(218.25)	(267.69)	61.64	783.00	(1,539.69)
Surplus in statement of profit and loss	572.32	-	-	-	-	-	-	-	-	572.32
Other comprehensive income	0.86	-	-	-	-	-	-	-	-	0.86
Additions during the year	-	-	-	-	(26.44)	134.65	(971.77)	-	-	(863.55)
Loss on conversion of CCD into equity shares	-	(23.50)	-	-	-	-	-	-	-	(23.50)
Balance as at March 31, 2023	(2,043.48)	234.30	-	463.31	(29.28)	(83.60)	(1,239.45)	61.64	783.00	(1,853.56)

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

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.

Debt Redemption Reserve

One of the Restricted Group entity namely Bhiwara Green Energy Limited ("BGEEL"), had issued redeemable non-convertible debentures. Under the Companies (Share capital and Debentures) Rules, 2014 (as amended), the Entity was required to create DRR, for amount equivalent to 25% of the value of debentures issued, out of profits of the entity available for payment as dividend. However, Vide notification G.S.R.574 (E) dated August 16, 2019, in case of privately placed debentures, Debt Redemption Reserve ('DRR') is not required for the entity. 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 Bhiwara Green Energy Limited.

Cash Flow Hedging Reserve

The Restricted Group uses hedging instruments as part of its management of foreign currency risk associated on borrowings. For hedging foreign currency, the 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 Hedging 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 a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

14 Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Secured		
4.25% Senior secured notes	25,753.99	25,326.86
Unsecured		
Optional Convertible Cumulative Debentures	1,065.61	1,799.78
Compulsory Convertible Debentures	1,490.07	1,532.89
Loan from related party	32.84	32.84
Total	28,342.51	28,692.37
Current		
Secured		
Current maturities of 4.25% Senior secured notes	1,714.36	1,304.10
Cash credit	18.14	599.56
Total	1,732.50	1,903.66

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

Notes on security terms:

I 4.25% Senior Secured Notes

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

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

II Optional Convertible Cumulative Debentures ("OCCD"):

Entity name	Nature of Lender	March 31, 2023 Amount (Rs. in million)	March 31, 2022 Amount (Rs. in million)	Payment terms	Security and other details
Clean Wind Power (Rattlam) Private Limited	Hero Wind Energy Private Limited	528.08	1,047.83	(i) OCCD I - 35,000,000 debentures of face value Rs. 10 each (March 31, 2022 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 II- 18,000,000 debentures of face value Rs. 10 each (March 31, 2022 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), out of which Rs. 170.00 millions paid during the year. (iii) OCCD III- Nil (March 31, 2022 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), whole amount paid during the year. Subject to prior approval from the lenders of the entity at the option of Debenture Subscriber.	Unsecured
Clean Wind Power (Piploda) Private Limited	Hero Wind Energy Private Limited	238.15	407.61	(i) OCCD I - 3,05,000 debentures of face value Rs. 10 each (March 31, 2022 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) out of which Rs. 169.50 millions paid during the year. (ii) OCCD II - 20,838,000 debentures of face value Rs. 10 each (March 21, 2022 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



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

Rajkot(Gujarat) Solar Energy Private Limited	Hero Solar Energy Private Limited	299.38	344.34	(i) OCCD I - 15,500,000 debentures of face value Rs. 10 each (31 March, 2022 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), out of which Rs. 45.00 millions paid during the year. (ii) OCCD II - 14,500,000 debentures of face value Rs. 10 each (31 March, 2022 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		1,065.61	1,799.78		

Compulsory Convertible Debentures ("CCD")

Entity name	Nature of Lender	March 31, 2023 Amount (Rs. in million)	March 31, 2022 Amount (Rs. in million)	Payment terms	Security and other details
Clean Solar Power (Gulbarga) Private Limited	Hero Solar Energy Private Limited	1,490.07	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		1,490.07	1,532.89		

Cash credit

Entity name	Nature of Lender	March 31, 2023 Amount (Rs. in million)	March 31, 2022 Amount (Rs. in million)	Payment Terms	Security and other details
Clean Wind Power (Railam) 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. These balances are repayable on demand.
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 (Bableshtar) 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	18.14	30.14	Repayable on demand	
Clean Solar Power (Gulbarga) Private Limited*	Axis Bank Ltd	-	6.61	Repayable on demand	
Total		18.14	599.57		

The Restricted Group is also having a sanctioned limit of Rs. 890.00 million as secured CC/WCDL facility from Axis bank out of which Rs 18.14 million has been availed by the Restricted Group as on March 31, 2023 (March 31, 2022 : Rs. 599.57 million).

*Cash credit facility of Gulbarga is closed as on March 31, 2023



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

III. Loan from related parties

(a) Clean Wind Power (Satara) Private Limited 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. 15,00.00 million. The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45% p.a. The said loan is repayble on demand.

(b) Clean Wind Power (Ratlam) Private Limited 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, 2022:Rs 500.00 million). The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45% p.a. The said loan is repayble on demand.

(c) Clean Wind Power (Bhilwara) Private Limited 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 (March 31, 2022:Rs 500.00 million). The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45% p.a. The said loan is repayble on demand.

(d) Clean Wind Power (Bableshtar) Private Limited 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. The applicable interest on the said loan should not be less than prevailing yield of Government Securities and is at fixed rate i.e. 9.45% p.a. The said loan is repayble on demand.

Below is the balance outstanding as at respective reporting date:

Entity Name	Balance Outstanding as at March 31, 2023	Balance Outstanding as at March 31, 2022
Ratlam	16.00	16.00
Satara	0.70	0.70
Bableshtar	2.50	2.50
Bhilwara	13.64	13.64
Total	32.84	32.84

This space has been left intentionally



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

15 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
- Outstanding dues to micro and small enterprises*	10.74	1.46
- Outstanding dues to parties other than micro and small enterprises	189.07	235.54
Total	199.81	237.00
Includes payable to related parties	50.16	51.27

*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 37.

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

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	10.74	1.46
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, 2023					
Unbilled	-	151.03			151.03
Not due	9.17	5.65			14.82
Less than 1 Year	1.57	29.68		0.01	31.26
1-2 Years	-	1.42			1.42
2-3 Years	-	0.47			0.47
More than 3 Years	-	0.81			0.81
Total	10.74	189.06		0.01	199.81
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

16 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Derivative liability	-	138.95
Total	-	138.95
Current		
Interest accrued on 4.25% Senior secured notes	19.66	19.10
Interest accrued on loan from related parties (refer note 31)	133.49	77.04
Interest accrued on Optional Convertible Cumulative Debentures (refer note 31)	145.00	87.19
Interest accrued on Compulsory Convertible Debentures (refer note 31)	319.46	132.01
Payables for property, plant and equipment and intangible asset	209.81	346.56
Other payables (refer note 31)	63.02	19.26
Total	890.44	681.16
Breakup of financial liabilities at amortised cost:		
Borrowings (Refer note 14)	30,075.01	30,596.03
Trade payables (Refer note 15)	199.81	237.00
Other financial liabilities (Refer note 16)	890.44	820.11
Total	31,165.26	31,653.14



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

17 Other liabilities

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Non-current		
Deferred government grant (Refer note 39)- non current	981.84	302.20
Deferred revenue (Refer note 40)	129.03	111.21
Operation and maintenance equalisation reserve	178.37	233.26
Total	1,289.24	646.67
Current		
Deferred government grant (Refer note 39)	56.02	26.79
Deferred revenue (Refer note 40)	34.20	22.91
Advance from customers	1.03	-
Operation and maintenance equalisation reserve	54.89	42.82
Statutory dues	25.86	44.64
Total	172.00	137.16

18 Provisions

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Non-current		
Provision for employee benefits:		
- Provision for gratuity (Refer note 32)	0.42	0.77
- Provision for compensated absences	5.54	7.12
Others		
Provision for decommissioning cost - non current	42.46	38.82
Total	48.42	46.71
Current		
Provision for employee benefits:		
- Provision for gratuity (Refer note 32)	0.20	0.15
- Provision for compensated absences	0.95	0.76
Total	1.15	0.91

Movement of provision for decommissioning cost

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	38.82	48.56
Additions during the year	3.64	3.32
Change in estimates	-	(13.06)
Balance at the end of the year	42.46	38.82

19 Deferred tax assets/ liability (net)

Particulars	As at	As at
	31 March 2023	31 March 2022
Deferred tax liabilities (net)	760.77	947.64
	760.77	947.64
Deferred tax assets (net)	176.27	411.77
	176.27	411.77

20 Liabilities for current tax (net)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Liabilities for current tax (net of advance tax)*	7.08	9.08
Total	7.08	9.08

* Net of advance tax

₹6.36 81.77

21 Revenue from operations

Particulars	For the year ended	
	As at	As at
	March 31, 2023	March 31, 2022
Type of goods or service		
Sale of electricity	4,602.27	4,755.37
Less: Rebate and Discounts	(29.11)	(34.98)
	4,573.16	4,720.39
Incentive under generation based incentive scheme	195.48	213.61
Other operating revenue		
Income from Carbon Credit	-	44.69
Total	4,769.64	4,978.69

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.



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

22 Other income

Particulars	For the year ended	
	As at	As at
	March 31, 2023	March 31, 2022
Late payment surcharge (Refer note 43)	437.78	-
Interest income on loan to related parties	181.23	142.61
Interest income on unwinding of discounted trade receivables	62.51	-
Insurance claim	44.61	57.89
Interest income on fixed deposits	43.51	8.13
Miscellaneous income	39.22	13.51
Amortisation of deferred revenue (Refer note 40)	32.32	26.79
Amortisation of deferred government grant (Refer note 39)	11.45	5.73
Balances and Provision written back	6.87	13.12
Interest income on income tax refund	2.87	11.42
Unwinding of discount on deposits	2.74	2.50
Total	865.11	281.70

23 Employee benefit expenses

Particulars	For the year ended	
	As at	As at
	March 31, 2023	March 31, 2022
Salaries, wages and bonus	124.17	126.70
Contribution to provident and other funds (Refer note 32)	5.39	5.45
Gratuity expense (Refer note 32)	1.93	4.37
Staff welfare expenses	0.06	0.07
Total	131.55	136.59

24 Finance cost

Particulars	For the year ended	
	As at	As at
	March 31, 2023	March 31, 2022
Interest expense on financial liabilities measured at amortised cost:		
Interest on 4.25% Senior secured notes	2,217.14	2,156.20
Interest expenses on discounting of trade receivables	150.15	-
Interest on compulsory convertible debenture (refer note 31)	145.49	142.82
Interest on Optional Cumulative Convertible Debenture (refer note 31)	82.96	141.42
Interest on debts and borrowings banks and financial institutions	31.34	184.49
Interest on loan from related parties (Refer note 31)	3.10	11.09
Interest on non convertible debenture	-	5.91
Other finance costs	16.85	23.64
Total	2,647.03	2,665.57

25 Depreciation and amortisation expense

Particulars	For the year ended	
	As at	As at
	March 31, 2023	March 31, 2022
Depreciation of tangible assets	1,058.34	1,057.41
Depreciation of right of use asset	11.85	11.86
Amortisation of intangible assets	7.98	7.98
Total	1,078.17	1,077.25

26 Other expenses

Particulars	For the year ended	
	As at	As at
	March 31, 2023	March 31, 2022
Operation and maintenance expenses* (refer note 31)	440.03	432.49
Legal and professional expense	73.10	67.10
Exchange fluctuation expense (net)	27.20	1.72
Rent, rates and taxes	18.17	22.49
Travelling and conveyance	5.54	10.11
Power and fuel	22.40	31.31
Management Fees (refer note 31)	174.64	166.32
Insurance	61.53	59.66
Provision for doubtful debts and advances	18.78	102.62
CSR expenditure	8.90	-
Repair and maintenance	22.09	16.19
Director sitting fees	-	0.26
Deviation Settlement Charges	22.61	26.47
Miscellaneous expenses	11.06	20.02
Total	906.05	956.96

* Includes impact of operation and maintenance equalisation reserve

42.82 31.33

27 Tax expense

Particulars	For the year ended	
	As at	As at
	March 31, 2023	March 31, 2022
Current tax	250.69	301.43
Adjustment of tax relating to earlier periods	0.61	(0.54)
Deferred tax	48.33	400.90
Total	299.63	701.79



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

28 Other Comprehensive Income

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

For the year ended	
As at	As at
March 31, 2023	March 31, 2022
1.16	8.04
(0.30)	(2.25)
(837.12)	(485.93)
(26.44)	0.82
(862.70)	(479.32)

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.

This space has been left intentionally



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(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 respective year end:

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".

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Accounting profit before tax (A)	871.95	424.02
Weighted average tax rate (B)	23.22%	26.00%
Computed tax expense (AXB)	202.48	110.25
Difference in tax Rates	-	(3.29)
Effect of tax rate differences due to entity operating in other jurisdictions	-	(25.87)
Expenses disallowed as per Income Tax Act, 1961	223.41	436.95
Effect on tax due to new tax regime opted	(183.85)	-
Effect on tax due to reassessment of temporary differences reversing under tax holiday period	(120.26)	93.40
Deferred tax assets (recognised)/not recognised due to assessment	97.07	(108.79)
Tax on deemed dividend	-	41.95
Withholding tax on interest income lapsed	139.10	138.67
Others	(58.32)	18.52
Total	299.63	701.79

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	As at
	March 31, 2023	March 31, 2022
Deferred tax assets	176.27	411.77
Deferred tax liabilities	(760.77)	(947.64)
Net Deferred tax assets/ (liabilities)	(584.50)	(535.87)

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

For the year ended March 31, 2023

Particulars	Balance at the beginning of the year	(Charged) / credited to	(Charged) / credited to OCI	(Charged) / credited directly in Equity	Balance at the end of the year
Carry forward tax loss and Unabsorbed depreciation	894.18	204.07	-	-	1,098.25
Higher depreciation and amortization for tax purposes	(1,950.65)	(561.88)	-	-	(2,512.53)
Effective interest rate adjustments for borrowings	0.91	(0.90)	-	-	0.01
Debtor and LPS	-	2.68	-	-	2.68
Equity component of compound financial instruments	46.26	(10.78)	-	-	35.48
Deferred Government Grant	25.63	191.89	-	-	217.52
Minimum alternative tax credit entitlement (refer note (b) below)	349.85	55.85	-	-	405.70
Gain/(loss) on mark to market of derivative instrument	(63.38)	-	-	63.38	-
Others	161.33	7.36	(0.30)	-	168.39
Total	(535.87)	(111.71)	(0.30)	63.38	(584.50)



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

For the year ended March 31, 2022

Particulars	Balance at the beginning of the year	(Charged) / credited to Statement of profit and loss	(Charged) / credited to OCI	(Charged) / credited directly in Equity	Balance at the end of the year
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)

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 its impact thereon.

(b) The Indian entities of Restricted Group has recognized an asset of Rs 405.70 million (March 31, 2022: Rs 349.85 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, 2023, the Entity has carry forward tax losses of Rs. 385.65 million (expiring Rs. 59.23 million in financial year 2027-28, Rs. 326.42 million in financial year 2028-29) on which the Company has not recognized deferred tax asset of Rs. 97.07 million (which was earlier recognised in the year ended March 31, 2022) primarily due to unavailability of projected taxable profits.

This space has been left intentionally



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

31 Related party disclosures:

a) Name 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
Maya Shankar Roy	Chief Executive Officer
Ankur Sharma (resigned w.e.f April 23, 2021)	Company Secretary
Aditya Kumar (appointed w.e.f June 10, 2021)	Company Secretary
Rahul Kumar (resigned w.e.f November 08, 2022)	Company Secretary
Pulkit	Company Secretary
Teena sharma	Company Secretary
Nelson Mandela	Company Secretary

b) Transactions with related parties

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Issue of share capital		
Hero Solar Energy Private Limited	758.00	-
Management and development fee		
Hero Future Energies Private Limited	45.07	21.46
Hero Solar Energy Private Limited	84.91	39.91
Hero Wind Energy Private Limited	45.76	21.85
Borrowings obtained		
Hero Wind Energy Private Limited	-	44.64
Hero Solar Energy Private Limited	-	4.50
Repayment of borrowings		
Hero Wind Energy Private Limited	689.50	1,295.63
Hero Solar Energy Private Limited#	-	32.60
Repayment of Optional Convertible Cumulative Debentures		
Hero Solar Energy Private Limited	45.00	-
Interest expenses		
Hero Solar Energy Private Limited	-	107.16
Hero Wind Energy Private Limited	3.10	9.19
Loan given		
Hero Solar Energy Private Limited	-	517.62
Hero Wind Energy Private Limited	-	181.2
Interest expense on Optional Convertible Cumulative Debentures		
Hero Wind Energy Private Limited	82.64	70.53
Hero Solar Energy Private Limited	28.06	-
Interest expense on Compulsory Convertible Debentures		
Hero Solar Energy Private Limited	188.30	-
Issue of compulsorily convertible debentures (CCD)		
Hero Solar Energy Private Limited	734.50	-
Conversion of compulsorily convertible debentures (CCD)		
Hero Solar Energy Private Limited	734.50	-
Operation & maintenance expense		
Hero Solar Energy Private Limited	132.38	64.18
Hero Wind Energy Private Limited	284.64	-
Interest income on loan		
Hero Solar Energy Private Limited	143.77	46.84
Hero Wind Energy Private Limited	37.46	16.18



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

Interest income on debentures		
Hero Solar Energy Private Limited	-	-
Expenses incurred by them		
Clean Solar Power (Jaipur) Private Limited	-	0.03
Hero Wind Energy Private Limited	-	2.60
Clean Solar Power (Tumkur) Private Limited	-	-
Hero Solar Energy Private Limited	0.05	-
Expenses incurred by us		
Waaneep Solar Private Limited	-	0.91
Vayu Urja Bharat Private Limited	-	0.06
Hero Wind Energy Private Limited	0.02	0.64
Hero Solar Energy Private Limited	-	-
Clean Solar Power (Chitradurga) Private Limited	0.00	-
Clean Wind Power (Manvi) Private Limited	0.01	-
Capital Contribution transferred to share capital		
Hero Future Energies Asia Pte. Ltd.	-	53.84
Contribution to Gratuity Fund Trust		
Hero Future Energies Limited Employees Group Gratuity Trust	0.05	0.10

c) Outstanding balances:

Particulars	As at March 31, 2023	As at March 31, 2022
Equity share capital		
Hero Solar Energy Private Limited	2,018.00	-
Loan balances receivables		
Hero Wind Energy Private Limited	381.20	381.20
Hero Solar Energy Private Limited	1,331.82	1,331.82
Interest accrued on loan balances receivables		
Hero Wind Energy Private Limited	102.06	68.34
Hero Solar Energy Private Limited	358.57	228.87
Other receivables:		
Clean Wind Power (Pratapgarh) Private Limited	0.05	0.05
Clean Wind Power (Manvi) Private Limited	0.01	0.00
Clean Wind Power (Anantapur) Private Limited	0.27	0.27
LNJ Power Ventures Limited	0.14	0.14
Clean Wind Power (Devqarh) Private Limited	328.54	328.54
Hero Wind Energy Private Limited	0.12	0.12
Hero Future Energies Private Limited	2.54	2.54
Hero Solar Energy Private Limited	0.00	-
Waaneep Solar Private Limited	0.03	0.03
Loans payables		
Hero Wind Energy Private Limited	32.84	32.84
Hero Solar Energy Private Limited**	60.00	60.00
Payable on account of Optional Convertible Cumulative Debentures		
Hero Solar Energy Private Limited	300.00	345.00
Hero Wind Energy Private Limited	768.88	1,458.38
Payable on account of compulsory convertible debentures		
Hero Solar Energy Private Limited	2,419.60	2,419.60
Payable on account of interest on Optional Convertible Cumulative Debentures		
Hero Wind Energy Private Limited	147.47	87.19
Hero Solar Energy Private Limited	59.25	-
Interest accrued on loans:		
Hero Solar Energy Private Limited	0.05	31.27
Hero Wind Energy Private Limited	71.14	45.77
Payable on account of interest on Compulsory Convertible Debentures		
Hero Solar Energy Private Limited	319.46	132.01
Contribution towards gratuity fund		
Hero Future Energies Limited Employees Group Gratuity Trust	10.90	10.57
Advances given		
Hero Future Energies Private Limited	0.13	0.17
Hero Wind Energy Private Limited	316.72	24.49
Hero Solar Energy Private Limited	11.65	-
Trade Receivable		
Hero Future Energies Private Limited	0.51	0.51
Hero Solar Energy Private Limited	3.39	3.39
Clean Wind Power (Devqarh) Private Limited	0.53	0.53
Hero Wind Energy Private Limited		



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Trade payables		
Clean Solar Power (Jaipur) Private Limited	48.40	48.40
Hero Wind Energy Private Limited	0.35	2.56
Hero Solar Energy Private Limited	1.41	0.54
Hero Future Energies Private Limited	-	-
Other payables		
Clean Solar Power (Jaipur) Private Limited	0.10	0.10
Clean Wind Power (Manvi) Private Limited	0.23	0.23
Vayu Uria Bharat Private Limited	1.17	1.16
Clean Solar Power (Tumkur) Private Limited	1.65	1.66
Clean Wind Power (Bhavnaagar) Private Limited	0.17	0.17
Clean Wind Power (Devqarh) Private Limited	0.01	0.01
Clean Solar Power (Chitradurga) Private Limited	0.02	0.02
Hero Wind Energy Private Limited	3.38	3.38
Hero Solar Energy Private Limited	4.71	4.66
Hero Future Energies Private Limited	7.80	7.60
Hero Future Energies Asia Pte. Ltd.	-	0.20

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

d) Compensation of key management personnel of the Restricted Group

Particulars	As at March 31, 2023	As at March 31, 2022
Payment to Key management personnel*	4.59	4.99
Total	4.59	4.99

Particulars	As at March 31, 2023	As at March 31, 2022
Remuneration payable*#	0.34	0.32
Total	0.34	0.32

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

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

e) Other transactions with Related 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, 2022: Nil) and no further awards are planned. Management has assessed that it is not probable that total settlements will exceed the already provisioned Rs. 1.64 million and therefore no further expense has been recognised for the half year ended March 31, 2023.

(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.

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

f) Terms and conditions of transactions with related parties

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

This space has been left intentionally



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(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. 5.39 million (March 31, 2022: Rs. 5.45 million) during the year as expense towards contribution to the plan.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Provident fund	5.39	5.45
Total	5.39	5.45

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 build 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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Present value of obligation as at the beginning of the year	6.45	10.72
Add: Current service cost	2.11	4.26
Add: Past service cost	-	-
Add: Interest cost	0.54	0.75
Add: Actuarial (gain) / loss	(1.51)	(7.95)
Less: Benefits paid	-	-
Add: Acquisition Adjustment	-	-
Less: Benefits paid	(2.85)	(1.33)
Present value of obligation as at the end of the year	4.74	6.45

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:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Add: Current service cost	2.11	4.26
Add: Past service cost	-	-
Add: Interest cost	0.54	0.75
Less: Investment Income	(0.72)	(0.64)
Add: Actuarial (gain) / loss	-	-
Less: Return on plan assets	-	-
Net cost	1.93	4.37

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Fair value of plan assets at the beginning	10.52	9.80
Add: Investment income	0.72	0.64
Add: Expected return on plan assets	(0.35)	0.08
Add: Employer's Contribution	-	0.00
Add: Employee's Contribution	-	-
Less: Benefits paid	-	-
Add: Actuarial gains / (losses) on the plan assets	-	-
Add: Actuarial gains / (losses) on the plan assets	-	-
Fair value of plan assets at the end	10.89	10.52

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Actuarial gain / (loss) for the year – obligation	1.51	7.95
Actuarial gain / (loss) for the year - plan assets	(0.35)	0.08
Total gain / (loss) for the year	1.16	8.04



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)
q) Principal actuarial assumptions are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Economic assumptions		
Discount rate		
Rate of increase in compensation levels	7.30% 10%	6.90% 10%
Demographic assumptions		
Expected average remaining working lives of employees (years)		
Retirement Age (years)	23.29-30.86 60.00	23.29-30.86 60.00
Mortality Table	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate
Withdrawal Rate		
Ages up to 30 Years		
Ages from 31-44	5.78%	5.44%
Above 44 years	22.74% 0.72%	14.29% 1.02%

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 assets.

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation		
Less: Fair value of plan assets	4.74	6.45
Net (assets) / liability	(10.89) (6.15)	(10.52) (4.07)

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

Particulars	As at March 31, 2023	As at March 31, 2022
A. Discount rate		
Effect on DBO due to 1% increase in Discount Rate		
Effect on DBO due to 1% decrease in Discount Rate	(0.51) 1.13	(3.39) 4.20
B. Salary escalation rate		
Effect on DBO due to 1% increase in Salary Escalation Rate		
Effect on DBO due to 1% decrease in Salary Escalation Rate	0.56 (0.50)	4.36 (3.47)
C. Withdrawal Rate		
Effect on DBO due to 50% increase in Withdrawal Rate		
Effect on DBO due to 50% decrease in Withdrawal Rate	(0.36) 0.81	(3.40) 4.48
D. Mortality Rate		
Effect on DBO due to 50% increase in Mortality Rate		
Effect on DBO due to 50% decrease in Mortality Rate	(0.00) 0.00	(2.73) 2.73

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

	As at March 31, 2023	As at March 31, 2022
1 year		
2 to 5 years	0.79	0.69
6 to 10 years	2.80	2.56
More than 10 years	3.20 7.45	2.47 14.70

The Restricted Group expects to contribute Rs. 1.67 million (March 31, 2022 : Rs. 6.02 million) to the plan during the next financial year.

This space has been left intentionally



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

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.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Borrowings (including current maturities of long term borrowings) (Refer to note 14)	30,075.01	30,596.03
Less: Cash and cash equivalents (Refer to note 6)	1,629.72	1,439.18
Net debt	28,445.29	29,156.85
Equity share capital (Refer to note 12)	4,446.28	3,688.28
Other equity (Refer to note 13)	(1,853.56)	(1,539.69)
Total Capital	2,592.72	2,148.59
Capital and net debt	31,038.01	31,305.44
Gearing ratio	91.65%	93.14%

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

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

This space has been left intentionally



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

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, 2023	March 31, 2022
Viability Gap Funding (Dhar)	468.10	468.10
Viability Gap Funding (Gulbarga)	741.20	-

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.

Corporate guarantees have been furnished to project finance lenders against loans availed by the Restricted Group.

Letter of credit/Buyer's credit represents financing arrangements for purchase of capital assets which are to be settled out of loans pending disbursements. 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 In Clean Solar Power (Gulbarga) Private Limited, there are 7 land cases filed by third parties against the entity on various issues including (i) the unauthorized sale of their ancestral land by relatives to the Entity (ii) encroachment/erection of towers by the 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 the Entity for the sale of their land. The Entity is contesting all such cases and based on advice from legal counsel, management believes that they have a good case on merits. The Entity 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 In case of one of the Restricted Group 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 Company Law Tribunal ordered the commencement of corporate insolvency resolution process of the ReGen and appointed Interim Resolution Professionals ('IRP'). ReGen has continued to be sole O&M vendor for the Entity. Considering the financial position of ReGen, to ensure smooth functioning of the plant of the Entity, as per approval from ReGen and IRP, the Entity paid advance to material/service vendors of ReGen for replacement/repairs of Generators and other related expenses. Net outstanding advance (net of amount payable towards O&M services rendered till respective reporting dates) is Rs. 194.45 millions (as at March 31, 2022: Rs. 171.54 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 Entity 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. 139.45 million (As at March 31, 2022: 132.00 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 statements.

This space has been left intentionally



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

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:

Particulars	Carrying values		Fair values	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial Assets measured at fair value through other comprehensive income				
Derivative asset designated as hedge	1,082.62	-	1,082.62	-
Total	1,082.62	-	1,082.62	-
Financial assets measured at amortised cost				
Security deposits	43.87	41.10	43.87	41.10
Trade receivables	1,619.46	2,731.93	1,619.46	2,731.93
Cash and cash equivalents	1,629.72	1,439.18	1,629.72	1,439.18
Other bank balances	5.57	8.10	5.57	8.10
Other financial assets	4,688.58	2,827.37	4,688.58	2,827.37
Total	7,987.20	7,047.68	7,987.20	7,047.68
Financial liabilities measured at fair value through other comprehensive income				
Derivative liability designated as hedge	-	138.95	-	138.95
Total	-	138.95	-	138.95
Financial liabilities measured at amortised cost				
Borrowings	30,075.01	30,596.03	31,145.81	30,639.92
Trade payables	199.81	237.00	199.81	237.00
Other financial liabilities	890.44	542.21	890.44	403.26
Total	31,165.26	31,375.24	32,236.06	31,280.18

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:

- Fair values of the Restricted Group's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the rate as at the end of the reporting year. The own non-performance risk as at reporting date was assessed to be insignificant.
- 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.
- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
- The Entity has hedged foreign currency exposure risk related to investments in restricted group entities denominated in INR using derivative financial instruments. Foreign currency exposure related to the principal cashflows is hedged using call spread options & coupon cash-flows is using cross currency swaps. These were entered into with various counterparties, principally financial institutions with investment grade credit ratings. For the purpose of determining the fair value of derivative financial instruments, the Entity uses swap pricing model based on present value calculations and option pricing model based on principles of black Scholes model. These models incorporate various market observable such as foreign exchange spot and forward rates, interest rate curves of the respective currencies, implied volatility of respective currencies etc. prevailing as of valuation date.

This space has been left intentionally



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

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

Particulars	Level Classification	As at	
		March 31, 2023	March 31, 2022
Financial assets measured at fair value through other comprehensive income			
Derivative assets designated as hedge	Level 2	1,082.62	-
Financial assets measured at amortised cost			
Security deposits	Level 2	43.87	41.10
Trade receivables	Level 2	1,619.46	2,731.93
Cash and cash equivalents	Level 2	1,629.72	1,439.18
Other bank balances	Level 2	5.57	8.10
Other financial assets	Level 2	4,688.58	2,827.37
Total		7,987.20	7,047.68
Financial liabilities measured at fair value through other comprehensive income			
Derivative Liability designated as hedge	Level 2	-	138.95
Financial liabilities measured at amortised cost			
Borrowings	Level 2	31,145.81	30,639.92
Trade payables	Level 2	199.81	237.00
Other financial liabilities	Level 2	890.44	403.26
Total		32,236.06	31,419.13

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 ended March 31, 2023.

This space has been left intentionally



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 effects 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, 2023 and March 31, 2022.

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.

ii) Foreign currency risk

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

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

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

B. Credit risk

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

i) Trade receivables

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

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

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

ii) Financial instruments and cash deposits

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

C. Liquidity risk

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

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

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

Particulars	On demand	Less than 3	3 to 12	1 to 5 years	> 5 years	Total
As at March 31, 2023						
Borrowings* #	18.14	294.90	2,655.10	28,939.95	2,590.67	34,498.76
Trade payables	-	10.74	189.07	-	-	199.81
Other financial liabilities	452.95	-	437.49	-	-	890.44
Total	471.09	305.64	3,281.66	28,939.95	2,590.67	35,589.01
As at March 31, 2022						
Borrowings* #	599.56	305.58	2,201.74	29,421.87	3,368.45	35,897.20
Trade payables	-	1.46	235.51	-	-	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

* refer note 14

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



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

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. 25.40 million (March 31, 2022 Rs. 26.79 million) as Other income, which is recorded under Note 22 of the financial statements, while an amount of Rs. 303.58 million (March 31, 2022 Rs. 328.99 million) has been recorded as "Deferred government grant" under Note 17 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 In respect of one of the Restricted Group namely Clean Solar Power (Gulbarga) Private Limited, the said entity executed five Power Purchase Agreements (PPAs) of 200 MW with Solar Energy Corporation of India ("SECI") dated August 2, 2016. Central Government introduced new Indirect Tax regime "Goods and Services Tax Act" (GST) on July 1, 2017 which resulted in an increase in non-recurring expenditure on the project. In accordance with accounting policy of the Restricted Group, such additional cost incurred in relation to GST has been capitalized under Property, plant and equipment.

Central Electricity Regulatory Commission ("CERC") vide order dated March 26, 2020 has directed SECI to pay the additional cost incurred by the said 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 Rs. 489.80 million. Out of Rs. 489.80 million, Rs. 134.13 Million was paid upfront and for rest of the amount in monthly annuity of Rs. 4.96 million.

Accordingly, the entity has recorded an amount of Rs. 11.45 million (March 31, 2022 Rs. 5.73 million) as other income, which is recorded under Note 22 of the financial statements, while an amount of Rs. 163.23 million (March 31, 2022 Rs. 484.07 million) has been recorded as "Deferred income" under Note 17 of the financial statements. The balance of GST receivable as on March 31, 2023 is Rs. Nil (March 31, 2022 Rs. 349.95 million) has been recorded as "Other financial asset" under Note 8 of the financial statements.

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

Particulars	Balance at the beginning of the year	Cash flows	Non-cash transactions			Balance at the end of the year
			Processing cost	Interest accretion	Others	
For the year ended March 31, 2023						
4.25% Senior secured notes	26,630.96	(2,192.40)	-	76.14	2,219.48	26,734.18
Cash credit facilities	-	18.14	-	-	-	18.14
Loan from Related Party	32.84	-	-	-	-	32.84
Compulsory Convertible Debentures	1,532.89	-	-	(42.82)	-	1,490.07
Optional Convertible Debentures	1,799.78	-	-	-	(734.17)	1,065.61
Total	29,996.47	(2,174.26)	-	33.32	1,485.31	29,340.84
For the year ended March 31, 2022						
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

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

During previous year, one of the Restricted Group namely Clean Renewable Power (Mauritius) Pte. Ltd has issued equity shares 729,458 equivalent to Rs. 54.18 million to Hero Future Energies Asia Pte Ltd to discharge the liability in respect of expenditure incurred by Hero Future Energies Asia Pte Ltd on behalf of the Entity.



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

42. During the year ended March 31, 2022, the Entity 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 Entity 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 Entity 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, 2023.

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

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

The Restricted Group recorded an expense of Rs. 942.06 (Previous year: Rs. 927.60 million). Intrinsic value of hedging instrument is reclassified from other comprehensive income to statement of profit and loss account 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 statement of profit or loss account.

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

Particulars	Foreign Currency Option Contracts	
	As at March 31, 2023	As at March 31, 2022
Notional Amount (US\$ denominated in million)	337.59	355.74
Non-current – Other financial Liabilities (INR in million)		
Cash Flow Hedging Reserve (INR in million)	0.00	138.95
Cost of Hedging Reserve (INR in million)	(56.38)	(218.25)
	(1,231.84)	(267.69)

The Entity is holding the following call spread contracts:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Less than 1 year	1 year to 5 year	Total	Less than 1 year	1 year to 5 year	Total
Call Spread contracts (highly probable forecast transaction)						
Notional amount (in USD)						
Average strike price (INR/USD):	3.06	44.40	47.46	2.55	47.46	50.01
Sell call	85.30	95.74		81.23		
Buy Call	75.05	75.05		75.05	95.08	
Notional amount (in USD)						
Average strike price (INR/USD):	6.14	89.01	95.15	5.12	95.15	100.26
Sell call	85.10	94.81		81.15		
Buy Call	74.92	74.92		74.92	94.18	
Notional amount (in USD)						
Average strike price (INR/USD):	4.13	59.81	63.94	3.44	63.94	67.38
Sell call	85.00	95.60		81.05		
Buy Call	74.60	74.60		74.60	94.16	
Notional amount (in USD)						
Average strike price (INR/USD):	8.45	122.59	131.04	7.05	131.05	138.09
Sell call	85.30	95.75		81.23		
Buy Call	75.05	75.05		75.05	95.08	

This space has been left intentionally



Restricted Group
Notes to Special Purpose Combined Financial Statements for year ended March 31, 2023
(All amounts are in Indian Rupees (in million), unless otherwise stated)

- 43 Ministry of power has notified Electricity (Late Payment Surcharge (LPS) and Related Matters) Rules, 2022 vide notification dated June 3, 2022. The rules prescribe the manner (including timelines options) in which the distribution licensees shall clear outstanding dues pertaining to generating companies. In line with the notification, the Entity has commenced receiving payments as per plan opted by the customer and the communication including final signoff and reconciliation of amount outstanding and agreement of payment plan is in progress.

Consequent to aforesaid notification, the Entity has recognized LPS of Rs. 189.90 millions which were not earlier recognized due to lack of reasonable certainty and total outstanding of Rs. 2,110.32 million (including LPS) is discounted using discount rate of 9.50% per annum. The resultant discounting effect of INR 148.10 millions net of LPS recognized now has been recorded as finance cost in the financial statements for the current period.

- 44 Kohlberg Kravis Roberts (KKR) & Co, a leading global investment management firm, has entered into an agreement during the period ended September 30, 2022, along with the promoter (BM Munjal Energies Pvt Ltd), for the investment up to US\$ 450 million (Rs. 36,997.60 million) in Hero Future Energies Global Ltd (the ultimate holding company) in the form of convertible preference shares. Most of the proceeds from this raise will be drawn as required for capital expenditure for new projects. In March 2023 the Group received US\$ 165.5 (Rs. 13,606.90 million) of the investment for deleveraging and purchase by the Group of some of the equity previously invested by Abu Dhabi Future Energy Company PJSC- Masdar ("Masdar") who have exited.

45 Events after reporting period

There are no events occurred after the reporting period which may impact the financial position as on March 31, 2023.

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

*USD to INR exchange rate used is Rs. 82.2169 as at March 31, 2023.

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

per Pravin Tulsyan
Partner
Membership Number: 106044

Place: Gurugram
Date : July 26, 2023

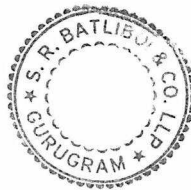
For and on behalf of the Restricted Group

Neeraj Nawaz
Director

Place: Mauritius
Date : July 26, 2023

Benjamin Paul Fraser
Director

Place: New Delhi
Date : July 26, 2023



Restricted Group
Results of Operations-Special Purpose Combined Financials
For the year ended March 31, 2023
(Amount in Rs million, unless otherwise stated)

Operating Results

Revenue from operations

Revenue from operations decreased to Rs. 4,769.64 million for the year ended March 31, 2023, from Rs. 4,978.69 million for the year ended March 31, 2022. The primary reason for decrease is on account of lower revenue generation from wind power plants owing to lower average wind speed during the current year. This decrease is partially offset by increase in revenue generation in solar power plants due to higher average irradiance during the current year.

Generation for the year ended March 31, 2023 and March 31, 2022 was 938.84 GWh million units and 960.52 GWh million units respectively, representing a 2.26% decrease as compared to the year ended March 31, 2022.

Other income

Other income increased to Rs. 865.11 million for the year ended March 31, 2023, from Rs. 281.70 million for the year ended March 31, 2022, primarily due to increase in LPS income, interest income on loan given to related parties and increase in interest income on fixed deposits during the year.

Expenses

Employee benefits expense

Employee benefits expense decreased to Rs. 131.55 million for the year ended March 31, 2023, from Rs. 136.59 million for the year ended March 31, 2022.

Finance costs

Finance costs decreased to Rs. 2,647.03 million for the year ended March 31, 2023, from Rs. 2,665.57 million for the year ended March 31, 2022, primarily on account of (i) increase in interest on 4.25% senior secured notes of Rs. 60.94 million and (ii) increase in interest on discounting of trade receivables of Rs. 150.15 million (iii) decrease in interest on debts and borrowings banks and financial institutions of Rs. 153.15 million (iv) decrease in interest on loan and debentures from related parties of Rs. 69.69 million due to repayment of inter-company loans taken by Indian entities of Restricted Group (v) decrease in other finance cost Rs. 6.79 million

Depreciation and amortization expense

Depreciation and amortization expense was Rs. 1,078.17 million for the year ended March 31, 2023 and Rs. 1,077.25 million for the year ended March 31, 2022. The increase primarily due to additions in property, plant and equipment during the year.

Other expenses

Other expenses decreased to Rs. 906.05 million for the year ended March 31, 2023, from Rs. 956.96 million for the year ended March 31, 2022, primarily due to decrease in provision for doubtful debts and advances movement amounting to Rs. 84.04 million offset with increase in operation and maintenance expenses and management fees amounting to Rs. 15.86 million in the current year.

Restricted Group
Results of Operations-Special Purpose Combined Financials
For the year ended March 31, 2023
(Amount in Rs million, unless otherwise stated)

Tax expense

Tax expense decreased to Rs. 299.63 million for the year ended March 31, 2023, from a tax expense of Rs. 701.79 million for the year ended March 31, 2022, primarily on account of decrease in deferred tax and current tax expense.

Net Profit/(loss) after tax

As a result of the foregoing, profit for the year increased to Rs. 572.32 million for the year ended March 31, 2023, from loss of Rs. 277.77 million for the year ended March 31, 2022.

Cash Flow Discussion

Net cash flow from operating activities

During the year ended March 31, 2023, the net cash flow from operating activities was Rs. 5,105.22 million. This net cash flow was primarily attributable to (i) operating profit before working capital changes of Rs. 4,256.81 million during the year; (ii) increase in working capital of Rs. 1,180.88 million and (iii) taxes paid (net of refunds) of Rs. 332.47 million.

Operating profit before working capital changes of Rs. 4,256.81 million in the year ended March 31, 2023, was primarily attributed to (i) profit before tax of Rs. 871.95 million (ii) adjustment of finance cost of Rs. 2,647.03 million (iii) adjustment of depreciation and amortisation expense of Rs. 1,078.17 million (iv) adjustment of provision for doubtful receivables and advances of Rs. 18.78 million (v) adjustment of exchange fluctuation expenses of Rs. 27.20 million (vi) adjustment of finance income of Rs. 227.61 million (vii) adjustment of interest income on unwinding of discounted trade receivables of Rs. 62.51 and (viii) adjustment of amortisation of government grant and deferred revenue of Rs. 43.77 million.

The changes in working capital in the year ended March 31, 2023 of Rs. 1,180.88 million, was primarily attributed to (i) decrease in trade receivables of Rs. 1,006.05 million; (ii) decrease in trade payables Rs. 57.52 (iii) increase in provision of Rs. 3.11 million (iv) increase in inventories of Rs. 24.15 million (v) increase in other financial assets of Rs. 153.51 million; (vi) increase in other assets of Rs. 386.23 million (vii) increase in other financial liabilities of Rs. 44.90 million; and (viii) increase in other liabilities of Rs. 748.23 million.

Net cash generated from investing activities

During the year ended March 31, 2023, the net cash flow used in investing activities was Rs. 866.68 million, which was primarily on account of purchase of property, plant and equipment of Rs. 162.01 million and loan given to related parties of Rs. 750.00 million offset with interest received during the year of Rs. 46.38 million.

Net cash generated from financing activities.

During the year ended March 31, 2023, the net cash flow used in financing activities was Rs. 3,504.85 million, which primarily on account of repayments of borrowings of Indian entities of Restricted Group by Rs. 2,192.40 million, interest payment of Rs. 2,046.95 million offset with proceeds from issues of equity shares of Rs. 734.50 million.