S.R. BATLIBOI & CO. LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of ReNew Power Limited ("RPL")

Report on the Audit of the Special Purpose Combined Financial Statements

Opinion

We have audited the accompanying Special Purpose Combined Financial Statements of Restricted Group (consisting of certain specific subsidiaries of RPL as listed in note 1 of these financial statements, collectively known as the "Restricted Group"), which comprise the combined Balance Sheet as at 31 March 2019, the combined Statement of Profit and Loss, including the statement of Other Comprehensive Income, the combined Cash Flow Statement and the combined Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (collectively known as the "Combined Financial Statements"). These Combined Financial Statements have been prepared solely for submission by RPL to the lenders as required by terms of offering memorandums dated 14 February 2017 and Indentures dated 17 February 2017.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Combined Financial Statements have been prepared, in all material respects, in accordance with the basis of preparation set out in note 3 of the accompanying Combined Financial Statements.

Basis for Opinion

We conducted our audit of the Combined Financial Statements in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Combined Financial Statements' section of our report. We are independent of the Firm in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Combined Financial Statements.

Emphasis of matter

1) Without modifying our opinion, we draw attention to note 2 and 3 to the Combined Financial Statements, which describes that the Restricted Group has not formed a separate legal group of entities during the year ended 31 March 2019, which also describes the basis of preparation, including the approach to and the purpose for preparing them. Consequently, the Restricted Group's Combined Financial Statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group that would have occurred if it had operated as a separate standalone group of entities during the periods presented.

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2) We draw attention to Note 40 to the Combined Financial Statements, related to the recoverability of dues under litigation amounting to Rs. 289 millions from Southern Power Distribution Company of A.P. Limited. ReNew Wind Energy Shivpur Private Limited (forming part of Restricted Group) has filed a writ petition before the Andhra Pradesh High Court (the "AP High Court") challenging the order passed by Andhra Pradesh Electricity Regulatory Commission and a stay order has been granted by the AP High Court. Pending the outcome of the case, which is not presently determinable, no adjustment has been made to the Combined Financial Statements. Our opinion is not qualified in respect of this matter.

Responsibilities of Management for the Combined Financial Statements

RPL's Board of Directors (referred to as the "Management") is responsible for the preparation of these Combined Financial Statements in accordance with basis of preparation set out in note 3 of the accompanying notes to these Combined Financial Statements. This responsibility also includes the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Combined Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Combined Financial Statements, the Management is responsible for assessing the entities forming part of the Restricted Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any entity forming part of the Restricted Group or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the entities forming part of the Restricted Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the special purpose 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 Combined Financial Statements.

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

- Identify and assess the risks of material misstatement of the Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Restricted Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

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or conditions that may cast significant doubt on the entities forming part of Restricted Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Combined Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entities forming part of Restricted Group to cease to continue as a going concern.

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

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

Other matters

These special purpose financial statements have been prepared by the management of RPL solely for the purpose of submission to the lenders as required by terms of offering memorandums dated 14 February 2017 and Indentures dated 17 February 2017. Our report on these Combined Financial Statements is issued solely for use by the management of RPL for aforesaid purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Our opinion is not modified in respect of the matter.

The Combined Financial Statements of the Company for the year ended 31 March 2018, included in these Combined Financial Statements, have been audited by another auditor who expressed an unmodified opinion on those statements on 24 April 2019.

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

per Amit Chugh
Partner
Membership Number: 505224

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

Place of Signature: Gurugram
Date: 28 June 2019

Restricted Group
Special Purpose Combined Balance Sheet as at 31 March 2019
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	4	34,282	35,974
Capital work in progress	4	3	88
Intangible assets	5	0	-
Investment Property	6	-	0
Financial assets			
Loans	7	956	0
Others	7	130	0
Deferred tax assets (net)	8	22	-
Prepayments	9	38	32
Other non-current assets	10	64	33
Total non-current assets		**35,495**	**36,127**
Current assets			
Inventories	11	11	-
Financial assets			
Investments	7	-	1,616
Derivative instruments	7	15	-
Loans	7	8,386	8,810
Trade receivables	12	3,680	1,352
Cash and cash equivalent	13	835	679
Bank balances other than cash and cash equivalent	13	834	602
Others	7	1,813	1,625
Prepayments	9	17	13
Current tax assets (net)		219	162
Other current assets	10	139	106
Total current assets		**15,949**	**14,965**
Total assets		**51,444**	**51,092**
Equity and liabilities			
Equity			
Equity share capital	14A	370	370
Other equity			
Equity component of compulsorily convertible debentures	14B	79	79
Equity component of preference shares	14C	2,010	2,010
Securities premium	15B	6,413	6,413
Hedge reserve	15C	15	5
Retained earnings	15D	702	442
Total equity		**9,589**	**9,319**
Non-current liabilities			
Financial liabilities			
Long-term borrowings	16	36,129	37,204
Deferred tax liabilities (net)	8	518	286
Other non-current liabilities	17	380	353
Total non-current liabilities		**37,027**	**37,843**
Current liabilities			
Financial liabilities			
Short-term borrowings	18	1,363	1,251
Trade payables			
Outstanding dues to micro enterprises and small enterprises	19	-	-
Others	19	475	793
Derivative instruments	20	-	96
Other current financial liabilities	21	2,877	1,696
Current tax liabilities (net)		-	9
Other current liabilities	22	113	85
Total current liabilities		**4,828**	**3,930**
Total liabilities		**41,855**	**41,773**
Total equity and liabilities		**51,444**	**51,092**

Summary of significant accounting policies 3

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per **Amit Chugh**
Partner
Membership No.: 505224
Place: Gurugram
Date: 28 June 2019

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Renew Power Limited

For and on behalf of the Restricted Group

Sumant Sinha
(Chairman & Managing Director)
DIN- 00972012
Place: Gurugram
Date: 28 June 2019

Ravi Seth
(Chief Financial Officer)
Place: Gurugram
Date: 28 June 2019

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram
Date: 28 June 2019

Restricted Group

Special Purpose Combined Statement of Profit and Loss for the year ended 31 March 2019

(Amounts in INR millions, unless otherwise stated)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Income:			
Revenue from operations	23	7,007	6,413
Other income	24	1,067	1,146
Total income		**8,074**	**7,559**
Expenses:			
Other expenses	25	809	961
Total expenses		**809**	**961**
Earning before interest, tax, depreciation and amortization (EBITDA)		**7,265**	**6,598**
Depreciation & amortisation expense	26	1,776	1,724
Finance costs	27	4,930	4,652
Profit before tax		**559**	**222**
Tax expense			
Current tax	8	130	112
Deferred tax	8	207	286
Tax for earlier years		(38)	1
Profit/(Loss) for the year	**(a)**	**260**	**(177)**
Other comprehensive income (OCI)			
Items that will be reclassified to profit or loss in subsequent periods			
Net movement on cash flow hedges		13	24
Income tax effect		(3)	(7)
Net other comprehensive income that will be reclassified to profit or loss in subsequent periods	**(b)**	10	17
Total comprehensive income for the year	**(a) + (b)**	**270**	**(160)**
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

S.R. BATLIBOI & CO. LLP GURUGRAM

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 28 June 2019

For and on behalf of the Restricted Group

Sumant Sinha
(Chairman & Managing Director)
DIN- 00972012
Place: Gurugram
Date: 28 June 2019

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(Chief Financial Officer)
Place: Gurugram
Date: 28 June 2019

Renew Power Limited

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram
Date: 28 June 2019

Restricted Group

Special Purpose Combined Statement of Cash Flows for the year ended 31 March 2019

(Amounts in INR millions, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities		
Profit before tax	559	222
Adjustments for:		
Depreciation & amortisation expense	1,776	1,724
Operation and maintenance	64	-
Interest income	(676)	(661)
Interest expense	4,922	4,644
Loss on ineffective portion on hedges (net)	-	0
Fair value change of mutual fund (including realised gain)	(70)	(92)
Operating profit before working capital changes	**6,575**	**5,837**
Movement in working capital		
(Increase)/decrease in trade receivables	(1,705)	276
(Increase)/decrease in inventories	(11)	-
(Increase)/decrease in financial assets	(480)	(114)
(Increase)/decrease in prepayments	(11)	10
(Increase)/decrease in other assets	(72)	(51)
Increase/(decrease) in other liabilities	(10)	93
Increase/(decrease) in trade payables	(317)	285
Increase/(decrease) in financial liabilities	(1)	255
Cash generated from operations	**3,968**	**6,591**
Direct taxes paid (net of refunds)	(157)	(112)
Net cash generated from operating activities	**3,811**	**6,479**
Cash flow from investing activities		
Purchase of Property, plant and equipment including capital work in progress, capital advances and capital creditors	(571)	(1,305)
Net Investments of bank deposits having maturity more than 3 months	(232)	(311)
Loan given to related parties	(472)	(6,795)
Loan repaid by related parties	768	1,162
Loan to fellow subsidiaries - redeemable non cumulative preference shares	(828)	(1,648)
Interest received	216	269
Net redemption/(investment) in mutual funds	1,685	(1,524)
Net cash generated from/ (used in) investing activities	**566**	**(10,152)**
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium) (net of share issue expenses)	0	9
Share application money refunded	-	(300)
Proceeds from long-term borrowings	395	3,829
Repayment of long-term borrowings	(197)	(1,405)
Proceeds from short-term borrowings	248	1,114
Repayment of short-term borrowings	(136)	(2,008)
Interest paid	(4,531)	(4,147)
Net cash used in financing activities	**(4,221)**	**(2,908)**
Net increase/(decrease) in cash and cash equivalents	**156**	**(6,581)**
Cash and cash equivalents at the beginning of the year	**679**	**7,260**
Cash and cash equivalents at the end of the year	**835**	**679**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	835	352
- On deposit accounts with original maturity of less than 3 months	-	327
Total cash and cash equivalents (note 13)	**835**	**679**

Changes in liabilities arising from financial activities:

Particulars	Opening balance as at 1 April 2018	Cash flows (net)	Other changes*	Closing balance as at 31 March 2019
Long-term borrowings (including current maturities)	37,331	197	391	37,919
Short-term borrowings	1,251	112	-	1,363
Total liabilities from financing activities	**38,582**	**310**	**391**	**39,283**

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ReNew Power Limited

Restricted Group
Special Purpose Combined Statement of Cash Flows for the year ended 31 March 2019
(Amounts in INR millions, unless otherwise stated)

Particulars	Opening balance as at 1 April 2017	Cash flows (net)	Other changes*	Closing balance as at 31 March 2018
Long-term borrowings (including current maturities)	33,957	2,424	949	37,330
Short-term borrowings	2,145	(894)	-	1,251
Total liabilities from financing activities	**36,102**	**1,530**	**949**	**38,581**

* other changes includes reinstatement of foreign currency borrowing, adjustment of ancillary borrowing cost and reclassification of loan from related parties.

Summary of significant accounting policies Note : 3

Notes:
1. The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 28 June 2019

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For and on behalf of the Restricted Group

Sumant Sinha
(Chairman & Managing Director)
DIN- 00972012
Place: Gurugram
Date: 28 June 2019

Ravi Seth
(Chief Financial Officer)

Place: Gurugram
Date: 28 June 2019

Renew Power Limited

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram
Date: 28 June 2019

Restricted Group
Special Purpose Combined Statement of changes in equity for the year ended 31 March 2019
(Amounts in INR millions, unless otherwise stated)

Particulars	Attributable to the equity holders of entities forming part of the Restricted Group							Total equity
					Reserves and Surplus		Items of OCI	
	Equity share capital	Equity Component of Preference Share	Equity component of compulsorily convertible debentures	Share application money pending allotment	Securities premium	Retained earnings	Hedging Reserve	
	(refer note 14A)	(refer note 14C)	(refer note 14B)	(refer note 15A)	(refer note 15B)	(refer note 15D)	(refer note 15C)	
At 1 April 2017	**369**	**2,010**	**79**	**300**	**6,405**	**619**	**(12)**	**9,771**
Profit for the year	-	-	-	-	-	(177)	-	(177)
Other comprehensive income (net of taxes)	-	-	-	-	-	-	17	17
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(177)**	**17**	**(161)**
Equity shares issued during the year	1	-	-	(300)	9	-	-	(290)
Preference shares issued during the year	-	-	-	(10)	-	-	-	(10)
Share application money received	-	-	-	10	-	-		10
Amount utilized for issue of shares	-	-	-	-	(1)	-	-	(1)
At 31 March 2018	**370**	**2,010**	**79**	**-**	**6,413**	**442**	**5**	**9,319**
Profit for the year	-	-	-	-	-	260	-	260
Other comprehensive income (net of taxes)	-	-	-	-	-	-	10	10
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**260**	**10**	**271**
Equity shares issued during the year	0	-	-	-	1	-	-	1
At 31 March 2019	**370**	**2,010**	**79**	**-**	**6,413**	**702**	**15**	**9,589**

The accompanying notes are an integral part of the financial statements
As per our report of even date

For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 28 June 2019

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Sumant Sinha
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Date: 28 June 2019

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(Chief Financial Officer)

Place: Gurugram
Date: 28 June 2019

ReNew Power Limited

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram
Date: 28 June 2019

(Amounts in INR millions, unless otherwise stated)

1 Corporate information

ReNew Power Limited is a public limited company (Formerly known as 'ReNew Power Private Limited' and 'ReNew Power Ventures Private Limited') (referred to as the "Parent" or "RPL") having its registered office of the Company is located at 138, Ansal Chamber - II Bikaji Cama Place, New Delhi-110066.

Certain subsidiary companies of the Parent which are collectively known as the 'Original Restricted Group' (as more clearly explained in the note below) issued Indian Rupee (INR) denominated Bonds to Neerg Energy Limited, Mauritius (the "Lender") to replace their existing debt. Neerg Energy Limited issued US Dollar denominated Bonds listed on Singapore Exchange Securities Trading Limited (SGX-ST).

Name of entity	Holding Company
ReNew Wind Energy (Karnataka) Private Limited	ReNew Power Limited
ReNew Wind Energy (MP Two) Private Limited	ReNew Power Limited
ReNew Wind Energy (Rajkot) Private Limited	ReNew Power Limited
ReNew Wind Energy (Shivpur) Private Limited	ReNew Power Limited
ReNew Wind Energy (Welturi) Private Limited	ReNew Power Limited
ReNew Solar Energy (Karnataka) Private Limited	ReNew Solar Power Private Limited*
ReNew Solar Energy (TN) Private Limited	ReNew Solar Power Private Limited*

*ReNew Solar Power Private Limited is a 100% subsidiary of ReNew Power Limited.

As permissible under the terms of Offering Circular dated 14 February 2017 and by way of a resolution passed by the Board of Directors of RPL, ReNew Saur Shakti Private Limited has been designated as an additional Restricted Group entity. Hence, the composition of the Original Restricted Group has been changed to following entities (collectively referred to as the 'Restricted Group'). The Special Purpose Combined Financial Statement as at and for year ended March 31, 2019 along with comparative figures as at and for the year ended March 31, 2018 have been prepared to depict the financial position and performance of eight entities forming part of the Restricted Group.

Name of entity	Holding Company
ReNew Wind Energy (Karnataka) Private Limited	ReNew Power Limited
ReNew Wind Energy (MP Two) Private Limited	ReNew Power Limited
ReNew Wind Energy (Rajkot) Private Limited	ReNew Power Limited
ReNew Wind Energy (Shivpur) Private Limited	ReNew Power Limited
ReNew Wind Energy (Welturi) Private Limited	ReNew Power Limited
ReNew Solar Energy (Karnataka) Private Limited	ReNew Solar Power Private Limited*
ReNew Solar Energy (TN) Private Limited	ReNew Solar Power Private Limited*
ReNew Saur Shakti Private Limited	ReNew Solar Power Private Limited*

The Special Purpose Combined Financial Statements were authorized for issue in accordance with a resolution of the directors on 28 June 2019.

2 Purpose of Special Purpose Combined Financial Statements

The Combined Financial Statements are special purpose financial statements which have been prepared for submission to the lender of the USD denominated notes by each member of the Restricted Group. These Special Purpose Combined Financial Statements presented herein reflect the Restricted Group's results of operations, assets and liabilities and cash flows for the period presented. The basis of preparation and significant accounting policies used in preparation of these Special Purpose Combined Financial Statements are set out in Note 3 below.

3 Significant Accounting Policies

3.1 Basis of preparation

The Special Purpose Combined Financial Statements for the year ended 31 March 2019 have been prepared in accordance with recognition and measurement principles of the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and the Guidance Note on Combined and Carve-out Financial Statements issued by the Institute of Chartered Accounts of India.

Management of the Parent company has prepared the Special Purpose Combined Financial Statements which comprise the Combined Balance Sheet as at 31 March 2019, the Combined Statement of Profit and Loss including other comprehensive income, Combined Statement of Cash Flows and Combined Statement of Changes in Equity for the year ended 31 March 2019, a summary of the significant accounting policies and other explanatory information.

Management has prepared these Special Purpose Combined Financial Statements to depict the historical financial information of the Restricted Group except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

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

The Special Purpose Combined Financial Statements are not 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 stand-alone Group of entities during the period presented nor of the Restricted Group's future performance. The items in the Special Purpose Combined Financial Statements have been classified considering the principles under Ind AS 1, Presentation of Financial Statements and Schedule III of Companies Act 2013.

3.2 Basis of Combination

The Special Purpose Combined Financial Statements have been prepared by combining like items of assets, liabilities. equity, income, expenses and cash flows of the entities forming part of Restricted Group. All the intragroup assets and liabilities, equity, income, expenses and cash flows relating to entities forming part of restricted group have been eliminated and profits or losses arising from intragroup transactions that are recognised in assets, such as inventory and fixed assets have been eliminated in full.

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Renew Power Limited

3.3 Summary of Significant Accounting Policies

a) Current versus non-current classification

The Restricted Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation/settlement in cash and cash equivalents. The entities forming part of the Restricted Group have identified twelve months as their operating cycle for classification of their current assets and liabilities.

b) Fair value measurement

The entities forming part of the Restricted Group measure financial instruments, such as, derivatives at fair value at each balance sheet date.

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 entities forming part of the Restricted Group.

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 entities forming part of the Restricted Group use 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 entities forming part of the Restricted Group have 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 32 and 33).

At each reporting date, the management of the entities forming part of the Restricted Group analyse 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 entities forming part of the Restricted Group determine 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 period.

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

· Disclosures for significant estimates and assumptions (Refer Note 39)
· Quantitative disclosures of fair value measurement hierarchy (Refer Note 33)
· Financial instruments (including those carried at amortised cost) (Refer Note 32 & 33)

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ReNew Power Limited

c) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of Power

Income from supply of power is recognized on the supply of units generated from the plant to the grid, as per the terms of the Power Purchase Agreements ("PPA") entered into with the customers.

The entities forming part of Restricted Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the Group considers the effects of variable consideration and consideration payable to the customer (if any).

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Rebates

In some PPAs, the Group provide rebates in invoice if payment is made before the due date. Rebates are offset against amounts payable by the customers. To estimate the variable consideration for the expected future rebate, the Group applies the most likely method.

(ii) Consideration payable to customers

In some PPAs, Group has to pay consideration to customers. Consideration payable to customers are offset against the revenue recognised as and when sale of power occurs.

Income from Liquidated damages and interest on advances

Income from liquidated damages and interest on advance is recognised after certainty of receipt of the same is established.

Dividend

Dividend income is recognised when the right of the entities forming part of the Restricted Group to receive dividend is established by the reporting date.

Interest income

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 period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the entities forming part of the Restricted Group estimate 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 government grants

Refer note (f) for accounting policy.

Contract balances :

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the entities forming part of Restricted Group perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the entities forming part of Restricted Group have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the entities forming part of Restricted Group transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the entities forming part of Restricted Group perform under the contract.

(iii) Trade receivables

A receivable represents the right of entities forming part of Restricted Group 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.

d) Foreign currencies

The Restricted Group Financial Statements are presented in Indian rupees (INR), which is also the functional currency and the currency of the primary economic environment in which the companies operate.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Restricted Group at their 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.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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e) Income 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.

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

In situations where the entities forming part of the Restricted Group are 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 period. Deferred taxes in respect of temporary differences which reverse after the tax holiday period are recognized in the year in which the temporary differences originate. However, the entities forming part of the Restricted Group restrict the recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entities forming part of the Restricted Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the entities forming part of the Restricted Group.

f) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be compiled with. When the grant related to an expense item, it is recognized as income on a systematic basis over the periods 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 the entities forming part of the Restricted Group receive grants of non-monetary assets, 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 entities forming part of the Restricted Group presents grants related to an expense item as other income in the Statement of Profit and Loss. Thus, Generation based incentive and Sale of emission renewable certificates have been recognised as other income.

Generation based Incentive

Generation based incentive is recognized on the basis of supply of units generated by the entities forming part of the Restricted Group to the state electricity board from the eligible project in accordance with the scheme of the "Generation Based Incentive (GBI) for Grid interactive Wind Power Projects"

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 if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the entities forming part of the Restricted Group depreciate 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.

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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 entities forming part of 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.

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.

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) Depreciation/amortization of PPE

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Years
Plant and equipment (wind and solar power projects)*	18-25
Furniture & fixture	10
Office equipment	5
Computers	3
Computer servers	6

* Based on an external technical assessment, the management believes that the useful lives as given above and residual value of 0%-5%, best represents the period over which management expects to use its assets and its residual value. The useful life of plant and equipment 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.

i) Leases

As a lessee

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessor

Leases in which the entities forming part of Restricted Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Inventories

Inventories are valued at the lower of cost and net realisable value.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:
Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out 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.

k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs consist of interest, discount on issue, premium payable on redemption and other costs that an entity incurs in connection with the borrowing of funds (this cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs). The borrowing costs are amortised basis the Effective Interest Rate (EIR) method over the term of the loan. The EIR amortisation is recognised under finance costs in the Statement of Profit or Loss. The amount amortized for the period from disbursement of borrowed funds upto the date of capitalization of the qualifying assets is added to cost of the qualifying assets.

l) Impairment of non-financial assets

The entities forming part of 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 entities forming part of 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 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, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

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 entities forming part of the Restricted Group estimate 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 unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

m) Provisions

Provisions are recognised when the entities forming part of the Restricted Group have 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 entities forming part of the Restricted Group expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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

n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of 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 entities forming part of the Restricted Group commit 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

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

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) 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 EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the entities forming part of the Restricted Group recognize interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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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 entities forming part of 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 entities forming part of the Restricted Group have 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 Statement of Profit and Loss.

Equity investments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the entities forming part of the Restricted Group may make an irrevocable election to present the subsequent changes in the fair value in OCI. The entities forming part of the Restricted Group make such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the entities forming part of the Restricted Group decide to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the entities forming part of the Restricted Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:
- The rights to receive cash flows from the asset have expired, or
- The entities forming part of the respective Restricted Group have 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 entities forming part of the Restricted Group have transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the entities forming part of 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 entities forming part of the Restricted Group continue to recognise the transferred asset to the extent of the continuing involvement of the entities forming part of the Restricted Group. In that case, the entities forming part of 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 entities forming part of the Restricted Group have 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 entities forming part of 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 all the financial assets and credit risk exposure.
The entities forming part of the Restricted Group follows 'simplified approach for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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

For recognition of impairment loss on other financial assets and risk exposure, the entities forming part of the Restricted Group determine that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent 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 12-month ECL.

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

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

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Financial liabilities

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

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The financial liabilities of the entities forming part of the Restricted Group include trade and other payables, derivative financial instruments, loans and borrowings including bank overdraft.

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

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.

The entities forming part of 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.

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 derecognition 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 or Loss.

Redeemable Non Cumulative Preference Shares and Convertible Preference Shares
Convertible preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the convertible preference shares, the fair value of the liability component is determined using a market interest rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification.

Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Compulsorily Convertible Debentures (CCDs)

The entities forming part of the Restricted Group determine classification of compound financial instruments at initial recognition.

Basis the terms of these compound financial instruments the distributions to holders of an equity instrument are being recognised by the entity directly in equity. Transaction costs of an equity transaction are being accounted for as a reduction from equity.

The entities forming part of the Restricted Group recognise interest, dividends, losses and gains relating to such financial instrument or a component that is a financial liability as income or expense in profit or loss.

The present value of the liability part of the compulsory convertible debentures classified under financial liabilities and the equity component is calculated by subtracting the liability from the total proceeds of CCDs.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged/ 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 derecognition 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 or Loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

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o) Cash and Cash-Equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and cash in hand 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 entities forming part of the Restricted Group's cash management.

p) Measurement of EBITDA

The Restricted Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Restricted Group measure EBITDA on the basis of profit/ (loss) from continuing operations. In their measurement, the companies include interest income but do not include depreciation and amortization expense, finance costs and tax expense.

q) Events occurring after the Balance Sheet date

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

The entities forming part of the Restricted Group do not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting period.

The entities forming part of the Restricted Group make disclosures in the financial statement in cases of significant events.

r) 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 entities forming part 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.

s) Investment property

Investment properties comprise significant portions of freehold land that are held for capital appreciation. Investment properties are initially recognised at cost.

t) Changes in accounting policy and disclosures- New and amended standards

a) New and amended standards

Ind AS 115 Revenue from Contracts with Customers

The entities forming part of Restricted group applied Ind AS 115 for the first time wef 1April 2018. The nature and effect of the changes as a result of adoption of the new accounting standard are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the combined financial statements of the Group.

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The entities forming part of Restricted Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The entities forming part of Restricted Group elected to apply the standard to all contracts that are not completed as at 1 April 2018.

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31 March 2019 as a result of the adoption of Ind AS 115. The adoption of Ind AS 115 did not have a material impact on OCI or the Restricted Group's operating, investing and financing cash flows. The first column shows amounts prepared under Ind AS 115 and the second column shows what the amounts would have been had Ind AS 115 not been adopted:

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(Amounts in INR millions, unless otherwise stated)

Reconciliation of equity as at 31 March 2019

Particulars	Note	Ind AS 115	Ind AS 18	Increase/ (decrease)
Other current financial assets				
Unbilled revenue	7	-	565	(565)
Trade receivables				
Trade receivables	12	3,680	3,115	565

b) Standards issued but not yet effective
Ind AS 116 Leases:

Ind AS 116 Leases was notified in March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.
Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The entities forming part of Restricted Group are evaluating the requirements of the new standard and the effect on the financial statements is being evaluated, thus impact is not known.

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(Amounts in INR millions, unless otherwise stated)

4 Property, plant and equipment

	Freehold Land #	Plant and equipment	Office equipment	Furniture & Fixtures	Computers	Total Property, plant and equipment	Capital work in progress
Cost							
At 1 April 2017	921	32,399	1	0	0	33,321	4,798
Additions @	68	6,343	0	2	1	6,414	1,820
Adjustment*	-	(60)	-	-	-	(60)	(2)
Capitalised	-	-	-	-	-	-	(6,343)
Disposals^	-	(1)	-	-	-	(1)	(185)
At 31 March 2018	**989**	**38,681**	**1**	**2**	**1**	**39,674**	**88**
Additions @	68	18	-	1	2	89	13
Adjustment**	17	(20)	-	-	-	(3)	-
Disposals	-	(2)	-	-	-	(2)	(80)
Capitalised	-	-	-	-	-	-	(18)
At 31 March 2019	**1,074**	**38,677**	**1**	**3**	**3**	**39,758**	**3**
Accumulated depreciation							
At 1 April 2017	-	1,976	0	0	0	1,976	-
Charge (refer note 26)	-	1,724	0	0	0	1,724	-
At 31 March 2018	-	**3,700**	**0**	**0**	**0**	**3,700**	-
Charge (refer note 26)	-	1,777	0	1	-	1,778	-
Adjustment**	-	(2)	-	-	-	(2)	-
Disposals	-	(0)	-	-	-	(0)	-
At 31 March 2019	-	**5,475**	**0**	**1**	**1**	**5,476**	-
Net book value							
At 31 March 2018	**989**	**34,981**	**1**	**2**	**1**	**35,974**	**88**
At 31 March 2019	**1,074**	**33,202**	**1**	**2**	**2**	**34,282**	**3**

The titles of freehold land amounting to INR 31 (31 March 2018 INR 67) is not yet in the name of the Companies forming part of the Restricted Group. The Companies forming part of Restricted Group are in process of registration of title deeds of these freehold lands.

@ Capitalised Borrowing Costs
The amount of borrowing cost capitalised in the plant & equipment assets during the year ended 31 March 2019 is INR Nil (31 March 2018: INR 70). The rate used to determine the amount of borrowing cost eligible for capitalisation was the effective interest rate of the specific borrowing.

^ Disposal of Capital Work In Progress during the previous year due to following
During the previous year, persuant to downsizing of the contract with vendor for Mandsaur project, Company has sold back project specific wind power plant related equipment lying in capital work in progress upto 31 March 2017 for INR 181 to the vendor.

*** Adjustment to plant & equipment during the previous year pertains to following**
INR 15 pertains to actualisation of provisional capitalization.
INR 45 pertains to discount received from vendor in Mandsaur project.

*** Adjustment to Capital Work in Progress during the previous year pertains to following**
During the previous year capital work in progress amounting to INR 2 has been written off to the extent of non-viability of recovery of cost in future.

** Adjustment pertains to actualisation of provisional capitalization.

Mortgage and hypothecation on Property, plant and equipment:
Property, plant and equipment with a carrying amount of INR 34,285 (31 March 2018: INR 36,062) are subject to a pari passu first charge to respective lenders for term, loans from banks, financial institutions and buyers credit as disclosed in Note 16.

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ReNew Power Limited

(Amounts in INR millions, unless otherwise stated)

5 Intangible assets	Computer software	Total Intangibles
Cost		
At 1 April 2017	-	-
At 31 March 2018	-	-
Additions	0	0
At 31 March 2019	**0**	**0**
Accumulated Amortisation		
At 1 April 2017	-	-
Amortisation (refer note 26)	-	-
At 31 March 2018	-	-
Amortisation (refer note 26)	0	0
At 31 March 2019	**0**	**0**
Net book value		
At 31 March 2018	-	-
At 31 March 2019	**0**	**0**

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ReNew Power Limited

(Amounts in INR millions, unless otherwise stated)

6 Investment Property

	Amount
Cost	
At 1 April 2017	**0**
At 31 March 2018	**0**
Disposal	(0)
At 31 March 2019	**-**
Net book value	
At 1 April 2017	**0**
At 31 March 2018	**0**
At 31 March 2019	**-**

Reconciliation of fair value

	Amount
At 1 April 2017	**0**
At 31 March 2018	**0**
Disposal	(0)
At 31 March 2019	**-**

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Renew Power Limited

(Amounts in INR millions, unless otherwise stated)

7 Financial assets	As at 31 March 2019	As at 31 March 2018
Non-current		
Loans		
Considered good - Secured	-	-
Considered good - Unsecured		
Security deposits	0	0
Loans to related parties(refer note 29)	956	-
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**956**	**0**
Others		
Bank deposits with remaining maturity for more than twelve months (refer note 13)	0	0
Interest accrued on loans to related parties (refer note 29)	130	-
Total	**130**	**0**
Current (unsecured, considered good unless stated otherwise)		
Investments at fair value through profit or loss		
Quoted Mutual Funds		
ICICI Prudential - Direct Growth - Nil (31 March 2018 : 2,534,617 units)	-	345
Aditya Birla Sunlife - Cash Plus - Direct Growth- Nil (31 March 2018 : 3,295,149 units)	-	1,227
HDFC Liquid Fund - Direct Plan - Nil (31 March 2018 : 12,582 units)	-	44
Total	**-**	**1,616**
Aggregate book value of quoted investments	-	1,616
Aggregate market value of quoted investments	-	1,616
Loans		
Considered good - Secured	-	-
Considered good - Unsecured		
Loan to fellow subsidiary - redeemable non cumulative preference shares (refer note 29)	2,476	1,648
Security deposits	0	-
Loans to related parties (refer note 29)	5,910	7,162
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**8,386**	**8,810**
Financial assets at fair value through OCI		
Cash flow hedges		
Derivative instruments	15	-
Total	**15**	**-**
Others		
Government grants*		
- Generation based incentive receivable	151	99
Recoverable from related parties (refer note 29)	824	448
Unbilled revenue^	-	622
Interest accrued on fixed deposits	6	6
Interest accrued on loans to related parties (refer note 29)	779	450
Others	53	-
Total	**1,813**	**1,625**

^ With effect from 1 April 2018, Unbilled revenue has been classified under head Trade receivables on account of application of Ind AS 115 using modified retrospective approach. Refer note 3.2 - New and amended standards for detailed explanation.

*Government grant is receivable for generation of renewable energy. There are no unfulfilled conditions or contingencies attached to these grants.
Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for entities forming part of the Restricted Group. The carrying value may be affected by changes in the credit risk of the counterparties.

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(Amounts in INR millions, unless otherwise stated)

8 Deferred tax

Deferred tax assets (net)

Deferred tax relates to the following:		**As at 31 March 2019**	**As at 31 March 2018**
Deferred tax related to items recognised in statement of profit and loss:			
Deferred tax liabilities (gross)			
Difference in written down value as per books of account and tax laws		39	-
Unamortised ancillary borrowing cost		1	-
	(a)	39	-
Deferred tax assets (gross)			
Losses available for offsetting against future taxable income		51	-
Provision for operation and maintenance equalisation		2	-
Unused tax credits (MAT)		8	-
	(b)	61	-
Deferred tax assets (net)	**(c) = (b) - (a)**	**22**	**-**

Deferred tax liabilities (net)

Deferred tax related to items recognised in equity :		**As at 31 March 2019**	**As at 31 March 2018**
Deferred tax assets (gross)			
Compound Financial Instruments		18	18
	(d)	**18**	**18**
Deferred tax liabilities (gross)			
Compound Financial Instruments		169	169
	(e)	**169**	**169**
Deferred tax related to items recognised in OCI:			
Deferred tax liabilities (gross)			
Loss on mark to market of derivative instruments		5	2
	(f)	**5**	**2**
Deferred tax related to items recognised in statement of profit and loss:			
Deferred tax liabilities (gross)			
Difference in written down value as per books of account and tax laws		3,390	3,010
Fair value change of mutual fund		-	4
Unamortised ancillary borrowing cost		5	8
	(g)	**3,395**	**3,023**
Deferred tax assets (gross)			
Provision for operation and maintenance equalisation		2	18
Unused tax credit (MAT)		397	206
Losses available for offsetting against future taxable income		2,618	2,611
Compound Financial Instruments		16	55
	(h)	**3,033**	**2,890**
Deferred tax liabilities (net)	**(i) = (g) + (f) + (e) - (h) - (d)**	**518**	**286**

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ReNew Power Limited

(Amounts in INR millions, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Accounting profit before income tax	**559**	**222**
Tax at the India's tax rate of 26%	145	57
Disallowance of Interest u/s 94B	613	671
Effect of tax holidays and other tax exemptions	(479)	(293)
Interest on compound financial instruments	49	(10)
Compensation for loss of revenue	-	(22)
Others	9	(5)
At the effective income tax rate	**337**	**398**
Current tax expense reported in the statement of profit and loss	130	112
Deferred tax expense reported in the statement of profit and loss	207	286
	337	**398**
*** Where deferred tax expense relates to the following :**		
Compound Financial Instruments	38	(24)
Losses available for offsetting against future taxable Income	(58)	(2,419)
Fair value change of mutual fund	(4)	-
Difference in WDV as per books of accounts and tax laws	418	2,779
Provision for operation and maintenance equalisation	14	(12)
Unused tax credit (MAT)	(199)	(40)
Unamortised ancillary borrowing cost	(2)	1
	207	**286**

Reconciliation of deferred tax assets (net):

	31 March 2019	31 March 2018
Opening balance of DTA/(DTL) (net)	**(286)**	**7**
Deferred tax income/(expense) during the year recognised in profit or loss	(207)	(286)
Deferred tax income/(expense) during the year recognised in OCI	(3)	(7)
Closing balance of DTA/(DTL) (net)	**(496)**	**(286)**

The entities forming part of Restricted Group has tax losses and unabsorbed depreciation which arose in India of INR 12,600 (31 March 2018: INR 12,958). The unabsorbed depreciation can be carried forward indefinately as per the Income Tax Act.

Out of this, the tax losses that are available for offsetting for eight years against future taxable profits of the companies in which the losses arose are of INR 1,410 (31 March 2018: INR 1546). The unabsorbed depreciation that will be available for offsetting for against future taxable profits of the companies in which the losses arose are of INR 11,190 (31 March 2018: INR 11,412).

The entities forming part of Restricted Group has recognised deferred tax asset of INR 2,669 (31 March 2018: INR 2,611) utilisation of which is dependent on future taxable profits. The future taxable profits are based on projections made by the management considering the power purchase agreement with power procurer.

The remaining expiry period of Minimum alternate tax recoverable as on 31 March 2019 is 13-15 years (31 March 2018 14-15 years).

9 Prepayments	As at 31 March 2019	As at 31 March 2018
Non-current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	38	32
Total	**38**	**32**
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	17	13
Total	**17**	**13**

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ReNew Power Limited

(Amounts in INR millions, unless otherwise stated)

10 Other assets	**As at 31 March 2019**	**As at 31 March 2018**
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Capital advance	5	13
Advances recoverable	41	-
Security deposits	0	0
Balances with Government authorities	18	20
Total	**64**	**33**
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable (refer note 42)	138	106
Balances with Government authorities	1	0
Total	**139**	**106**

11 Inventories	**As at 31 March 2019**	**As at 31 March 2018**
Consumables & Spares	11	-
Total	**11**	**-**

12 Trade receivables	**As at 31 March 2019**	**As at 31 March 2018**
Unsecured, considered good	3,680	1,352
Secured, considered good	-	-
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	5	6
	3,685	1,358
Less: Provision for doubtful debts	(5)	(6)
Total	**3,680**	**1,352**

No trade or other receivables are due from directors or other officers of the entities forming part of the Restricted Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

With effect from 1 April 2018, Unbilled revenue has been classified under head Trade receivables on account of application of Ind AS 115 using modified retrospective approach. Refer note 3.2 - New and amended standards for detailed explanation.

Trade receivables are non-interest bearing and are generally on terms of 7-60 days.

13 Cash and cash equivalents	**As at 31 March 2019**	**As at 31 March 2018**
Cash and cash equivalents		
Balance with bank		
- On current accounts	835	352
- Deposits with original maturity of less than 3 months	-	327
Total	**835**	**679**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months #*	834	602
- Remaining maturity for more than twelve months	0	0
	834	**602**
Less: amount disclosed under financial assets (others) (Note 7)	(0)	(0)
Total	**834**	**602**

Fixed deposits of INR 0 (31 March 2018: INR 194) are under lien with various banks for the purpose of Debt Service Reserve Account (DSRA) and as margin money for the purpose of letter of credit/bank guarantee.

* The bank deposits have an original maturity period of 92 to 1827 days and carry an interest rate of 5.00% to 8.50% which is receivable on maturity.

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(Amounts in INR millions, unless otherwise stated)

14 Share capital

The special purpose combined financial statement do not represent a legal entity structure. The share capital of Restricted Group is the summation of the share capital of the respective entities forming part of the Restricted Group.

Authorised share capital	**Number of shares**	**Amount**
Equity shares of INR 10 each		
At 1 April 2017	146,910,000	1,469
At 31 March 2018	146,910,000	1,469
At 31 March 2019	**146,910,000**	**1,469**
Preference shares of INR 10 each		
At 1 April 2017	63,840,000	638
At 31 March 2018	63,840,000	638
At 31 March 2019	**63,840,000**	**638**
Preference shares of INR 100 each		
At 1 April 2017	3,000,000	30
At 31 March 2018	3,000,000	30
At 31 March 2019	**3,000,000**	**30**

Issued share capital	**Number of shares**	**Amount**
14A Equity shares of INR 10 each issued, subscribed and paid up		
At 1 April 2017	36,907,967	369
Shares issued during the year	101,400	1
At 31 March 2018	37,009,367	370
Shares issued during the year	5,400	0
At 31 March 2019	**37,014,767**	**370**

Terms/rights attached to equity shares

The entities forming part of Restricted Group have only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. If declared, the entities forming part of Restricted Group will pay dividends in Indian rupees.
In the event of liquidation of entities forming part of the Restricted Group, the holders of equity shares of such Company will be entitled to receive remaining assets of the respective entity, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders of the respective entity.

14B Equity component of compulsorily convertible debentures (CCD)

11% Compulsorily convertible debentures (CCDs) of INR 120 each	**Number of debentures**	**Total proceeds**	**Liability component (refer note 16)**	**Equity component***
At 1 April 2017	1,489,180	179	144	79
Accretion during the year	-	-	17	-
Interest payment to CCD holder	-	-	(18)	-
At 31 March 2018	1,489,180	179	143	79
Accretion during the year	-	-	17	-
Interest payment to CCD holder	-	-	(19)	-
At 31 March 2019	**1,489,180**	**179**	**141**	**79**

Terms of conversion of CCDs
CCDs are compulsorily convertible into equity shares at the end of twenty years from the date of issue, in accordance with the terms of the JVA at conversion ratio of 1 equity shares : 1 preference shares.
CCD carry an interest coupon rate of 11% per annum with moratorium of 18 months from the date of issue. CCDs do not carry any voting rights.

(*Adjusted for deferred tax at inception)

14C Equity component of preference shares:

0.0001% redeemable non cumulative preference shares (RNCPS) of INR 10 each (including share premium of INR 90 each)	**Number of shares**	**Total proceeds**	**Liability component (refer note 16)**	**Equity component***
At 1 April 2017	18,770,307	1,877	394	1,407
Accretion during the year	-	-	48	-
At 31 March 2018	18,770,307	1,877	442	1,407
Accretion during the year	-	-	54	-
At 31 March 2019	**18,770,307**	**1,877**	**496**	**1,407**

(*Adjusted for deferred tax at inception)

0.0001% compulsorily convertible preference shares (CCPS) of INR 10 each	**Number of shares**	**Amount**
At 1 April 2017	35,124,000	351
At 31 March 2018	35,124,000	351
At 31 March 2019	**35,124,000**	**351**

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(Amounts in INR millions, unless otherwise stated)

0.0001% compulsorily convertible preference shares of INR 100 each	**Number of shares**	**Amount**
At 1 April 2017	2,519,043	252
At 31 March 2018	2,519,043	252
At 31 March 2019	**2,519,043**	**252**
At 31 March 2017		**2,010**
At 31 March 2018		**2,010**
At 31 March 2019		**2,010**

Terms/rights attached to preference shares

0.0001% redeemable non cumulative preference shares (RNCPS)

ReNew Wind Energy (Karnataka) Private Limited which is a part of the Restricted Group issued 7,000,000 0.001% redeemable non cumulative preference shares (RNCPS) in FY 2012-13, 419,187 redeemable non cumulative preference shares (RNCPS) in FY 2014-15, 2,800,620 redeemable non cumulative preference shares (RNCPS) in FY 2015-16 and 8,550,500 redeemable non cumulative preference shares (RNCPS) in FY 2016-17 of INR 10 each fully paid-up at a premium of INR 90 per share. RNCPS carry non cumulative dividend @ 0.001%. If declared, the Restricted Group entities will pay dividends in Indian rupees. The dividend proposed by the Board of Directors of the respective Company forming part of the Restricted Group is subject to the approval of the shareholders in the ensuing Annual General Meeting.

RNCPS do not carry voting rights and are fully transferable. The RNCPS shall be redeemed at INR 100 per share at the end of 15th year from the date of issue i.e. 4,000,000 preference shares in October 2027, 3,000,000 preference shares in March 2028, 419,187 preference shares in June 2029, 2,717,120 preference shares in August 2030, 15,000 preference shares in January 2031, 68,500 preference shares in March 2031 and 8,550,500 preference shares in March 2035 or such other extended term as may be determined by the Board of the respective Company in one or more tranches.

In the event of Liquidation of a Company forming part of the Restricted Group, the RNCPS shall be entitled to receive an amount that is equal to the face value of RNCPS. The RNCPS shall also have right to participate in surplus assets & funds of the respective Company available for distribution to holders of RNCPS and equity shares based on the numbers of equity shares held by each shareholder, which may remain after the entire capital (both equity share capital and preference share capital) has been repaid, to the extent of INR 90 per preference share.

0.0001% compulsorily convertible preference shares (face value INR 10 each) (CCPS)

ReNew Solar Energy (TN) Private Limited and ReNew Wind Energy (MP Two) Private Limited issued 14,198,000; 0.0001% compulsorily convertible preference shares (CCPS) in FY 2014-15, ReNew Wind Energy (MP Two) Private Limited, ReNew Saur Shakti Private Limited and ReNew Wind Energy (Shivpur) Private Limited issued 9,991,000; 0.0001% CCPS in FY 2015-16 and ReNew Wind Energy (Shivpur) Private Limited and ReNew Saur Shakti Private Limited issued 10,935,000; 0.0001% CCPS in FY 2016-17 of INR 10 each fully paid-up at a premium of INR 90 per share. CCPS carry non cumulative dividend @ 0.0001%. If declared, the Restricted Group entities will pay dividends in Indian rupees. The dividend proposed by the Board of Directors of the respective Company is subject to the approval of the shareholders in the ensuing Annual General Meeting.

CCPS do not carry voting rights and are freely transferable. CCPS would be compulsorily converted into Equity Shares of the respective Company forming part of the Restricted Group at the price of INR 100 (Rupees Hundred) per share in the ratio of 1 equity shares : 1 preference shares.

In the event of Liquidation of a Company forming part of the Restricted Group, the holders of CCPS shall be paid 1 times the face value of CCPS and such dividend in arrear, if any, declared and remained unpaid. The said preference shares shall have right to participate in surplus assets & profits on winding up, which may remain after the entire capital (both equity share capital and preference share capital) has been repaid, to the extent of Rs 90 per preference share.

0.0001% compulsorily convertible preference shares (face value Rs 100 each) (CCPS)
During the previous year, the Restricted Group entities issued 2,519,043; 0.0001% compulsorily convertible preference shares (CCPS) of INR 100 each fully paid up. CCPS carry non-cumulative dividend @ 0.0001% per annum. If declared, the Restricted Group entities will pay dividends in Indian rupees.
CCPS do not carry voting rights. CCPS are compulsorily convertible into equity shares on Mandatory Conversion Date i.e. July 2, 2035 at the conversion ratio defined in Joint Venture Agreement ('JVA'). CCPS may also get converted into equity shares of the respective Company at any time at the option of the holder, at the date determined by the holder of the CCPS before the Mandatory Conversion Date.

14D Shares held by the holding company

	As at 31 March 2019		**As at 31 March 2018**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Renew Power Limited*				
Equity shares of INR 10 each	26,716,826	267	26,716,826	267
0.0001% redeemable non cumulative preference shares of INR 10 each	18,770,307	188	18,770,307	188
0.0001% compulsorily convertible preference shares of INR 10 each	17,514,000	175	17,514,000	175
ReNew Solar Power Private Limited*				
Equity shares of INR 10 each	6,044,990	60	6,044,990	60
0.0001% compulsorily convertible preference shares of INR 10 each	17,600,600	176	17,600,600	176
0.0001% compulsorily convertible preference shares of INR 100 each	2,519,043	25	2,519,043	25

*for details of relationship with the respective entities of the Restricted Group refer note 29.

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Renew Power Limited

(Amounts in INR millions, unless otherwise stated)

14E Shares held by the other subsidiaries of the parent company of the Company

	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
ReNew Wind Energy (Karnataka Five) Private Limited, fellow subsidiary of the ReNew Wind Energy (Karnataka) Private Limited				
Equity shares of INR 10 each	100	0	100	0

14F Details of shareholders holding more than 5% shares in the Restricted Group

	As at 31 March 2019		As at 31 March 2018	
	Number	% Holding	Number	% Holding
Equity shares of INR 10 each				
ReNew Solar Power Private Limited*	26,716,826	72.18%	26,716,826	72.19%
ReNew Power Limited*	6,044,990	16.33%	6,044,990	16.33%
Hareon Power Singapore Private Limited	4,092,941	11.06%	4,092,941	11.06%
0.0001% redeemable non cumulative preference shares of INR 10 each				
ReNew Power Limited*	18,770,307	100.00%	18,770,307	100.00%
0.0001% compulsorily convertible preference shares of INR 10 each				
ReNew Solar Power Private Limited*	17,600,600	50.11%	17,600,600	50.11%
ReNew Power Limited*	17,514,000	49.86%	17,514,000	49.86%
0.0001% compulsorily convertible preference shares of INR 100 each				
ReNew Solar Power Private Limited*	2,519,043	100.00%	2,519,043	100.00%

14G Aggregate number of Bonus shares issued during the period of five years immediately preceeding the reporting date

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
Equity shares of INR 10 each**	650,000	7	650,000	7

** Equity shares alloted as fully paid bonus shares by capitalisation of seurities premium

As per the records of the entities forming part of the Restricted Group, including its register of shareholders/members the above shareholding represents both legal and beneficial ownerships of shares.

*for details of relationship with the respective entities of the Restricted Group refer note 29.

15 Other equity

15A Share application money pending allotment

At 1 April 2017	300
Share application money received	10
Equity shares issued during the year	(10)
Share application money refunded	(300)
At 31 March 2018	-
At 31 March 2019	-

15B Securities premium

At 1 April 2017	6,405
Premium on issue of equity shares during the year	9
Amount utilized against for issue of shares	(1)
At 31 March 2018	**6,413**
Premium on issue of equity shares during the year	0
At 31 March 2019	**6,413**

Nature and purpose

Securities premium is used to record the premium on issue of shares. The amount can be utilised only for limited purposes such as issuance of bonus shares etc. in accordance with the provisions of the Companies Act, 2013.

15C Hedge reserve

At 1 April 2017	(12)
Movement in hedge reserve (refer note 30)	17
At 31 March 2018	**5**
Movement in hedge reserve (refer note 30)	10
At 31 March 2019	**15**

Nature and purpose

The entities forming part of Restricted Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the respective entity uses foreign currency forward contracts, cross currency swaps, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (principal & interest payments).

15D Retained earnings

At 1 April 2017	619
Loss for the year	(177)
At 31 March 2018	**442**
Profit for the year	260
At 31 March 2019	**702**

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

ReNew Power Limited

(Amounts in INR millions, unless otherwise stated)

16 Long-term borrowings	Nominal interest rate %	Maturity	Non-current 31 March 2019	Non-current 31 March 2018	Current 31 March 2019	Current 31 March 2018
Compulsorily Convertible Debentures (unsecured) (refer note 14B)	12.46%	July 2035	141	143	-	-
Term loan from bank (secured)	10.50%	March 2034	3,100	3,317	151	127
Buyer's / Supplier's credit (secured)	6 month Libor plus 110bps	December 2019	-	1,536	1,638	-
Senior secured bonds	10.63%	February 2022	32,392	31,766	-	-
Liability component of preference shares (secured) (refer note 14C)	11.53%	March 2035	496	442	-	-
Total long-term borrowings			36,129	37,204	1,789	127
Amount disclosed under the head 'Other current financial liabilities' (Refer note 21)			-	-	(1,789)	(127)
			36,129	37,204	-	-

Notes:

(i) **Compulsorily Convertible Debentures (unsecured)**
Compulsorily Convertible Debentures (CCD) are compulsorily convertible into equity shares in accordance with the terms of the Joint Venture Agreement at conversion ratio defined therein. CCD do not carry any voting rights.

(ii) **Term loan from bank (secured)**
Term loan from banks are secured by pari passu first charge by way of mortgage of all the present and future immovable properties, hypothecation of movable assets, book debt, operating cash flows, receivables, commissions, revenue of whatsoever nature, all bank accounts and all intangibles assets, assignment of all rights, title, interests, benefits, claims etc. of project documents and insurance contracts of the entities forming part of the Restricted Group.

(iii) **Buyer's / Supplier's credit (secured)**
Buyer's/ Supplier's credit are secured by first pari passu first charge by way of mortgage of all the present and future immovable properties, hypothecation of movable assets, book debt, operating cash flows, receivables, commissions, revenue of whatsoever nature, all bank accounts and all intangibles assets, assignment of all rights, title, interests, benefits, claims etc. of project documents, PPA, and insurance contracts of the entities forming part of the Restricted Group.

(iv) **Senior secured bonds**
Senior Secured Bonds are secured by way of exclusive mortgage over immovable properties and exclusive charge by way of hypothecation of tangible and intangible movable assets. Further secured by way of hypothecation over rights and benefit, claims and demands under all the project agreements, letter of credit, insurance contracts and proceeds, guarantees, performance bond etc. of the Restricted Group. Secondary Charge over the account receivables ,book debts and cash flows.

(v) These bonds have been issued based on the collective net worth of all entities forming part of the Restricted Group and further all these entities have jointly and severally guranteed the issue. Also refer Note 29.

(vi) All the loans are covered by corporate guarantee of ReNew Power Limited.

(vii) ReNew Power Limited, the Holding Company, has pledged 26,706,821 (31 March 2018: 26,706,821) equity shares and 27,650,138 (31 March 2018: 27,650,138) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

(viii) ReNew Solar Power Private Limited, the Holding Company of ReNew Solar Energy (Karnataka) Private Limited, ReNew Saur Shakti Private Limited and ReNew Solar Energy (TN) Private Limited, has pledged 4,800,099 (31 March 2018: 4,800,099) equity shares and 10,891,712 (31 March 2018: 10,891,712) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

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(Amounts in INR millions, unless otherwise stated)

17 Other non-current liabilities	**As at 31 March 2019**	**As at 31 March 2018**
Provision for operation and maintenance equalisation	380	353
Total	**380**	**353**

18 Short term borrowings	**As at 31 March 2019**	**As at 31 March 2018**
Loan from related party (unsecured) (refer note 29)	1,363	1,251
Total	**1,363**	**1,251**

Loan from related party (unsecured)
Unsecured loan from related party is repayable on demand and carries interest at 8.00% per annum.

19 Trade payables	**As at 31 March 2019**	**As at 31 March 2018**
Current		
Outstanding dues to micro enterprises and small enterprises (refer note 36)	-	-
Others	475	793
Total	**475**	**793**

20 Derivative instruments	**As at 31 March 2019**	**As at 31 March 2018**
Financial liabilities at fair value through OCI (current)		
Cash flow hedges		
Derivative instruments	-	96
Total	**-**	**96**

21 Other current financial liabilities	**As at 31 March 2019**	**As at 31 March 2018**
Financial liabilities at amortised cost		
Current maturities of long term borrowings (Refer note 16)	1,789	127
Others		
Interest accrued but not due on borrowings	639	539
Capital creditors	449	1,029
Other payables	-	1
Total	**2,877**	**1,696**

22 Other current liabilities	**As at 31 March 2019**	**As at 31 March 2018**
Provision for operation and maintenance equalisation	72	35
Other payables		
TDS payable	39	36
GST payable	2	14
Total	**113**	**85**

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

ReNew Power Limited

Restricted Group

Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2019

(Amounts in INR millions, unless otherwise stated)

23 Revenue from operations	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Income from contracts with customers		
Sale of power	6,941	6,257
Income from sale of renewable energy certificates	66	156
Total	**7,007**	**6,413**

24 Other income	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Interest income		
- on fixed deposit with banks	101	118
- on loan to related parties (refer note 29)	575	471
- income tax refund	0	-
- others	-	72
Government grant		
- generation based incentive	312	291
Compensation for loss of revenue (refer note 41)	-	83
Insurance claim	0	12
Fair value change of mutual fund (including realised gain)	70	92
Miscellaneous income	9	7
Total	**1,067**	**1,146**

25 Other expenses	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Legal and professional fees	30	31
Corporate social responsibility (refer note 38)	9	17
Travelling and conveyance	7	14
Rent	2	5
Management shared services	170	284
Rates and taxes	14	23
Payment to auditors (refer details below)	4	4
Insurance	19	29
Operation and maintenance	476	453
Repair and maintenance		
- plant and machinery	5	1
Loss on sale of property plant & equipment and Capital work in progress written off (net)	32	2
Security charges	22	19
Communication costs	3	3
Loss on settlement of derivative instruments designated as cash flow hedge(net)	-	55
Provision for doubtful debts	0	6
Miscellaneous expenses	16	15
	809	**961**

Payment to Auditors	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
As auditor:		
Audit fee	4	4
In other capacity:		
Certification fees	0	0
Reimbursement of expenses	0	0
	4	**4**

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

ReNew Power

(Amounts in INR millions, unless otherwise stated)

26 Depreciation & amortisation expense	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Depreciation of property, plant & equipment (refer note 4)	1,776	1,724
Amortisation of intangible assets (refer note 5)	0	-
Total	**1,776**	**1,724**

27 Finance costs	**For the year ended 31 March 2019**	**For the year ended 31 March 2018**
Interest expense on		
- term loans	372	131
- loan from related party (refer note 29)	101	69
- bonds	4,234	4,221
- acceptance	-	28
- buyer's/supplier's credit	143	131
- liability component of compulsorily convertible debentures	17	17
- liability component of redeemable non-cumulative preference shares	54	48
- others	1	-
Bank charges	8	7
Total	**4,930**	**4,652**

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Renew Power Limited

(Amounts in INR millions, unless otherwise stated)

28 Earnings per share (EPS)

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

29 Related Party Disclosures

a) Names of related parties and related party relationship

The names of related parties where control exists and/or with whom transactions have taken place during the year and description of relationship as identified by the management are:

I. Holding Company :

Name of entity	Holding Company
ReNew Wind Energy (Karnataka) Private Limited	ReNew Power Limited
ReNew Wind Energy (MP Two) Private Limited	ReNew Power Limited
ReNew Wind Energy (Rajkot) Private Limited	ReNew Power Limited
ReNew Wind Energy (Shivpur) Private Limited	ReNew Power Limited
ReNew Wind Energy (Welturi) Private Limited	ReNew Power Limited
ReNew Solar Energy (TN) Private Limited	ReNew Solar Power Private Limited*
ReNew Solar Energy (Karnataka) Private Limited	ReNew Solar Power Private Limited*
ReNew Saur Shakti Private Limited	ReNew Solar Power Private Limited*

*ReNew Solar Power Private Limited is a 100% subsidiary of ReNew Power Limited.

II. Ultimate Holding Company

GS Wyvern Holdings Limited (till 22nd March 2018)

III. Key management personnel (KMPs) :

Mr. Sumant Sinha, Chairman and Managing Director of ReNew Power Limited.

IV. Fellow subsidiaries with whom transactions occurred during the year:

Renew Clean Energy Private Limited
ReNew Solar Power Private Limited
Renew Solar Energy (Jharkhand Three) Private Limited
ReNew Wind Energy Jath Limited
ReNew Mega Solar Power Private Limited
ReNew Saur Urja Private Limited
ReNew Wind Energy (Devgarh) Private Limited
ReNew Wind Energy (MP) Private Limited
ReNew Solar Energy Private Limited
ReNew Power Services Private Limited
Renew Solar Energy (Jharkhand One) Private Limited
Renew Solar Energy (Jharkhand Four) Private Limited
Renew Solar Energy (Jharkhand Five) Private Limited
ReNew Wind Energy (AP 3) Private Limited
ReNew Wind Energy (Rajasthan One) Private Limited
Ostro Energy Private Limited
ReNew Wind Energy (Orissa) Private Limited
ReNew Wind Energy (Delhi) Private Limited
ReNew Wind Energy (Varekarwadi) Private Limited
ReNew Wind Energy (Sipla) Private Limited
ReNew Wind Energy (Jamb) Private Limited
Renew Wind Energy (Karnataka Two) Private Limited
Renew Akshay Urja Limited
ReNew Solar Energy (Karnataka Two) Private Limited
ReNew Saur Vidyut Private Limited
ReNew Wind Energy (TN 2) Private Limited
ReNew Wind Energy (Karnataka 3) Private Limited
ReNew Solar Energy (Telangana) Private Limited
ReNew Wind Energy (AP) Private Limited
ReNew Vayu Urja Private Limited
ReNew Wind Energy (Karnataka Five) Private Limited
ReNew Wind Energy (Rajasthan) Private Limited
Star Solar Power Private Limited

V. Enterprise with significant influence

Name of entity	Enterprise with significant influence
ReNew Solar Energy (Karnataka) Private Limited	Hareon Solar Singapore Private Limited

b) Details of transactions with holding Company:

Particulars	ReNew Power Limited		ReNew Solar Power Private Limited	
	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
Share application money refunded	-	-	-	300
Unsecured loan given to related party	472	240	-	-
Unsecured loan repaid by related party	-	73	-	-
Unsecured loan received	-	6	248	1,108
Unsecured loan repaid	-	6	136	230
Expense Paid on behalf of the Company	3	20	0	7
Expenses incurred on behalf of the holding company	17	-	1	0
Reimbursement of expenses	9	37	-	-
Purchase of services#	96	141	59	-
Interest income on unsecured loan	115	108	-	-
Purchase of Fixed Assets	1	-	-	-
Operation and maintenance expenses	-	-	-	16
Interest expense on unsecured loan	-	-	101	77
Consumable Purchases	-	-	1	-

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

ReNew Power Limited

Restricted Group
Notes to Special Purpose Combined Financial Statements for the year ended 31 March 2019
(Amounts in INR millions, unless otherwise stated)

c) Details of outstanding balances with holding Company:

Particulars	ReNew Power Limited		ReNew Solar Power Private Limited	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unsecured loan payable	-	-	1,363	1,251
Unsecured loan receivable	1,889	1,417	-	-
Trade payables	196	487	65	24
Capital creditor	173	489	29	30
Interest income accrued on unsecured loan	229	124	-	-
Interest expense accrued on unsecured loan	-	-	177	78
Recoverable from related parties	10	1	-	31

d) Details of transactions with fellow subsidiaries:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Purchase of Fixed Assets	-	307
Unsecured loan given	-	6,555
Unsecured loan repayment received	768	1,089
Interest income on unsecured loan given	460	362
Expense incurred by fellow subsidiary on behalf of the company	1	3
Expense incurred on behalf of fellow subsidiary	68	164
Purchase of services#	7	105
Reimbursement of expenses	-	1
Investment in redeemable non cumulative preference shares	828	1,648
Trading Purchase	7	-
Consumable Purchases	0	-
EPC Purchase	3	-
Operation & maintenance	16	-
Consumables Sales	4	-

ReNew Power Limited (the "Holding Company") and ReNew Power Services Private Limited (fellow subsidiary) have charged certain common expenses to entities forming part of Restricted Group on the basis of its best estimate of expenses incurred for entities forming part of Restricted Group and recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted is most appropriate basis for recovering of such common expenses.

e) Details of outstanding balances with fellow subsidiaries:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Trade payable	68	115
Capital creditor	27	80
Recoverable from related parties	814	416
Interest Income accrued on unsecured loan given	679	327
Interest expense accrued on unsecured loan	-	0
Unsecured loan given	4,977	5,745
Loan to fellow subsidiary- redeemable non cumulative preference shares	2,476	1,648

f) Details of transactions with enterprise with significant influence:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Annual management fee and other costs	2	2

g) Compensation of Key management personnel

Remuneration to the key managerial personnel is paid by the Holding Company and fellow subsidiary (ReNew Power Services Private Limited) and is allocated between the respective entities part of the Restricted Group as management shared services and is not separately identifiable.

h) All the loans are covered by corporate guarantee of ReNew Power Limited, Holding Company.

i) During the previous year, the companies forming part of the Original Restricted Group had raised funds through issuance of senior secure bonds (the "Issue"). These bonds were issued based on the collective net worth of all the entities forming part of the Original Restricted Group and further all these entities had jointly and severally guaranteed the Issue. Subsequently as explained in note 1, ReNew Saur Shakti Private Limited has been designated as an additional Restricted Group entity, thereafter, collectively referred to as the Restricted Group. Therefore, now all the entities forming part of thr Restricted Group have jointly and severally guaranteed the Issue.

Further, certain entities forming part of the Restricted Group have common directors. The management, based on legal opinion, considers that this guarantee on behalf of other fellow subsidiaries is in the 'ordinary course of business' and is in compliance with the requirements of section 185 of the Companies Act, 2013.

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

Renew Power Limited

(Amounts in INR millions, unless otherwise stated)

30 Hedging activities and derivatives

Derivatives designated as hedging instruments

The entities forming part of the Restricted Group use certain types of derivative financial instruments (viz. foreign currency forwards, Cross-currency interest rate swap) to manage/mitigate their exposure to foreign exchange and interest risk. Further, the entity designates such derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation and interest risk attributable to either a recognised item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of Derivative financial instruments (or its components) that are designated and qualify as Cash flow hedges, are recognised in the Other comprehensive income and held in Cash flow hedge reserve - a component of Equity. Any gains / (losses) relating to the ineffective portion, are recognised immediately in the statement of profit and loss within other expenses/ other income. The amounts accumulated in Equity for highly probable forecast transaction are added to carrying value of non financial asset or non financial liability as basis adjustment, other amounts accumulated in Equity are re-classified to the statement of profit and loss in the year when the hedged item affects profit / (loss).

At any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the statement of profit and loss within other expenses / other income.

Cash flow hedges

Hedge has been taken against exposure to foreign currency risk and variable interest outflow on External commercial borrowings and Buyer's Credit. Terms of the swaps and their respective impact on OCI and statement of profit and loss is as below:-

The cash flow hedges through CCS is USD 23,781,518 (31 March 2018 :- USD 23,781,518) outstanding at the year ended 31 March 2019 were assessed to be highly effective and a hedging reserve of INR 20 (31 March 2018: INR 7) with a deferred tax liability of INR 5 (31 March 2018: INR 2), is included in OCI.

Foreign currency and Interest rate risk

Cross currency interest rate swaps measured at fair value through OCI are designated as hedging instruments in cash flow hedges of interest and principal payments in USD.

	31 March 2019		31 March 2018	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Forward Contracts designated as hedging instruments	15	-	-	96

Hedging reserve movement

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**5**	**(12)**
Gain/(loss) recognised on cash flow hedges	13	(80)
Income tax relating to gain/loss recognized on cash flow hedges	(3)	20
Gain/(loss) reclassified to profit or loss	-	55
Income tax relating to gain/loss reclassified to profit or loss	-	(14)
Gain/(loss) reclassified to non financial assets or liabilities as basis adjustment	-	50
Income tax relating to gain/loss reclassified to non financial assets or liabilities as basis adjustment	-	(13)
Balance at the end of the year	**15**	**5**

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

Renew Power Limited

(Amounts in INR millions, unless otherwise stated)

31 Segment Information

The managing director of ReNew Power Limited takes decisions in respect of allocation of resources and assesses the performance basis the reports/ information provided by functional heads and is thus considered to be the Chief Operating Decision Maker (CODM).

The Restricted Group discloses segment information in a manner consistent with internal reporting to group's Managing Director. The entities forming part of the Restricted Group have segments based on type of business operations. The reportable segments of Restricted Group under Ind AS are Wind Power and Solar Power which predominantly relate to generation and sale of electricity and construction activities. The Restricted Group entities does not operate in more than one geographical segment. The Restricted Group discloses in the segment information operating profit, comparable operating profit and comparable EBITDA.

No Operating segment has been aggregated to form the above reportable operating segments. Further, total assets and liabilities balances for each reportable segment are not reviewed by or provided to CODM.

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Wind Power	**Solar Power**	**Total**	**Wind Power**	**Solar Power**	**Total**
Sale of power and sale of renewable energy certificates	4,633	2,374	7,007	4,277	2,136	6,413
Revenues from operations	**4,633**	**2,374**	**7,007**	**4,277**	**2,136**	**6,413**
Less: Inter-segment	-	-	-	-	-	-
Revenues from external customers	**4,633**	**2,374**	**7,007**	**4,277**	**2,136**	**6,413**
Interest income	518	158	676	515	146	661
Other Income (other than interest income)	362	29	391	451	34	485
Total income	**5,513**	**2,561**	**8,074**	**5,243**	**2,316**	**7,559**
Less: Other expenses	599	210	809	649	312	961
Earning before interest, tax, depreciation and amortization (EBITDA)	**4,914**	**2,351**	**7,265**	**4,594**	**2,004**	**6,598**

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Renew Power Limited

(Amounts in INR millions, unless otherwise stated)

32 Fair values

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

	31 March 2019		31 March 2018	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Loans	9,342	9,342	8,810	8,810
Bank deposits with remaining maturity for more than twelve months	0	0	0	0
Investments-current, quoted mutual funds	-	-	1,616	1,616
Derivative instruments	15	15	-	-
Trade receivables	3,680	3,680	1,352	1,352
Cash and cash equivalent	835	835	679	679
Bank balances other than cash and cash equivalent	834	834	602	602
Other financial assets	1,943	1,943	1,625	1,625
Financial liabilities				
Long term borrowings	36,129	36,129	37,204	37,204
Derivative instruments	-	-	96	96
Short-term borrowings	1,363	1,363	1,251	1,251
Trade payables	475	475	793	793
Other current financial liabilities	2,877	2,877	1,696	1,696

The management of the entities forming part of the Restricted Group assessed that loans, derivative instruments, investments, cash and cash equivalents, trade receivables, borrowings, trade payables, other current financials liabilities and other current financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

i The fair values of the entities forming part of the Restricted Group's term loans from banks and financial institutions including current maturities are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2019 was assessed to be insignificant.

ii The fair value of unquoted instruments, such as liability component of compulsorily convertible debentures and Liability component of preference shares are estimated by discounting future cash flows using effective interest rate, credit risk and remaining maturity.

iii The entities forming part of the Restricted Group enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The models 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. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

33 Fair value hierarchy

The entities forming part of the Restricted Group categorize assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:
i) Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
ii) Level 2 - Inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
iii) Level 3 - Inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Restricted Group's assumptions about pricing by market participants.

The following table provides the fair value measurement hierarchy of the assets and liabilities of the entities forming part of the Restricted Group :-

Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at year end:

	Level of fair value measurement	31 March 2019		31 March 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial Assets (Current)					
Financial assets measured at fair value					
Investments (quoted mutual funds)	Level 1	-	-	1,616	1,616
		-	**-**	**1,616**	**1,616**
Financial assets not measured at fair value					
Measured at amortised cost					
Financial Assets (Non current): Loans					
Security deposits	Level 2	0	0	0	0
Total		**0**	**0**	**0**	**0**
Financial Assets (Non current): Others					
Bank deposits with remaining maturity for more than twelve months	Level 2	0	0	0	0
Interest accrued on loans to related parties	Level 2	130	130	-	-
Total		**130**	**130**	**0**	**0**
Financial assets not measured at fair value					
Financial Assets (current): Loans					
Loan to fellow subsidiary - redeemable non cumulative preference shares	Level 2	2,476	2,476	1,648	1,648
Security deposits	Level 2	0	0	-	-
Loans to related parties	Level 2	6,866	6,866	7,162	7,162
Total		**9,342**	**9,342**	**8,810**	**8,810**

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Renew Power Limited

(Amounts in INR millions, unless otherwise stated)

Financial Assets (Current): Others					
Generation based incentive receivable	Level 2	151	151	99	99
Recoverable from related parties	Level 2	824	824	448	448
Unbilled revenue	Level 2	-	-	622	622
Interest accrued on fixed deposits	Level 2	6	6	6	6
Interest accrued on loans to related parties	Level 2	779	779	450	450
Others current financial assets	Level 2	53	53	-	-
Total		**1,813**	**1,813**	**1,625**	**1,625**
Measured at fair value through Profit and Loss					
Derivative instruments	Level 2	15	15	-	-
Total		**15**	**15**	**-**	**-**
Trade receivables	Level 2	**3,680**	**3,680**	**1,352**	**1,352**
Cash and bank balances					
Cash and cash equivalent	Level 2	835	835	679	679
Bank balances other than cash and cash equivalent	Level 2	834	834	602	602
Total		**1,669**	**1,669**	**1,281**	**1,281**
Financial liabilities not measured at fair value					
1. Measured at amortised cost					
Senior secured bonds	Level 2	32,392	32,392	31,766	31,766
Compulsorily Convertible Debentures (unsecured)	Level 2	141	141	143	143
Liability component of preference shares	Level 2	496	496	442	442
Buyer's / Supplier's credit (secured)	Level 2	-	-	1,536	1,536
Term loan in Indian rupees from banks	Level 2	3,100	3,100	3,317	3,317
Total		**36,129**	**36,129**	**37,204**	**37,204**
Short-term borrowings	Level 2	**1,363**	**1,363**	**1,251**	**1,251**
Trade payables	Level 2	**475**	**475**	**793**	**793**
Financial liabilities (Current): Others					
Current maturities of long term borrowings	Level 2	1,789	1,789	127	127
Interest accrued but not due on borrowings	Level 2	639	639	539	539
Capital creditors	Level 2	449	449	1,029	1,029
Other payable	Level 2	-	-	1	1
Total		**2,877**	**2,877**	**1,696**	**1,696**
Measured at fair value through Other comprehensive income					
Derivative instruments	Level 2	-	-	96	96

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial assets measured at fair value			
Investments (quoted mutual fund)	Level 1	Quoted price	Quoted market price of mutual funds
Derivative Instruments	Level 2	Market value techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows
Financial assets not measured at fair value			
Security deposits	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Loan to subsidiaries - redeemable non cumulative preference shares	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Bank deposits with remaining maturity for more than twelve months	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Trade receivables	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Cash and cash equivalent	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Bank balances other than cash and cash equivalent	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Generation based incentive receivable	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Recoverable from related parties	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Loans to related parties	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Unbilled revenue	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Interest accrued on fixed deposits	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Interest accrued on loans to related parties	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Other current financial assets	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Financial liabilities not measured at fair value			
Senior secured bonds	Level 2	Discounted cash flow	Fixed interest rates, Future cash flows
Buyer's / Supplier's credit (secured)	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Compulsorily Convertible Debentures (unsecured)	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Short-term borrowings	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Liability component of preference shares	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Term loan in Indian rupees from bank	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Current maturities of long term borrowings	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Trade payables	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Interest accrued but not due on borrowings	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Capital creditors	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows
Other payable	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows

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(Amounts in INR millions, unless otherwise stated)

34 Financial Risk Management objectives and policies

The Restricted Group's principal financial liabilities comprise loans and borrowings, trade payables and other financial liabilities.

The main purpose of these financial liabilities is to finance the Restricted Group's operations and to support its operations. The Restricted Group's financial assets include loans, trade and other receivables, and cash & cash equivalents and other financial assets.

The Restricted Group is exposed to market risk, credit risk and liquidity risk. The Restricted Group's senior management oversees the management of these risks. The Restricted Group's senior management is supported by a various sub committees that advises on financial risks and the appropriate financial risk governance framework for the Restricted Group. These committees provides assurance to the Restricted Group's senior management that the Restricted Group's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Restricted Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below.

Market Risk

Market risk is the risk that the Restricted Group's assets and liabilities will be exposed to due to a change in market prices that determine the valuation of these financial instruments. Market risk comprises 3 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 include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2019. 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 and on the basis of hedge designations in place as at 31 March 2019.

Interest rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk primarily from the external borrowings that are used to finance their operations. In case of external commercial borrowings ("ECB") and buyers credit the Group believes that the exposure of Group to changes in market interest rates is insignificant as the respective companies manage the risk by hedging the changes in the market interest rates through cross currency interest rate swaps. The Group also monitors the changes in interest rates and actively re finances its debt obligations to achieve an optimal interest rate exposure.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities, i.e. borrowings in INR and USD. With all other variables held constant, the entities forming part of the Restricted Group's profit before tax is affected through the impact on financial assets, as follows:

	31 March 2019		31 March 2018	
	Increase/decrease in basis points	**Effect on profit before tax**	**Increase/decrease in basis points**	**Effect on profit before tax**
INR	+/(-)50	(-)/+ 17	+/(-)50	(-)/+ 13
	Increase/decrease in basis points	**Effect on equity**	**Increase/decrease in basis points**	**Effect on equity**
INR	+/(-)50	(-)/+ 13	+/(-)50	(-)/+ 9

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 entities forming part of the Restricted Group do not have any foreign currency exposures as on 31 March 2019. In case of foreign currency exposures, the entities forming part of the Restricted Group monitor that the hedges do not exceed the underlying foreign currency exposure. The entities forming part of the Restricted Group do not undertake any speculative transactions.

Credit Risk

Credit risk is the risk that the power procurer will not meet their obligations under a financial instrument or customer contract, leading to a financial loss. The respective entities forming part of the Restricted Group are exposed to credit risk from their operating activities (primarily trade receivables) but this credit risk exposure is insignificant given the fact that substantially whole of the revenues are from state utilities/government entities.

Further the entities forming part of the Restricted Group sought to reduce counterparty credit risk under our long-term contracts in part by entering into power sales contracts with utilities or other customers of strong credit quality and we monitor their credit quality on an on going basis.

The maximum credit exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amount of all the financial assets.

Trade Receivables

Customer credit risk is managed basis established policies of the entities forming part of the Restricted Group, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The entities forming part of the Restricted Group do not hold collateral as security.

The entities forming part of the Restricted Group have state utilities/government entities as it's customers with high credit worthiness, therefore, the entities forming part of the Restricted Group do 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.

Financial instruments and credit risk

Credit risk from balances with banks is managed by group's treasury department. Investments, in the form of fixed deposits, of surplus funds are made only with banks and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis by the respective entity forming part of the Restricted Group, and may be updated throughout the year subject to approval of group's finance committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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Renew Power Limited

(Amounts in INR millions, unless otherwise stated)

Liquidity Risk

Liquidity risk is the risk that the entities forming part of the the Restricted Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the entities forming part of the Restricted Group to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The entities forming part of the Restricted Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The entities forming part of the Restricted Group have access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The entities forming part of the Restricted Group rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind power plants and related assets. Our non-recourse financing is designed to limit cross default risk to the Parent Company or other subsidiaries and affiliates. Our non-recourse long-term debt is a combination of fixed and variable interest rate instruments. External commercial borrowings which are at variable rate is fixed through the use of cross currency interest rate swaps. In addition, the debt is typically denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk. In certain cases, the currency is matched through the use of derivative instruments. The majority of non-recourse debt is funded by banks and financial institutions, with debt capacity supplemented by unsecured loan from related party.

The table below summarizes the maturity profile of financial liabilities of Restricted Group based on contractual undiscounted payments:

Year ended 31 March 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings						
Compulsorily convertible debentures	-	-	-	-	141	141
Redeemable non cumulative preference shares	-	-	-	-	496	496
Term loan from banks *	-	-	-	1,941	4,059	6,000
Senior Secured Bonds*	-	-	-	40,908	-	40,908
Other financial liabilities						
Current maturities of long term borrowings*	-	133	4,992	-	-	5,125
Interest accrued but not due on borrowings	201	29	432	-	-	662
Capital Creditors	229	220	-	-	-	449
Trade payable						
Trade payable	314	161	-	-	-	475

* Including future interest payments.

The entities forming part of the Restricted Group expect liabilities with current maturities to be repaid from net cash provided by operating activities of the entity to which the debt relates or through opportunistic refinancing activity or some combination thereof.

Year ended 31 March 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings						
Compulsorily convertible debentures	-	-	-	-	143	143
Redeemable non cumulative preference shares	-	-	-	-	442	442
Term loan from banks *	-	-	-	1,906	4,503	6,409
Senior Secured Bonds*	-	-	-	43,719	-	43,719
Buyer's credit	-	-	-	1,536	-	1,536
Short term borrowings						
Loans from related party	1,251	-	-	-	-	1,251
Other financial liabilities						
Current maturities of long term borrowings*	-	123	3,320	-	-	3,443
Interest accrued but not due on borrowings	78	28	432	-	-	539
Capital Creditors	758	272	-	-	-	1,029
Mark to market derivative instruments	-	96	-	-	-	96
Trade payable						
Trade payable	665	128	-	-	-	793

* Including future interest payments.

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Renew Power Limited

(Amounts in INR millions, unless otherwise stated)

35 Capital management

For the purpose of the capital management by the respective entities forming part of the Restricted Group, capital includes issued equity capital, compulsory convertible preference shares, compulsory convertible debentures, share premium and all other equity reserves attributable to the equity holders of the respective entities forming part of the Restricted Group. The primary objective of the respective entities forming part of the Restricted Group's capital management is to maximise the shareholder value.

The entities forming part of the the Restricted Group manage their 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, respective entities forming part of the Restricted Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The respective entities forming part of the Restricted Group monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The respective entities forming part of the Restricted Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

The policy of the respective entities forming part of the Restricted Group is to keep the gearing ratio to 3:1 during the construction phase and aim to enhance it to 4:1 post the construction phase. This is in line with industry rate. In the construction phase the entities forming part of Restricted Group manages the ratio at 3:1 through internal funding.

In order to achieve this overall objective, the capital management by the respective entities forming part of the Restricted Group, amongst other things, aims to ensure that they meet financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2019.

36 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006.

Particulars	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year/period	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year/period	Nil	Nil
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/period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year/period; and	Nil	Nil
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 Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

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

Particulars	For the year ended 31 March 2019
Revenue as per contracted price	7,096
Adjustments	
Discounts and rebates	37
Operating charges	52
Income from contract with customers	**7,007**

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Renew Power Limited

38 Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities as follows :-
1) Sanitation & making available safe drinking water- Construction of toilets, Bore-well, well, Tube-well etc.
2) Empowering women through SHGs (self-help group) and creating income generation activities for the women like stitching and tailoring, goatery, backyard poultry etc.)
3) Ensuring environmental sustainability- animal welfare Plantation, environment awareness,
4) Animal Welfare-Animal health camp, Para –vet training
5) Education awareness, Remedial classes for weak students etc.
6) Health and Hygiene- Health camps in the community, cleanliness drive to create awareness.

A CSR committee has been formed by the respective entity forming part of the Restricted Group as per the Act. The funds were utilised on above mentioned activities which are specified in Schedule VII of the Companies Act, 2013.

(a) Gross amount required to be spent by the entities forming part of the Restricted Group during the year is INR 8 (31March 2018: INR 7).
(b) Amount spent during the year on:

List of CSR activities	In Cash	Yet to be paid	Total
Construction / Acquisition of any asset	nil	nil	nil
Activities relating to:			
Current year	5	4	9
Previous year*	(12)	(5)	(17)

* The amount yet to be paid in previous year has been subsquently paid in current year.

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39 Significant accounting judgments, estimates and assumptions

The preparation of special purpose combined financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. 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.

In the process of applying the accounting policies management has made certain judgements, estimates and assumptions. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The entities forming part of the Restricted Group based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the entities forming part of the Restricted Group. Such changes are reflected in the assumptions when they occur.

A) Accounting judgements:

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The entities forming part of the 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, accelerated depreciation, other applicable allowances, 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.

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.

Basis legal opinion obtained, management is of the view that application of CERC and/or SERC rates for the purpose of accounting for depreciation expenses is not mandatory. Hence, the entities forming part of the Restricted Group are depreciating the assets bases on life as determined by an expert.

B) Estimates and assumptions:

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 32 and 33 for further disclosures.

Related party transactions

The entities forming part of the Restricted Group have entered into certain transaction with other related parties outside the Restricted Group as explained below :

Management Shared Services

Employee benefit costs and other common expenses are incurred by ReNew Power Limited (the "Holding Company") and ReNew Power Services Private Limited (fellow subsidiary). These expenses are allocated to all the entities forming part of the Restricted Group in the form of 'Management Shared Services'. Allocation of cost to the entities involves various estimates including retention, allocation of cost for projects under construction vis-a-vis operating projects, profit mark-up which are assessed through an external expert.

Inter-group unsecured loan

The entities forming part of the Restricted Group uses unsecured loans from other group entities to fund its requirements. These loans carry interest rate higher than a return expected from 10-year government bond yield.

Financial instrument

The entities forming part of the Restricted Group makes inter-group investments in the form of RNCPS. These investment carries interest at a nominal rate and are accounted for as compound financial instruments under Ind AS 32. The rate used for discounting the future cash flows approximate the average market interest rate of borrowings availed by the entities forming part of the Restricted Group.

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ReNew Power Limited

40 ReNew Wind Energy (Shivpur) Private Limited (the "AP Entity") has entered into Power Purchase Agreements (PPAs) with Southern Power Distribution Company of Andhra Pradesh Limited i.e. the distribution company of Andhra Pradesh ("APDISCOMS"). In terms of the Generation Based Incentive ("GBI") scheme of the Ministry of Renewable Energy ("MNRE"), the AP Entity accrues income based on units of power supplied under the aforementioned PPAs. Andhra Pradesh Electricity Regulatory Commission ("APERC") vide its order in July 2018 allowed APDISCOMS to interpret the Andhra Pradesh Electricity Regulatory Commission (Terms and Conditions for Tariff Determination for Wind Power Projects) Regulations, 2015 ("Regulations") in a manner to treat GBI as a pass through in the tariff.

The AP Entity has filed a writ petition before the Andhra Pradesh High Court ("AP High Court") challenging the vires of the regulation and the order passed by the APERC. Interim stay against the order of APERC has been granted by AP High Court in August 2018.

As at 31 March 2019, the cumulative amount on the above matter recoverable from the APDISCOMs against the said PPAs included in trade receivables amounts to INR 289. The AP Entity based on legal opinion obtained by it, believes that the GBI benefit is over and above the applicable tariffs and the APERC does not have jurisdiction to interfere with the intent of GBI scheme and therefore the outstanding amount is recoverable and hence no adjustment has been made in the combined financial statements in this regard.

41 During the previous year, the entities forming part of Restricted Group has reached settlement with certain suppliers/contractors for compensation for loss of revenue on account of delay commissioning of Ellutla project. Resultantly, an amount of INR 83 towards liquidated damages (LDs) has been recognised in the statement of profit & loss.
Since, the said LDs are directly linked to delay in creating profit making apparatus, the same has been considered as capital receipt and thus has not been included in Book Profit under section 115JB of the Income Tax Act, 1961.

42 During the year, distribution companies of the state of Karnataka have issued demand notices to certain captive users (customers of the ReNew Wind Energy (Karnataka) Private Limted (the "Karnataka Entity") and to the Karnataka Entity, seeking recovery of cross subsidy surcharge and differential between rate of electricity tax applicable to captive users and non-captive users on the ground that these captive users have not consumed the energy in proportion to their respective shareholding in the Karnataka Entity, thereby violating Rule 3 of the Electricity Rules, 2005. The Karnataka Entity has filed a petition before the Karnataka Electricity Regulatory Commission (the "KERC") contesting these demands. KERC has granted interim relief and stayed the demand notice and disconnection by the distribution companies. The Karnataka Entity has deposited a sum of INR 83, as per KERC order, under protest on behalf of certain captive users. The amount thus paid under protest has been accounted for as recoverable and disclosed under head "Other current assets" in these financial statements.

The Karnataka Entity, based on legal advice obtained, believes that there are merits in its position and that the demand raised by Distribution companies would be rescinded by KERC and hence no adjustment has been made in the combined financial statements in this regard.

43 There are no employees on the rolls of the entities forming part of the Restricted Group and therefore there are no employee benefit expenses accrued in the combined financial statements. ReNew Power Limited and ReNew Power Services private Limited have charged certain common expenses to its subsidiary companies and fellow subsidiaries on the basis of its best estimate of expenses incurred for each of its subsidiary companies and fellow subsidiaries and recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted by the these companies is most appropriate basis for recovering of such common expenses.

44 Absolute amounts less than INR 500,000 are appearing in the financial statements as "0" due to presentation in millions.

As per our report of even date
For S.R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants

per Amit Chugh
Partner
Membership No.: 505224
Place: Gurugram
Date: 28 June 2019

S.R. BATLIBOI & CO. LLP ★ GURUGRAM ★

For and on behalf of the Restricted Group

Sumant Sinha
(Chairman & Managing Director)
DIN- 00972012
Place: Gurugram
Date: 28 June 2019

Ravi Seth
(Chief Financial Officer)

Place: Gurugram
Date: 28 June 2019

Ashish Jain
(Company Secretary)
Membership No.: F6508
Place: Gurugram
Date: 28 June 2019

ReNew Power Limited ★