Restricted Group
Special Purpose Combined Balance Sheet as at 30 September 2021
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 30 September 2021	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4	35,207	35,779
Capital work in progress	4	82	4
Intangible assets	5	35	36
Investment property	6	1	1
Financial assets			
Others	7	3	126
Prepayments	8	127	128
Non current tax assets (net)		228	215
Other non-current assets	9	63	35
Total non-current assets		**35,746**	**36,324**
Current assets			
Inventories	10	44	76
Financial assets			
Derivative instruments	7	1,406	1,252
Loans	7	24,084	24,084
Trade receivables	11	4,715	3,574
Cash and cash equivalent	12	1,062	522
Bank balances other than cash and cash equivalent	12	1,245	3,328
Others	7	2,874	2,080
Prepayments	8	90	57
Other current assets	9	93	94
Total current assets		**35,613**	**35,067**
Total assets		**71,359**	**71,391**
Equity and liabilities			
Equity			
Equity share capital	13A	269	269
Instruments entirely equity in nature	13B	767	767
Other equity			
Equity component of compulsorily convertible debentures	14A	401	401
Equity component of preference shares	14B	140	140
Securities premium	14C	9,300	9,300
Hedge reserve	14D	(854)	(647)
Retained earnings	14E	1,434	247
Total equity		**11,457**	**10,477**
Non-current liabilities			
Financial liabilities			
Long-term borrowings	15	50,422	52,124
Long-term provisions	16	1,164	1,134
Deferred tax liabilities (net)	8	954	719
Other non-current liabilities	17	199	218
Total non-current liabilities		**52,739**	**54,195**
Current liabilities			
Financial liabilities			
Trade payables			
Outstanding dues to micro enterprises and small enterprises	19	3	6
Others	19	1,592	1,577
Derivative instruments	20	41	-
Other current financial liabilities	20	5,353	4,946
Current tax liabilities (net)		33	14
Other current liabilities	21	141	176
Total current liabilities		**7,163**	**6,719**
Total liabilities		**59,902**	**60,914**
Total equity and liabilities		**71,359**	**71,391**

Restricted Group

Special Purpose Combined Statement of Profit and Loss for the period ended 30 September 2021

(Amounts in INR millions, unless otherwise stated)

	Notes	For the period ended 30 September 2021	For the period ended 30 September 2020
Income:			
Revenue from operations	22	3,676	3,475
Other income	23	1,465	1,112
Total income		**5,141**	**4,587**
Expenses:			
Other expenses	24	586	490
Total expenses		**586**	**490**
Earning before interest, tax, depreciation and amortisation (EBITDA)		**4,555**	**4,097**
Depreciation and amortisation expense	25	583	944
Finance costs	26	2,466	2,556
Profit before tax		**1,506**	**598**
Tax expense			
Current tax	8	45	20
Deferred tax	8	274	282
Adjustment of tax related to earlier years		-	-
Profit / (loss) for the year	**(a)**	**1,187**	**296**
Other comprehensive income (OCI)			
Items that will be reclassified to profit and loss in subsequent periods			
Net gain/(loss) on cash flow hedge reserve		(289)	54
Net gain/(loss) on cost of hedge reserve		43	76
Income tax effect		39	150
Net other comprehensive (loss) / income that will be reclassified to profit and loss in subsequent periods	**(b)**	**(207)**	**280**
Items that will not be reclassified to profit and loss in subsequent periods		j	
Re-measurement losses on defined benefit plans		-	
Income tax effect		-	
Net other comprehensive income that will not be reclassified to profit and loss in	**(c)**	-	-
Total comprehensive (loss) / income for the year	**(a) + (b)**	**980**	**576**
Earnings per share:			
(face value per share: INR 10)			
(1) Basic	27	44.07	16.25
(2) Diluted		44.07	16.25

Restricted Group - (0)

Special Purpose Combined Statement of Profit and Loss for the period ended 30 September 2021

(Amounts in INR millions, unless otherwise stated)

Particulars	For the period ended 30 September 2021	For the period ended 30 September 2020
Cash flow from operating activities		
Profit before tax	**1,506**	**598**
Adjustments for:		
Depreciation and amortisation expense	583	944
Operation and maintenance	(19)	19
Interest income	(912)	(979)
Interest expense	2,000	2,128
Amortization of option premium	434	-
Unwinding of discount on provisions	30	-
Provision for doubtful debts	14	
Operating profit before working capital changes	**3,636**	**2,710**
Movement in working capital		
(Increase)/decrease in trade receivables	(1,155)	88
(Increase)/decrease in inventories	33	(11)
(Increase)/decrease in financial assets	(200)	2
(Increase)/decrease in prepayments	(31)	17
(Increase)/decrease in other assets	2	(39)
Increase/(decrease) in other liabilities	(35)	(85)
Increase/(decrease) in trade payables	6	(24)
Increase/(decrease) in financial liabilities	1	(6)
Cash generated from operations	**2,257**	**2,652**
Direct taxes paid (net of refunds)	(35)	34
Net cash generated from operating activities	**2,222**	**2,686**
Cash flow from investing activities		
Purchase of property, plant and equipment including capital work in progress, capital advances and capital creditors	(263)	(88)
Net investments of bank deposits having maturity more than 3 months	2,196	(603)
Loan given to related parties	-	(2,887)
Loan repaid by related parties	11	-
Interest received	312	385
Advance received for purchase of redeemable non cummulative preference shares	1	1,650
Net cash used in investing activities	**2,257**	**(1,543)**
Cash flow from financing activities		
Loan repaid to related parties	(2,178)	-
Option premium paid	(392)	-
Gain/(Loss) on settlement of hedge instruments	(6)	-
Interest paid	(1,363)	(1,468)
Net cash generated from financing activities	**(3,939)**	**(1,468)**
Net (decrease) / increase in cash and cash equivalents	**540**	**(325)**
Cash and cash equivalents at the beginning of the year	**522**	**453**
Cash and cash equivalents at the end of the year	**1,062**	**128**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	1,062	128
- On deposit accounts with original maturity of less than 3 months	-	-
- On deposit account for more than 3 months and less than 12 months	-	2,464
- On deposit accounts with original maturity of between 3 months and 12 months	-	-
	1,062	**2,592**
Less: Fixed deposits with original maturity of between 3 months and 12 months	-	(2,464)
Total cash and cash equivalents (note 12)	**1,062**	**128**

Restricted Group
Special Purpose Combined Statement of Profit and Loss for the period ended 30 September 2021
(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	Instruments entirely equity in nature	Share application money pending allotment	Equity component of compulsorily convertible debentures	Equity component of preference shares	Securities premium	Retained earnings	Hedge reserve#	
	(refer note 13A)	(refer note 13B)	(refer note 14A)	(refer note 14A)	(refer note 14B)	(refer note 14C)	(refer note 14E)	(refer note 14D)	
At 1 April 2020	**269**	**376**	**-**	**401**	**140**	**9,300**	**274**	**(927)**	**9,833**
Profit for the year	-	-	-	-	-	-	(27)	-	(27)
Other comprehensive income (net of taxes)	-		-	-		-	-	280	280
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(27)**	**280**	**253**
Equity shares issued during the year	0	-	-	-	-	-	-	-	0
Preference shares issued during the year	-	391	(2)	-	-	-	-	-	389
Share application money received	-	-	2	-	-	-	-		2
At 31 March 2021	**269**	**767**	**-**	**401**	**140**	**9,300**	**247**	**(647)**	**10,476**
Loss for the year	-	-	-	-	-	-	1,187	-	1,187
Other comprehensive loss (net of taxes)	-	-	-	-	-	-	-	(207)	(207)
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**-**	**1,187**	**(207)**	**980**
At 30 September 2021	**269**	**767**	**-**	**401**	**140**	**9,300**	**1,434**	**(854)**	**11,457**

includes cash flow hedge reserve and cost of hedge reserve (refer note 31)

(Amounts in INR millions, unless otherwise stated)

1 General information

ReNew Power Private Limited ('the Company') is a private limited company domiciled in India. The Company was converted into a private limited company with effect from 8 Novemeber 2019 and consequently the name of the Company has changed from ReNew Power Limited to ReNew Power Private Limited (referred to as the "Parent" or "RPPL").

Certain subsidiary companies of the Parent and ReNew Solar Power Private Limited (wholly owned subsidiary of RPPL) which are collectively referred to as the 'Restricted Group' (as more clearly explained in the note below) issued US Dollar denominated notes which are listed on Singapore Exchange Securities Trading Limited (SGX-ST).

Name of entity	Holding Company
ReNew Wind Energy (Devgarh) Private Limited	ReNew Power Private Limited
ReNew Wind Energy (Rajasthan 3) Private Limited	ReNew Power Private Limited
Rajat Renewables Limited	ReNew Power Private Limited
Kanak Renewables Limited	ReNew Power Private Limited
ReNew Solar Energy (Telangana) Private Limited	ReNew Solar Power Private Limited*
ReNew Saur Urja Private Limited	ReNew Solar Power Private Limited*
ReNew Clean Energy Pvt Ltd	ReNew Solar Power Private Limited*
ReNew Wind Energy (Budh 3) Private Limited	ReNew Solar Power Private Limited*

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

The Special Purpose Combined Financial Statements were authorized for issue in accordance with a resolution of the directors on 21 July 2021

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 trustee's of the USD denominated notes of the Restricted Group as per term sheet. 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 2021 have been prepared in accordance with accounting principles generally accepted in India, including 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 2021, 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 2021, 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. The 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.

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 33 and 34).

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 38)
· Quantitative disclosures of fair value measurement hierarchy (Refer Note 33)
· Financial instruments (including those carried at amortised cost) (Refer Note 32 and 33)

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 Company expects to be entitled in exchange for those goods or services. The entities forming part of Restricted 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 recognised over time on the supply of units generated from plant to the grid as per terms of the Power Purchase Agreement (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).

Transaction price - remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity’s performance completed to date.

(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.

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 operates.

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 and loss.

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 and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current income tax assets and liabilities are offset if a legally enforceable right exists to set off these.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

In 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 and loss is recognised outside profit and 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.

f) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant is 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 is 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 Statement of Profit and 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

Construction work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment except freehold land is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. Freehold land is stated at cost net of accumulated impairment losses and is not depreciated.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions (Note 40) and provisions (Note 17) for further information about the recognised decommissioning provision.

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 Statement of Profit and Loss 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 / amortisation of PPE

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

Category	Useful life (in years)
Plant and equipment (wind and solar power projects)*	30-35
Furniture & fixture	10
Office equipment	5
Computers	3
Customer contracts	Life of respective power purchase agreements
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

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.
i) Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term

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

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor
Leases in which the Company 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 and 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 assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entities forming part of the Restricted Group estimates 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.

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

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

Decommissioning liability

The entities forming part of the Restricted Group considers constructive obligations and records a provision for decommissioning costs of the wind and solar power plants. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

n) 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 and 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 Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Debt instruments at fair value through 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 and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instruments at fair value through profit and 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.

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 for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Restricted Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The Restricted Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate.The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Restricted Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

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

For recognition of impairment loss on other financial assets and risk exposure, the Restricted Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent 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. The Restricted Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

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.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and 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 Statement of Profit and 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.

Derecognition
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 and 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 Statement of Profit and Loss. The present value of the liability part of the compulsorily 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 and Loss.

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

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

o) Derivative financial instruments and hedge accounting
Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as foreign currency forward contracts, cross currency swaps (CCS), foreign currency option contracts, to hedge its interest rate risks and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:
Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other expense and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

The Company designates only the forward element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

When option contracts are used, the Company uses only intrinsic value of the option as the hedging instrument. Gains or losses relating to the effective portion of the changes in intrinsic value of the option are recognised in the cash flow hedging reserve which equity. The changes in the time value of money that relate to the hedged item are recognised within other comprehensive income in the cost of hedging reserve within equity.For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

p) 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.

q) 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.

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.

(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 2020	2,008	39,953	1	4	5	41,971	3
Additions during the year	12	1,109	-	-	-	1,121	8
Adjustment*	(1)	(20)	-	-	-	(21)	-
Adjustment#						-	-
Capitalised during the year	-	-	-	-	-	-	(7)
Disposals during the year		(239)				(239)	-
At 31 March 2021	**2,019**	**40,803**	**1**	**4**	**5**	**42,832**	**4**
Additions during the year	5	8	-	0	-	13	85
Adjustment*	-	(5)	(0)	-	-	(5)	-
Disposals during the year	-	-	-	-	-	-	-
Capitalised during the year	-	-	-	-	-	-	(7)
At 30 September 2021	**2,024**	**40,808**	**1**	**4**	**5**	**42,841**	**82**
Accumulated depreciation							
At 1 April 2020	-	5,560	0	2	2	5,564	-
Charge for the year (refer note 25)	-	1,521	1	1	0	1,524	-
Adjustment#	-	(34)	-	-	-	(34)	
At 31 March 2021	**-**	**7,047**	**1**	**3**	**2**	**7,053**	**-**
Charge for the year (refer note 25)	-	582	0	0	0	582	-
Disposals during the year	-	-	-	-	-	-	-
At 30 September 2021	**-**	**7,629**	**1**	**3**	**3**	**7,635**	**-**
Net book value							
At 31 March 2021	**2,019**	**33,756**	**-**	**1**	**3**	**35,779**	**4**
At 30 September 2021	**2,024**	**33,180**	**-**	**1**	**2**	**35,207**	**82**

The title of land amounting to INR 5 as of 31st March 2021 (31 March 2020: INR:43) is not yet in the name of entities forming part of the Restricted Group. The title of freehold land amounting to INR 208 (31 March 2020 INR 208) is held by way General Power of Attorney (GPA). The entities forming part of Restricted Group are in process of registration of title deeds of these freehold lands.

Mortgage and hypothecation on Property, plant and equipment:
Property, plant and equipment with a carrying amount of INR 35,289 (31 March 2019: INR 35,783) are subject to a pari passu first charge to respective lenders for term loans from banks and listed senior secured notes as disclosed in Note 15.

Restricted Group
Special Purpose Combined Statement of Profit and Loss for the period ended 30 September 2021
(Amounts in INR millions, unless otherwise stated)

5	**Intangible assets**	**Customer contracts**	**Total intangibles**
	Cost		
	At 1 April 2020	**-**	**-**
	Additions	45	45
	At 31 March 2021	**45**	**45**
	At 30 September 2021	**45**	**45**
	Amortisation		
	At 1 April 2020	5	5
	Amortisation for the year (refer note 25)	4	4
	At 31 March 2021	**9**	**9**
	Amortisation for the year (refer note 25)	1	1
	At 30 September 2021	**10**	**10**
	Net book value		
	At 31 March 2021	**36**	**36**
	At 30 September 2021	**35**	**35**

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(Amounts in INR millions, unless otherwise stated)

6 Investment Property

	Amount
Cost	
At 1 April 2020	**1**
At 31 March 2021	**1**
At 30 September 2021	**1**

Net book value	
At 1 April 2020	**1**
At 31 March 2021	**1**
At 30 September 2021	**1**

Reconciliation of fair value

	Amount
Opening balance as at 1 April 2019	**1**
Fair Value Difference	-
Purchases	-
At 31 March 2020	**1**
Purchases	-
At 30 September 2021	**1**

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(Amounts in INR millions, unless otherwise stated)

7 Financial assets	**As at 30 September 2021**	**As at 31 March 2021**
Non-current		
Financial assets at fair value through OCI		
Cash flow hedges		
Derivative instruments	1,406	1,252
Total	**1,406**	**1,252**
Others		
Bank deposits with remaining maturity for more than twelve months (refer note 12)	0	113
Security deposits	3	13
Accrued interest on national saving certificates	-	-
Total	**3**	**126**
Current (unsecured, considered good unless stated otherwise)		
Loans		
Considered good - Secured	-	-
Considered good - Unsecured		
Loan to fellow subsidiary - redeemable non cumulative preference shares (refer note 28)	1,650	1,650
Security deposits	9	0
Loans to related parties (refer note 28)	22,425	22,434
Loans which have significant increase in credit risk	**-**	**-**
Loans - credit impaired	**-**	**-**
Total	**24,084**	**24,084**
Others		
Government grants*		
- Generation based incentive receivable	179	71
Recoverable from related parties (refer note 28)	255	164
Advance given for purchase of redeemable non cummulative preference shares (refer note 28)	100	100
Interest accrued on fixed deposits	12	33
Interest accrued on loans to related parties (refer note 28)	2,328	1,712
Total	**2,874**	**2,080**

*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 the entities forming part of the Restricted Group. The carrying value may be affected by changes in the credit risk of the counterparties.

Restricted Group
Special Purpose Combined Statement of Profit and Loss for the period ended 30 September 2021
(Amounts in INR millions, unless otherwise stated)

(Amounts in INR millions, unless otherwise stated)

8 Prepayments	**As at 30 September 2021**	**As at 31 March 2021**
Non-current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	127	128
Total	**127**	**128**
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	90	57
Total	**90**	**57**

9 Other assets	**As at 30 September 2021**	**As at 31 March 2021**
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Capital advance	52	24
Security deposits	-	0
Balances with government authorities	11	11
Total	**63**	**35**
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	93	94
Total	**93**	**94**
Advance income tax (net of income tax provisions)	228	215

10 Inventories	**As at 30 September 2021**	**As at 31 March 2021**
Consumables and spares	40	72
Traded goods	4	4
Total	**44**	**76**

11 Trade receivables	**As at 30 September 2021**	**As at 31 March 2021**
Unsecured, considered good	4,745	3,590
Secured, considered good	-	-
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
	4,745	3,590
Less: Impairment allowance for bad and doubtful debts	(30)	(16)
Total	**4,715**	**3,574**

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.

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

	Impairment allowance
As at 1st April 2021	**16**
Provision for expected credit losses for the year	30
As at 30th September 2021	**46**

12 Cash and cash equivalents	**As at 30 September 2021**	**As at 31 March 2021**
Cash and cash equivalents		
Balance with bank		
- On current accounts	1,062	522
Total	**1,062**	**522**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months #	1,245	3,328
- Remaining maturity for more than twelve months #	0	113
	1,245	**3,441**
Less: amount disclosed under financial assets (others) (Note 7)	(0)	(113)
Total	**1,245**	**3,328**

Fixed deposits of INR 1220 (31 March 2020: INR Nil) 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 90 to 1827 days and carry an interest rate of 2.25% to 8.25% which is receivable on maturity.

(Amounts in INR millions, unless otherwise stated)

13 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 2020	30,298,890	303
At 31 March 2021	30,298,890	303
At 30 September 2021	**30,298,890**	**303**
Preference shares of INR 10 each		
At 1 April 2020	42,261,950	423
Increase during the year	39,000,000	390
At 31 March 2021	81,261,950	813
At 30 September 2021	**81,261,950**	**813**

Issued share capital	**Number of shares**	**Amount**
13A Equity shares of INR 10 each issued, subscribed and paid up		
At 1 April 2020	26,916,971	269
Shares issued during the year	17,964	0
At 31 March 2021	26,934,935	269
At 30 September 2021	**26,934,935**	**269**

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.

13B Instruments entirely equity in nature

0.0001% compulsorily convertible preference shares (CCPS) of INR 10 each	**Number of shares**	**Amount**
At 1 April 2020	37,600,795	376
Shares issued during the year	100,000	1
At 1 April 2020	37,700,795	377
At 31 March 2021	37,700,795	377
At 30 September 2021	**37,700,795**	**377**

0.0001% optionally convertible redeemable preference shares of INR 100 each (face value INR 10 each)	**Number of shares**	**Amount**
At 1 April 2020	39,000,000	390
At 31 March 2021	39,000,000	390
At 30 September 2021	**39,000,000**	**390**

At 1 April 2020	**767**
At 31 March 2021	**767**
At 30 September 2021	**767**

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

ReNew Wind Energy (Rajasthan 3) Private Limited has issued 16,248,850 0.0001% CCPS during F.Y. 2014-15 and 3,542,120 0.0001% CCPS during F.Y. 2015-16, ReNew Saur Urja Private Limited has issued 4,100,000 0.0001% CCPS during F.Y. 2017-18 and 6,549,000 0.0001% CCPS during F.Y. 2016-17 and ReNew Solar Energy (Telangana) Private Limited has issued 48,35,825 0.0001% CCPS during FY 2016-17 and 16,25,000 0.0001% CCPS during FY 2015-16.
CCPS are having face value of INR 10 each fully paid-up at a premium of INR 90 per share.
CCPS carry non cumulative dividend @ 0.0001%. The Company declares and pays 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 issued by ReNew Wind Energy (Rajasthan 3) Private Limited and ReNew Saur Urja Private Limited would be compulsorily converted into Equity Shares of the Company at the price of INR 100 (Rupees Hundred) per share on March 31, 2030 and on March 31, 2035 respectively in the ratio of 1 equity shares : 1 preference shares.

CCPS issued by ReNew Solar Energy (Telangana) Private Limited would be converted into equity shares anytime before the mandatory conversion date at the option of the holder. However, the same shall automatically stand converted into Equity shares of the Company at the price of INR 100/-(Rupees Hundred) per share on 20th anniversary in the ratio of 0.95 equity shares:1 preference shares.

In the event of liquidation, 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 and profits of the respective entity on winding up, which may remain after the entire capital (both equity share capital and preference share capital) of the respective entity has been repaid, to the extent of INR 90 per preference share.

(Amounts in INR millions, unless otherwise stated)

0.0001% optionally convertible redeemable preference shares (INR 100 each, including premium of INR 90) (OCRPS)

ReNew Wind Energy (Devgarh) Private Limited and ReNew Saur Urja Private Limited issued 39,000,000 0.0001% OCRPS during the year of INR 10 each fully paid-up at a premium of INR 90 per share. OCRPS carry non-cumulative dividend @ 0.0001%. The Company declares and pays dividends in Indian rupees.

OCRPS do not carry voting rights and are freely transferable. OCRPS would be compulsorily converted into equity shares of the Company at the price of INR 100 (Rupees Hundred) per share on 13 March 2039 in the ratio of 1 equity shares : 1 preference shares.

In the event of liquidation of the Company, the holders of OCRPS shall be paid 1 times the face value of OCRPS and such dividend in arrear, if any, declared and remained unpaid.

13C Shares held by the holding company

	As at 30 September 2021		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
ReNew Solar Power Private Limited*				
Equity shares of INR 10 each	11,749,827	117	11,749,827	117
0.0001% compulsorily convertible preference shares of INR 10 each	17,909,825	179	17,909,825	179
0.0001% optionally convertible redeemable convertible preference shares of INR 100 each (including premium of INR 90)	12,000,000	1,200	12,000,000	1,200
ReNew Power Private Limited*				
Equity shares of INR 10 each	8,969,000	90	8,969,000	90
0.0001% redeemable non cumulative preference shares of INR 10 each	1,881,220	19	1,881,220	19
0.0001% compulsorily convertible preference shares of INR 10 each	19,790,970	198	19,790,970	198
0.0001% optionally convertible redeemable convertible preference shares of INR 100 each (including premium of INR 90)	27,000,000	2,700	27,000,000	2,700
Hareon Power Singapore Pvt Ltd				
Equity shares of INR 10 each	6,216,108	62	6,216,108	62

*for details of relationship with the respective entities of the Restricted Group refer note 28.

13D Details of shareholders holding more than 5% shares in the Restricted Group

	As at 30 September 2021		As at 31 March 2021	
	Number	% Holding	Number	% Holding
Equity shares of INR 10 each				
ReNew Solar Power Private Limited*	11,749,827	43.62%	11,749,827	43.62%
ReNew Power Private Limited*	8,969,000	33.30%	8,969,000	33.30%
Hareon Power Singapore Private Limited	6,216,108	23.08%	6,216,108	23.08%
0.0001% redeemable non cumulative preference shares of INR 10 each				
ReNew Power Private Limited*	1,881,220	100.00%	1,881,220	100.00%
0.0001% compulsorily convertible preference shares of INR 10 each				
ReNew Solar Power Private Limited*	17,909,825	47.51%	17,909,825	47.51%
ReNew Power Limited*	19,790,970	52.49%	19,790,970	52.49%
0.0001% optionally convertible redeemable convertible preference shares of INR 100 each (including premium of INR 90)				
ReNew Solar Power Private Limited*	12,000,000	30.77%	12,000,000	30.77%
ReNew Power Private Limited*	27,000,000	69.23%	27,000,000	69.23%

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 28.

14 Other equity

14A Equity component of compulsorily convertible debentures (CCD)

8% Compulsorily convertible debentures (CCDs) of INR 105 each	Number of debentures	Total proceeds	Liability component (refer note 15)	Equity component*
At 1 April 2020	5,903,630	620	419	401
Accretion during the year	-	-	42	-
At 31 March 2021	5,903,630	620	461	401
Accretion during the year	-	-	20	-
At 30 September 2021	**5,903,630**	**620**	**481**	**401**

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 8% 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)

(Amounts in INR millions, unless otherwise stated)

14B 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 15)**	**Equity component***
At 1 April 2020	1,881,220	188	52	140
Accretion during the year	-	-	6	-
At 31 March 2021	1,881,220	188	58	140
Accretion during the year	-	-	4	-
At 30 September 2021	**1,881,220**	**188**	**62**	**140**

(*Adjusted for deferred tax at inception)

Terms/rights attached to preference shares

0.0001% redeemable non cumulative preference shares (RNCPS)

ReNew Wind Energy (Devgarh) Private Limited has issued 1,881,220 RNCPS in FY 2014-15 of Rs.10 each fully paid-up at a premium of INR 90 per share. RNCPS carry non cumulative dividend @ 0.0001%. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

RNCPS do not carry voting and conversion rights. RNCPS shall be redeemed at INR 100 per share on March 31, 2030 or as may be determined by the Board in one or more tranches and agreed by the preference shareholder.

In the event of any Liquidation of the Company, the RNCPS shall be entitled to receive an amount that equal to the Face value of preference share and such Dividend in arrear, if any, declared and remained unpaid. The RNCPS shall also have right to participate in surplus assets and profits of the respective entity, which may remain after the entire capital (both equity share capital and Preference share capital) of the respective entity has been repaid, to the extent of Rs 90 per share.

The management believes that the premium payable on aforesaid shares on redemption shall be provided out of the accumulated profits or securities premium and the Company shall have sufficient balance at the redemption. Accordingly, the Company has not accrued for premium payable on redemption of such preference shares.

14C Securities premium

At 1 April 2020	9,300
At 31 March 2021	**9,300**
At 30 September 2021	**9,300**

Nature and purpose

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

14D Hedge reserve

At 1 April 2020	(927)
OCI for the year (refer note 30)	280
At 31 March 2021	**(647)**
OCI for the year (refer note 30)	(207)
At 30 September 2021	**(854)**

Nature and purpose

The 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 Group 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 and Loss when the hedged item affects profit and loss (example: interest payments).

14E Retained earnings

At 1 April 2020	**274**
Profit for the year	(27)
At 31 March 2021	**247**
Profit for the year	1,187
At 30 September 2021	**1,434**

Nature and purpose

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

Restricted Group
Special Purpose Combined Statement of Profit and Loss for the period ended 30 September 2021
(Amounts in INR millions, unless otherwise stated)

				Non-current		Current	
15 Long term borrowings	**Notes**	**Nominal interest rate %**	**Maturity**	**30 September 2021**	**31 March 2021**	**30 September 2021**	**31 March 2021**
Compulsorily Convertible Debentures (unsecured) (refer note 14A)	(i)	8.00%	September 2036	467	447	-	-
Loan from related party (unlisted and unsecured) (refer note 28) - Subordinate debt	(ii)	8.00%		11,191	13,370	-	-
Listed senior secured notes	(iii)	6.67%	March 2024	38,694	38,241	-	-
Liability component of preference shares (refer note 14B)	(iv)	0.0001%	March 2030	70	66	-	-
Loan from related party (unlisted and unsecured) (refer note 29) - Subordinate debt							
Total long-term borrowings				**50,422**	**52,124**	**-**	**-**
Amount disclosed under the head 'Other current financial liabilities' (Refer note 20)				-	-	-	-
				50,422	**52,124**	**-**	**-**

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) Loan from related party (unsecured)
Repayments of unsecured loan taken from related parties are subject to the satisfaction of terms and conditions as listed down in the offering circular of listed senior secured notes. Since the settlement of these loans is conditional, these have been classified as non-current. These unsecured loans carry interest rate of 8.00% per annum.

(iii) Listed senior secured notes
Notes 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 company. Secondary Charge over the account receivables, book debts and cash flows. Creation of charge on immovable properties of INR 800 by way of mortgage and assignment is under proces. The senior secured notes shall be repaid through one bullet payment in March 2024.

(iv) ReNew Solar Power Private Limited has pledged 2,692,800 (31 March 2020: 6,480,026) equity shares and 23,269,815 (31 March 2020: 23,269,815) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

(v) ReNew Power Private Limited has pledged 4,574,190 (31 March 2020: 4,563,990) equity shares and 16,248,850 (31 March 2020: Nil) preference shares of the entities forming part of the Restricted Group in favour of security trustee on behalf of lenders.

(Amounts in INR millions, unless otherwise stated)

16 Long-Term Provisions	**As at 30 September 2021**	**As at 31 March 2021**
Provision for decommissioning costs	1,164	1,134
Total	**1,164**	**1,134**

	Provision for Decommissioning costs
As At 1 April 2019	-
As At 31 March 2020	-
Arised during the year	1,164
As At 31 March 2021	**1,164**

Decommissioning costs

Provision has been recognised for decommissioning costs associated with premises taken on leases wherein the Restricted Group is committed to decommission the site as a result of construction of Solar power projects.

17 Other non-current liabilities	**As at 30 September 2021**	**As at 31 March 2021**
Provision for operation and maintenance equalisation	199	218
Total	**199**	**218**

18 Interest-bearing loans and borrowings	**As at 30 September 2021**	**As at 31 March 2021**
Acceptances (unsecured)	-	-
Loan from related party (unsecured) (refer note 28)	-	-
Buyer's / Supplier's credit (secured)	(0)	-
Total	**(0)**	**-**

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 30 September 2021**	**As at 31 March 2021**
Current		
Outstanding dues to micro enterprises and small enterprises (refer note 36)	3	6
Others	1,592	1,577
Total	**1,594**	**1,583**

20 Other current financial liabilities	**As at 30 September 2021**	**As at 31 March 2021**
Others		
Interest accrued but not due on borrowings	3,429	2,875
Capital creditors	994	1,141
Advance received for purchase of RNCPS	930	930
Total	**5,353**	**4,946**

21 Other current liabilities	**As at 30 September 2021**	**As at 31 March 2021**
Provision for operation and maintenance equalisation	38	38
Other payables		
TDS payable	62	138
GST payable	41	0
Advance from customers	0	0
Total	**141**	**176**

22 Short term provisions	**As at 30 September 2021**	**As at 31 March 2021**
Income tax provision (net of advance tax)	33	14
Total	**33**	**14**

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Restricted Group
Special Purpose Combined Statement of Profit and Loss for the period ended 30 September 2021
(Amounts in INR millions, unless otherwise stated)

22 Revenue from contracts with customers	For the period ended 30 September 2021	For the period ended 30 September 2020
Sale of power	3,676	3,475
Sale from engineering, procurement and construction service	(0)	-
Total	**3,676**	**3,475**

23 Other income	For the period ended 30 September 2021	For the period ended 30 September 2020
Interest income accounted for at amortised cost		
- on fixed deposit with banks	32	46
- on loan to related parties (refer note 28)	876	930
- income tax refund	4	3
Government grant		
- generation based incentive	107	88
Income from leases	50	41
Insurance claim	-	2
Provisions written back	-	1
Miscellaneous income	12	1
Income from Sale of Carbon Credits	384	
Total	**1,465**	**1,112**

24 Other expenses	For the period ended 30 September 2021	For the period ended 30 September 2020
Legal and professional fees	43	13
Corporate social responsibility (refer note 37)	10	9
Travelling and conveyance	2	1
Rent	0	0
Printing and stationery	0	0
Management shared services	99	90
Rates and taxes	24	19
Payment to auditors (refer details below)	2	3
Insurance	35	18
Operation and maintenance	352	319
Repair and maintenance		
- plant and machinery	3	13
Guest house expenses	0	0
Security charges	0	0
Communication costs	2	2
Loss on ineffectiveness on derivative instruments designated as cash flow hedge(net)	-	
Advances written off	-	
Provision for doubtful debts	14	-
Miscellaneous expenses	0	3
	586	**490**

Payment to auditors	For the period ended 30 September 2021	For the period ended 30 September 2020
As auditor:		
Audit fee	4	4
In other capacity:		
Certification fees	1	1
Reimbursement of expenses	0	0
	5	**5**

(Amounts in INR millions, unless otherwise stated)

25 Depreciation and amortisation expense	For the period ended 30 September 2021	For the period ended 30 September 2020
Depreciation of property, plant and equipment (refer note 4)	582	942
Amortisation of intangible assets (refer note 5)	1	2
Total	**583**	**944**

26 Finance costs	For the period ended 30 September 2021	For the period ended 30 September 2020
Interest expense on accounted for at amortised cost		
- term loans	-	-
- loan from related party (refer note 28)	453	599
- notes	1,523	1,505
- acceptance	-	0
- liability component of compulsorily convertible debentures	20	21
- liability component of redeemable non-cumulative preference shares	4	4
- others	-	0
Bank charges	2	1
Unamortised ancillary borrowing cost written off#	-	-
Unwinding of discount on provisions	30	-
Option premium amortised*	434	425
Total	**2,466**	**2,556**

*** Reclassification of option premium amortisation on derivative instruments and loss on settlement of derivative instruments designated as cash flow hedge from other expenses to finance costs within the statement of profit or loss**

The Company re-assessed classification of option premium amortisation on derivative instruments and loss on settlement of derivative instruments designated as cash flow hedge. The Company had previously classified these items under the head other expenses (note 25) in the statement of profit or loss. During the current financial year, the Company elected to change the classification of these items under the head finance costs in the statement of profit or loss, as the Company believes that such a reclassification provides more relevant information to the users of its financial statements given that it is aligned to practices adopted by its competitors. In addition, the derivative instruments are obtained to mitigate the currency risk on foreign currency interest-bearing loans and borrowings and accordingly classifying the same under head finance cost would be a more reliable presentation.

The Company applied this reclassification retrospectively and has an effect on the current and previous years presented. This reclassification has resulted in an increase in finance costs by INR 849 for the year ended 31 March 2021 (31 March 2020: INR 904) with corresponding decrease in other expenses for the respective years. The reclassification has no impact on the profit/(loss) and basic and diluted earnings per share of the Group for the years ended 31 March 2021

This reclassification has resulted in increase in cash outflows from financing activities by INR 772 (31 March 2020: INR 899) with a corresponding increase of cash inflows from operating activities for the year ended 31 March 2021 and 2020.

Represents transaction cost on long term borrowings charged to statement of profit & loss on account of derecognition due to substantial modification.

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