INDEPENDENT AUDITOR'S REPORT
To The Members of **Renew Sun Waves Private Limited**

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Renew Sun Waves Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period then ended, and Notes to the Financial Statements and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015, as amended, ("Ind AS")and other principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and the Statement of Profit and Loss and other comprehensive income, changes in equity and its Cash flows for the period then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that there is no material misstatement of this other information, which we are required to report. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   (e) On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

   (g) In our opinion and to the best of our information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

(i) The Company does not have any pending litigations as at March 31, 2021, which would impact its financial position.

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with section 124(5) of The Companies Act, 2013 and Rules there under.

For B D G & Associates
Firm Registration Number: 119739W
Chartered Accountants

Jitendra Kumar Bansal
Partner
Membership Number: 525909
UDIN: 21525909AAAABT5733

Place: Gurugram

Date: 27-July-2021

Annexure A to Independent Auditors' Report

Referred to in Paragraph 1 of the Independent Auditors' Report of even date to the members of **Renew Sun Waves Private Limited** on the Standalone Ind AS financial statements for the period ended March 31, 2021.

(i)

(a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to information and explanation given by the management the title deeds of immovable properties included in property, plant and equipment except for the freehold land amounting to Rs. 0.55 million for which registration is pending , are held in the name of the company.

(ii) The Company is in the business of power generation, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of Clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities given in respect of provisions of Section 185 of the Companies Act, 2013 are applicable. Further, since the company is an infrastructure company within the meaning of the Companies Act 2013, the provisions of Section 186 of Companies Act 2013, are not applicable.

(v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified. Therefore, the provision of the clause 3(v) of the Order is not applicable to the company.

(vi) The company is not required to maintain cost records as per section 148(1) of the Act. Hence reporting under clause 3(vi) of the Order is not applicable to the Company.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, Goods & Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales-tax, service-tax, Goods & Service Tax, duty of customs, and duty of excise or value added tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.

(c) According to the information and explanations given to us and records examined by us, there are no outstanding disputed dues in respect of Sale Tax, Service Tax, duty on Custom, Value Added Tax Goods, Income Tax and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government and has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the Management.

(xi) According to the information and explanations given to us, the Company has not paid/provided any managerial remuneration.

(xii) As the Company is not a Nidhi Company and hence the provisions of Clause 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given by the management, transaction with the related parties are in compliance with Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) of the order is not applicable.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made private placement of shares during the year under review and have utilized the funds for the purpose for which they were raised.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For B D G & Associates
Firm Registration Number: 119739W
Chartered Accountants

B D G & ASSOCIATES New Delhi FRN: 119739W Chartered Accountants

Jitendra Kumar Bansal
Partner
Membership Number: 525909
Place: Gurugram
Date: 27-July-2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 2 (f) of the Independent Auditors' Report of even date to the members of **Renew Sun Waves Private Limited** on the Standalone Ind AS financial statements for the period ended March 31, 2021.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **Renew Sun Waves Private Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the period ended on that date.

Management's Responsibilities for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, as issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B D G & Associates
Firm Registration Number: 119739W
Chartered Accountants

Jitendra Kumar Bansal
Partner
Membership Number: 525909
Place: Gurugram
Date: 27-July-2021

Renew Sun Waves Private Limited
Balance Sheet as at 31 March 2021
(Amounts in INR thousands, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	4	102,260	-
Capital work in progress	4	1,559,703	58,542
Right of use assets	5	210,785	-
Prepayments	8	-	301
Non current tax assets (net)		597	6,261
Other non-current assets	9	4,267,914	2,296,651
Total non-current assets		**6,141,259**	**2,361,755**
Current assets			
Financial assets			
Derivative instruments	10	-	348,053
Cash and cash equivalent	11	13,187	7,634
Bank balances other than cash and cash equivalent	11	29,500	-
Others	6	440	-
Prepayments	8	335	6,958
Other current assets	9	55	297
Total current assets		**43,517**	**362,942**
Total assets		**6,184,776**	**2,724,697**
Equity and liabilities			
Equity			
Equity share capital	12A	29,594	100
Other equity			
Securities premium	13A	2,094,105	-
Hedging reserve	13B	-	257,559
Retained earnings	13C	282,301	(131)
Total equity		**2,406,000**	**257,528**
Non-current liabilities			
Financial liabilities			
Lease liabilities	14	159,591	-
Deferred tax liabilities (net)	7	-	90,494
Total non-current liabilities		**159,591**	**90,494**
Current liabilities			
Financial liabilities			
Short-term borrowings	15	1,981,900	1,504,810
Trade payables			
Outstanding dues to micro enterprises and small enterprises	16	-	-
Others	16	1,149	102
Lease liabilities	14	14,878	-
Other current financial liabilities	17	1,577,522	867,382
Other current liabilities	18	23,435	4,381
Short-term provisions	19	20,301	-
Total current liabilities		**3,619,185**	**2,376,675**
Total liabilities		**3,778,776**	**2,467,169**
Total equity and liabilities		**6,184,776**	**2,724,697**

Summary of significant accounting policies 3.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of the
Renew Sun Waves Private Limited

For B D G & Associates
ICAI Firm Registration No.: 119739W
Chartered Accountants

B D G & ASSOCIATES New Delhi FRN: 119739W Chartered Accountants

Sun Waves Private Limited

Rahul Kumar Kashyapa

Director
(Rahula Kumar Kashyapa)
DIN- 07637489
Place: Gurugram
Date: 27 July 2021

Parul Agrawal

Director
(Parul Agrawal)
DIN- 08452687
Place: Gurugram
Date: 27 July 2021

Jitendra

Jitendra Kumar Bansal
Partner

Membership No.: 525909
Place: Gurugram
Date: 27 July 2021

Renew Sun Waves Private Limited
Statement of Profit and Loss for the year ended 31 March 2021
(Amounts in INR thousands, unless otherwise stated)

	Notes	For the year ended 31 March 2021	For the period 14 March 2019 to 31 March 2020
Income:			
Other income	20	408,994	-
Total income		**408,994**	**-**
Expenses:			
Other expenses	21	1,746	130
Total expenses		**1,746**	**130**
Earning before interest, tax, depreciation and amortization (EBITDA)		**407,248**	**(130)**
Depreciation and amortization expense	22	5,534	-
Finance costs	23	697	1
Profit/(Loss) before tax		**401,017**	**(131)**
Tax expense			
Current tax	7	118,585	-
Profit/(Loss) for the period	**(a)**	**282,432**	**(131)**
Other comprehensive income (OCI)			
Items that will be reclassified to profit or loss in subsequent periods			
Net movement on cash flow hedges		(348,053)	348,053
Income tax effect		90,494	(90,494)
Net other comprehensive income that will be reclassified to profit or loss in subsequent periods	**(b)**	(257,559)	257,559
Total comprehensive income for the period	**(a) + (b)**	**24,873**	**257,428**
Earnings per share:			
(face value per share: INR 10)			
(1) Basic	24	95.43	(13.10)
(2) Diluted		95.43	(13.10)
Summary of significant accounting policies	3.1		

The accompanying notes are an integral part of the Financial Statements
As per our report of even date

For B D G & Associates
ICAI Firm Registration No.: 119739W
Chartered Accountants

B D G & ASSOCIATES New Delhi FRN: 119739W Chartered Accountants

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Renew Sun Waves Private Limited

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 27 July 2021

For and on behalf of the
Renew Sun Waves Private Limited

Director
(Rahula Kumar Kashyapa)
DIN- 07637489
Place: Gurugram
Date: 27 July 2021

Director
(Parul Agrawal)
DIN- 08452687
Place: Gurugram
Date: 27 July 2021

Renew Sun Waves Private Limited
Statement of Cash Flows for the year ended 31 March 2021
(Amounts in INR thousands, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the period 14 March 2019 to 31 March 2020
Cash flow from operating activities		
Profit/(Loss) before tax	401,017	(131)
Adjustments for:		
Depreciation and amortisation expense	5,534	-
income tax refund	(376)	-
Interest income	(78,209)	-
Fair value gain on financial instruments at fair value through profit or loss	(330,784)	-
Operating loss before working capital changes	**(2,818)**	**(131)**
Movement in working capital		
(Increase)/decrease in other current assets	242	(297)
(Increase)/decrease in other current financial assets	(89)	-
(Increase)/decrease in prepayments	6,925	(7,259)
(Increase)/decrease in other non-current assets	(1,384)	(1,151)
Increase/(decrease) in other current liabilities	19,054	4,381
Increase/(decrease) in trade payables	1,047	102
Cash generated from operations	**22,978**	**(4,355)**
Direct taxes paid (net of refunds)	(97,909)	(6,261)
Net cash generated from operating activities	**(74,931)**	**(10,616)**
Cash flow from investing activities		
Purchase of Property, Plant and Equipment including capital work in progress, capital creditors and capital advances	(2,813,393)	(1,546,872)
Net Investments of bank deposits having residual maturity more than 3 months	(29,500)	-
Interest received	77,859	62,608
Net cash used in investing activities	**(2,765,034)**	**(1,484,264)**
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium) (net of share issue expenses)	2,123,600	100
Proceeds from short-term borrowings	6,105,204	1,504,810
Repayment of short-term borrowings	(5,628,114)	-
Forwards Settlements	330,784	
Lease Payment	(3,995)	-
Interest paid	(81,961)	(2,396)
Net cash generated from financing activities	**2,845,518**	**1,502,514**
Net increase in cash and cash equivalents	**5,553**	**7,634**
Cash and cash equivalents at the beginning of the period	**7,634**	**-**
Cash and cash equivalents at the end of the year	**13,187**	**7,634**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	13,187	7,634
- On deposit account for more than 3 months and less than 12 months	29,500	-
	42,687	**7,634**
Less: Fixed deposits with original maturity of between 3 months and 12 months	(29,500)	-
Total cash and cash equivalents (note 11)	**13,187**	**7,634**

Changes in liabilities arising from financing activities

Particulars	Opening balance as at 1 April 2020	Cash flows (net)	Other changes	Closing balance as at 31 March 2021
Short-term borrowings	1,504,810	477,090	-	1,981,900
Total liabilities from financing activities	**1,504,810**	**477,090**	**-**	**1,981,900**

Particulars	Opening balance as at 14 March 2019	Cash flows (net)	Other changes*	Closing balance as at 31 March 2020
Short-term borrowings	-	1,504,810	-	1,504,810
Total liabilities from financing activities	**-**	**1,504,810**	**-**	**1,504,810**

Summary of significant accounting policies 3.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B D G & Associates
ICAI Firm Registration No.: 119739W
Chartered Accountants

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 27 July 2021

For and on behalf of the
Renew Sun Waves Private Limited

Director
(Rahula Kumar Kashyapa)
DIN- 07637489
Place: Gurugram
Date: 27 July 2021

Director
(Parul Agrawal)
DIN- 08452687
Place: Gurugram
Date: 27 July 2021

Renew Sun Waves Private Limited
Statement of Changes in Equity for the year ended 31 March 2021
(Amounts in INR thousands, unless otherwise stated)

Particulars	Attributable to the equity holders of the Company				Total equity
		Reserves and Surplus		Items of OCI	
	Equity share capital	Securities premium	Retained earnings	Hedge Reserve	
	(refer note 12A)	(refer note 13A)	(refer note 13C)	(refer note 13B)	
At 14 March 2019	**-**	**-**	**-**	**-**	**-**
Profit for the year	-	-	(131)	-	(131)
Other comprehensive income	-	-	-	257,559	257,559
Total comprehensive income	-	-	(131)	257,559	257,428
Equity shares issued during the year	100	-	-	-	100
At 31 March 2020	**100**	**-**	**(131)**	**257,559**	**257,528**
Loss for the year	-	-	282,432	-	282,432
Other comprehensive income	-	-	-	(257,559)	(257,559)
Total Comprehensive Income	**-**	**-**	**282,432**	**(257,559)**	**24,873**
Equity shares issued during the year	29,494	2,094,105	-	-	2,123,599
At 31 March 2021	**29,594**	**2,094,105**	**282,301**	**-**	**2,406,000**

Summary of significant accounting policies 3.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B D G & Associates
ICAI Firm Registration No.: 119739W
Chartered Accountants

B D G & ASSOCIATES New Delhi FRN: 119739W Chartered Accountants

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 27 July 2021

For and on behalf of the
Renew Sun Waves Private Limited

Renew Sun Waves Private Limited

Director	Director
(Rahula Kumar Kashyapa	(Parul Agrawal)
DIN- 07637489	DIN- 08452687
Place: Gurugram	Place: Gurugram
Date: 27 July 2021	Date: 27 July 2021

1 General information

Renew Sun Waves Private Limited ('the Company') is a private limited company domiciled in India.The registered office of the Company is located at 138, Ansal Chamber - II Bikaji Cama Place, New Delhi-110066. The Company is carrying out business activities relating to generation of power through non-conventional and renewable energy sources.

The Financial Statements of the Company were authorised for issue by the Company's Board of Directors on 27 July 2021.

2 Basis of preparation

The Company prepared its Financial Statements as per Ind AS prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Financial Statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

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

The accounting policies and estimates adopted in the preparation of Financial Statements are consistent with those used in the annual financial statements for the year ended 31 March 2020.

3.1 Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements:

a) Current versus non-current classification

The Company 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 Company has identified twelve months as their operating cycle for classification of their current assets and liabilities.

b) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each reporting 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 company.

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

All assets and liabilities for which fair value is measured or disclosed 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

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

The management of the Company determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets, and for non-recurring measurement, such as assets held for sale.

External valuers are involved for valuation of significant assets, and significant liabilities. Involvement of external valuers is determined annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management presents the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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 30)
• Quantitative disclosures of fair value measurement hierarchy (refer note 28)
• Financial instruments (including those carried at amortised cost) (refer note 27 and 28)

c) Revenue recognition
(i) 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 Company 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.

a) 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 Company 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 Company considers the effects of variable consideration and existence of a significant financing component. There is only one performance obligation in the arrangement and therefore, allocation of transaction price is not required.

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 Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company 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.

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 company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

d) Foreign currencies
The financial statements are presented in Indian rupees (INR), which is also the functional currency in which the Company operate.

Foreign currency translation
Transactions in foreign currencies are initially recorded by the Company at 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. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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e) Taxes

Current income tax

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

Deferred tax

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

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

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

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

In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognised 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 recognised in the period in which the temporary differences originate. However, the Company 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 realised.

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

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

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

f) 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.

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 Company 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 or loss as and when incurred.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) 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 or 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 recognised in the statement of profit or loss when the asset is derecognised.

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g) Provisions

Provisions are recognised when the Company 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 Company 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 Company considers constructive obligations and records a provision for decommissioning costs of the wind 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.

Other equity investments

All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

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

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 respective Group has transferred their rights to receive cash flows from the asset or have assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either the Company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Company 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 Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The Company 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 Company'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 Company 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 Company 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 Company 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.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) during the period is recognised as income / expense in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

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

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

The financial liabilities of the company include trade and other payables, derivative financial instruments, loans and borrowings including bank overdraft.

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.

h) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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:

i) 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 of bank overdrafts as they are considered an integral part of the Company's cash management.

j) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company 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 amortisation expense, finance costs and tax expense.

k) Events occurring after the Balance Sheet date

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

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

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

l) 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 company 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.

Renew Sun Waves Private Limited

m) Earnings per equity share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares and instruments mandatorily convertible into equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the consolidated financial statements by the Board of Directors.

'The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Renew Sun Waves Private Limited
Notes to Financial Statements for the period ended 31 March 2021
(Amounts in INR thousands, unless otherwise stated)

4 Property, plant and equipment

	Freehold Land #	Total Property, plant and equipment	Capital work in progress
Cost			
At 14 March 2019	-	-	-
Additions during the year^	-	-	58,542
At 31 March 2020	**-**	**-**	**58,542**
Additions during the year	102,260	102,260	1,501,162
At 31 March 2021	**102,260**	**102,260**	**1,559,703**
Net book value			
At 31 March 2020	**-**	**-**	**58,542**
At 31 March 2021	**102,260**	**102,260**	**1,559,703**

^ Capitalised borrowing costs
The amount of borrowing costs capitalised during the year was INR 94,340 The rate used to determine the amount of borrowing costs eligible for capitalisation was the effective interest rate of the specific borrowing.

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ReNew Sun Waves Private Limited

ReNew Solar Power Private Limited
Notes to Financial Statements for the year ended 31 March 2021
(Amounts in INR millions, unless otherwise stated)

5	**Right of use assets**	**Leasehold land**
	Cost	
	At 1 April 2020	**-**
	Additions during the year	216,320
	At 31 March 2021	**216,320**
	Depreciation	
	At 1 April 2020	-
	Depreciation charged to profit or loss during the year	5,534
	At 31 March 2021	**5,534**
	Net book value	
	At 1 April 2020	**-**
	At 31 March 2021	**210,785**

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ReNew Sun Waves Private Limited

(Amounts in INR thousands, unless otherwise stated)

	As at 31 March 2021	As at 31 March 2020
6 Financial assets		
Current (unsecured, considered good unless stated otherwise)		
Others		
Recoverable from related parties (refer note 26)	89	-
Interest accrued on fixed deposits	351	-
Total	**440**	**-**

7 Deferred tax liabilities (DTL)/DTA (net)

7A Deferred tax liabilities (net)	For the year ended 31 March 2021	March 2019 to 31 March 2020
Deferred tax liabilities (gross)		
Loss on mark to market of derivative instruments		(90,494)
	-	**(90,494)**
Deferred tax assets (gross)		
	-	-
Deferred tax liabilities (Net)	**-**	**(90,494)**

7B Reconciliation of tax expense and the accounting profit multiplied by tax rate

	For the year ended 31 March 2021	March 2019 to 31 March 2020
Accounting loss before income tax	**401,017**	**(131)**
Tax at the India's tax rate of 25.168% (31 March 2020: 26%)	104,264	(34)
Tax rate difference	12,671	-
Other non deductible expenses	1,650	-
At the effective income tax rate	**118,585**	**(34)**
Current tax expense reported in the statement of profit or loss	118,585	-
Deferred tax expense reported in the statement of profit or loss	-	-
	118,585	**-**

7C Reconciliation of DTA and DTL (net):

a) For the year ended 31 March 2021

Particulars	Opening balance DTA / (DTL) as at 1 April 2020	Income / (expense) recognised in OCI	Closing balance DTA / (DTL) as at 31 March 2021
Loss on mark to market of derivative instruments	(90,494)	90,494	-
	(90,494)	**90,494**	**-**

b) For the year ended 31 March 2020

Particulars	Opening balance DTA / (DTL) as at 14 March 2019	Income / (expense) recognised in OCI	Closing balance DTA / (DTL) as at 31 March 2020
Loss on mark to market of derivative instruments	-	(90,494)	(90,494)
	-	**(90,494)**	**(90,494)**

8 Prepayments	As at 31 March 2021	As at 31 March 2020
Non-current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	-	301
Total	**-**	**301**
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	335	6,958
	335	**6,958**

Renew Sun Waves Private Limited

(Amounts in INR thousands, unless otherwise stated)

9 Other assets	As at 31 March 2021	As at 31 March 2020
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Capital advance	4,265,379	2,295,500
Advances recoverable	2,535	1,151
Total	**4,267,914**	**2,296,651**
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	55	297
Total	**55**	**297**

10 Derivative instruments	As at 31 March 2021	As at 31 March 2020
Financial assets at fair value through OCI		
Cash flow hedges		
Derivative instruments	-	348,053
Total	**-**	**348,053**

11 Cash and cash equivalents	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
Balance with bank		
- On current accounts	13,187	7,634
	13,187	**7,634**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months #	29,500	-
	29,500	**-**
Total	**29,500**	**-**

The bank deposits have an original maturity period of 111 days and carry an interest rate of 4.40 which is receivable on maturity.

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(Amounts in INR thousands, unless otherwise stated)

12 Equity share capital

Authorised share capital	**Number of shares**	**Amount**
Equity shares of INR 10 each		
At 14 March 2019	-	-
Increase during the year	10,000	100
At 31 March 2020	**10,000**	**100**
Increase during the period	3,490,000	34,900
At 31 March 2021	**3,500,000**	**35,000**

Issued share capital	**Number of shares**	**Amount**
12A Equity shares of INR 10 each issued, subscribed and paid up		
At 14 March 2019	-	-
Shares issued during the year	10,000	100
At 31 March 2020	10,000	100
Shares issued during the period	2,949,444	29,494
At 31 March 2021	**2,959,444**	**29,594**

Terms/rights attached to equity shares

The Company has 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 Group will declare and pay dividends in Indian rupees. In the event of liquidation of a Group, the holders of equity shares of such Group will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders of the Company.

The equity shares are redeemable at the option of the holders and, therefore, are considered a puttable instrument in accordance with IAS 32. Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments may be presented as equity. The equity shares meet the conditions of IAS 32 and are, therefore, classified and accounted for as equity.

12B Shares held by the holding Company

	31 March 2021		**31 March 2020**	
	Number of shares	**Amount**	**Number of shares**	**Amount**
ReNew Solar Energy (Jharkand Four) Private Limited (including its nominees)				
Equity shares of INR 10 each	2,959,444	29,594	10,000	100

12C Details of shareholders holding more than 5% shares in the Company	**31 March 2021**		**31 March 2020**	
	Number of shares	**Amount**	**Number of shares**	**% Holding**
Equity shares of INR 10 each				
ReNew Solar Energy (Jharkand Four) Private Limited	2,959,444	100%	10,000	100%

As per the records of the Company, including its register of shareholders/members the above shareholding represents both legal and beneficial ownerships of shares.

12D No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

13 Other equity

13A Securities premium	
At 1 April 2020	**-**
Premium on issue of equity shares during the year	2,094,105
At 31 March 2021	**2,094,105**

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.

13B Hedge Reserve	
At 14 March 2019	-
Movement in hedge reserve	257,559
At 1 April 2020	**257,559**
Movement in hedge reserve	(257,559)
At 31 March 2021	**-**

Nature and purpose
The Company 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 Company uses foreign currency forward contracts, cross currency swaps (CCS), call spreads, foreign currency option contracts and interest rate swaps (IRS). To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

13C Retained earnings	
At 14 March 2019	-
Loss for the year	(131)
At 1 April 2020	**(131)**
Loss for the period	282,432
At 31 March 2021	**282,301**

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.

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(Amounts in INR thousands, unless otherwise stated)

14 Non-current financial liabilities	**As at 31 March 2021**	**As at 31 March 2020**
Non-current		
Lease liabilities (refer note 25)	159,591	-
Total	**159,591**	**-**
Current		
Lease liabilities (refer note 25)	14,878	-
Total	**14,878**	**-**

15 Short term borrowings	**As at 31 March 2021**	**As at 31 March 2020**
Loan from related party (unsecured) (refer note 26)	1,981,900	1,504,810
Total	**1,981,900**	**1,504,810**

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

16 Trade payables	**As at 31 March 2021**	**As at 31 March 2020**
Current		
Others	1,149	102
Total	**1,149**	**102**

17 Other current financial liabilities	**As at 31 March 2021**	**As at 31 March 2020**
Others		
Interest accrued but not due on loans from related party (refer note 26)	151,151	63,437
Capital creditors	1,426,371	803,945
Total	**1,577,522**	**867,382**

18 Other current liabilities	**As at 31 March 2021**	**As at 31 March 2020**
Other payables		
TDS payable	23,319	2,982
GST payable	116	1,399
Total	**23,435**	**4,381**

19 Short term provisions	**As at 31 March 2021**	**As at 31 March 2020**
Income tax provision (net of advance tax)	20,301	-
Total	**20,301**	**-**

Renew Sun Waves Private Limited

(Amounts in INR thousands, unless otherwise stated)

20 Other income	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
Interest income		
- on fixed deposit with banks	351	-
- income tax refund	376	-
- others	77,483	-
Gain on settlement of derivative instruments designated as cash flow hedge (net)	330,784	-
Total	**408,994**	**-**

21 Other expenses	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
Legal and professional fees	244	13
Corporate social responsibility	420	-
Rent	15	8
Rates and taxes	575	12
Payment to auditors *	97	97
Operation and maintenance	395	-
Total	**1,746**	**130**

***Payment to Auditors**	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
As auditor:		
Audit fee	88	88
Reimbursement of expenses	9	9
	97	**97**

22 Depreciation and amortization expense	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
Depreciation of right of use (refer note 5)	5,534	-
Total	**5,534**	**-**

23 Finance costs	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
Bank charges	697	1
Total	**697**	**1**

24 Earnings per share (EPS)	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
The following reflects the profit and share data used for the basic and diluted EPS computations:		
Profit attributable to equity holders for basic earnings	282,432	(131)
	282,432	(131)
Net Profit/(loss) for calculation of basic EPS	282,432	(131)
Weighted average number of equity shares for calculating basic EPS	2,959,444	10,000
Basic earnings per share	95.43	(13.10)
Net Profit/(loss) for calculation of diluted EPS	282,432	(131)
Weighted average number of equity shares for calculating diluted EPS	2,959,444	10,000
Diluted earnings per share	95.43	(13.10)

Renew Sun Waves Private Limited

(Amounts in INR thousands, unless otherwise stated)

25 Leases

As per Ind AS 116 applicable from 1 April 2019

The Company has entered into leases for its offices and leasehold lands. Lease of offices and lands generally have lease terms of 3 to 30 years.

The weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 10.40%.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
As at 1 April 2020 on account of adoption of Ind AS 116		
Additions	165,307	-
Accretion of interest	14,159	-
Payments	(3,995)	-
Balance as on 31 March 2021	**174,471**	**-**

Refer note 3.2(a) for approach followed by the Company for transition to Ind AS 116.

a) There are no restrictions or covenants imposed by leases.
b) There are no amounts payable toward variable lease expense recognised for the year ended 31 March 2021.
c) The maturity analysis of lease liabilities are disclosed in note 29.
d) There are no leases which have not yet commenced to which the lessee is committed (if any).

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(Amounts in INR thousands, unless otherwise stated)

26 Related party disclosure

a) Names of related parties and related party relationship:

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

I. Holding Company
ReNew Solar Energy (Jharkand Four) Private Limited

II. Intermediate Holding Company
ReNew Solar Power Private Limited

III. Ultimate Holding Company
ReNew Power Private Limited

IV. Key management personnel (KMPs) :
Mr. Sumant Sinha, Chairman and Managing Director of ReNew Power Private Limited.

V. Fellow Subsidiaries with whom transactions incurred during the period
ReNew Sol Energy (Jharkhand One) Private Limited
ReNew Solar Energy Private Limited
ReNew Sun Energy Private Limited
ReNew Solar Services Private Limited

b) Details of transactions with holding Company:

	ReNew Solar Energy (Jharkand Four) Private Limited	
Particulars	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
Issue of equity shares	-	100
Unsecured loan received	3,818,010	30,450
Unsecured loan repaid to related party	449,360	-
Fixed Assets Purchased	-	792,493
Expenses incurred on behalf of the holding company	32,400	-
Interest expense on unsecured loan	0	299

c) Details of outstanding balances with holding Company:

	ReNew Solar Energy (Jharkand Four) Private Limited	
Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Unsecured loan payable	1,981,900	30,450
Capital Creditors	824,893	792,493
Interest expense accrued on unsecured loan	269	269

d) Details of transactions with Intermediate Holding Company:

	ReNew Solar Power Private Limited	
Particulars	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
Unsecured loan received from related party	93,000	1,450,000
Unsecured loan repaid to related party	1,543,000	
Interest expense on unsecured loan received	70,679	63,814
Reimbursement of expenses	1,820	59
Purchase of services# (Management shared services)	221,421	4,989

The Ultimate holding Company has charged certain common expenses to its subsidiary companies on the basis of its best estimate of expenses incurred for each of its subsidiary companies and recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted by the holding Company is most appropriate basis for recovering of such common expenses.

e) Details of outstanding balances with Intermediate Holding Company:

	ReNew Solar Power Private Limited	
Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Capital creditors	209,916	4,819
Interest accrued on loan payable	100,903	61,620
Unsecured loan payable	-	1,450,000

f) Details of transactions with Ultimate Holding Company:

	ReNew Power Private Limited	
Particulars	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
Expenses incurred on behalf of the company	464	-
Unsecured loan received from related party	212,294	20,360
Unsecured loan repaid to related party	232,654	-
Interest expense accrued on unsecured loan	52,048	154

ReNew Sun Waves Private Limited

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Notes to Financial Statements for the period ended 31 March 2021
(Amounts in INR thousands, unless otherwise stated)

g) Details of outstanding balances with Ultimate Holding Company:

Particulars	ReNew Power Private Limited As at 31 March 2021	ReNew Power Private Limited As at 31 March 2020
Trade Payable	464	-
Interest accrued on loan payable	53,240	1,396
Unsecured loan payable	-	20,360

h) Details of transactions with fellow subsidiaries:

	ReNew Solar Energy (Jharkhand One) Private		ReNew Solar Energy Private Limited	
Particulars	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**	**For the year ended 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
Advance for EPC	-	2,220,000	-	-
Interest income on EPC advance	136,941	56,347	-	-
EPC Purchase*	968,683	-	-	-
Unsecured loan received	-	-	-	4,000
Unsecured loan repaid	-	-	4,000	-
Interest expense on unsecured loan	-	-	228	170

*includes EPC provision of INR 204493

The Company has charged certain common expenses to its fellow subsidiary companies on the basis of its best estimate of expenses incurred for each of its fellow subsidiary companies and recovered the said expenses in the form of 'Management Shared Services'. The management believes that the method adopted by the holding Company is most appropriate basis for recovering of such common expenses.

	ReNew Solar Services Private Limited		ReNew Sun Energy Private Limited	
Particulars	**As at 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**	**As at 31 March 2021**	**For the period 14 March 2019 to 31 March 2020**
EPC Purchase*	176,230	-	-	-
Expenses incurred on behalf of related party	503	-	89	-
Expenses incurred on behalf of the company	105	-	-	-

*includes EPC provision of INR 234743

i) Details of outstanding balances with fellow subsidiaries:

	ReNew Sol Energy (Jharkhand One) Private		ReNew Solar Energy Private Limited	
Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2021**	**As at 31 March 2020**
Interest accrued on loan payable	-	-	364	153
Unsecured loan payable	-	-	-	4,000
Interest income on EPC advance	-	56,347	-	-
Capital advance	4,114,364	2,220,000	-	-
Capital Creditor*	204,493	-	-	-

*includes EPC provision of INR 204493

	ReNew Solar Services Private Limited		ReNew Sun Energy Private Limited	
Particulars	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2021**	**As at 31 March 2020**
Capital Creditors*	175,367	-	-	-
Amount receivable from related parties	-	-	89	-

*includes EPC provision of INR 234743

j) Compensation of Key management personnel

Remuneration to the key managerial personnel is paid by the holding Company of the company and is allocated between the subsidiary companies as management shared services and is not separately identifiable.

(Amounts in INR thousands, unless otherwise stated)

27 Fair values

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

	31 March 2021		31 March 2020	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets				
Measured at amortised cost				
Cash and cash equivalent	13,187	13,187	7,634	7,634
Bank balances other than cash and cash equivalent	29,500	29,500	-	-
Other current financial assets	440	440	-	-
Financial liabilities				
Measured at amortised cost				
Short-term borrowings	1,981,900	1,981,900	1,504,810	1,504,810
Trade payables	1,149	1,149	102	102
Other current financial liabilities	1,577,522	1,577,522	867,382	867,382

The management of the Company assessed that cash and cash equivalents, trade receivables, bank balances other than cash and cash equivalents, short term loans, trade payables, short term interest-bearing loans and borrowings, other current financials liabilities and other current financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 101, Ind AS 27 and Ind AS 28

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

i The Company enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the currency, interest rate curves and forward rate curves of the underlying instrument. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships.

28 Fair value hierarchy

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- 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

The following table provides the fair value measurement hierarchy of the assets and liabilities of the Company :-

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

	Level of fair value measurement	31 March 2021		31 March 2020	
		Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets measured at fair value through Profit and Loss					
Derivative instruments	Level 2	-	-	348,053	348,053
Total		**-**	**-**	**348,053**	**348,053**

There were no transfers between levels of fair value measurement during the years ended 31 March 2021 and 31 March 2020.

Particulars	**Fair value hierarchy**	**Valuation technique**	**Inputs used**
Financial assets measured at fair value			
Derivative instruments	Level 2	Market value techniques	Forward foreign currency exchange rates, interest rates to discount future cash flows

29 Financial Risk Management objectives and policies

"The Company's principal financial liabilities comprise loans and borrowings, trade and other payables.
The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

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

Market Risk

Market risk is the risk that the Company's assets and liabilities will be exposed to due to a change in market prices that determine the valuation of these financial instruments. Market risk comprises 3 types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits..

The sensitivity analyses in the following sections relate to the position as at 31 March 2021. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are all constant as at 31 March 2021.

Interest rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk primarily from the external borrowings that are used to finance their operations. The Company also monitors the changes in interest rates and actively re finances its debt obligations to achieve an optimal interest rate exposure.

Credit risk

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

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

The maximum credit exposure to credit risk for the components of the statement of financial position at 31 March 2021.

Other financial assets

Credit risk from other financial assets including loans is managed basis established policies of Company, procedures and controls relating to customer credit risk management. Outstanding receivables are regularly monitored. The Company does not hold collateral as security.

Financial instruments and credit risk

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

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Renew Sun Waves Private Limited

(Amounts in INR thousands, unless otherwise stated)

Liquidity Risk

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

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

The Company rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind and solar power plants and related assets. The Company's non-recourse financing is designed to limit default risk and is a combination of fixed and variable interest rate instruments. In addition, the debt is typically denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk. The majority of non-recourse debt is funded by banks and financial institutions, with debt capacity supplemented by unsecured loan from related party.

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

Year ended 31 March 2021	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Short term borrowings						
Loans from related party	1,981,900	-	-	-	-	1,981,900
Other financial liabilities						
Lease Liabilities	-	6,346	8,534	70,793	523,146	608,819
Interest accrued but not due on borrowings	154,411	-	-	-	-	154,411
Capital Creditors	1,034,809	391,563	-	-	-	1,426,372
Trade payables						
Trade payables	-	1,149	-	-	-	1,149

* Including future interest payments.

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

The Company rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind and solar power plants and related assets. The Company's non-recourse financing is designed to limit default risk and is a combination of fixed and variable interest rate instruments. In addition, the debt is typically denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk. The majority of non-recourse debt is funded by banks and financial institutions, with debt capacity supplemented by unsecured loan from related party.

Year ended 31 March 2020	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Short term borrowings						
Loans from related party	1,504,810	-	-	-	-	1,504,810
Other financial liabilities						
Interest accrued but not due on borrowings	63,437	-	-	-	-	63,437
Capital Creditors	797,312	6,632	-	-	-	803,945
Trades payables						
Trades payables	-	102	-	-	-	102

* Including future interest payments.

Renew Sun Waves Private Limited

30 Significant accounting judgments, estimates and assumptions

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

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

A) Accounting judgements

Identification of a lease

Management has assessed applicability of Ind AS 116 - 'Leases', for certain PPAs of the Company. In assessing the applicability, the management has exercised significant judgement in relation to the underlying rights and risks related to operations of the plant, control over design of the plant etc., in concluding that the PPA do not meet the criteria for recognition as a lease.

Taxes

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

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

B) Estimates and assumptions:

Useful life of depreciable assets

The useful lives and residual values of Company's assets are determined by management at the time asset is acquired and are reviewed periodically, including at each financial year end. The useful lives and residual values are based on an technical assessments, historical experience with similar assets as well as anticipation of future events, which may impact their life. These judgements best represents the period over which management expects to use its assets and its residual value.

Fair value measurement of financial instruments

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

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 27 and for further disclosures.

Related party transactions

ReNew Power Private Limited along with all its subsidiaries hereinafter collectively referred to as 'the Group' have entered into inter-company transactions as explained below :

Management Shared Services

Employee benefit costs and other common expenses are incurred by the Ultimate Holding Company & Holding Company. These expenses are allocated to all the entities of the Group in the form of 'Management Shared Services'. Allocation of cost to the entities involves various estimates including retention, allocation of cost for projects under construction vis-a-vis operating projects, profit mark-up which are assessed through an external expert.

Inter-group unsecured loan

The Group uses unsecured loans to fund requirements of various entities. These loans carry interest rate higher than a return expected from 3-year government bond yield.

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31 Capital management

For the purpose of the capital management, capital includes issued equity capital, compulsorily convertible debentures, compulsorily convertible preference shares, Securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings and other payables, less cash and short-term deposits. The Company systematically evaluates opportunities for managing its assets including that of buying new assets, partially or entirely sell existing assets and potential new joint ventures. Crystallisation of any such opportunity shall help the Company in improving the overall portfolio of assets, cash flow management and shareholder returns.

The policy of the Company is to keep the gearing ratio of the power project to 3:1 during the construction phase and aim to enhance it to 4:1 post the construction phase. This is in line with the industry standard ratio. The current gearing ratios of the various projects in the Company is between 3:1 to 4:1.

In order to achieve this overall objective, the capital management of the Company, amongst other things, aims to ensure that they meet financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

32 Commitments Liabilities and Contingencies
(to the extent not provided for)

(i) Contingent liabilities
At 31 March 2021, the Company has contingent liabilities of INR Nil

(ii) Commitments:
Estimated amount of contracts remaining to be executed on capital account and not provided for
As at 31 March 2021, the Company has capital commitment (net of advances) pertaining to commissioning of wind and energy projects of INR 11,213,836 (31 March 2020: INR 3,366).

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

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

Particulars	As at 31 March 2021	As at 31 March 2020
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year/period	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year/period	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year/period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year/period; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

34 There are no employees on the rolls of the company and therefore no employee benefit expense accrued in the financial statements.

35 "Due to the outbreak of COVID-19 globally and in India, the Company has made an initial assessment of likely adverse impact on the economic environment in general and financial risks on account of COVID-19. Considering that the Company is in the business of generation of electricity which is granted "must run" status, the management believes that the impact of the outbreak on the business and financial position of the company will not be significant. The management does not see any risks in the Group's ability to continue as a going concern and meet its liabilities as and when they fall due. For under construction projects, though the physical activities have been constrained and partially impacted, however management does not anticipate any delay in meeting the original timelines and expects that overall completion timelines for respective projects shall be achieved as set out in respective power purchase agreements with customers. Further, Ministry of New and Renewable Energy (MNRE) has issued office memorandum dated April 17, 2020 stating the Time-Extension in Scheduled Commissioning date of RE projects for lockdown time and additional thirty days (30 days) for normalization after the end of such lockdown due to COVID- 19 which further negates any potential risk of liquidated damages. The Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of the unprecedented situation."

36 There are no employees on the rolls of the Company and therefore no employee benefit expense accrued in the financial statements.

37 Absolute amounts less than INR 500 are appearing in the financial statements as "0" due to presentation in thousands.

As per our report of even date
For B D G & Associates
ICAI Firm Registration No.: 119739W
Chartered Accountants

B D G & ASSOCIATES New Delhi FRN: 119739W Chartered Accountants

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 27 July 2021

For and on behalf of the
Renew Sun Waves Private Limited

Renew Sun Waves Private Limited

Rahul Kumar Kashyap

Director
(Rahula Kumar Kashyapa)
DIN- 07637489
Place: Gurugram
Date: 27 July 2021

Parul Agrawal

Director
(Parul Agrawal)
DIN- 08452687
Place: Gurugram
Date: 27 July 2021