Restricted Group - 1

Combined Balance Sheet as at 31st December, 2023

adani Renewables

Particulars	Notes	As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	4.1	46,092	47,218
(b) Right-Of-Use Assets	4.2	1,390	1,437
(c) Capital Work-In-Progress	4.3	143	105
(d) Intangible Assets	4.4	0	0
(e) Financial Assets			
(i) Investments	5	2,770	2,770
(ii) Loans	6	12,345	9,271
(iii) Trade Receivables	12	66	200
(iv) Other Financial Assets	7	5,018	6,918
(f) Income Tax Assets (net)		42	15
(g) Deferred Tax Assets (net)	8	1,336	1,765
(h) Other Non-current Assets	9	392	695
Total Non-Current Assets		**69,594**	**70,394**
Current Assets			
(a) Inventories	10	185	89
(b) Financial Assets			
(i) Investments	11	133	934
(ii) Trade Receivables	12	1,685	2,181
(iii) Cash and Cash Equivalents	13	115	1,099
(iv) Bank balances other than (iii) above	14	2,336	2,537
(v) Other Financial Assets	15	5,241	525
(c) Other Current Assets	16	156	50
Total Current Assets		**9,851**	**7,415**
Total Assets		**79,445**	**77,809**
EQUITY AND LIABILITIES			
Equity			
Net Parent Investment	17	13,562	9,743
Total Equity		**13,562**	**9,743**
LIABILITIES			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	18,183	61,963
(ia) Lease Liabilities	31	1,563	1,547
(b) Provisions	19	127	121
(c) Other Non-current Liabilities	20	2,485	2,424
Total Non-Current Liabilities		**22,358**	**66,055**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	42,289	693
(ia) Lease Liabilities	31	137	177
(ii) Trade Payables	22		
i. Total outstanding dues of micro enterprises and small enterprises		6	8
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		268	131
(iii) Other Financial Liabilities	23	592	844
(b) Other Current Liabilities	24	233	158
Total Current Liabilities		**43,525**	**2,011**
Total Liabilities		**65,883**	**68,066**
Total Equity and Liabilities		**79,445**	**77,809**

The notes referred above are an integral part of the Combined Condensed Financial Statements

In terms of our report attached
For Dharmesh Parikh & Co LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725

Anjali Gupta
Partner
Membership No. 191598

Place : Ahmedabad
Date : 16th February, 2024

For and on behalf of the board of directors of
ADANI GREEN ENERGY TWENTY THREE LIMITED

SAGAR RAJESHBHAI ADANI
Digitally signed by SAGAR RAJESHBHAI ADANI
Date: 2024.02.16 19:30:43 +05'30'

Sagar Adani
Director
DIN: 07626229

Place : Ahmedabad
Date : 16th February, 2024

AMIT SINGH
Digitally signed by AMIT SINGH
Date: 2024.02.16 19:33:29 +05'30'

Amit Singh
Director
DIN: 10302385

Place : Ahmedabad
Date : 16th February, 2024

Restricted Group - 1
Combined Statement of Profit and Loss for the nine months ended 31st December, 2023

adani Renewables

Particulars	Notes	For the nine months ended 31st December, 2023 (₹ in Millions)	For the nine months ended 31st December, 2022 (₹ in Millions)
Income			
Revenue from Operations	25	7,169	7,156
Other Income	26	1,681	1,219
Total Income		**8,850**	**8,375**
Expenses			
Purchase of Stock in Trade		3	12
Finance Costs	27	5,513	2,989
Depreciation and Amortisation Expenses	4.1, 4.2 and 4.4	1,380	1,413
Other Expenses	28	593	3,446
Total Expenses		**7,489**	**7,860**
Profit before tax		**1,361**	**515**
Tax Charge:			
Current Tax Charge		-	-
Tax credit relating to earlier periods		-	-
Deferred Tax Charge		290	147
Total Tax Charge		**290**	**147**
Profit for the period	**Total (A)**	**1,071**	**367**
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to profit & loss in subsequent periods:			
Items that will be reclassified to profit and loss in subsequent periods:			
Effective portion on Gain / (Loss) in a cash flow hedge, net		549	(724)
Add / Less: Income Tax effect		(138)	182
Total Other Comprehensive Income / (Loss), (net of tax)	**Total (B)**	**411**	**(542)**
Total Comprehensive Income / (Loss) for the period , (net of tax)	**Total (A+B)**	**1,482**	**(175)**

The notes referred above are an integral part of the Combined Condensed Financial Statements

In terms of our report attached
For Dharmesh Parikh & Co LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725

For and on behalf of the board of directors of
ADANI GREEN ENERGY TWENTY THREE LIMITED

SAGAR RAJESHBHAI ADANI
Digitally signed by SAGAR RAJESHBHAI ADANI
Date: 2024.02.16 19:31:12 +05'30'

AMIT SINGH
Digitally signed by AMIT SINGH
Date: 2024.02.16 19:33:20 +05'30'

Anjali Gupta
Partner
Membership No. 191598

Sagar Adani
Director
DIN: 07626229

Amit Singh
Director
DIN: 10302385

Place : Ahmedabad
Date : 16th February, 2024

Place : Ahmedabad
Date : 16th February, 2024

Place : Ahmedabad
Date : 16th February, 2024

Restricted Group - 1
Combined Statement of changes in Net Parent Investment for the nine months ended 31st December, 2023

adani Renewables

	As at 31st March, 2023 (₹ in Millions)
Opening as at 1st April, 2022	**4,520**
Add : Profit for the year	400
Add : Other Comprehensive (Loss), net of tax*	(189)
Add : Issue of Unsecured Perpetual Securities	5,012
Closing as at 31st March, 2023	**9,743**

	As at 31st December, 2023 (₹ in Millions)
Opening as at 1st April, 2023	**9,743**
Add : Profit for the period	1,071
Add : Other Comprehensive Income, net of tax*	411
Add: Conversion of Unsecured Perpetual Securities	2,337
Closing as at 31st December, 2023	**13,562**

Net Parent Investment represents the aggregate amount of share capital and other equity of Restricted Group of entities as at the end of respective period and does not necessarily represent legal share capital for the purpose of the Restricted Group.
* Other Comprehensive Income / (Loss) consist of adjustments for changes in cash flow hedge reserve.

The notes referred above are an integral part of the Combined Condensed Financial Statements

In terms of our report attached
For Dharmesh Parikh & Co LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725

Anjali Gupta
Partner
Membership No. 191598

Place : Ahmedabad
Date : 16th February, 2024

For and on behalf of the board of directors of
ADANI GREEN ENERGY TWENTY THREE LIMITED

SAGAR RAJESHBHAI ADANI
Digitally signed by SAGAR RAJESHBHAI ADANI
Date: 2024.02.16 19:31:21 +05'30'

Sagar Adani
Director
DIN: 07626229

Place : Ahmedabad
Date : 16th February, 2024

AMIT SINGH
Digitally signed by AMIT SINGH
Date: 2024.02.16 19:33:03 +05'30'

Amit Singh
Director
DIN: 10302385

Place : Ahmedabad
Date : 16th February, 2024

Restricted Group - 1
Combined Condensed Statement of Cash Flows for the nine months ended 31st December, 2023

adani Renewables

Particulars	For the nine months ended 31st December, 2023 (₹ in Millions)	For the nine months ended 31st December, 2022 (₹ in Millions)
(A) Cash flow from operating activities		
Profit before tax	1,361	515
Net cash Generated from Operating Activities (A)	**7,725**	**6,627**
(B) Cash flow from investing activities		
Net cash (Used in) Investing Activities (B)	**(2,849)**	**(779)**
(C) Cash flow from financing activities		
Net cash (Used in) Financing Activities (C)	**(5,860)**	**(5,877)**
Net (decrease) in cash and cash equivalents (A)+(B)+(C)	(984)	(29)
Cash and cash equivalents at the beginning of the period	1,099	151
Cash and cash equivalents at the end of the period	**115**	**122**
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents : (refer note 13)	115	122
	115	**122**

The notes referred above are an integral part of the Combined Condensed Financial Statements

In terms of our report attached
For Dharmesh Parikh & Co LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725

For and on behalf of the board of directors of
ADANI GREEN ENERGY TWENTY THREE LIMITED

SAGAR RAJESHBHAI ADANI Digitally signed by SAGAR RAJESHBHAI ADANI Date: 2024.02.16 19:31:30 +05'30'

AMIT SINGH Digitally signed by AMIT SINGH Date: 2024.02.16 19:32:49 +05'30'

Anjali Gupta
Partner
Membership No. 191598

Sagar Adani
Director
DIN: 07626229

Amit Singh
Director
DIN: 10302385

Place : Ahmedabad
Date : 16th February, 2024

Place : Ahmedabad
Date : 16th February, 2024

Place : Ahmedabad
Date : 16th February, 2024

1. Corporate Information

Adani Green Energy Limited ('the Ultimate Deemed Holding Company') along with its subsidiaries (herein collectively referred to as the "Group") are companies domiciled in India and primarily involved in Solar and Wind power generation.

The Restricted Group entities which are all under the common control of the Ultimate Deemed Holding Company through its subsidiary (Adani Green Energy Twenty Three Limited) comprise of the following entities:-

Entities forming part of Restricted Group	Principal activity	Country of Incorporation	% Held by Ultimate Deemed Holding Company	
			31st December, 2023	31st March, 2023
Prayatna Developers Private Limited	Solar and Wind Power Generation	India	100	100
Parampujya Solar Energy Private Limited (Standalone)	Solar and Wind Power Generation	India	100	100
Adani Green Energy (UP) Limited	Solar and Wind Power Generation	India	100	100

The entities forming part of Restricted Group currently has multiple power projects located at various locations with a combined installed and commissioned capacity of 930 MW as at 31st December, 2023. The entities forming part of Restricted Group sell renewable power generated from these projects under a long term Power Purchase Agreements ("PPA").

2.1 Purpose of the Combined Condensed financial statements

The Combined Condensed Financial Statements have been prepared for reporting Nine months financial performance of the Restricted Group as per the requirement of Offering Circular (OC) under clause 4.1. Restricted Group has issued USD denominated Green bonds listed on Singapore Exchange Securities Trading Limited (SGX-ST). The Combined Condensed Financial Statements presented herein reflect the Restricted Group's results of operations, assets and liabilities and cash flows as at and for the Nine months ended 31st December, 2023. The basis of preparation and significant accounting policies used in preparation of these Combined Condensed Financial Statements are set out in note 2.2 and 3 below.

2.2 Basis of Preparation and presentation

The Combined Condensed Financial Statements of the Restricted Group have been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 amended from time to time (except Ind AS - 33 on Earnings Per Share) and other accounting principles generally accepted in India and the Guidance Note on Combined and Carve-out Financial Statements issued by the Institute of Chartered Accountants of India (ICAI).The accounting policies adopted are consistent with those of the previous financial year.

As these combined condensed financial statements have been prepared on a combined basis, it is not meaningful to show share capital or provide an analysis of reserves. Net parent investment, therefore, represents the difference between the assets and liabilities pertaining to combined businesses. Share capital of Restricted Group is held by the Holding Company. Earnings Per Share have not been presented in these Combined Condensed Financial Statements, as Restricted Group did not meet the applicability criteria as specified under Ind AS 33 – Earnings Per Share.

Management has prepared these combined condensed financial statements to depict the historical financial information of the Restricted Group.

The Combined Condensed Financial Statements have been prepared on a going concern basis under the historical cost convention except for Investments in mutual funds and certain financial assets and liabilities that are measured at fair values whereas net defined benefit (asset)/ liability is valued at fair value of plan assets less defined benefit obligation at the end of each reporting period, as explained in the accounting policies below.

As per the Guidance Note on Combined and Carve Out Financial Statements, the procedure for preparing combined Condensed financial statements of the combining entities is similar to that of consolidated financial statements as per the applicable Accounting Standards. Accordingly, when combined Condensed financial statements are prepared, intra-group transactions and profits or losses are eliminated. All the inter group transactions are undertaken on Arm's Length basis. The information presented in the Combined Condensed Financial Statements of the Restricted Group may not be representative of the position which may prevail after the transaction. The resulting financial position may not be that which might have existed if the combining businesses had been stand-alone business.

Net parent investment disclosed in the Combined Condensed Financial Statements is not the legal capital and Other equity of the Restricted Group and is the aggregation of the Share Capital, Unsecured Perpetual Debt and Other equity of each of the entities with in the Restricted Group.

Accordingly, the following procedure is followed for the preparation of the Combined Condensed Financial Statements:

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

(b) Eliminated in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Restricted Group.

These are Combined Condensed Financial Statements and may not be necessarily indicative of the financial performance, financial position and cash flows of the Restricted Group that would have occurred if it had operated as separate stand-alone entities during the year presented or the Restricted Group's future performance. The Combined Condensed Financial Statements include the operation of entities in the Restricted Group, as if they had been managed together for the year presented.

Transactions that have taken place with the Unrestricted Group Entities (i.e. other entities which are a part of the Group or wider Adani Group and not included in the Restricted Group of entities) have been disclosed in accordance of Ind AS 24, Related Party Disclosures. The preparation of financial information in conformity with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Restricted Group's accounting policies.

Income taxes are arrived at by aggregation of the tax expenses actually incurred by the combining businesses, after considering the tax effects of any adjustments which is in accordance with the Guidance Note on Combined and Carve-Out Financial Statements issued by the ICAI.

The financial statements are presented in INR (₹) (Indian Rupees) which is also Holding Company's functional currency and all values are rounded to the nearest Millions, except when otherwise indicated. Amounts less than ₹ 5,00,000 have been presented as "0".

3. Material accounting policies

a. Property, plant and equipment

i. Recognition and measurement

Property, plant and equipment are stated at acquisition cost grossed up with the amount of tax / duty benefits availed, less accumulated depreciation and accumulated impairment losses, if any.

All costs, including borrowing costs incurred up to the date the asset is ready for its intended use, are capitalised along with the respective asset.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use and estimated costs of dismantling and removing the items and restoring the site on which it is located.

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

When significant parts of plant and equipment are required to be replaced at intervals, the Restricted Group depreciates them separately based on their specific useful lives and they are accounted for as separate items (major components) of property, plant and equipment.

ii. Subsequent measurement

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Restricted Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Subsequent costs are depreciated over the residual life of the respective assets.

iii. Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using Straight Line method. The useful life of property, plant and equipment is considered based on life prescribed in part C of Schedule II to the Companies Act, 2013, except in case of the Plant and machinery, wherein the life of the assets has been estimated at 30 years based on technical assessment taking into account the nature of assets, the estimated usage of the assets, the operating condition of the assets, anticipated technical changes, manufacturer warranties and maintenance support. In case of major components identified, depreciation is provided based on the useful life of each such component based on technical assessment, if materially different from that of the main asset.

iv. Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

b. Intangible Assets

i. Recognition and measurement

Intangible assets acquired separately are carried at cost net of trade discounts and rebates less accumulated amortisation and any accumulated impairment losses.

The residual values, useful lives and method of amortisation of Intangible Assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

ii. Amortisation

Amortisation is recognised using Straight Line method over their estimated useful lives. Estimated useful life of the Computer Software is 5 years.

iii. Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of any intangible asset are measured as the difference between net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

c. Capital Work in Progress

Expenditure related to and incurred during implementation (net of incidental income) of capital projects to get the assets ready for intended use is included under “Capital Work in Progress (including related inventories)”. The same is allocated to the respective items of property plant and equipment on completion of construction / erection of the capital project / property plant and equipment. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

d. Financial Instruments

Recognition and measurement

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset (except for trade receivable) and financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the Statement of Profit and Loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a legally enforceable right (not contingent on future events) to off-set the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

e. Financial assets

Initial recognition and measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Restricted Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified based on assessment of business model in which they are held. This assessment is done for portfolio of the financial assets. The relevant categories are as below:

Financial assets measured at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost using effective interest rate (EIR) method (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate method is a method of calculating the amortised cost of financial assets and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and transaction costs and other premiums or discounts) through the expected life of the financial assets, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Interest is recognised on an effective interest rate basis for debt instruments other than those financial assets classified as at Fair Value through Profit and Loss (FVTPL).

Financial assets measured at fair value through Other comprehensive income (FVTOCI)
A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:
• the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit and loss
Financial assets which are not measured at amortised cost or FVTOCI and are held for trading are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in Statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset.

Business Model Assessment
The Restricted Group makes an assessment of the objectives of the business model in which a financial asset is held because it best reflects the way business is managed and information is provided to management.

The assessment of business model comprises the stated policies and objectives of the financial assets, management strategy for holding the financial assets, the risk that affects the performance etc. Further management also evaluates whether the contractual cash flows are solely payment of principal and interest considering the contractual terms of the instrument.

Derecognition of financial assets
The Restricted Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Restricted Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

Impairment of Financial assets
The Restricted Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset, including inter corporate deposits.

Expected credit loss is the difference between all contractual cash flows that are due to the Restricted Group in accordance with the contract and all the cash flows that the Restricted Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Restricted Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

The Restricted Group assesses at each balance sheet date whether a financial asset or a Group of financial assets is impaired. Ind AS 109, 'Financial Instruments' requires expected credit losses to be measured through a loss allowance. The Restricted Group recognizes credit loss allowance using the lifetime expected credit loss model. The Restricted Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Restricted Group's financial assets comprise of investments, cash and cash equivalents, trade receivables, other bank balances, interest accrued on bank deposits, security deposits, intercorporate deposits, other receivables and derivative financial instruments. These assets are measured subsequently at amortised cost except for derivative assets which are measured at FVTPL.

f. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Restricted Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Restricted Group are recognised at the proceeds received, net of direct issue costs.

Unsecured Perpetual securities

Unsecured perpetual securities ("securities") are the securities with no maturity or redemption and
is repayable only at the option of the borrower. The distribution on this debt is cumulative and at the discretion of the borrower, where the borrower has an unconditional right to defer the same. The Restricted Group classifies these instruments as equity under Ind AS 32

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 Restricted Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and intercorporate deposits, financial guarantee contracts and derivative financial instruments.

Subsequent measurement
All financial liabilities are measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at amortised cost
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the Statement of Profit and Loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost. Similarly, interest bearing loans and borrowings are subsequently measured at amortised cost using effective interest rate method. Trade credits include Buyer's credits.

Financial liabilities at fair value through profit or loss (FVTPL)
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if these are incurred for the purpose of repurchasing in the near term.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Fair Values are determined in the manner designed in note "3 (u)".

Derecognition of financial liabilities
The Restricted Group derecognises financial liabilities when, and only when, the Restricted Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference

between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative Financial Instruments
Initial recognition and subsequent measurement
The Restricted Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts and principal only swap. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit and Loss as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost as (Gain) / Loss on derivative contracts and those pertaining to 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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

g. Inventories
Inventories in the nature of stores and spare parts are carried at the lower of cost and net realisable value after providing for obsolescence and other losses where considered necessary. Net realisable value in respect of stores and spare parts is the estimated current procurement price in the ordinary course of the business. Cost of Inventories comprises all cost of purchase and other cost incurred in bringing inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Stores and Spares which do not meet the definition of property, plant and equipment are accounted as inventories.

h. Current and non-current classification
The Restricted Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is 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 reporting period.

The Restricted Group classifies all other liabilities as non-current.

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

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

i. Foreign currency transactions and translation

These Financial Statements are presented in Indian Rupees (₹), which is also the Holding Company's functional currency.

Foreign currencies

Transactions in foreign currencies are initially recorded by the Restricted Group at its functional currency spot rates at the date the transaction first qualifies for recognition.

Exchange differences are recognized in the Statement of Profit and Loss except exchange differences on foreign currency borrowings relating to assets under construction, which are included in the cost of those assets when considered as adjustment to interest costs on those foreign currency borrowings.

j. Government grants

Government grants are not recognised until there is reasonable assurance that the Restricted Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in statement of profit and loss on a systematic basis over the periods in which the Restricted Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Restricted Group should purchase, construct or otherwise acquire non-current assets, the cost of assets are presented at gross value and grants thereon are recognised as deferred revenue in the balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Restricted Group with no future related costs are recognised in profit and loss in the period in which they become receivable.

k. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods are transferred or services are rendered to the customer at an amount that reflects the consideration to which the Restricted Group expects to be entitled in exchange for those goods or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, and after giving effects of variable consideration and consideration payable to the customer as specified in the contract with the customer. Revenue also excludes taxes or other amounts collected from customers in its capacity as an agent. If the consideration in a contract includes a variable amount, the Restricted Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

At the end of each reporting period, the Restricted Group updates the estimated transaction price to represent the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. The entity accounts for such changes in the transaction price. Consideration payable to a customer includes cash amounts that an entity pays to the customer. The Restricted Group accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the entity. The consideration payable to a customer includes a variable amount.

The accounting policies for the specific revenue streams of the Restricted Group are summarized below:

i) **Revenue from power supply**
The Restricted Group's contracts in form of Power Purchase Agreements (PPA) entered with Central and State Distribution Companies (customers) for the sale of electricity generally include one performance obligation. The Restricted Group has concluded that revenue from sale of electricity, net of discounts, incentives / disincentives, if any, should be recognised at the point in time when electricity is transmitted to the customers.

ii) **Sale of other goods (spares)**
The Restricted Group's contracts with customers for the sale of goods (spares) generally include one performance obligation. Revenue from the sale of other goods is recognised at the point in time when control of the asset is transferred to the customers, generally on delivery of the goods.

iii) Interest income is recognised on 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 Restricted Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

iv) Late Payment Surcharge and interest on late payment for power supply are recognized on reasonable certainty to expect ultimate collection or otherwise based on actual collection whichever is earlier.

<u>Contract Balances</u>
Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Restricted Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A receivable represents the Restricted Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due and the amount is billable.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Restricted Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Restricted Group performs obligations under the contract.

l. Borrowing costs
Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing cost.

m. Taxation
Tax on Income comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax
Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. 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. 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 tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax liabilities are generally recognised for all taxable temporary differences except when the deferred tax liability arises at the time of transaction that affects neither the accounting profit or loss nor taxable profit or loss.

Deferred tax assets are generally recognized for all deductible temporary differences, carry forward of unused unabsorbed depreciation and any unused tax losses, to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carry forward of unused tax credit and unused tax losses can be utilised, except when the deferred tax asset relating to temporary differences arising at the time of transaction that affects neither the accounting profit or loss nor the taxable profit or loss.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss, either in other comprehensive income or directly in equity. 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 assets to be recovered.

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

The Restricted Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

n. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Restricted Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and 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. When the Restricted Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Restricted Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of amount cannot be made. Contingent liabilities may arise from litigation, taxation and other claims against the Restricted Group. Where management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote.

Contingent assets are not recognised but are disclosed in the notes where an inflow of economic benefits is probable.

o. Impairment of non-financial assets

At the end of each reporting period, the Restricted Group reviews the carrying amounts of non-financial assets, assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Restricted Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which the estimates of future cash flows have not been adjusted.

The Restricted Group bases its impairment calculation on detailed budget and forecast calculations, which are prepared separately for each of the Restricted Group 's cash-generating unit to which the individual assets are allocated. For longer periods, a long term growth rate is calculated and applied to project future cash flows. To estimate cash flow projections beyond periods covered by the most recent budget / forecasts, the Restricted Group estimates cash flow projections based on estimated growth rate.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

p. Leases

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

Restricted Group as a Lessee:
The Restricted Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments are expensed on a straight-line basis over the lease term.

Right of Use Assets:
The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lessor transfers ownership of the underlying asset to the lessee by the end of the lease term or the cost of the right-of-use asset reflects that the Restricted Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease Liability
The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Restricted Group's incremental borrowing rate. Generally, the Restricted Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method. The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

For a lease modification that is not a separate lease, at the effective date of the modification, the lessee accounts for the lease modification by remeasuring the lease liability using a discount rate determined at that date and the lessee makes a corresponding adjustment to the right-of-use asset.

q. Hedge Accounting

The Restricted Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements :
- there is an economic relationship between the hedged items and the hedging instruments,
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.
- the effect of credit risk does not dominate the value changes that result from that economic relationship,

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Restricted Group documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The Restricted Group designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative / hedging instruments is recognized in the cash flow hedging reserve being part of other comprehensive income. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss.
If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively.
If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction.
For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

r. Investments in Subsidiaries

Investments in subsidiaries are accounted for at cost less impairment, if any.

s. Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on 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.

Cash and cash equivalents for the purpose of Statement of Cash Flow comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less.

Other Bank deposits

Bank balances in the balance sheet comprise fixed deposit with maturity of more than three months but less than twelve months and balance held as margin money. Margin money comprise of bank deposits restricted as to withdrawal or usage and are used to collateralize certain debt related obligations required under the Trust and Retention Account agreement entered with the various lenders and restricted under other arrangements. Margin money bank deposits are classified as current and non-current based on management expectation of the expiration date of the underlying restrictions. Interest on these bank deposits is presented as investing cash flows.

t. Asset retirement obligations

Upon the expiration of the PPA or, if later, the expiration of the lease agreement, the Restricted Group is required to remove the solar power plants located on leasehold land and restore the land to its original condition.

An amount equivalent to the asset retirement obligation is recognised along with the cost of solar power plants and is depreciated over the useful life of plant and equipment. The amount recognised is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of restoration and discounted up to the reporting date using the appropriate risk adjusted interest rate specific to the liability. Any change in the present value of the estimated asset retirement obligation other than the periodic unwinding of discount is adjusted to the asset retirement provision and the carrying value of the corresponding plant and equipment. In case reversal of the provision exceeds the carrying amount of the related asset, the excess amount is recognised in the Statement of Profit or Loss and is included in ‘Other income’. The unwinding of discount on provision is recognised in the Statement of Profit or Loss and is included in 'Finance costs'.

During the current year, the Restricted Group has remeasured the cost of asset retirement obligation which best represents the present value of estimated future expenditure. Accordingly, the same is considered in the carrying value of the corresponding plant and equipment and asset retirement provision. The remaining carrying value of Asset retirement obligation included in plant and equipment will be equally depreciated over the remaining useful file of corresponding plant and equipment.

u. Fair Value Measurement

The Restricted Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Restricted Group takes into account the characteristics of the asset or liability 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 Restricted Group.

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

The Restricted Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value and for non-recurring fair value measurement such as asset under the scheme of business undertaking.

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

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

All assets and liabilities for which fair value is measured 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

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

External valuers are involved for valuation of significant assets, such as unquoted financial assets and financial liabilities and derivatives.

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

3.1 Use of estimates and judgements

The preparation of the Restricted Group's Combined Condensed 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 including contingent liabilities. The estimates and associated assumptions are based on experience and other factors that management considers to be relevant. Actual results may significantly differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis by the management of the Restricted Group. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. 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.

Key Sources of Estimation uncertainty:

The key assumptions concerning the future and other key sources of estimation uncertainty and judgements 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. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Restricted Group. Such changes are reflected in the assumptions when they occur.

i. **Useful lives and residual value of property, plant and equipment**
In case of the power plant assets, in whose case the life of the assets has been estimated at 30 years based on technical assessment, taking into account the nature of the assets, the estimated usage of the asset, the operating condition of the asset, anticipated technological changes, manufacturer warranties and maintenance support, except for some major components identified during the year, depreciation on the same is provided based on the useful life of each such component based on technical assessment, if materially different from that of the main asset.

ii. **Fair value measurement of financial instruments**
In estimating the fair value of financial assets and financial liabilities, the Restricted Group uses market observable data to the extent available. Where such Level 1 inputs are not available, the Restricted Group establishes appropriate valuation techniques and inputs to the 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. Judgments 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.

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.

iii. Taxes

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 and future recoverability of deferred tax assets. The amount of the deferred income tax assets considered realisable could reduce if the estimates of the future taxable income are reduced. In assessing the recoverability of deferred tax assets, the Restricted Group relies on the same forecast assumptions used elsewhere in the financial statements.

iv. Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted future cash flows model. The recoverable amount is sensitive to the discount rate used for the discounted future cash flows model as well as the expected future cash-inflows.

v. Impairment of Financial Assets

The impairment provisions for trade receivables are made considering simplified approach based on assumptions about risk of default and expected loss rates. The Restricted Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Restricted Group's past history and other factors at the end of each reporting period. In case of other financial assets, the Restricted Group applies general approach for recognition of impairment losses wherein the Restricted Group uses judgement in considering the probability of default upon initial recognition and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

vi. Government Grant

Significant management judgment is required to determine the timing and extent of recognition of any grants received from Government. They can only be recognized upon reasonable assurance that the entity will comply with the conditions attached to the grant.

vii. Recognition and measurement of provision and contingencies

The Restricted Group recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

viii. Identification of a lease

Management assesses applicability of Ind AS 116 - 'Leases', for PPAs. In assessing the applicability, the management exercises 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.

ix. Recognition of Revenue from Power Supply

In case of pending tariff regulatory matters, the recognition of revenue is a matter of judgement based on facts and circumstances. The Restricted Group evaluates the fact pattern and circumstances, for each such regulatory matters. The revenue is recognised only when there is probability that the Restricted Group is entitled to the collection of consideration, as per the principles enunciated under Ind AS 115.

4.1 Property, Plant and Equipment

(₹ in Millions)

Particulars	As at 31st December, 2023	As at 31st March, 2023
Net Carrying amount of:		
Property, Plant and Equipment		
Land - Freehold	1,538	1,536
Building	815	861
Furniture and Fixtures	5	6
Computer Hardware	7	8
Office Equipments	15	19
Plant & Equipments	43,704	44,779
Vehicles	8	9
Total	**46,092**	**47,218**

(₹ in Millions)

Description of Assets	Land - Freehold	Building	Furniture and Fixtures	Computer Hardware	Office Equipments	Plant & Equipments	Vehicles	Total
I. Cost								
Balance as at 1st April, 2022	**1,527**	**1,642**	**10**	**38**	**51**	**56,673**	**15**	**59,956**
Additions during the year	9	12	0	0	8	518	2	549
Disposals during the year	-	(0)	(0)	-	(0)	(123)	-	(123)
Balance as at 31st March, 2023	**1,536**	**1,654**	**10**	**38**	**59**	**57,068**	**17**	**60,382**
Additions during the period	2	4	-	1	1	258	0	266
Disposals during the period	-	(1)	-	(0)	(1)	(77)	(0)	(78)
Balance as at 31st December, 2023	**1,538**	**1,657**	**10**	**39**	**59**	**57,249**	**17**	**60,569**
II. Accumulated depreciation								
Balance as at 1st April, 2022	**-**	**677**	**3**	**27**	**32**	**10,625**	**6**	**11,370**
Depreciation expense for the year	-	116	1	3	8	1,686	2	1,816
Disposals during the year	-	(0)	(0)	-	(0)	(22)	-	(22)
Balance as at 31st March, 2023	**-**	**793**	**4**	**30**	**40**	**12,289**	**8**	**13,164**
Depreciation expense for the period	-	50	1	2	5	1,273	1	1,332
Disposals during the period	-	(1)	-	(0)	(1)	(17)	(0)	(19)
Balance as at 31st December, 2023	**-**	**842**	**5**	**32**	**44**	**13,545**	**9**	**14,477**

4.2 Right-of-use Assets

(₹ in Millions)

Particulars	As at 31st December, 2023	As at 31st March, 2023
Net Carrying Amount of:		
Lease hold Land	1,390	1,437
Total	**1,390**	**1,437**

(₹ in Millions)

Description of Assets	Lease hold Land	Total
I. Cost		
Balance as at 1st April, 2022	**1,557**	**1,557**
Addition during the year	-	-
Alteration / modification of lease arrangements	114	114
Disposals during the year	-	-
Balance as at 31st March, 2023	**1,671**	**1,671**
Addition during the period	-	-
Disposals during the period	-	-
Balance as at 31st December, 2023	**1,671**	**1,671**
II. Accumulated Amortisation		
Balance as at 1st April, 2022	**164**	**164**
Amortisation expense for the year	70	70
Disposals during the year	-	-
Balance as at 31st March, 2023	**234**	**234**
Amortisation expense for the period	47	47
Disposals during the period	-	-
Balance as at 31st December, 2023	**281**	**281**

4.3 Capital Work in Progress

Particulars	As at 31st December, 2023	As at 31st March, 2023
	(₹ in Millions)	(₹ in Millions)
Opening Balance	105	182
Additions during the year	258	478
Capitalised during the year	(207)	(541)
Transferred to Inventories	(13)	(14)
Total	**143**	**105**

4.4 Intangible Assets

(₹ in Millions)

Particulars	As at 31st December, 2023	As at 31st March, 2023
Net Carrying amount of:		
Intangible assets		
Computer software	0	0
Total	**0**	**0**

(₹ in Millions)

Description of Assets	Computer software	Total
I. Cost		
Balance as at 1st April, 2022	**9**	**9**
Additions during the year	-	-
Disposals during the year	-	-
Balance as at 31st March, 2023	**9**	**9**
Additions during the period	-	-
Disposals during the period	-	-
Balance as at 31st December, 2023	**9**	**9**
II. Accumulated amortisation		
Balance as at 1st April, 2022	**7**	**7**
Amortisation expense for the year	2	2
Disposals during the year	-	-
Balance as at 31st March, 2023	**9**	**9**
Amortisation expense for the period	0	0
Disposals during the period	-	-
Balance as at 31st December, 2023	**9**	**9**

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
5	**Non-current Investments**		
	Unquoted Investment		
	Investment by Restricted Group		
	Investments measured at Cost		
	Investment in unquoted Equity Shares of Subsidiary Company of Parampujya Solar Energy Private Limited (fully paid)		
	27,70,10,000 Equity Shares (As at 31st March, 2023 27,70,10,000) of ₹ 10 each of Wardha Solar (Maharashtra) Private Limited	2,770	2,770
	Total	**2,770**	**2,770**
	Aggregate value of unquoted Investment (including equity investments in Unrestricted Group entities)	2,770	2,770

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
6	**Non-current Loans (Unsecured, considered good)**		
	Loans to unrestricted group entities	12,345	9,271
	Total	**12,345**	**9,271**

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
7	**Other Non-Current Financial Assets**		
	Balances held as Margin Money	4,097	3,037
	Security Deposits	535	535
	Claims Receivable	386	433
	Fair Value of Derivative	-	2,913
	Total	**5,018**	**6,918**

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
8	**Deferred Tax Assets (Net)**		
	Deferred Tax Asset	1,336	1,765
	Total	**1,336**	**1,765**

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
9	**Other Non-current Assets**		
	Capital advances	5	142
	Balance with Government Authority [paid under protest]	216	166
	Unamortised variable consideration paid to Customers (DISCOMs)	154	387
	Security deposits	17	-
	Prepaid Expenses	0	0
	Total	**392**	**695**

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
10	**Inventories (At lower of Cost or Net Realisable Value)**		
	Stores and spares	185	89
	Total	**185**	**89**

		As at 31st December, 2023	As at 31st March, 2023
11	**Current Investments**		
	(Measured at FVTPL)	(₹ in Millions)	(₹ in Millions)
	Investment in Mutual Funds (Unquoted and fully paid)	133	934
	Total	**133**	**934**

		Non-Current		Current	
		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)	As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
12	**Trade Receivables**				
	Secured, considered good	-	-	-	-
	Unsecured, considered good	66	200	1,028	1,311
	Trade Receivables which have significant increase in credit risk	-	-	-	-
	Trade Receivables - Credit impaired	-	-	77	74
	Less: Allowance for impairment	-	-	(77)	(74)
	Unbilled Revenue	-	-	657	870
		66	**200**	**1,685**	**2,181**

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
13	**Cash and Cash equivalents**		
	Balances with banks		
	In current accounts	15	20
	Fixed Deposits (with Original maturity of less than three months)	100	1,079
	Total	**115**	**1,099**

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
14	**Bank balance (other than Cash and Cash equivalents)**		
	Balances held as Margin Money	2,336	1,274
	Fixed Deposits (with maturity for more than three months and less than twelve months)	-	1,263
	Total	**2,336**	**2,537**

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
15	**Other Current Financial Assets**		
	Interest accrued but not due	991	47
	Security deposit	14	11
	Other Receivable	67	291
	Claims Receivable	451	145
	Fair value of Derivatives	3,718	31
	Total	**5,241**	**525**

16 Other Current Assets

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
Advance for supply of goods and services		36	6
Prepaid Expenses		45	12
Unamortised variable consideration paid to Customers (DISCOMs)		20	20
Balances with Government Authorities		55	12
	Total	**156**	**50**

17 Net Parent Investment

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
Opening Net Parent Investment		9,743	4,520
Add : Profit for the period / year (after tax)		1,071	400
Add : Other Comprehensive Income / (Loss) for the period / year (after tax)		411	(189)
Add : Issue of Unsecured Perpetual Securities		-	5,012
Add: Conversion of Unsecured Perpetual Securities		2,337	-
Closing Net Parent Investment	**Total**	**13,562**	**9,743**

18 Non - Current Borrowings
(At amortised cost)

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
Secured borrowings			
Term Loans			
From Financial Institutions		2,697	2,913
Senior Secured USD Bonds		-	40,933
Non Convertible Debenture		4,741	5,121
Unsecured borrowings			
From Unrestricted Group Entities		10,745	12,996
	Total	**18,183**	**61,963**

19 Provisions

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
Asset Retirement Obligation		127	121
	Total	**127**	**121**

20 Other Non-current Liabilities

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
Deferred Revenue		2,485	2,424
	Total	**2,485**	**2,424**

21 Current Borrowings

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
Secured borrowings			
Current maturities of Non-current borrowings (secured)		42,289	693
	Total	**42,289**	**693**

22 Trade Payables

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises		6	8
- Total outstanding dues of creditors other than micro enterprises and small enterprises		268	131
	Total	**274**	**139**

23 Other Current Financial Liabilities

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
Interest accrued but not due on borrowings		567	794
Retention money payable		4	7
Capital creditors		21	39
Fair value of derivatives		-	4
Deposit from customer		-	0
Other Payables		-	0
	Total	**592**	**844**

24 Other Current Liabilities

		As at 31st December, 2023 (₹ in Millions)	As at 31st March, 2023 (₹ in Millions)
Statutory liabilities		89	57
Deferred Revenue		106	100
Advance From Customers		38	1
	Total	**233**	**158**

25 Revenue from Operations

		For the nine months ended 31st December, 2023 (₹ in Millions)	For the nine months ended 31st December, 2022 (₹ in Millions)
Revenue from Contract with Customers			
Revenue from Power Supply		6,972	7,075
Sale of Goods		3	12
Other Operating Revenue			
Income from Viability Gap Funding & Change in Law		194	69
	Total	**7,169**	**7,156**

26 Other Income

		For the nine months ended 31st December, 2023 (₹ in Millions)	For the nine months ended 31st December, 2022 (₹ in Millions)
Interest Income		1,551	1,171
Gain on sale / fair valuation of investments through profit and loss (net)		87	28
Sale of Scrap		8	1
Liabilities No Longer required written back		12	14
Miscellaneous Income		23	5
	Total	**1,681**	**1,219**

27 Finance costs

		For the nine months ended 31st December, 2023 (₹ in Millions)	For the nine months ended 31st December, 2022 (₹ in Millions)
(a) Interest Expenses on financial liabilities:			
Interest on Loans, Bond and debentures		4,010	4,422
Interest on Lease Liabilities		125	120
Interest Expenses Others		5	-
	(a)	**4,140**	**4,542**
(b) Other borrowing costs:			
(Gain) / Loss on Derivatives Contracts (net)		807	(2,215)
Bank Charges and Other Borrowing Costs		47	12
	(b)	**854**	**(2,203)**
(c) Exchange difference regarded as an adjustment to borrowing cost:		519	650
	(c)	**519**	**650**
	Total (a+b+c)	**5,513**	**2,989**

28 Other Expenses

		For the nine months ended 31st December, 2023 (₹ in Millions)	For the nine months ended 31st December, 2022 (₹ in Millions)
Stores and spare parts consumed		25	18
Repairs, Operations and Maintenance			
Plant and Equipment		353	334
Others		2	0
Expense related to short term leases		2	2
Legal and Professional Expenses		37	84
Directors' Sitting Fees		0	-
Payment to Auditors			
Statutory Audit Fees		6	2
Tax Audit Fees		0	0
Communication Expenses		4	4
Travelling and Conveyance Expenses		34	35
Insurance Expenses		36	36
Loss on Sale / Discard of Property, Plant and Equipment (net)		49	101
Foreign Exchange Fluctuation Loss (net)		9	2,799
Credit Impairment of Trade Receivable		4	-
Electricity Expenses		14	0
Rates and Taxes		2	0
Corporate Social Responsibility Expenses		2	18
Miscellaneous Expenses		14	13
	Total	**593**	**3,446**

29 During the year ended 31st March 2023, a short seller report ("SSR") was published in which certain allegations were made on certain Adani Group Companies, including Adani Green Energy Limited, the ultimate deemed holding company and its subsidiaries. In this regard, certain writ petitions were filed with the Hon'ble Supreme Court ("SC") seeking independent investigation of the allegations in the SSR. The SC, in its proceedings, observed that the Securities and Exchange Board of India ("SEBI") was also investigating the allegations made in the short seller report for any violations of applicable SEBI Regulations. The SC, in terms of its order dated 2nd March 2023, constituted an expert committee to investigate and advise into the various aspect of existing laws and regulations, and also directed the SEBI to consider certain additional aspects in its scope. The Expert committee submitted its report dated 6th May 2023, finding no regulatory failure, in respect of applicable laws and regulations. The ultimate deemed holding company, in response to requests from the SEBI and stock exchanges, has made various submissions to them from time to time. The SEBI also submitted its status report dated 25th August 2023 to the SC providing details about the twenty-four investigations.

In its order dated 3rd January 2024, the SC dismissed all matters of appeal in various petitions including separate independent investigations relating to the allegations in the SSR. Further, the SC stated that the SEBI should complete the pending two investigations, preferably within 3 months, and take its investigations (including the twenty-two investigations already completed) to their logical conclusion in accordance with law.

In April 2023, the ultimate deemed holding company had obtained a legal opinion by independent law firm, confirming (a) none of the alleged related parties mentioned in the short-seller report were related parties to the ultimate deemed holding company or its subsidiaries, under applicable frameworks; and (b) the ultimate deemed holding company including its subsidiaries are in compliance with the requirements of applicable laws and regulations. Subsequent to the SC order dated 3rd January 2024, to uphold the principles of good governance, the Adani Group has also initiated an independent review of the allegations in the SSR (including allegations related to the Company) to reassert compliance of applicable laws and regulations and any internal controls aspects.

Pending final conclusion of the SEBI investigations as stated above, management of the Company continues to hold good its position as regards the compliance of applicable laws and regulations.

Based on the foregoing and pending final outcome of the matters stated above, the management of the Company is of the view that there is not likely to be any material impact on the financial statements in this regard.

The notes referred above are an integral part of the Combined Condensed Financial Statements

In terms of our report attached
For Dharmesh Parikh & Co LLP
Chartered Accountants
Firm Registration Number : 112054W/W100725

For and on behalf of the board of directors of
ADANI GREEN ENERGY TWENTY THREE LIMITED

SAGAR RAJESHBHAI ADANI Digitally signed by SAGAR RAJESHBHAI ADANI Date: 2024.02.16 19:31:58 +05'30'

AMIT SINGH Digitally signed by AMIT SINGH Date: 2024.02.16 19:32:11 +05'30'

Anjali Gupta
Partner
Membership No. 191598

Sagar Adani
Director
DIN: 07626229

Amit Singh
Director
DIN: 10302385

Place : Ahmedabad
Date : 16th February, 2024

Place : Ahmedabad
Date : 16th February, 2024

Place : Ahmedabad
Date : 16th February, 2024