# COMPLIANCE CERTIFICATE

(September 30, 2021)

# RG-2 COMPRISING OF SOLAR PROJECTS OF 570 MW

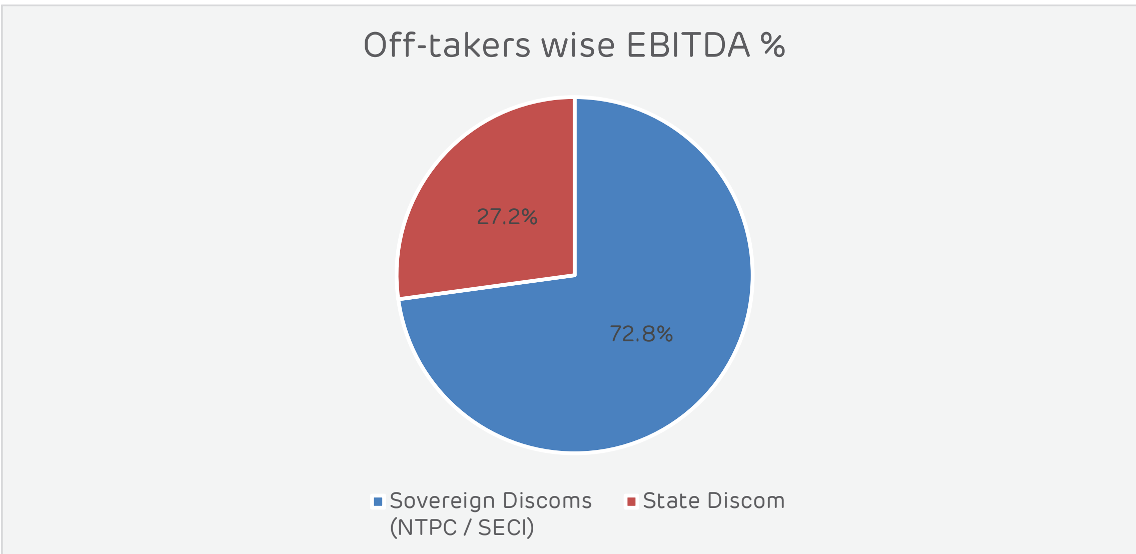
Contents

## Executive Summary

**Adani Green Energy Obligor Group (RG 2)**
200 MW of Adani Renewable Energy (RJ) Limited (ARERJL), 350 MW of Wardha Solar (Maharashtra) Private Limited (WSMPL) and 20 MW of Kodangal Solar Parks Private Limited (KSPPL) formed an obligor group of 570 MW i.e. RG 2.

RG 2 had been assigned rating of BB / Stable by S&P, BBB- / Negative outlook by Fitch and Ba1 / Stable outlook by Moody's.

**Off-takers wise EBITDA (%) (Trailing 12 months ending 30th September 2021)**




## Recent Developments

**SB Energy Acquisition**
AGEL closed India's largest renewables M&A deal for USD 3.5 bn:

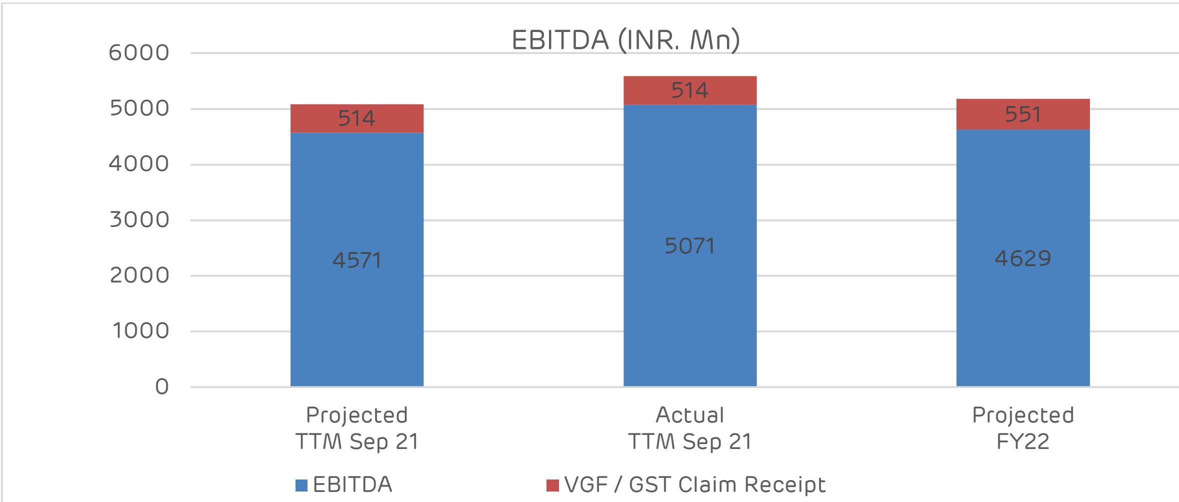
In an all-cash deal, AGEL has successfully completed the acquisition of SB Energy Holdings Ltd (SB Energy India) for a fully completed enterprise valuation of USD 3.5 Bn (~Rs. 26,000 Cr). With this deal, SB Energy India is now a 100% subsidiary of AGEL.

The value accretive acquisition boosts AGEL's operational portfolio to 5.4 GW and its overall portfolio to 20.3 GW locked-in growth. AGEL's counterparty mix for its overall portfolio of 20.3 GW is further reinforced with 88% sovereign rated counterparties.

**AGEL Hold Co Bond issuance**
Adani Green Energy Ltd (AGEL), India's largest renewable energy company, has priced its maiden ListCo senior issuance of USD 750m through a 3 year issuance under the 144A / Reg S format, at a fixed coupon of 4.375%. The issuance was oversubscribed by 4.7x. This issuance establishes AGEL as India's leading credit in the renewable sector with a robust and well defined capital management plan.

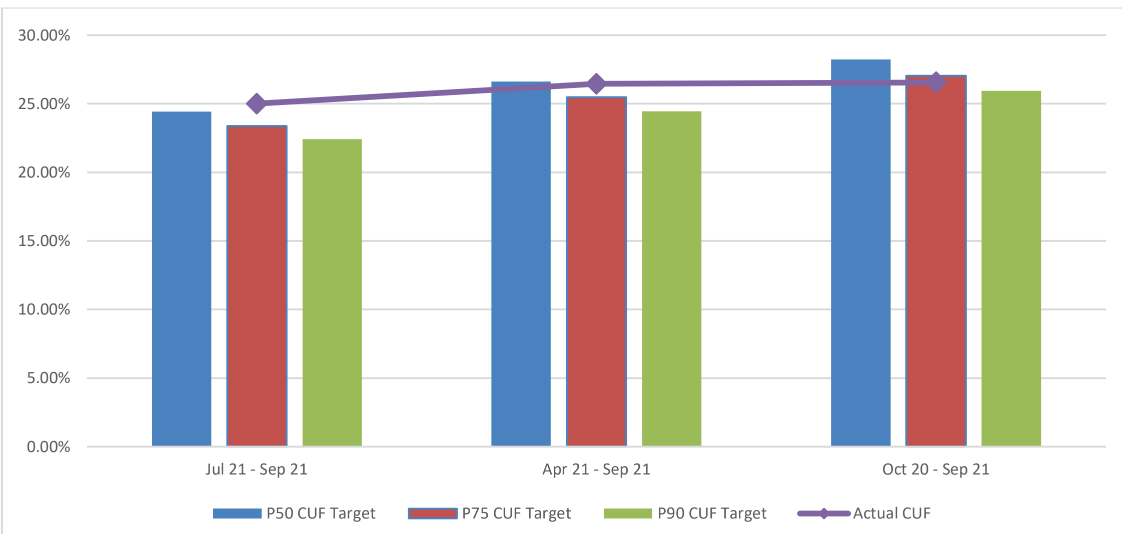
### Financial performance

### EBIDTA Projected vs Actual




### Operational performance

The summary of operational performance of RG entities on aggregate basis is as follows:




The performance for trailing 12 months ended 30th September 2021 has been near to P75 level of generation. Plant availability of RG-2 portfolio has been maintained at 99.87%.

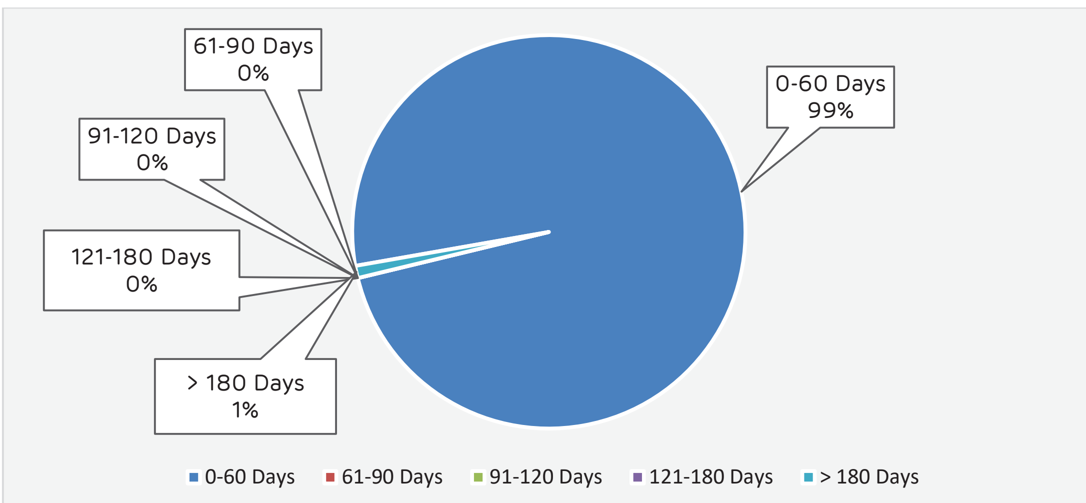
### Covenant

The Restricted Group-II (as "RG-II") on aggregate basis has achieved following ratios:

| Summary of the Covenant | | | | |
|---|---|---|---|---|
| Particulars | Stipulated | Sept-20 | Mar-21 | Sep-21 |
| Debt Service Coverage Ratio (DSCR) (Refer Annexure: 1) | 1.55* | 2.01 | 2.25 | 2.36 |
| FFO / Net Debt (Refer Annexure: 2) | 6% | 16.45% | 20.60% | 16.26% |
| Project Life Cover Ratio (PLCR) (Refer Annexure: 3) | 1.60 | 1.79 | 1.80 | 1.81 |
| EBIDTA from Sovereign Equivalent Counterparty (Refer Annexure: 5) | 65% | 76.13% | 74.57% | 72.82% |

* for maximum distribution level

### Receivable position




The receivable position on aggregate basis for the RG entities has been broadly in line with the projections.

**Information on Compliance Certificate and Its Workings**

To:

IDBI TRUSTEESHIP SERVICES LIMITED (the "Security Trustee")

CITICORP INTERNATIONAL LIMITED (the "Note Trustee")

Note Holders for U.S. $ 362,500,000 Senior Secured Notes due 2039

From:

Adani Renewable Energy (RJ) Limited

Wardha Solar (Maharashtra) Private Limited

Kodangal Solar Parks Private Limited

Dated: 17th November 2021

Dear Sirs

Adani Renewable Energy (RJ) Limited, Wardha Solar (Maharashtra) Private Limited and Kodangal Solar Parks Private Limited (together as "Issuers") – Note Trust Deed dated 15th October, 2019 (the "Note Trust Deed")

We refer to the Note Trust Deed. This is a Compliance Certificate given in respect of the Calculation Date occurring on Sep 30, 2021. Terms used in the Note Trust Deed shall have the same meaning in this Compliance Certificate.

The Certificate is based on the following documents:

1. Restricted Group's Aggregated Accounts for 12 months period ended on Sep 30, 2021.
2. The Cash Flow Waterfall Mechanism as detailed in the Note Trust Deed.
3. Working annexure.

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**Computation of Operating Account Waterfall as per Note Trust Deed**

We hereby make the Operating Account Waterfall and distributable amount Calculation.

| Operating Account Waterfall calculation | INR Mn | INR Mn |
|---|---|---|
| Particulars | Oct 1, 2020 to Sep 30, 2021 | Oct 1, 2019 to Sep 30, 2020 |
| **Opening cash balance (excluding reserves) (A)** | **1,853** | **1,229** |
| **Operating EBITDA (B) (Refer Annexure)** | **5,585** | **6,299** |
| **Working capital & Other Movements (C)** | **160** | **(259)** |
| **Capital Expenditure (D)** | **(297)** | **(165)** |
| **Cash Flow Available for Debt Servicing and Reserves (E=A+B+C+D)** | **7,301** | **7,104** |
| **Debt Servicing and other Reserves** | | |
| Interest Service (Refer annexure) | (2,445) | (2,499) |
| Debt Service (Repayment) | (713) | (762) |
| **Total Debt Servicing and other Reserves (F)** | **(3,158)** | **(3,261)** |
| **Cash Available post Debt Servicing and Reserves (G = E+F)** | **4,144** | **3,843** |
| **Funds distributed in during the period (H)** | **(1,712)** | **(810)** |
| **Cash Available for transfer to Distribution Account (I)** | **2,432** | **3,033** |
| **Funds earmarked for prudent liquidity** | | |
| Funds earmarked for Capital Expenditure Payments | (100) | (100) |
| Funds earmarked for debt servicing | (1,485) | (1,570) |
| Funds earmarked for O&M expenses (equivalent to 1 month period) | (35) | (29) |
| **Total Funds Earmarked (J)** | **(1,620)** | **(1,699)** |
| **Net Cash Available for transfer to Distribution Account (K = I+J)** | **812** | **1,334** |
| **Amount transferred to distribution account (L)** | **(812)** | **(1,180)** |
| **Net Cash Available for transfer to Distribution Account (M = K+L)** | **-** | **154** |

We confirm that:

(a) in accordance with the workings set out in the attached Annexure 1, the Debt Service Cover Ratio for the Calculation Period ended on the relevant Calculation Date was **2.36:1.**
(b) copies of the Restricted Group's Aggregated Accounts in respect of the Calculation Period is attached.
(c) as at the Calculation Date, the aggregate amount for transfer to our Distributions Account in accordance with the Operating Account Waterfall is **INR 812 Mn**.
(d) acting prudently the cash balance of **INR 1,620** Mn is earmarked for debt servicing due in Oct-21, Capex Expenditure and O&M expense for 1 month.
(e) to the best of our knowledge having made due enquiry, no Default subsists.

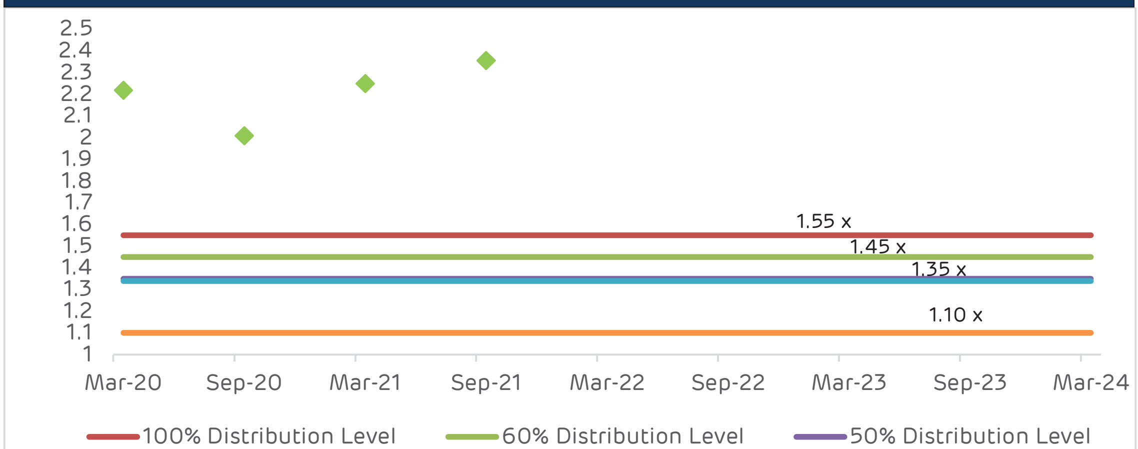
## Summary of the Covenant

| Summary of the Covenant | | | | |
|---|---|---|---|---|
| **Particulars** | **Stipulated** | **Sept-20** | **Mar-21** | **Sep-21** |
| Debt Service Coverage Ratio **(DSCR) (Refer Annexure: 1)** | 1.55* | 2.01 | 2.25 | **2.36** |
| FFO / Net Debt **(Refer Annexure: 2)** | 6% | 16.45% | 20.60% | **16.26%** |
| Project Life Cover Ratio **(PLCR) (Refer Annexure: 3)** | 1.60 | 1.79 | 1.80 | **1.81** |
| EBIDTA from Sovereign Equivalent Counterparty **(Refer Annexure: 5)** | 65% | 76.13% | 74.57% | **72.82%** |

* for maximum distribution level

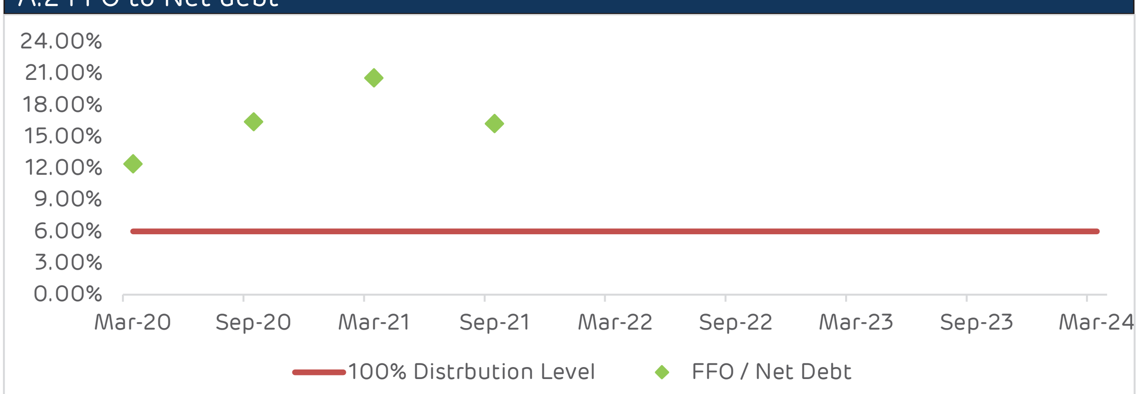
## A. Financial Matrix

### A.1 Debt Service Coverage Ratio (DSCR)



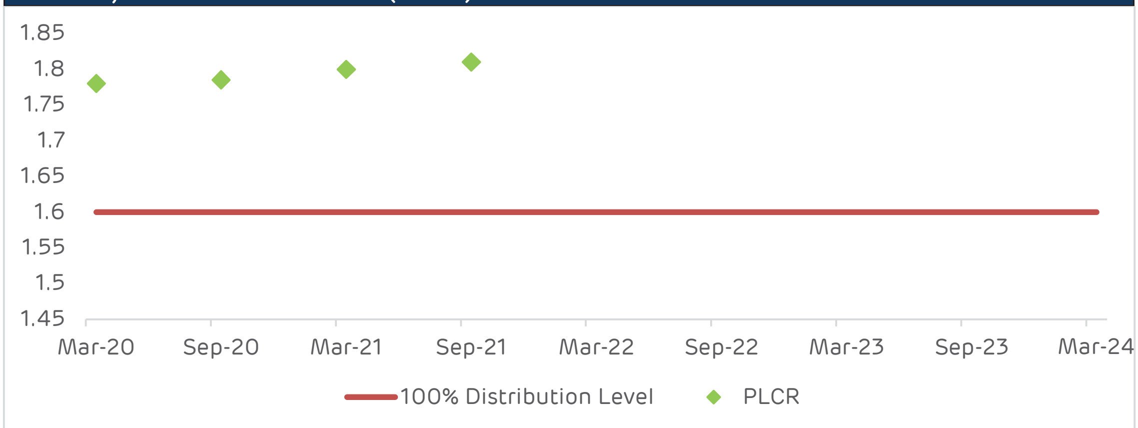

Note: The Actual DSCR of 2.36x is for the 12 months period ended Sep 30, 2021

### A.2 FFO to Net debt



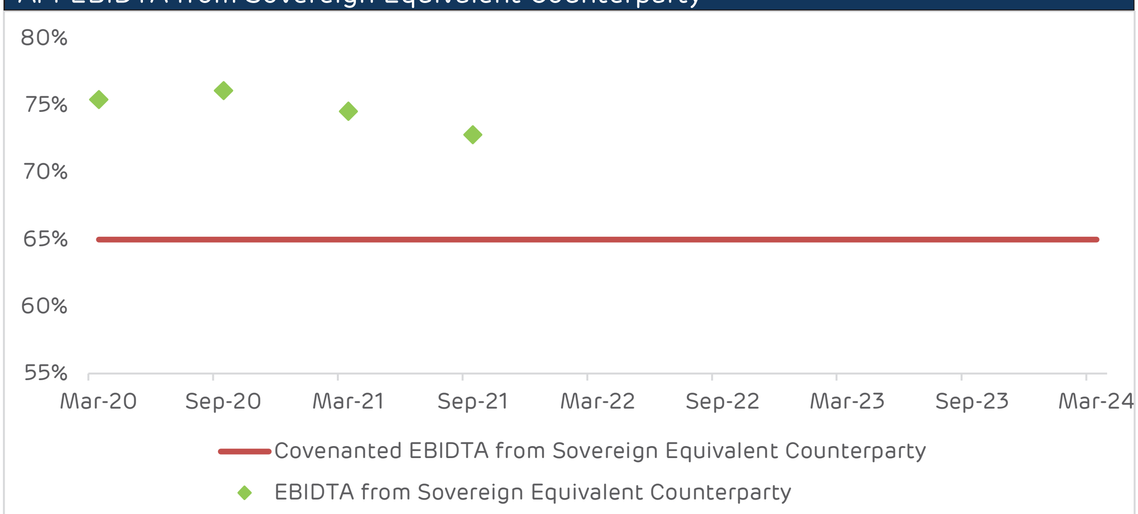

Note: The Actual FFO/Net Debt of 16.26% is for 12 months period ended Sep 30, 2021

## A.3 Project Life Cover Ratio (PLCR)




Note: The Actual PLCR of 1.81x is the debt sizing cover from NPV of Future EBIDTA of PPA as on September 30, 2021.

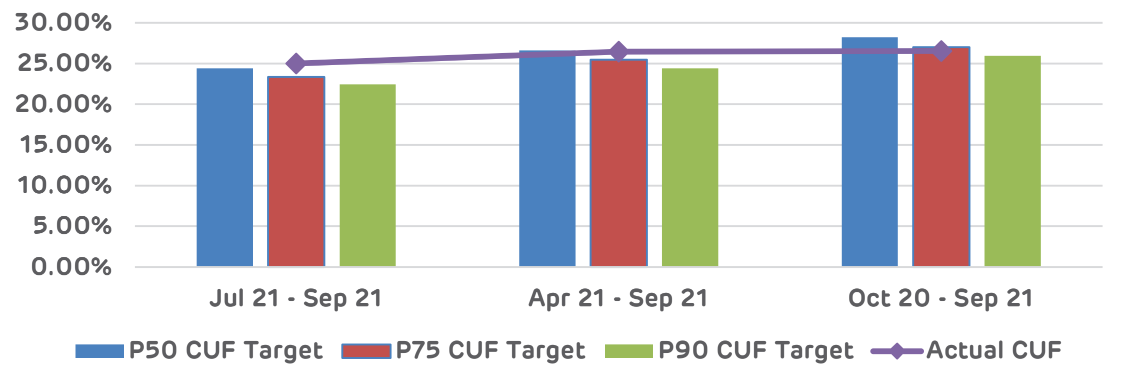
## A.4 EBIDTA from Sovereign Equivalent Counterparty




Note: The Actual EBIDTA from Sovereign Equivalent Counterparty is 72.82% for the 12 month period ended Sep 30, 2021.

## B. Operational Performance (CUF)

B.1 CUF for RG 2 Period wise

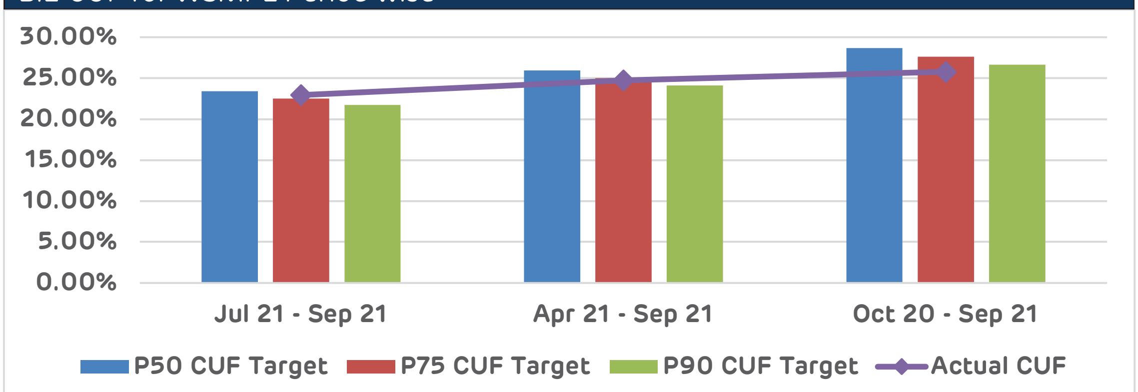



The performance for trailing 12 months ending 30th September 2021 has been near to P75 level of generation. Lower CUF is mainly on account of shortfall in radiation. However, plant availability of RG-2 portfolio has been maintained at 99.87%. Projected operational EBITDA has been achieved by optimising O&M cost.

The Generation in terms of Million Units is presented as below:

| Particulars | Jul 21 - Sep 21 | Apr 21 - Sep 21 | Oct 20 - Sep 21 |
|---|---|---|---|
| P50 Target MU | 301 | 663 | 1410 |
| P75 Target MU | 288 | 635 | 1350 |
| P90 Target MU | 276 | 609 | 1296 |
| Actual Generation MU | 308 | 659 | 1326 |
| Average Operational Capacity (MW) | 570 | 570 | 570 |

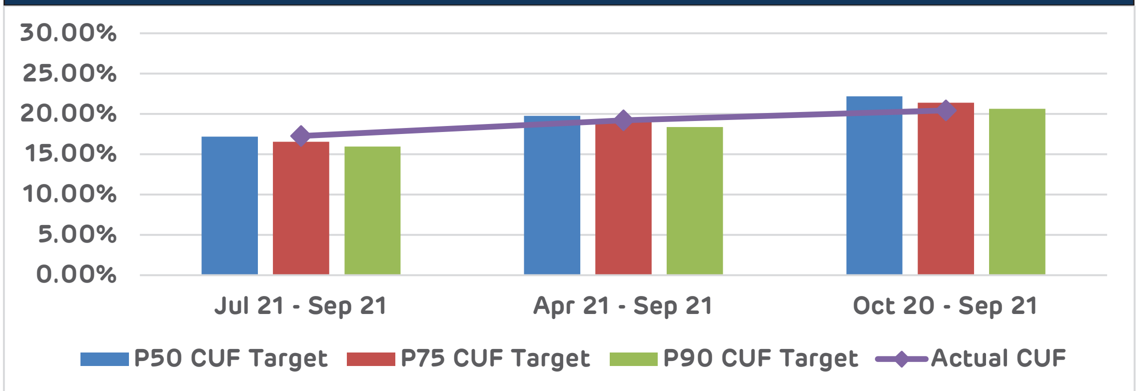
B.2 CUF for WSMPL Period wise




The Generation in terms of Million Units is presented as below:

| Particulars | Jul 21 - Sep 21 | Apr 21 - Sep 21 | Oct 20 - Sep 21 |
|---|---|---|---|
| P50 Target MU | 177 | 397 | 879 |
| P75 Target MU | 170 | 382 | 847 |
| P90 Target MU | 164 | 369 | 817 |
| Actual Generation MU | 174 | 378 | 791 |
| Average Operational Capacity (MW) | 350 | 350 | 350 |

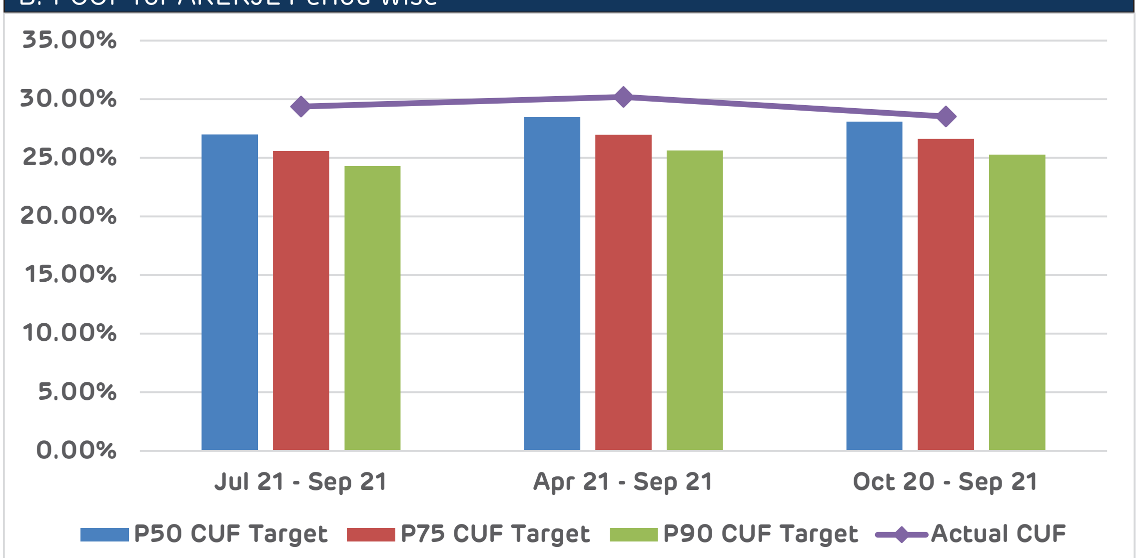
B.3 CUF for KSPPL Period wise




The Generation in terms of Million Units is presented as below:

| Particulars | Jul 21 - Sep 21 | Apr 21 - Sep 21 | Oct 20 - Sep 21 |
|---|---|---|---|
| P50 Target MU | 7 | 17 | 39 |
| P75 Target MU | 7 | 17 | 37 |
| P90 Target MU | 7 | 16 | 36 |
| Actual Generation MU | 7 | 17 | 36 |
| Average Operational Capacity (MW) | 20 | 20 | 20 |

B.4 CUF for ARERJL Period wise

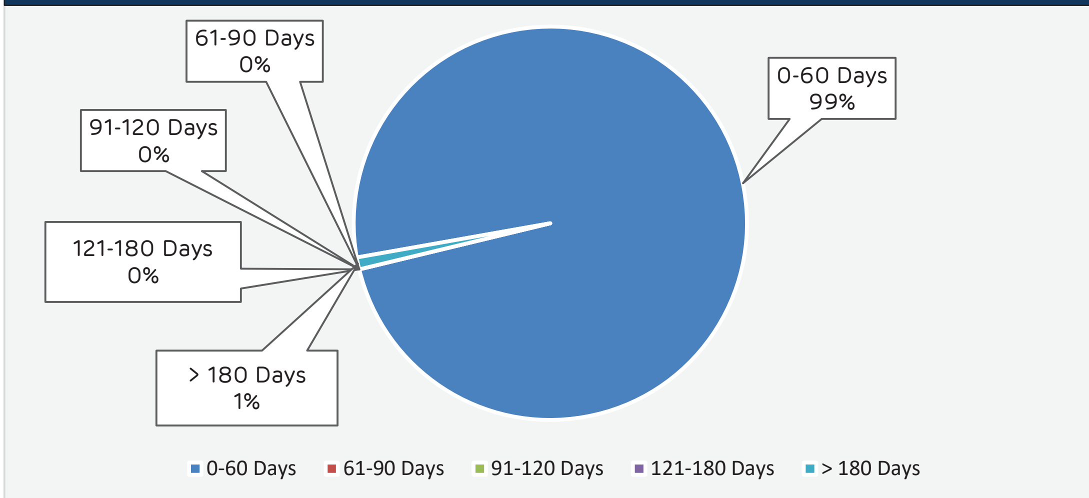



The Generation in terms of Million Units is presented as below:

| Particulars | Jul 21 - Sep 21 | Apr 21 - Sep 21 | Oct 20 - Sep 21 |
|---|---|---|---|
| P50 Target MU | 117 | 249 | 492 |
| P75 Target MU | 110 | 236 | 466 |
| P90 Target MU | 105 | 224 | 442 |
| Actual Generation MU | 127 | 264 | 500 |
| Average Operational Capacity (MW) | 200 | 200 | 200 |

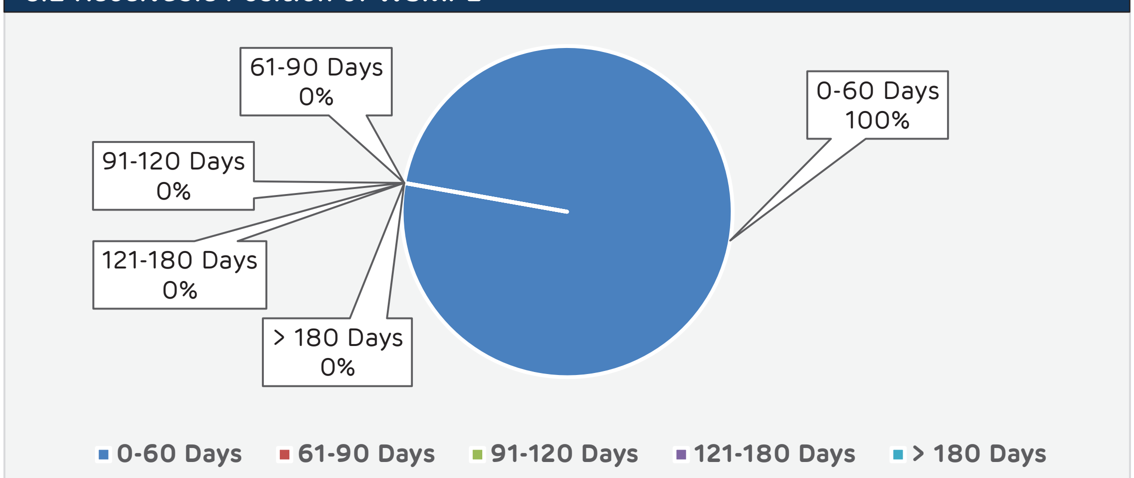
## C. Receivable Position

### C.1 Receivable Position of RG 2




| AGEL RG 2 - PPA Legal Receivable Structure | | | | | | (INR Mn) |
|---|---|---|---|---|---|---|
| Month | 0-60 days | 61-90 days | 91-120 days | 121-180 days | >180 days | Total Receivables |
| Sep-21 | 522 | 0 | 0 | 0 | 5 | 527 |
| Mar-21 | 581 | 0 | 0 | 1 | 5 | 587 |
| Dec-20 | 563 | 1 | 0 | 0 | 5 | 569 |

### C.2 Receivable Position of WSMPL




| WSMPL - PPA Legal Receivable Structure | | | | | | (INR Mn) |
|---|---|---|---|---|---|---|
| Month | 0-60 days | 61-90 days | 91-120 days | 121-180 days | >180 days | Total Receivables |
| Sep-21 | 259 | 0 | 0 | 0 | 0 | 259 |
| Mar-21 | 340 | 0 | 0 | 0 | 0 | 340 |
| Dec-20 | 317 | 0 | 0 | 0 | 0 | 317 |

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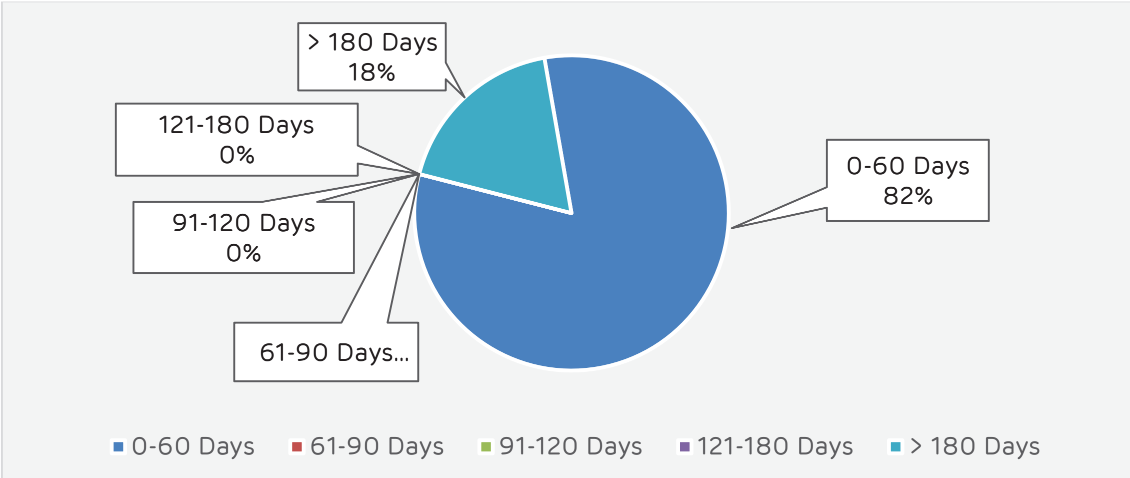
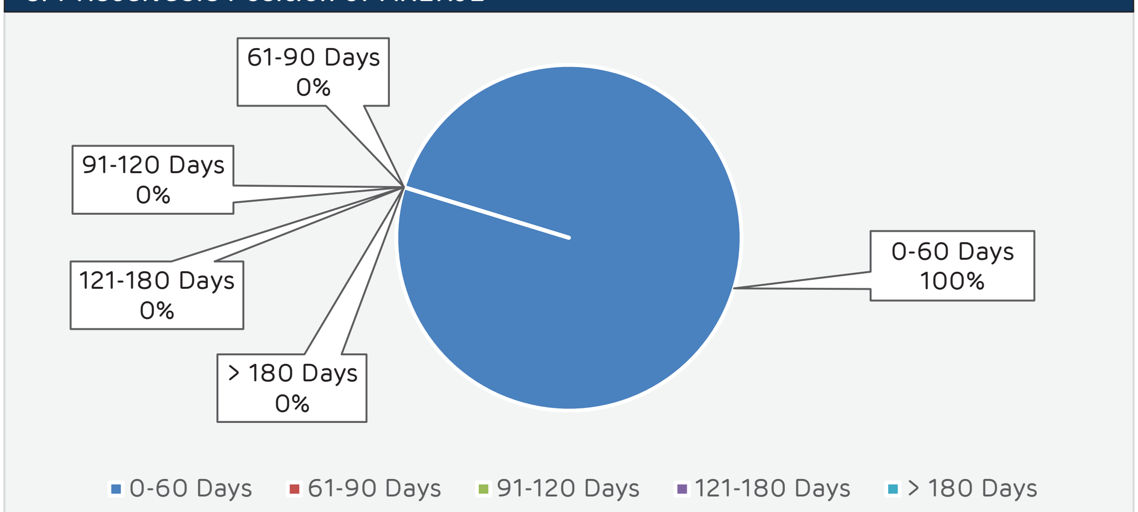
## C.3 Receivable Position of KSPPL




| KSPPL - PPA Legal Receivable Structure | | | | | | (INR Mn) |
|---|---|---|---|---|---|---|
| Month | 0-60 days | 61-90 days | 91-120 days | 121-180 days | >180 days | Total Receivables |
| Sep-21 | 23 | 0 | 0 | 0 | 5 | 28 |
| Mar-21 | 29 | 0 | 0 | 0 | 5 | 34 |
| Dec-20 | 28 | 0 | 0 | 0 | 5 | 33 |

## C.4 Receivable Position of ARERJL




| ARERJL - PPA Legal Receivable Structure | | | | | | (INR Mn) |
|---|---|---|---|---|---|---|
| Month | 0-60 days | 61-90 days | 91-120 days | 121-180 days | >180 days | Total Receivables |
| Sep-21 | 240 | 0 | 0 | 0 | 0 | 240 |
| Mar-21 | 212 | 0 | 0 | 1 | 0 | 213 |
| Dec-20 | 217 | 1 | 0 | 0 | 0 | 218 |

Signed:

For Adani Renewable Energy (RJ) Limited
(CIN: U40106GJ2018PLC102210)

BHUPENDRA ASAWA — Digitally signed by BHUPENDRA ASAWA Date: 2021.11.17 11:18:39 +05'30'

RAJ KUMAR JAIN — Digitally signed by RAJ KUMAR JAIN Date: 2021.11.17 11:18:55 +05'30'

Director / Authorised Signatory

For Wardha Solar (Maharashtra) Private Limited
(CIN: U40106GJ2016PTC086499)

ABHILASH MEHTA — Digitally signed by ABHILASH MEHTA Date: 2021.11.17 11:26:10 +05'30'

UNNI KRISHNAN GOPAL — Digitally signed by UNNI KRISHNAN GOPAL Date: 2021.11.17 11:25:53 +05'30'

Director / Authorised Signatory

For Kodangal Solar Parks Private Limited

(CIN: U40300TG2015PTC100216)

RAJ KUMAR JAIN — Digitally signed by RAJ KUMAR JAIN Date: 2021.11.17 11:19:09 +05'30'

AJAY RATILAL PUROHIT — Digitally signed by AJAY RATILAL PUROHIT Date: 2021.11.17 11:19:36 +05'30'

Director / Authorised Signatory

Encl:

1) Legal Form Compliance Certificate (Appendix 1)
2) Covenant Calculations
3) Directors Certificate (Appendix 2)
4) Restricted Group's Aggregated Accounts for 12 months period ended on Sep 30, 2021
5) Other Security Certificates

**Appendix - 1**

**Form of Compliance Certificate**

**Citicorp International Limited (the "Note Trustee")**
39th Floor, Champion Tower
Three Garden Road, Central
Hong Kong
Fax no.: +852 2323 0279
Attention: Agency & Trust

17th November, 21

Dear Ladies and Gentlemen

**Adani Renewable Energy (RJ) Limited, Wardha Solar (Maharashtra) Private Limited and Kodangal Solar Parks Private Limited (incorporated in the Republic of India with limited liability) U.S.$362,500,000 4.625 per cent. Senior Secured Notes due 2039**

In accordance with Clause 7.6 of the note trust deed dated 15th October 2019 (as amended and/or supplemented from time to time, the "Note Trust Deed") made between (1) Wardha Solar (Maharashtra) Private Limited, Adani Renewable Energy (RJ) Limited and Kodangal Solar Parks Private Limited (the "Issuers") and (2) the Note Trustee, we hereby certify and, in the case of paragraphs (h) and (i) below, confirm, on behalf of the Issuers, that:

(a) as at the Calculation Date, the aggregate amount for transfer to the Distribution Account in accordance with the Operating Accounts Waterfall and the Distribution Conditions is U.S.$;

**INR 812 Mn** **USD 10.9 Mn**

(b) in accordance with the workings set out in the attached Annexure 1, the Debt Service Cover Ratio for the Calculation Period ending on the relevant Calculation Date was

**2.36 x :1**

(c) in accordance with the workings set out in the attached Annexure 2, the Fund From Operations to Net Debt Ratio for the Calculation Period ending on the relevant Calculation Date was

**16.26%**

(d) in accordance with the workings set out in the attached Annexure 3, the Project Life Cover Ratio for the Calculation Period ending on the relevant Calculation Date was ;

**1.81 x : 1**

(e) as at the Calculation Date, the cash balance in each of the Project Accounts is as follows:

| Account Name | Cash balance (INR Mn) |
|---|---|
| WSMPL | 1,003 |
| KSPPL | 92 |
| ARERJL | 525 |
| Add: Amount transferred to distribution account | 812 |
| Less: Funds earmarked for debt servicing due in Oct,21 | (1485) |
| **Total RG 2** | **947** |

(f) the amount of Capital Expenditure undertaken or forecast to be undertaken by the Obligor in the six-month period commencing on the relevant Calculation Date is;

**April 1, 2021 to September 30, 2021** **INR 43 Mn**
**Oct 1, 2021 to March 31, 2022** **INR 100 Mn**

(g) the Issuers' EBITDA (on an aggregate basis) attributable to Sovereign Counterparties for the Calculation Period ending on the relevant Calculation Date is

**0.73 x:1**

(h) we are acting prudently and the cash balance can be distributed as permitted under the relevant Transaction Documents;

(i) any maintenance as required under the CUF report has been completed; and

(j) to the best of our knowledge having made due enquiry, no Default subsists.

The details of all Authorised Investments in respect of each Project Account as at date of this Certificate are set in **Annexure 4**.

Terms not defined herein shall have the same meanings as provided in the Note Trust Deed and the Conditions.

Yours faithfully

BHUPENDRA ASAWA Digitally signed by BHUPENDRA ASAWA Date: 2021.11.17 11:20:01 +05'30'
RAJ KUMAR JAIN Digitally signed by RAJ KUMAR JAIN Date: 2021.11.17 11:20:14 +05'30'

By: ........................

Director / Authorised Signatory

Adani Renewable Energy (RJ) Limited

ABHILASH MEHTA Digitally signed by ABHILASH MEHTA Date: 2021.11.17 11:24:46 +05'30'
UNNI KRISHNAN GOPAL Digitally signed by UNNI KRISHNAN GOPAL Date: 2021.11.17 11:25:22 +05'30'

By: ........................

Director / Authorised Signatory

Wardha Solar (Maharashtra) Private Limited

AJAY RATILAL PUROHIT Digitally signed by AJAY RATILAL PUROHIT Date: 2021.11.17 11:20:56 +05'30'
RAJ KUMAR JAIN Digitally signed by RAJ KUMAR JAIN Date: 2021.11.17 11:20:39 +05'30'

By: .......................

Director / Authorised Signatory

Kodangal Solar Parks Private Limited

**Annexure 1**

**Workings for calculation of Debt Service Cover Ratio**

| | Particulars | Amount in INR Mn Oct 20 to Sep 21 |
|---|---|---|
| | **"Debt Service Cover Ratio"** means, in relation to a Calculation Period ending on the relevant Calculation Date, | **2.36** |
| i) | **"Cashflow Available for Debt Service"** means, in respect of any period, the aggregate amount of CFADS Operating Revenue for that period (which, for the avoidance of doubt, includes interest revenue accrued by the Issuers on all Project Accounts (including the Distribution Accounts, to the extent any such interest is transferred to an Operating Account) to the extent not already included in CFADS Operating Revenue), less: | 7,438 |
| | (a) Operating Expenses paid in that period, other than any other Operating Expenses (including any Costs or fees payable in connection with the Existing Indebtedness, the Senior Secured Documents or any Additional Senior Debt or Additional Subordinated Debt and any Costs or break fees payable as a consequence of the repayment or prepayment of the Existing Indebtedness or any Hedge Termination Payments in respect of the Existing Indebtedness), in each case, funded by Permitted Finance Debt, equity contributions or shareholder loans or amounts withdrawn from a Project Account in accordance with these Conditions or the Project Accounts Deed; | (421) |
| | (b) Taxes paid by the Issuers in that period; and | - |
| | (c) amounts paid to the Security Trustee, each Representative under the Senior Secured Documents and any third party paying, transfer, or listing agents or registrars in relation to the Senior Debt, | - |
| | in each case for (b) and (c) of this definition, without double counting. For any Calculation Period commencing on the Closing Date, Cash flow Available for Debt Service will include any excess cash in the Operating Account on the Closing Date. | 1,853 |
| | **"CFADS Operating Revenue"** means Operating Revenue excluding (without double counting): | **6,006** |
| | Total Operating Revenue | 6,050 |
| | (a) non-recurring significant items (including, but not limited to, profits and losses on disposal of assets outside the ordinary course of business); | (44) |

| | | |
|---|---|---|
| | (b) extraordinary items (including but not limited to profits or losses on termination of any Secured Hedging Agreement); | - |
| | (c) net payments received under any Secured Hedging Agreements; | - |
| | (d) any other non-cash items (including but not limited to property revaluations); | - |
| | (e) insurance proceeds, other than business interruption insurance proceeds or advance consequential loss of profit insurance proceeds or any proceeds applied towards reimbursement for repairs or reinstatement of an asset where the cost of the relevant repair or reinstatement is an Operating Expense; | - |
| | (f) proceeds of any Finance Debt or equity; and | - |
| | (g) any compensation, warranty claim or indemnity payment received under a Material Document, other than any amounts calculated with respect to or provided in lieu of revenue or where the cost, liability or loss being compensated for or the subject of the relevant warranty or indemnity is an Operating Expense. | - |
| ii) | the sum of scheduled principal repayment (to the extent not refinanced, prepaid or repaid, and/or marked for refinancing) adjusting, if applicable, any opening cash carried forward from the previous Calculation Period in the Operating Account, interest payments to Senior Creditors and payments of any Costs (of recurring nature) to Senior Creditors in relation to Senior Debt due or accrued during that period, without considering any Initial Termination Payment and where such Senior Debt is denominated in a currency other than INR the relevant amounts shall be calculated at the rate at which such Senior Debt is hedged under any Hedging Agreement. | **3,158** |
| | (a) Scheduled principal repayment | 713 |
| | (b) Finance Cost (excluding interest towards related party loan and other finance cost) | 2,445 |

**Annexure 2**

**Workings for the Fund from Operations to Net Debt Ratio**

| Particulars | (Amounts in INR Mn) Oct 20 - Sep 21 |
|---|---|
| **Fund From Operations to Net Debt Ratio** | **16.26%** |
| **"Funds From Operations"** means EBITDA minus cash taxes paid and adjusted for any positive or negative adjustments in working capital minus cash net interest. | **3,589** |
| (a) EBIDTA | 5,585 |
| (b) Less Tax Paid | - |
| (c) Less Working Capital Negative Movement | (449) |
| (d) Finance Cost (less interest towards related party loan charged to P&L) | 2,445 |
| **"Net Debt"** means the total indebtedness of the Issuer less any amounts held in the Senior Debt Restricted Amortization Account, the Senior Debt Service Reserve Accounts, the Senior Debt Restricted Reserve Accounts, the Subordinated Debt Service Reserve Accounts and the Senior Debt Redemption Accounts. | **22,071** |
| (a) Senior Secured Debt | 25,306 |
| (b) Cash Balance (In Various Reserve Accounts) | 1,636 |
| (c) DSRA Balance | 1,600 |

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**Annexure 3**

**Workings for the Project Life Cover Ratio**

| **Particulars** | **(Amounts in INR Mn)** **As on Sep 30 2021** |
|---|---|
| **"Project Life Cover Ratio"** means the EBITDA forecast (on an aggregate basis) for the life of the PPAs and any residual value of assets (including cash or cash equivalents) at the end of a relevant PPA period at period N present valued at the weighted average lifecycle cost of Senior Debt outstanding on the Relevant Calculation Date divided by the Senior Debt. The EBITDA forecast for the purpose of the Project Life Cover Ratio will be based on P-90 CUF as forecast in the most recent Relevant Independent Consultant Report.<br><br>Σ(1 to n) EBITDA discounted at the estimated lifecycle cost of debt (over 1 to n) divided by Senior Debt outstanding at the Calculation Date.<br><br>1 to N being the remaining life of the PPAs in number of years.<br><br>For the purposes of this definition, **"Relevant Calculation Date"** means, in respect of a Transaction Date, the immediately preceding Calculation Date and in respect of a Calculation Date, such Calculation Date. | **1.81** |

| **Year** | **3** | **4** | **5** | **6** | **7** | **8** | **9** |
|---|---|---|---|---|---|---|---|
| **FY** | **Mar-22 (6 Months)** | **Mar-23** | **Mar-24** | **Mar-25** | **Mar-26** | **Mar-27** | **Mar-28** |
| Residual Value | - | - | - | - | - | - | - |
| EBIDTA @ P90 Level | 3,014 | 4,710 | 4,687 | 4,665 | 4,382 | 4,356 | 4,324 |
| EBDITA + RV | 3,014 | 4,710 | 4,687 | 4,665 | 4,382 | 4,356 | 4,324 |
| Cost of Debt | 9.43% | 9.43% | 9.43% | 9.43% | 9.43% | 9.43% | 9.43% |

| **Year** | **10** | **11** | **12** | **13** | **14** | **15** | **16** | **17** |
|---|---|---|---|---|---|---|---|---|
| **FY** | **Mar-29** | **Mar-30** | **Mar-31** | **Mar-32** | **Mar-33** | **Mar-34** | **Mar-35** | **Mar-36** |
| Residual Value | - | - | - | - | - | - | - | - |
| EBIDTA @ P90 Level | 4,294 | 4,260 | 4,227 | 4,189 | 4,174 | 4,158 | 4,148 | 4,128 |
| EBDITA + RV | 4,294 | 4,260 | 4,227 | 4,189 | 4,174 | 4,158 | 4,148 | 4,128 |
| Cost of Debt | 9.43% | 9.43% | 9.43% | 9.43% | 9.43% | 9.43% | 9.43% | 9.43% |

| Year | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
|---|---|---|---|---|---|---|---|
| **FY** | **Mar-37** | **Mar-38** | **Mar-39** | **Mar-40** | **Mar-41** | **Mar-42** | **Mar-43** |
| Residual Value | - | - | - | - | - | - | 15,975 |
| EBIDTA @ P90 Level | 4,137 | 4,155 | 4,167 | 3,824 | 3,251 | 3,166 | 3,101 |
| EBDITA + RV | 4,137 | 4,155 | 4,167 | 3,824 | 3,251 | 3,166 | 19,076 |
| Cost of Debt | 9.43% | 9.43% | 9.43% | 8.52% | 8.52% | 8.52% | 8.52% |

**(Amount in INR Mn)**

| **NPV Factor (life cycle cost of Debt)** | **9.26%** |
|---|---|
| **NPV of EBIDTA** | **42,914** |
| Senior Debt O/s | 25,306 |
| DSRA | 1,600 |
| **Debt for PLCR** | **23,706** |

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**Annexure 4**

**Details of Authorized Investments**

Details of all investments made as per Project Account Deed and Reserve Accounts.

| | | As on 30 Sep 2021 (Amounts in INR Mn) | | |
|---|---|---|---|---|
| **Sr. No.** | **Name of Project Account** | **Balance** | **Investment** | **Total** |
| 1 | ARERJL ISSUE PROCEEDS ACCOUNT | 0 | - | 0 |
| 2 | ARERJL -MARGIN FD | - | 2 | 2 |
| 3 | ARERJL OPERATING ACCOUNT | 4 | 521 | 525 |
| 4 | ARERJL SENIOR DEBT RESTRICTED AMORTISATION ACCOUNT | 0 | - | 0 |
| 5 | ARERJL SENIOR DEBT SERVICE RESERVE ACCOUNT | - | 410 | 410 |
| 6 | KSPPL ISSUE PROCEEDS ACCOUNT | 0 | - | 0 |
| 7 | KSPPL OPERATING ACCOUNT | 2 | 90 | 92 |
| 8 | KSPPL SENIOR DEBT RESTRICTED AMORTISATION ACCOUNT | 0 | - | 0 |
| 9 | KSPPL SENIOR DEBT SERVICE RESERVE ACCOUNT | - | 50 | 50 |
| 10 | WSMPL CAPITAL EXPENDITURE RESERVE ACCOUNT | 2 | 52 | 54 |
| 11 | WSMPL ISSUE PROCEEDS ACCOUNT | 1 | - | 1 |
| 12 | WSMPL -MARGIN FD | - | 15 | 15 |
| 13 | WSMPL OPERATING ACCOUNT | 167 | 780 | 947 |
| 14 | WSMPL SENIOR DEBT RESTRICTED AMORTISATION ACCOUNT | 0 | - | 0 |
| 15 | WSMPL SENIOR DEBT SERVICE RESERVE ACCOUNT | - | 1,140 | 1,140 |
| | | **176** | **3,060** | **3,236** |

**Annexure 5**

**Working for Pool Protection Event**

| Particulars | Oct 20 - Sep 21 (Amount in INR Mn) | |
|---|---|---|
| **"Pool Protection Event"** occurs if, with respect to the Calculation Date immediately preceding any Transaction Date, (i) the percentage of the Issuers' EBITDA (on an aggregate basis) for the Calculation Period ending on such Calculation Date attributable to PPAs with Sovereign Counterparties is less than 65 per cent. of the Issuers' EBITDA (as set out in the relevant Aggregated Accounts) | **4,067** | **72.82%** |
| or (ii) the amount equal to the Aggregate CFADS attributable to PPAs with Sovereign Counterparties is less than the sum, with respect to the then-outstanding Senior Debt, of: | **4,067** | **1.34** |
| (a) 100% of the amount of interest accrued but unpaid thereon, and | 2,445 | |
| (b) 100% of the principal amount thereof, amortized (in the case of principal only) on an equal semi-annual installment basis over the Remaining Life of the PPAs; | 589 | |
| *provided*, that such Senior Debt outstanding shall be calculated on a pro forma basis for the additional Finance Debt so incurred as if such Finance Debt had been incurred on the first day of the immediately preceding Calculation Period. | | |

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**Annexure 6**

**Working Notes (Trailing 12 months ended 30th September 2021)**

| **Particulars (INR Mn.)** | **Sep-21** | **FS Notes / Remarks** |
|---|---|---|
| Total Operating Revenues | | |
| Revenue from Operations | 5,105 | Schedule 24 of FS |
| Other Income | 744 | Schedule 25 of FS |
| Add: VGF / GST Claim Received | 344 | Actual receipt |
| Less: VGF / GST Claim amortisation | (142) | Schedule 24 of FS |
| | **6.050** | |

| **Particulars (INR Mn.)** | **Sep-21** | **FS Notes / Remarks** |
|---|---|---|
| Expense | | |
| Purchase of traded goods | 58 | From P&L |
| Other Expenses | 367 | Schedule 28 of FS |
| Less: Foreign Exchange Fluctuation and derivative (gain) / loss from Non Financing Activities (Regrouped to Finance Cost) | (4) | |
| | **421** | |

| **Particulars (INR Mn.)** | **Sep-21** | **FS Notes / Remarks** |
|---|---|---|
| **Non-Recurring Items** | | |
| Net gain on sale/ fair valuation of investments through profit and loss (refer note (ii) below) | 19 | Schedule 25 of FS |
| Sale of Scrap | 1 | Schedule 25 of FS |
| Liability No Longer Written Back | 25 | Schedule 25 of FS |
| | **44** | |

| **Particulars (INR Mn.)** | **Sep-21** | **FS Notes / Remarks** |
|---|---|---|
| **Finance Costs (attributable to the senior secured lenders) (A)** | | |
| Interest & Other Borrowing Cost (A) | 1,845 | Schedule 27 of FS |
| Hedging Cost: | | |
| Loss on Derivatives Contracts | 1,051 | Schedule 27 of FS |
| Exchange difference regarded as an adjustment to borrowing cost | 159 | Schedule 27 of FS |
| Add: Foreign Exchange Fluctuation and derivative (gain) / loss from Non Financing Activities (Regrouped from Operational Cost) | 4 | Schedule 28 of FS |
| **Total Hedge Cost charged to P&L (B)** | **1,215** | |
| **Total Finance Cost (C = A+B)** | **3,060** | |

| Particulars (INR Mn.) | Sep-21 | FS Notes / Remarks |
|---|---|---|
| Less : Interest towards related party and other finance cost not accounted for senior debt. (D) | (615) | Management Workings |
| **Net Finance Costs (attributable to the senior secured lenders) (E = C-D)** | **2,445** | |

Note: The group has recognized Derivative and Exchange Rate Differences (ERD) cost by following Cash Flow Hedge accounting as per IND AS 109 in which Derivative cost including MTM gain / loss shall adjusts with the ERD Gain / loss and a**mount to the extent of hedge cost (premium) is charged to P&L** under different heads.

| Particulars (INR Mn.) | Sep-21 | FS Notes / Remarks |
|---|---|---|
| **Gross Debt** | | |
| Gross Debt | 25,428 | Actual Bond o/s |
| Less: Derivative Assets (Net) | (122) | Schedule 6 & 22 |
| | **25,306** | |

| Particulars (INR Mn.) | Sep-21 | FS Notes / Remarks |
|---|---|---|
| **Net Debt** | | |
| **Gross debt as above (A)** | **25,306** | |
| Less: | | |
| Balances held as Margin Money or security against borrowings | (1,650) | Schedule 6 of FS |
| Current Investments | (1,340) | Schedule 10 of FS |
| Cash and Cash equivalents | (175) | Schedule 12 of FS |
| Bank balance (other than Cash and Cash equivalents) | (71) | Schedule 13 of FS |
| **Total cash and cash equivalent (B)** | **(3,236)** | |
| **Net Debt (C=A+B)** | **22,071** | |

Annexure 7

**RG 2 Plant Wise EBIDTA for Oct 20 to Sep 21**

| | | | | | INR Mn |
|---|---|---|---|---|---|
| **Company Name** | **Plant Name** | **MW** | **SECI /others** | **Off-taker** | **EBIDTA** |
| WSMPL | Madhuvanhalli 1 | 50 | SECI | SECI | 4,067 |
| WSMPL | Rastapur | 50 | SECI | SECI | |
| WSMPL | Rajeshwar | 50 | SECI | SECI | |
| WSMPL | Maskal | 50 | SECI | SECI | |
| WSMPL | Nalwar | 40 | SECI | SECI | |
| WSMPL | Yatnal | 50 | SECI | SECI | |
| WSMPL | Madhuvanhalli 2 | 50 | SECI | SECI | |
| WSMPL | Kallur | 10 | SECI | SECI | |
| KSPPL | Bagewadi | 20 | Other | KREDL | 145 |
| ARERJL | Rawra | 200 | Other | MSEDCL | 1,373 |
| **Total** | | **570** | | | **5,584** |

Wardha Solar (Maharashtra) Private Limited (WSMPL); Kodangal Solar Parks Private Limited (KSPPL); Adani Renewable Energy (RJ) Limited (ARERJL)

| Off-taker | EBIDTA INR MN | % Share |
|---|---|---|
| SECI | 4,067 | 72.82% |
| Others | 1,518 | 27.18% |
| **Total** | **5,584** | **100%** |

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**Appendix - 2**

**Form of Certificate of Directors**

**Citicorp International Limited (the "Note Trustee")**
39th Floor, Champion Tower
Three Garden Road
Central Hongkong
Fax no.: +852 2323 0279
Attention: Agency & Trust

Dear Ladies and Gentlemen

**ADANI RENEWABLE ENERGY (RJ) LIMITED, WARDHA SOLAR (MAHARASHTRA) PRIVATE LIMITED and KODANGAL SOLAR PARKS PRIVATE LIMITED (incorporated in the Republic of India with limited liability) U.S.$362,500,000 4.6250 per cent. Senior Secured Notes due 2039**

In accordance with Clause 7.5 of the note trust deed dated 15 October 2019 (as amended and/or supplemented from time to time, the **"Note Trust Deed"**) made between (1) Wardha Solar (Maharashtra) Private Limited , Adani Renewable Energy (RJ) Limited and Kodangal Solar Parks Private Limited (the **"Issuers"**) and (2) the Note Trustee, we, as Directors of the Issuers, hereby confirm that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuers that as at date not more than five days before the date of this certificate (the **"Certification Date"**):

(a) as at November 17, 2021, no Event of Default or Potential Event of Default had occurred since October 15, 2019

(b) from and including October 15, 2019 to and including November 17, 2021, each Issuer has complied in all respects with its obligations under the Note Trust Deed and the Notes.

Terms not defined herein shall have the same meanings as provided in the Note Trust Deed.

Yours faithfully

By: BHUPENDRA ASAWA Digitally signed by BHUPENDRA ASAWA Date: 2021.11.17 11:21:28 +05'30'
..............................................
Name:
Director / Authorized Signatory
Adani Renewable Energy (RJ) Limited

By: RAJ KUMAR JAIN Digitally signed by RAJ KUMAR JAIN Date: 2021.11.17 11:21:44 +05'30'
..............................................
Name:
Director / Authorized Signatory
Adani Renewable Energy (RJ) Limited

By: ABHILASH MEHTA Digitally signed by ABHILASH MEHTA Date: 2021.11.17 11:23:16 +05'30'

...............................................

Name:

Director / Authorized Signatory

Wardha Solar (Maharashtra) Private Limited

By: UNNI KRISHNAN GOPAL Digitally signed by UNNI KRISHNAN GOPAL Date: 2021.11.17 11:23:58 +05'30'

...............................................

Name:

Director / Authorized Signatory

Wardha Solar (Maharashtra) Private Limited

By: AJAY RATILAL PUROHIT Digitally signed by AJAY RATILAL PUROHIT Date: 2021.11.17 11:22:21 +05'30'

...............................................

Name:

Director / Authorized Signatory

Kodangal Solar Parks Private Limited

By: RAJ KUMAR JAIN Digitally signed by RAJ KUMAR JAIN Date: 2021.11.17 11:22:06 +05'30'

...............................................

Name:

Director / Authorized Signatory

Kodangal Solar Parks Private Limited

# Security Compliance Certificate

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Renewables

**Citicorp International Limited** (the "**Note Trustee**")
20/F Citi Tower
One Bay East
83 Hoi Bun Road
Kwun Tong
Kowloon
Hong Kong
Fax no.: +852 2323 0279
Attention: Agency & Trust

**September 30, 2021**

Dear Ladies and Gentlemen

**WARDHA SOLAR (MAHARASHTRA) PRIVATE LIMITED, KODANGAL SOLAR PARKS PRIVATE LIMITED and ADANI RENEWABLE ENERGY (RJ) LIMITED (incorporated in the Republic of India with limited liability) U.S.$362,500,000 4.625 per cent. Senior Secured Notes due 2039**

In accordance with Clause 7.22 of the note trust deed dated 15 October 2019 (as amended and/or supplemented from time to time, the "**Note Trust Deed**") made between (1) Wardha Solar (Maharashtra) Private Limited, Kodangal Solar Parks Private Limited and Adani Renewable Energy (RJ) Limited (the "**Issuers**") and (2) the Note Trustee, we hereby certify on behalf of the Issuers, that:

(a) the details of Security created till the Relevant Calculation Period are as follows:
   a. 100% Pledge of shares issued by Issuers
   b. Cross Guarantee by the Issuers
   c. First Ranking Charge over Issue Proceeds Account under Project Accounts
   d. Deed of Hypothecation over receivables paid under the PPAs, and
   e. Deed of Hypothecation over fixed assets ,current assets and receivables of ARERJL
   f. Deed of Hypothecation over fixed assets, current assets and receivables of KSPPL
   g. Deed of Hypothecation over fixed assets, current assets and receivables of WSMPL
   h. Assignment on Project Documents
   i. Charge over Immovable Assets of Rawra (200MW-Rajasthan) project of ARERJL
   j. Charge over Immovable Assets of Bagewadi (20MW-Karnataka) project of KSPPL
   k. Charge over Immovable Assets of 350MW projects of WSMPL

(b) the list of assets (including project documents and insurance contracts, if any) in respect of which Security has yet to be created are as follows: Nil

(c) the relevant consent(s) that have yet to be procured which have prevented creation of the relevant Security are as follows: Nil

(d) the steps taken by the Issuer on a best efforts basis to obtain such outstanding consent(s) are as follows: Nil and

(e) creation of the required Security over all assets, project documents and insurance contracts is completed.

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Renewables

Terms not defined herein shall have the same meanings as provided in the Note Trust Deed and the Conditions.

Yours faithfully

By : ..........................................
Authorised Signatory
Wardha Solar (Maharashtra) Private Limited

WARDHA SOLAR (MAHARASHTRA) PRIVATE LIMITED

By : ..........................................
Authorised Signatory
Kodangal Solar Parks Private Limited

KODANGAL SOLAR PARKS PVT. LTD.

By : ..........................................
Authorised Signatory
Adani Renewable Energy (RJ) Limited

ADANI RENEWABLE ENERGY (RJ) LIMITED

Adani Renewable Energy (RJ) Limited
Adani Corporate House, Shantigram,
Nr. Vaishno Devi Circle, S G Highway,
Khodiyar, Ahmedabad - 380 009
Gujarat, India
CIN: U40106GJ2018PLC102210

Tel +91 79 2555 5555
Fax +91 79 2555 5500
investor.agel@adani.com

Registered Office: Adani Corporate House, Shantigram, Nr. Vaishno Devi Circle,
S G Highway, Khodiyar, Ahmedabad – 382 421, Gujarat, India

# Audited Financial Statements as on 30th September 2021 (Trailing 12 Months)

**DHARMESH PARIKH & CO LLP**
**CHARTERED ACCOUNTANTS**
**[LLPIN: AAW-6517]**

303/304, "Milestone"
Nr. Drive-in-Cinema, Opp.T.V.Tower,
Thaltej, Ahmedabad-380054
**Phone: 91-79-27474466**
Email: info@dharmeshparikh.net
Website: www.dharmeshparikh.net

# Independent Auditor's Report

**To the Board of Directors of**
**Adani Green Energy Twenty Three Limited**

## Report on the Audit of Combined Financial Statements

### Opinion

We have audited the Combined Financial Statements of the Restricted Group which consists of Wardha Solar (Maharashtra) Private Limited, Kodangal Solar Park Private Limited and Adani Renewable Energy (RJ) Limited (each, referred to as "Restricted Entity" and collectively referred to as "Restricted Group") which comprises the Combined Balance Sheet as at 30th September 2021, the Combined Statement of Profit and Loss (including other comprehensive income), the Combined Statement of Cash Flows and Combined Statement of Changes in Net Parent Investment for the twelve months ended 30th September 2021 and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "combined financial statements"). All Restricted Group entities are wholly owned subsidiaries of Adani Green Energy Twenty Three Limited ("AGE23L").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Combined Financial Statements for the twelve months ended 30th September 2021 give a true and fair view in accordance with the basis of preparation as set out in note 2.2 to the Combined Financial Statements.

### 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 ("Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Combined Financial Results* section of our report. We are independent of the Restricted Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the applicable provisions. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

Without modifying our opinion, we draw attention to Note 2.2 to the Combined Financial Statements, which describes that the Restricted Group has not formed a separate legal group of entities during the twelve months ended 30th September 2021 and which also describes the basis of preparation, including the approach to and purpose of preparing them. Consequently, the Restricted Group's Combined Financial Statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group that would have occurred if it had operated as a single standalone group of entities during the year presented. The Combined Financial Statements have been prepared solely for the purpose as mentioned in note 2.1 to the Combined Financial Statements. As a result, the combined financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

303/304, "Milestone"
Nr. Drive-in-Cinema, Opp.T.V.Tower,
Thaltej, Ahmedabad-380054
**Phone: 91-79-27474466**
Email: info@dharmeshparikh.net
Website: www.dharmeshparikh.net

## Independent Auditor's Report *(Continued)*

**Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements**

The Management of AGE23L is responsible for the preparation and presentation of these Combined Financial Statements that give a true and fair view of the state of affairs, results of the operations, changes in net parent investment and cash flows in accordance with the basis of preparation as set out in note 2.2 to these Combined Financial Statements. This includes maintenance of adequate accounting records for safeguarding of the assets of each restricted entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Combined Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Combined Financial Statements.

In preparing the Combined Financial Statements, the Management of AGE23L is responsible for assessing the ability of each restricted entity 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.

Those charged with governance are responsible for overseeing the Restricted Group's financial reporting process.

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

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

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

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

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

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

303/304, "Milestone"
Nr. Drive-in-Cinema, Opp.T.V.Tower,
Thaltej, Ahmedabad-380054
**Phone: 91-79-27474466**
Email: info@dharmeshparikh.net
Website: www.dharmeshparikh.net

## Independent Auditor's Report *(Continued)*

**Auditor's Responsibilities for the Audit of the combined financial statement.** ***(Continued)***

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparation of Combined Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Combined Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Restricted Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Combined Financial Statements, including the disclosures, and whether the Combined 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.

### Restriction on distribution or use

These Combined Interim Financial Statements have been prepared by AGE23L's management solely for the purpose of fulfilling the requirement of Offering Circular (OC). This report is issued solely for the aforementioned purpose and also for the purpose of upload on the website of the Company and the Stock Exchanges as may be applicable and accordingly may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For, **DHARMESH PARIKH & CO LLP**
Chartered Accountants
Firm Registration No. 112054W/W00725

Place: Ahmedabad
Date: 12/11/2021

Jain Anuj
Digitally signed by Jain Anuj
Date: 2021.11.12 21:12:59 +05'30'

**Anuj Jain**
Partner
Membership No. 119140
UDIN – 21119140AAAATH3566

| Particulars | Notes | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non - Current Assets** | | | |
| (a) Property, Plant and Equipment | 4.1 | 26,673 | 26,967 |
| (b) Right-of-Use Assets | 4.2 | 855 | 863 |
| (c) Capital Work-In-Progress | 4.3 | 76 | 221 |
| (d) Intangible Assets | 4.4 | 0 | 0 |
| (e) Financial Assets | | | |
| (i) Loans | 5 | 3,840 | 3,032 |
| (ii) Other Financial Assets | 6 | 4,103 | 4,446 |
| (f) Income Tax Assets (net) | | 19 | 19 |
| (g) Other Non-current Assets | 8 | 144 | 160 |
| **Total Non-current Assets** | | **35,710** | **35,708** |
| **Current Assets** | | | |
| (a) Inventories | 9 | 28 | 27 |
| (b) Financial Assets | | | |
| (i) Investments | 10 | 1,340 | 1,366 |
| (ii) Trade Receivables | 11 | 595 | 684 |
| (iii) Cash and Cash Equivalents | 12 | 175 | 8 |
| (iv) Bank balances other than (iii) above | 13 | 71 | 261 |
| (v) Other Financial Assets | 14 | 790 | 109 |
| (c) Other Current Assets | 15 | 48 | 54 |
| **Total Current Assets** | | **3,047** | **2,509** |
| **Total Assets** | | **38,757** | **38,217** |
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Net Parent Investment | 16 | 4,461 | 4,074 |
| **Total Equity** | | **4,461** | **4,074** |
| **LIABILITIES** | | | |
| **Non-current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 17 | 27,464 | 27,603 |
| (ii) Lease Liabilities | | 413 | 431 |
| (iii) Other Financial Liabilities | 18 | - | 22 |
| (b) Deferred Tax Liabilities (net) | 7 | 194 | 63 |
| (c) Other Non-current Liabilities | 19 | 3,677 | 3,748 |
| **Total Non-current Liabilities** | | **31,748** | **31,867** |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | 1,241 | 1,210 |
| (ii) Lease Liabilities | | 41 | 41 |
| (iii) Trade Payables | 21 | | |
| i. Total outstanding dues of micro enterprises and small enterprises | | 4 | 6 |
| ii. Total outstanding dues of creditors other than micro enterprises and small enterprises | | 77 | 69 |
| (iv) Other Financial Liabilities | 22 | 1,042 | 769 |
| (b) Other Current Liabilities | 23 | 143 | 181 |
| **Total Current Liabilities** | | **2,548** | **2,276** |
| **Total Liabilities** | | **34,296** | **34,143** |
| **Total Equity and Liabilities** | | **38,757** | **38,217** |

**The notes referred above are an integral part of the Combined Financial Statements**
**In terms of our report attached**
**For Dharmesh Parikh & Co LLP**
**Chartered Accountants**
Firm Registration Number : 112054W/W100725

Jain Anuj Digitally signed by Jain Anuj Date: 2021.11.12 21:13:26 +05'30'

**Anuj Jain**
Partner
Membership No. 119140

**Place : Ahmedabad**
**Date : 12th November 2021**

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

ADANI SAGAR RAJESHBHAI Digitally signed by ADANI SAGAR RAJESHBHAI Date: 2021.11.12 19:31:27 +05'30'

**Sagar R. Adani**
Additional Director
DIN: 07626229

**Vneet S. Jaain**
Additional Director
DIN: 00053906

**Place : Ahmedabad**
**Date : 12th November 2021**

**Restricted Group - 2**

**Combined Statement of Profit and Loss for the twelve months ended 30th September, 2021**

adani Renewables

| Particulars | Notes | For the twelve months ended 30th September, 2021 (₹ in Millions) | For the twelve months ended 30th September, 2020 (₹ in Millions) |
|---|---|---|---|
| **Income** | | | |
| Revenue from Operations | 24 | 5,105 | 4,972 |
| Other Income | 25 | 744 | 287 |
| **Total Income** | | **5,849** | **5,259** |
| **Expenses** | | | |
| Purchase of Stock in Trade / Cost of Material Consumed | | 58 | 19 |
| Employee Benefits Expenses | 26 | - | 16 |
| Finance Costs | 27 | 3,055 | 2,098 |
| Depreciation and Amortisation Expenses | 4.1 , 4.2 and 4.4 | 964 | 953 |
| Other Expenses | 28 | 367 | 1,229 |
| **Total Expenses** | | **4,444** | **4,315** |
| **Profit before exceptional items and tax** | | **1,405** | **944** |
| Exceptional items | 39 | - | 744 |
| **Profit before tax** | | **1,405** | **200** |
| **Tax Expense:** | 29 | | |
| Deferred Tax | | 362 | 48 |
| | | **362** | **48** |
| **Profit for the period** | **Total (A)** | **1,043** | **152** |
| **Other Comprehensive (Loss) / Income** | | | |
| **Items that will not be reclassified to profit or loss:** | | | |
| Remeasurement of defined benefit plans | | - | (0) |
| Add/Less : Income tax related to above | | - | 0 |
| **Items that will be reclassified to profit or loss:** | | | |
| Effective portion of gain and loss on hedging instruments in a cash flow hedge | | (201) | 92 |
| Add/Less : Income tax related to above | | 51 | (23) |
| **Other Comprehensive (Loss) / Income (After Tax)** | **Total (B)** | **(150)** | **69** |
| **Total Comprehensive Income for the period** | **Total (A+B)** | **893** | **221** |

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

**In terms of our report attached**

**For Dharmesh Parikh & Co LLP**

**Chartered Accountants**

Firm Registration Number : 112054W/W100725

Jain Anuj Digitally signed by Jain Anuj Date: 2021.11.12 21:14:31 +05'30'

**Anuj Jain**

Partner

Membership No. 119140

**Place : Ahmedabad**

**Date : 12th November 2021**

**For and on behalf of the board of directors of**

**ADANI GREEN ENERGY TWENTY THREE LIMITED**

ADANI SAGAR RAJESHBHAI Digitally signed by ADANI SAGAR RAJESHBHAI Date: 2021.11.12 19:31:45 +05'30'

Vneet S Jaain

**Sagar R. Adani**

Additional Director

DIN: 07626229

**Vneet S. Jaain**

Additional Director

DIN: 00053906

**Place : Ahmedabad**

**Date : 12th November 2021**

**Combined Statement of changes in Net Parent Investment for the twelve months ended 30th September, 2021**

adani Renewables

| | As at 30th September, 2020 (₹ in Millions) |
|---|---|
| **Opening as at 1st October, 2019** | **3,349** |
| Profit for the period (net of tax) | 152 |
| Other Comprehensive Income for the period (net of tax)* | 68 |
| **Closing as at 30th September, 2020** | **3,569** |

| | As at 30th September, 2021 (₹ in Millions) |
|---|---|
| **Opening as at 1st October, 2020** | **3,569** |
| Profit for the period (net of tax) | 1,043 |
| Other Comprehensive (Loss) for the period (net of tax)* | (150) |
| **Closing as at 30th September, 2021** | **4,461** |

Net Parent Investment represents the aggregate amount of Share Capital, Compulsory Convertible Preference Shares (Instrument entirely Equity in nature) and other equity of Restricted Group - 2 of entities as at the respective period end and does not necessarily represent legal Share Capital for the purpose of the Restricted Group - 2.

* Other Comprehensive Income / (Loss) includes the adjustments for changes in actuarial valuation and cash flow hedge reserve.

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

Jain Anuj Digitally signed by Jain Anuj Date: 2021.11.12 21:14:55 +05'30'

**Anuj Jain**
Partner
Membership No. 119140

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

ADANI SAGAR RAJESHBHAI Digitally signed by ADANI SAGAR RAJESHBHAI Date: 2021.11.12 19:32:02 +05'30'

**Sagar R. Adani**
Additional Director
DIN: 07626229

**Vneet S. Jaain**
Additional Director
DIN: 00053906

**Place : Ahmedabad**
**Date : 12th November 2021**

**Place : Ahmedabad**
**Date : 12th November 2021**

**Combined Statement of Cash Flows for the twelve months ended 30th September, 2021**



| Particulars | For the twelve months ended 30th September, 2021 (₹ in Millions) | For the twelve months ended 30th September, 2020 (₹ in Millions) |
|---|---|---|
| **(A) Cash flow from operating activities** | | |
| **Profit before tax** | **1,405** | **200** |
| **Adjustment for:** | | |
| Interest Income | (700) | (255) |
| Net gain on sale/ fair valuation of investments through profit and loss | (19) | (8) |
| Loss / (Gain) on Sale of Property, Plant and Equipment (net) | 27 | (0) |
| Foreign Exchange Fluctuation (Gain) (Unrealised) | (3) | (938) |
| Liability No Longer Required Written Back | (24) | (24) |
| Income from Viability Gap Funding and Change in Law | (142) | (61) |
| Liquidated Damages | 69 | - |
| Exceptional items | - | 744 |
| Depreciation and amortisation expenses | 964 | 953 |
| Finance Costs | 3,055 | 2,098 |
| | **4,631** | **2,709** |
| **Working Capital Changes:** | | |
| **(Increase) / Decrease in Operating Assets** | | |
| Other Non-Current Assets | - | 0 |
| Trade Receivables | (61) | (141) |
| Inventories | 5 | (26) |
| Other Current Assets | 23 | (39) |
| Other Non-current Financial Assets | | 4 |
| Other Current Financial Assets | - | 26 |
| **Increase / (Decrease) in Operating Liabilities** | | |
| Non-current Provisions | - | (3) |
| Trade Payables | 61 | (7) |
| Current Provisions | - | (1) |
| Other Current Financial Liabilities | - | - |
| Other Current Liabilities | - | (1) |
| **Net Working Capital Changes** | **28** | **(188)** |
| **Cash Generated from operations** | **4,659** | **2,521** |
| Less : Income Tax paid (Net of Refunds) | (7) | (1) |
| **Net cash Generated from operating activities (A)** | **4,652** | **2,520** |
| | | |
| **(B) Cash flow from investing activities** | | |
| Expenditure on construction and acquisition of Property, Plant and Equipment and Intangible assets (including capital advances and capital work-in-progress) and Claims Received | 640 | (775) |
| Proceeds from Sale of Property, Plant and Equipment | 28 | 1 |
| Margin Money / Fixed Deposit Withdrawn / (placed) (net) | 1,230 | (2,489) |
| Loans given to Unrestricted Group entities (net) (Non Current) | (2,741) | (1,099) |
| Loans given to Unrestricted Group entities (net) (Current) | 40 | (40) |
| Investment in units of Mutual Fund (net) | (1,010) | (199) |
| Interest received | 130 | 184 |
| **Net cash (used in) investing activities (B)** | **(1,683)** | **(4,417)** |
| | | |
| **(C) Cash flow from financing activities** | | |
| Proceeds from Non-current borrowings | 383 | 25,567 |
| Repayment of Non-current borrowings | (865) | (20,659) |
| Repayment of Lease Liabilities | (68) | (17) |
| (Repayment of) / Proceeds from Current borrowings (net) | 510 | (2,490) |
| Finance Costs Paid | (2,953) | (457) |
| **Net cash (used in) / generated from financing activities (C)** | **(2,993)** | **1,944** |
| | | |
| **Net (decrease) / increase in cash and cash equivalents (A)+(B)+(C)** | (24) | 47 |
| **Cash and cash equivalents at the beginning of the period** | 199 | 152 |
| **Cash and cash equivalents at the end of the period** | **175** | **199** |

**Notes to Statement of Cash flow:**

Reconciliation of Cash and cash equivalents with the Balance Sheet:

| | | |
|---|---|---|
| 1 Cash and cash equivalents as per Balance Sheet: (Refer Note 12) | 175 | 199 |
| | **175** | **199** |

2 Disclosure of changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes are included below.

| Particulars | Note | As at 1st October, 2020 | Cash Flows | Changes in fair values (Including Exchange Rate Difference and Reclassifications) | As at 30th September, 2021 |
|---|---|---|---|---|---|
| Non-Current borrowings | 17 and 20 | 26,179 | (482) | 1,765 | 27,463 |
| Current borrowings | 20 | 2,832 | 510 | (2,101) | 1,241 |
| Lease Liabilities | | 473 | (68) | 48 | 453 |
| Interest Accrued but not due | 22 | - | (2,953) | 3,735 | 782 |

| Particulars | Note | As at 1st October, 2019 | Cash Flows | Changes in fair values (Including Exchange Rate Difference and Reclassifications) | As at 30th September, 2020 |
|---|---|---|---|---|---|
| Non-Current borrowings | 17 and 20 | 22,670 | 4,891 | (1,383) | 26,179 |
| Current borrowings | 20 | 2,943 | (2,490) | 2,378 | 2,832 |
| Lease Liabilities | | 444 | (17) | 46 | 473 |

3 The Statement of Cash Flow has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flows'.

**The notes referred above are an integral part of the Combined Financial Statements**
**In terms of our report attached**
**For Dharmesh Parikh & Co LLP**
**Chartered Accountants**
Firm Registration Number : 112054W/W100725

Jain Anuj Digitally signed by Jain Anuj Date: 2021.11.12 21:15:20 +05'30'

**Anuj Jain**
Partner
Membership No. 119140

**Place : Ahmedabad**
**Date : 12th November 2021**

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

ADANI SAGAR RAJESHBHAI Digitally signed by ADANI SAGAR RAJESHBHAI Date: 2021.11.12 19:32:19 +05'30'

**Sagar R. Adani**
Additional Director
DIN: 07626229

**Vneet S. Jaain**
Additional Director
DIN: 00053906

**Place : Ahmedabad**
**Date : 12th November 2021**

**1 General Information**

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

The Restricted Group - 2 entities which are all under the common control of the Ultimate Holding Company through it's subsidiary (Adani Green Energy Twenty Three Limited) comprise of the following entities (refer note 36):-

| Entities forming part of Restricted Group - 2 | Principal activity | Country of Incorporation | % Held by Holding Company | |
|---|---|---|---|---|
| | | | 30th September, 2021 | 30th September, 2020 |
| Wardha Solar (Maharashtra) Private Limited | Solar Power Generation | India | 100 | 100 |
| Kodangal Solar Park Private Limited | Solar Power Generation | India | 100 | 100 |
| Adani Renewable Energy (RJ) Limited | Solar Power Generation | India | 100 | 100 |

**2.1 Purpose of the combined financial statements**

Restricted Group - 2 has issued USD denominated Green bonds listed on Singapore Exchange Securities Trading Limited (SGX-ST). The Special Purpose Combined Financial Statements presented herein reflect the Restricted Group - 2's results of operations, assets and liabilities and cash flows as at and for the year ended 30th September, 2021. The basis of preparation and significant accounting policies used in preparation of these Special Purpose Combined Financial Statements are set out in note 2.2 and 3 below.

**2.2 Basis of preparation**

The Combined Financial Statements of the Restricted Group - 2 have been prepared in accordance with Indian Accounting Standards (Ind AS) 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).

As these combined 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 - 2 is held by the Holding Company. Earnings Per Share have not been presented in these Combined Financial Statements, as Restricted Group - 2 did not meet the applicability criteria as specified under Ind AS 33 – Earnings Per Share.

Management has prepared these combined financial statements to depict the historical financial information of the Restricted Group - 2.

The Combined 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 are 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 financial statements of the combining entities is similar to that of consolidated financial statements as per the applicable Accounting Standards. Accordingly, when combined financial statements are prepared, intra-group transactions and profits or losses are eliminated. All the inter group transactions are undertaken on Arm's Length basis. The information presented in the Special Purpose Combined Financial Statements of the Restricted Group - 2 may not be representative of the financial position that might have existed if the combining businesses had been done on a stand-alone basis.

Net Parent Investment represents the aggregate amount of Share Capital, Compulsory Convertible Preference Shares (Instrument entirely Equity in nature) and other equity of Restricted Group - 2 of entities as at the respective period end and does not necessarily represent legal Share Capital for the purpose of the Restricted Group - 2.

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

(a) Combined like items of assets, liabilities, equity, income, expenses and cash flows of the entities of the Restricted Group - 2.

(b) Eliminated in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Restricted Group - 2.

These are Combined Financial Statements and may not be necessarily indicative of the financial performance, financial position and cash flows of the Restricted Group - 2 that would have occurred if it had operated as separate stand-alone entities during the year presented or the Restricted Group - 2's future performance. The Combined Financial Statements include the operation of entities in the Restricted Group - 2, as if they had been managed together for the year presented.

Transactions that have taken place with the Unrestricted Group (i.e. other entities which are a part of the Group and not included in the Restricted Group - 2 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 judgement in the process of applying the Restricted Group - 2'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.

**2.3 Significant accounting policies**

**a Property, plant and equipment**

**i. Recognition and measurement**

Property, plant and equipment are stated at acquisition cost 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, any directly attributable cost of bringing the item to its working condition for its intended use. 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 item 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.

**ii. Subsequent measurement**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Restricted Group - 2.

**iii. Depreciation**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) 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 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 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 Combined Statement of Profit and Loss.

**b Intangible Assets**

**i. Recognition and measurement**

Intangible assets acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses.

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

**ii. Amortisation**

Amortisation is recognised on a Straight Line method basis 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 are recognised in the Combined Statement of Profit and Loss.

**c Capital Work in Progress**

Expenditure related to and incurred during implementation of capital projects to get the assets ready for intended use is included under "Capital Work in Progress". 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.

**d Financial Instruments**

**Recognition and measurement**

Trade receivables and debt securities issued are initially recognised when they originate. All other financial assets and financial liabilities are recognised when the Restricted Group - 2 becomes a party to the contractual provisions of the instruments.

A financial asset 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 Combined Statement of Profit and Loss.

Financial assets and financial liabilities are offset when the Restricted Group - 2 has a legally enforceable right (not contingent on future events) to off-set the recognised amounts either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**e Financial assets**

**Initial recognition and measurement**

On initial recognition, a financial asset is measured at fair value and subsequently measure at amortised cost, FVTOCI or FVTPL as per terms of instrument.

**Subsequent measurement**

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

**i) At amortised cost**

A financial asset is measured at amortised cost 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 to hold assets to collect contractual cash flows; 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.

**ii) At fair value through Other comprehensive income (FVOCI)**

A financial asset is measured at FVOCI 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.

**iii) At fair value through profit and loss (FVTPL)**

Financial assets which are not measured at amortised cost and are held for trading are measured at FVTPL.

Fair value changes related to such financial assets including derivative contracts are recognised in the Combined Statement of Profit and Loss.

**Business Model Assessment**

The Restricted Group - 2 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 - 2 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 - 2 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 Combined Statement of Profit and Loss. if such gain or loss would have otherwise been recognised in combined statement of profit and loss on disposal of that financial asset.

**Impairment of Financial assets**

The Restricted Group - 2 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.

Expected credit losses rate the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Restricted Group - 2 in accordance with the contract and all the cash flows that the Restricted Group - 2 expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. The Restricted Group - 2 estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Restricted Group - 2 uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Restricted Group - 2 compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

The Restricted Group - 2 applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure;

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

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

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**f Financial liabilities and equity instruments**

**Classification as debt or equity**

Debt and equity instruments issued by the Restricted Group - 2 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 - 2 are recognised at the proceeds received, net of direct issue costs.

**Financial liabilities**

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 Combined 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.

**Financial liabilities at FVTPL**

A financial liability may be designated as at FVTPL upon initial recognition if:

• such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

• the financial liability whose performance is evaluated on a fair value basis, in accordance with the Restricted Group - 2's documented risk management;

Fair value changes related to such financial liabilities including derivative contracts like forward currency contracts and options to hedge its foreign currency risks are recognised in the combined statement of profit and loss .

**Derecognition of financial liabilities**

The Restricted Group - 2 derecognises financial liabilities when, and only when, the Restricted Group - 2’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 Combined Statement of Profit and Loss .

**Derivative Financial Instruments**

**Initial recognition and subsequent measurement**

The Restricted Group - 2 uses derivative financial instruments, such as forward currency contracts and options to hedge its foreign currency risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in combined statement of profit and loss as Foreign Exchange (Gain) / Loss except those relating to borrowings, which are separately classified under Finance Cost. 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 which comprise of stores and spares are carried at the lower of the cost and net realisable value after providing for obsolescence and other losses where considered necessary. 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.

Net Realisable Value in respect of stores and spares is the estimated current procurement price in the ordinary course of the business.

**h Current and non-current classification**

The Restricted Group - 2 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 Group - 2 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 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 the reporting period

The Restricted Group - 2 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 - 2 has identified twelve months as its operating cycle.

**i Functional currency**

These financial statements are presented in Indian Rupees (INR), which is also the Restricted Group - 2's functional currency. All amounts have been rounded-off to the nearest millions without decimal, unless otherwise indicated. Amounts less than ` 0.50 Millions have been presented as "0".

**Foreign currencies**

Transactions in foreign currencies are initially recorded by the Restricted Group - 2 at its 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.

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.

Exchange differences are recognized in the Combined Statement of Profit and Loss except exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an 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 - 2 will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in profit and loss on a systematic basis over the periods in which the Restricted Group - 2 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 - 2 should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the combined balance sheet and transferred to 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 - 2 with no future related costs are recognised in profit and loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

**k Revenue recognition**

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 Restricted Group - 2 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, 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 - 2 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.

The accounting policies for the specific revenue streams of the Restricted Group - 2 Group are summarized below:

i) Revenue from Power Supply is recognised in terms of the Power Purchase Agreements (PPA) entered with Central and State Distribution Companies and is measured at the value of the consideration received or receivable, net of discounts if any.

ii) The Restricted Group - 2's contracts with customers for the sale of goods generally include one performance obligation. Revenue from the sale of 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) basis taking into account the amount outstanding and the applicable interest rate. Dividend income is accounted for when the right to receive income is established

iv) Delayed payment charges and interest on delayed payment for power supply are recognized based on conclusive evidence regarding ultimate collection.

v) Delayed payment charges and interest on delayed payment for power supply are recognized based on conclusive evidence regarding ultimate collection.

**Contract Balances**

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Restricted Group - 2 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 - 2'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.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Restricted Group - 2 Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Restricted Group - 2 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 combined statement of profit and loss in the period in which they are incurred.

**m Employee benefits**

**i) Defined benefit plans:**

The Restricted Group - 2 Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Restricted Group - 2 recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

**ii) Defined contribution plan:**

Retirement benefit in the form of Provident Fund and Family Pension Fund is a defined contribution scheme. The Restricted Group - 2 has no obligation, other than the contribution payable to the provident fund. The Restricted Group - 2 recognizes contribution payable to the provident fund scheme as a charge to the capital work-in-progress till the capitalisation of the projects otherwise the same is charged to the combined statement of profit and loss for the period in which the contributions to the respective funds accrue.

**iii) Compensated Absences:**

Provision for Compensated Absences and its classifications between current and non-current liabilities are based on independent actuarial valuation. The actuarial valuation is done as per the projected unit credit method.

**iv) Short term employee benefits:**

Short-term employee benefit obligations are recognised at an undiscounted amount in the combined statement of profit and loss for the reporting period in which the related services are received.

**n Taxation**

Tax on Income comprises current and deferred tax. It is recognised in combined statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in net parent investment.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the reporting period and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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.

**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. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Restricted Group - 2 expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is also recognised in respect of carried forward tax losses and tax credits subject to the assessment of reasonable certainty of recovery.

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

Deferred tax relating to items recognized outside the combined statement of profit and loss is recognized outside with the underlying items i.e. either in the statement of other comprehensive income or directly in Net Parent Investment as relevant.

**o Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Restricted Group - 2 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 the Restricted Group - 2 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 combined statement of profit and loss net of any reimbursement.
The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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

**p Impairment of non-financial assets**

At the end of each reporting period, the Restricted Group - 2 reviews the carrying amounts of non-financial assets, other than inventories and deferred tax 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 - 2 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.

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 combined statement of profit and loss . Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

**q Leases**

The Restricted Group - 2 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.

The Restricted Group - 2 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 associated with these leases as an expense on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Restricted Group - 2 is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Restricted Group - 2 is reasonably certain not to exercise that option.

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 lease transfers ownership of the underlying asset to the Restricted Group - 2 by the end of the lease term or the cost of the right-of-use asset reflects that the Restricted Group - 2 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.

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 - 2's incremental borrowing rate. Generally, the Restricted Group - 2 uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

**r Hedge Accounting**

The Restricted Group - 2 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 effect of credit risk does not dominate the value changes that result from that economic relationship,
- 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.

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 - 2 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 - 2 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 is recognized in the cash flow hedging reserve being part of other comprehensive income. 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 combined statement of profit and loss upon the occurrence of the underlying transaction.

**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.

**3.1 Use of estimates and judgements**

The preparation of the Restricted Group - 2's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Key Sources of Estimation uncertainty:**

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. 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 - 2. 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 plant and machinery, 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 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 - 2 uses market observable data to the extent available. Where such Level 1 inputs are not available, the Restricted Group - 2 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 judgement 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.

**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 cashflows model. The recoverable amount is sensitive to the discount rate used for the discounted future cashflows model as well as the expected future cash-inflows and the growth rate used.

**v) Recognition and measurement of provision and contingencies**

The Restricted Group - 2 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.

4.1 Property, Plant and Equipment

(₹ in Millions)

| Particulars | As at 30th September, 2021 | As at 31st March, 2021 |
|---|---|---|
| **Net Carrying amount of:** | | |
| **Tangible assets** | | |
| Land - Freehold | 644 | 645 |
| Building | 422 | 446 |
| Furniture and Fixtures | 3 | 3 |
| Computer | 3 | 4 |
| Office Equipments | 6 | 6 |
| Plant & Machinery | 25,592 | 25,860 |
| Vehicles | 3 | 3 |
| **Total** | **26,673** | **26,967** |

(₹ in Millions)

| Description of Assets | Land - Freehold | Building | Furniture and Fixtures | Computer | Office Equipments | Plant & Machinery | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|
| **I. Cost** | | | | | | | | |
| **Balance as at 31st March, 2020** | **485** | **643** | **4** | **9** | **14** | **29,256** | **5** | **30,416** |
| Additions during the year | 160 | 15 | 1 | 2 | 2 | 175 | 0 | 355 |
| Disposals during the year | - | (3) | (0) | - | (1) | (57) | - | (61) |
| **Balance as at 31st March, 2021** | **645** | **655** | **5** | **11** | **15** | **29,374** | **5** | **30,710** |
| Additions during the period | - | 4 | 0 | - | 1 | 185 | 0 | 190 |
| Disposals during the period | (1) | (1) | (0) | - | - | (7) | - | (9) |
| **Balance as at 30th September, 2021** | **644** | **658** | **5** | **11** | **16** | **29,552** | **5** | **30,891** |
| **II. Accumulated depreciation** | | | | | | | | |
| **Balance as at 31st March, 2020** | **-** | **159** | **2** | **6** | **7** | **2,636** | **2** | **2,812** |
| Depreciation expense for the year | - | 52 | 0 | 1 | 2 | 886 | 0 | 941 |
| Disposals during the year | - | (2) | (0) | - | (0) | (8) | - | (10) |
| **Balance as at 31st March, 2021** | **-** | **209** | **2** | **7** | **9** | **3,514** | **2** | **3,743** |
| Depreciation expense for the period | - | 28 | 0 | 1 | 1 | 447 | 0 | 477 |
| Disposals during the period | - | (1) | (0) | - | - | (1) | - | (2) |
| **Balance as at 30th September, 2021** | **-** | **236** | **2** | **8** | **10** | **3,960** | **2** | **4,218** |

**Note:**
For charges created refer note 17 and 20.

### 4.2 Right-of-Use Assets (refer note 31)

(₹ in Millions)

| Particulars | As at 30th September, 2021 | As at 31st March, 2021 |
|---|---|---|
| **Net Carrying amount of:** | | |
| Lease hold land | 855 | 863 |
| **Total** | **855** | **863** |

(₹ in Millions)

| Description of Assets | Lease hold land | Total |
|---|---|---|
| **I. Cost** | | |
| **Balance as at 31st March, 2020** | **897** | **897** |
| Addition during the year | - | - |
| **Balance as at 31st March, 2021** | **897** | **897** |
| Addition during the period | - | - |
| **Balance as at 30th September, 2021** | **897** | **897** |
| **II. Accumulated depreciation** | | |
| **Balance as at 31st March, 2020** | **17** | **17** |
| Depreciation expense for the year | 17 | 17 |
| **Balance as at 31st March, 2021** | **34** | **34** |
| Depreciation expense for the period | 8 | 8 |
| **Balance as at 30th September, 2021** | **42** | **42** |

### 4.3 Capital Work in Progress

| | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| Capital Work-In-Progress (pertaining to Property, Plant and Equipment) | 76 | 221 |
| **Total** | **76** | **221** |

**Note:**
For charges created refer note 17 and 20.

### 4.4 Intangible Assets

(₹ in Millions)

| Particulars | As at 30th September, 2021 | As at 31st March, 2021 |
|---|---|---|
| **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 31st March, 2020** | **2** | **2** |
| Additions during the year | - | - |
| **Balance as at 31st March, 2021** | **2** | **2** |
| Additions during the period | - | - |
| **Balance as at 30th September, 2021** | **2** | **2** |
| **II. Accumulated amortisation** | | |
| **Balance as at 31st March, 2020** | **1** | **1** |
| Amortisation expense for the year | 0 | 0 |
| **Balance as at 31st March, 2021** | **1** | **1** |
| Amortisation expense for the period | 1 | 1 |
| **Balance as at 30th September, 2021** | **2** | **2** |

## 5 Non Current Loans

| | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| **(Unsecured, considered good)** | | |
| Loan to Unrestricted Group entities | 3,840 | 3,032 |
| **Total** | **3,840** | **3,032** |

**Note:**

(i) Loans to Unrestricted Group entities are receivable on mutually agreed terms after period of 1 year from the date of balance sheet and carry an interest rate of 10.50% p.a.

(ii) For balances with Unrestricted Group entities, refer note 36.

## 6 Other Non-Current Financial Assets

| | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| Balances held as Margin Money (refer note below) | 1,650 | 1,650 |
| Derivative Assets | 154 | 34 |
| Security Deposits | 352 | 352 |
| Claims receivable | 1,947 | 2,410 |
| **Total** | **4,103** | **4,446** |

**Note:**
Debt Service Reserve Account Deposits against Bonds which is expected to roll over after the maturity.

## 7 Deferred Tax Assets (Net)

| | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| **Deferred Tax Liabilities on** | | |
| Difference between book base and tax base of Property, Plant and Equipment and Right of Use Assets / Lease liability | 570 | 420 |
| **Gross Deferred Tax Liabilities** | **570** | **420** |
| **Deferred Tax Assets on** | | |
| Unabsorbed depreciation | 382 | 366 |
| Difference between book base and tax base of Property, Plant and Equipment and Right of Use Assets / Lease liability | (6) | (9) |
| **Gross Deferred Tax Assets** | **376** | **357** |
| **Net Deferred Tax (Liability) / Asset** — **Total** | **(194)** | **(63)** |

**Movement in Deferred Tax Assets (net) for the Six Months ended 30th September 2021**

| Particulars | Opening Balance as at 1st April, 2021 | Recognised in Statement of profit and Loss | Recognised in OCI | Closing Balance as at 30th September, 2021 |
|---|---|---|---|---|
| **Tax effect of items constituting deferred tax liabilities:** | | | | |
| Difference between book base and tax base of Property, Plant and Equipment and Right of Use Assets / Lease liability | 420 | 211 | (61) | 570 |
| | **420** | **211** | **(61)** | **570** |
| **Tax effect of items constituting deferred tax assets :** | | | | |
| Unabsorbed depreciation | 366 | 15 | - | 382 |
| Difference between book base and tax base of Property, Plant and Equipment and Right of Use Assets / Lease liability | (9) | 3 | - | (6) |
| | **357** | **18** | **-** | **376** |
| **Net Deferred Tax Liability** | **(63)** | **(193)** | **61** | **(194)** |

**Movement in Deferred Tax Assets (net) for the Financial Year 2020-21**

| Particulars | Opening Balance as at 1st April, 2020 | Recognised in Statement of profit and Loss | Recognised in OCI | Closing Balance as at 31st March, 2021 |
|---|---|---|---|---|
| **Tax effect of items constituting deferred tax liabilities:** | | | | |
| Difference between book base and tax base of Property, Plant and Equipment and Right of Use Assets / Lease liability | 199 | 284 | (63) | 420 |
| | **199** | **284** | **(63)** | **420** |
| **Tax effect of items constituting deferred tax assets :** | | | | |
| Employee Benefits | 1 | (1) | - | - |
| Unabsorbed depreciation | 403 | (37) | - | 366 |
| Difference between book base and tax base of Property, Plant and Equipment and Right of Use Assets / Lease liability | (9) | - | - | (9) |
| | **395** | **(38)** | **-** | **357** |
| **Net Deferred Tax Asset** | **196** | **(322)** | **63** | **(63)** |

Entities forming part of the Restricted Group - 2 has entered into long term power purchase agreement with central and state distribution companies for period of 25 years, pursuant to this management is reasonably certain that the unabsorbed depreciation will be utilized. Unabsorbed depreciation can be utilised at anytime without any restriction or time frame.

**8 Other Non-current Assets**

| | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| Capital advances* | 115 | 131 |
| Balances with Government Authorities | 29 | 29 |
| Prepaid Expenses | 0 | 0 |
| **Total** | **144** | **160** |

*For balances with Unrestricted Group entities, refer note 36.

**9 Inventories**
**(At lower of Cost or Net Realisable Value)**

| | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| Stores and spares | 28 | 27 |
| **Total** | **28** | **27** |

**Note:**
For charges created refer note 17 and 20.

adani Renewables

| 10 Current Investments | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| **Investment measured at FVTPL** | | |
| **Investment in Mutual Funds (Unquoted and fully paid)** | | |
| Nil (As at 31st March, 2021 1,01,728 Units) of ₹ 1,000 each of Birla Sun Life Cash Plus - Growth-Direct Plan | - | 34 |
| Nil (As at 31st March, 2021 1,46,412 Units) of ₹ 1,000 each of UTI Overnight Fund-Direct Growth Plan | - | 413 |
| Nil (As at 31st March, 2021 10,23,960 Units) of ₹ 1,000 each of Nippon India Overnight Fund -Direct Growth | - | 113 |
| Nil (As at 31st March, 2021 3,15,693 Units) of ₹ 1,000 each of Axis Overnight Fund Direct Growth | - | 343 |
| 10,114 Units (As at 31st March, 2021 4,23,297 Units) units of ₹ 1,000 each of Tata Overnoght Fund -Direct Plan-Growth | 11 | 460 |
| Nil (As at 31st March, 2021 3,029 Units) of ₹ 1,000 each of Yes Overnight Fund Direct Growth | - | 3 |
| 312,301 Units (As at 31st March, 2021 Nil) of ₹ 1,000 each of Aditya Birla Overnight Fund Growth -DirectPlan | 353 | - |
| 206,737 Units (As at 31st March, 2021 Nil) of ` 1,000 each of SBI Overnight Fund Direct Growth | 704 | - |
| 2,415,424 Units (As at 31st March, 2021 Nil) of ` 100 each of ICICI Prudential Overnight Fund Direct Plan | 272 | |
| **Total** | **1,340** | **1,366** |
| Aggregate value of unquoted investments | 1,340 | 1,366 |
| Fair value of unquoted investments | 1,340 | 1,366 |

**Note:**
For charges created refer note 17 and 20.

| 11 Trade Receivables | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| Unsecured, considered good (refer note 38) | 217 | 203 |
| Contract assets - Unbilled Revenue (refer note 38) | 378 | 481 |
| **Total** | **595** | **684** |

**Notes:**
(i) For charges created refer note 17 and 20.
(ii) For balances with Unrestricted Group entities, refer note 36.

**a. Balance as at 30th September 2021**

| Sr No | Particulars | Unbilled Revenue | Not Due | Outstanding for following periods from due date of receipt: Less than 6 months | 6 Months - 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Undisputed Trade receivables - Considered good | 378 | 143 | 29 | 31 | 6 | 1 | 7 | 595 |
| 2 | Undisputed Trade receivables - which have significant increase in risk | - | - | - | - | - | - | - | - |
| 3 | Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - | - |
| 4 | Disputed Trade receivables - Considered good | - | - | - | - | - | - | - | - |
| 5 | Disputed Trade receivables - which have significant increase in risk | - | - | - | - | - | - | - | - |
| 6 | Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - | - |

**b. Balance as at 31st March 2021**

| Sr No | Particulars | Unbilled Revenue | Not Due | Outstanding for following periods from due date of receipt: Less than 6 months | 6 Months - 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Undisputed Trade receivables - Considered good | 481 | 102 | 37 | 41 | 8 | 12 | 3 | 684 |
| 2 | Undisputed Trade receivables - which have significant increase in | - | - | - | - | - | - | - | - |
| 3 | Undisputed Trade receivables - credit impaired | - | - | - | - | - | - | - | - |
| 4 | Disputed Trade receivables - Considered good | - | - | - | - | - | - | - | - |
| 5 | Disputed Trade receivables - which have significant increase in | - | - | - | - | - | - | - | - |
| 6 | Disputed Trade receivables - credit impaired | - | - | - | - | - | - | - | - |

| 12 Cash and Cash equivalents | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| Balances with banks | | |
| In current accounts | 175 | 8 |
| **Total** | **175** | **8** |

**Note:**
For charges created refer note 17 and 20.

**13 Bank balance (other than Cash and Cash equivalents)**

| | | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|---|
| Balances held as Margin Money (refer note below) | | 20 | 19 |
| Fixed Deposits (with maturity for more than three months) | | 51 | 242 |
| | **Total** | **71** | **261** |

**Notes:**
(i) For charges created refer note 17 and 20.
(ii) Fixed Deposit / Margin Money is pledged / lien against Bond.

**14 Other Current Financial Assets**

| | | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|---|
| Interest accrued but not due (refer note (ii) below) | | 353 | 105 |
| Security deposit | | 4 | 4 |
| Claims receivable | | 433 | - |
| | **Total** | **790** | **109** |

**Note:**
(i) For charges created refer note 17 and 20.
(ii) For balances with Unrestricted Group entities, refer note 36.

**15 Other Current Assets**

| | | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|---|
| Advance for supply of goods and services* | | 22 | 41 |
| Security deposit | | 0 | - |
| Balances with Government authorities | | 4 | 4 |
| Prepaid Expenses | | 22 | 9 |
| Advance to Employees | | 0 | - |
| | **Total** | **48** | **54** |

**Note:**
For charges created refer note 17 and 20.
*For balances with Unrestricted group entities, refer note 36.

**16 Net Parent Investment**

| | | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|---|
| Opening Net Parent Investment | | 4,074 | 3,327 |
| Add : Profit for the period / year (net of tax) | | 570 | 936 |
| Less : Other Comprehensive (Loss) for the period / year (net of tax) | | (183) | (189) |
| **Closing Net Parent Investment** | **Total** | **4,461** | **4,074** |

**Note:**
Net Parent Investment represents the aggregate amount of Share Capital, Compulsory Convertible Preference Shares (Instrument entirely Equity in nature) and other equity of Restricted Group - 2 of entities as at the respective period end and does not necessarily represent legal Share Capital for the purpose of the Restricted Group - 2.

| 17 Non - Current Borrowings (At amortised cost) | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| **Secured borrowings** | | |
| 4.625% Senior Secured USD Bonds (refer note (i), (ii) and (iii) below) | 24,402 | 24,387 |
| **Unsecured borrowings** | | |
| From Related Parties (refer note (iv) below and note 36) | 3,062 | 3,216 |
| **Total** | **27,464** | **27,603** |

**Notes:**

**The Security and repayment details for the balances as at 30th September, 2021**

**Wardha Solar (Maharashtra) Private Limited**

(i) Bonds aggregating to ₹ 17,600 Millions (as at 31st March, 2021 ₹ 17,587 Millions) are secured / to be secured by first charge on all present and future immovable assets and movable assets including current assets of the Company. Further, these are secured by pledge of 100% Equity shares held by Parampujya Solar Energy Private Limited (the Holding Company). The same carries an interest rate of 4.625% p.a. The Bonds are repayable on structured 40 half yearly installments starting from financial year 2019-20, due-date as per the offering circular.

**Kodangal Solar Parks Private Limited**

(ii) Bond from Financial Institution aggregating to ₹ 786 Millions (As at 31st March, 2021 ₹ 785 Millions) are secured /to be secured by first charge on all immovable assets and movable assets including current assets of the Company. Further, secured by pledge of Equity shares held by Adani Green Energy Twenty Three Limited (the Holding Company). The same carries an interest rate 4.625% p.a. Repayment of Bond will be done on structured 40 half yearly installments starting from financial year 2019-20, due dates as per offering circular.

**Adani Renewable Energy (RJ) Limited**

(iii) Bond from Financial Institution aggregating to ₹ 7,043 Millions (As at 31st March, 2021 ₹ 7,037 Millions) are secured /to be secured by first charge on all immovable assets and movable assets including current assets of the Company. Further, secured by pledge of 100% Equity shares held by Mahoba Solar (UP) Private Limited (the Holding Company). The same carries an interest rate 4.625% p.a. Repayment of Bond will be done on structured 40 half yearly installments starting from financial year 2019-20, due date as per offering circular.

(iv) Loans from Unrestricted group entities are repayable on mutually agreed terms after a period of one year from the date of balance sheet and carry an interest rate of 15.25% p.a.

| 18 Other Non Current Financial Liabilities | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| Derivative Liabilities | - | 22 |
| **Total** | **-** | **22** |

| 19 Other Non-current Liabilities | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| Deferred Revenue | 3,677 | 3,748 |
| **Total** | **3,677** | **3,748** |

| 20 Current Borrowings | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| **Secured borrowings** | | |
| From Banks (refer note (i), (ii) and (iii) below) | 510 | 490 |
| **Unsecured Borrowings** | | |
| Current maturities of Non-current borrowings (refer note 17) | 731 | 720 |
| **Total** | **1,241** | **1,210** |

**Note:**

**Wardha Solar (Maharashtra) Private Limited**

(i) Short Term Loan from a financial Institution aggregating to ₹ 230 Millions (as at 31st March, 2021 ₹ 260 Millions) is secured by first charge on all present and future immovable assets, movable assets and current assets of the Company on paripassu basis and the Security will be created and perfected in fovour of the scurity tustee for the security parties inculding the bank except in deal of garantee which will be enterd between each issuer & the bank. pari passu pledge over 100% of the equity shared of each of the issuers to be created and perfected withi in 60 Days from the date of first dibursement & pledge will not be created on the Equity shares of issuers held by nominee shereholder, further clerified that the number of Shares pledge for each lender will not exceed the maximum cap stipulated under 30% as Stipulated section 19 of banking regulations act 1949. The same is payable in bulet payment (one time) Which is end of Date in financial year 2020-21 and carries interest rate in a range of 7.60% p.a. to 7.90% p.a. on Short term loan.

**Kodangal Solar Parks Private Ltd**

(ii) Short Term Loan from a financial Institution aggregating to ₹ 40 Millions (as at 31st March, 2021 ₹ 30 Millions) is secured by first charge on all present and future immovable assets, movable assets and current assets of the Company on paripassu basis and the Security will be created and perfected in fovour of the scurity tustee for the security parties inculding the bank except in deal of garantee which will be enterd between each issuer & the bank. pari passu pledge over 100% of the equity shared of each of the issuers to be created and perfected withi in 60 Days from the date of first dibursement & pledge will not be created on the Equity shares of issuers held by nominee shereholder, further clerified that the number of Shares pledge for each lender will not exceed the maximum cap stipulated under 30% as Stipulated section 19 of banking regulations act 1949. The same is payable in bulet payment (one time) Which is end of Date in financial year 2020-21 and carries interest rate in a range of 7.60% p.a. to 7.90% p.a. on Short term loan.

**Adani Renewable Energy (RJ) Ltd**

(iii) Short Term Loan from a financial Institution aggregating to ₹ 240 Millions (as at 31st March, 2021 ₹ 200 Millions) is secured by first charge on all present and future immovable assets, movable assets and current assets of the Company on paripassu basis and the Security will be created and perfected in fovour of the scurity tustee for the security parties inculding the bank except in deal of garantee which will be enterd between each issuer & the bank. pari passu pledge over 100% of the equity shared of each of the issuers to be created and perfected withi in 60 Days from the date of first dibursement & pledge will not be created on the Equity shares of issuers held by nominee shereholder, further clerified that the number of Shares pledge for each lender will not exceed the maximum cap stipulated under 30% as Stipulated section 19 of banking regulations act 1949. The same is payable in bulet payment (one time) Which is end of Date in financial year 2020-21 and carries interest rate in a range of 7.60% p.a. to 7.90% p.a. on Short term loan.

| 21 Trade Payables | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| Trade Payables | | |
| i. Total outstanding dues of micro enterprises and small enterprises | 4 | 6 |
| ii. Total outstanding dues of creditors other than micro enterprises and small enterprises | 77 | 68 |
| **Total** | **81** | **74** |

**a. Balance as at 30th September 2021**

| Sr No | Particulars | Not Due | Outstanding for following periods from due date of Payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 Years | More than 3 years | |
| 1 | MSME | 4 | - | - | - | - | 4 |
| 2 | Others | 57 | 19 | 1 | - | - | 77 |
| 3 | Disputed dues - MSME | - | - | - | - | - | - |
| 4 | Disputed dues - Others | - | - | - | - | - | - |
| | **Total** | **61** | **19** | **1** | **-** | **-** | **81** |

**b. Balance as at 31st March 2021**

| Sr No | Particulars | Not Due | Outstanding for following periods from due date of Payment | | | | Total |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1-2 years | 2-3 Years | More than 3 years | |
| 1 | MSME | 6 | - | - | - | - | 6 |
| 2 | Others | 28 | 7 | 21 | 12 | - | 68 |
| 3 | Disputed dues - MSME | - | - | - | - | - | - |
| 4 | Disputed dues - Others | - | - | - | - | - | - |
| | **Total** | **34** | **7** | **21** | **12** | **-** | **74** |

**Note:**

For balances with Unrestricted group entities, refer note 36

### 22 Other Current Financial Liabilities

| | | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|---|
| Interest accrued but not due on borrowings# | | 782 | 545 |
| Retention money payable | | 4 | 4 |
| Derivative Liabilities | | 32 | 60 |
| Capital creditors*# | | 224 | 160 |
| Other Payables | | 0 | 0 |
| | **Total** | **1,042** | **769** |

**Notes:**
#For balance with Unrestricted Group entities, refer note 36.
* Capital creditors represents the amounts payable for purchase of Property, Plant and Equipment and Capital-Work-In-Progress.

### 23 Other Current Liabilities

| | | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|---|
| Statutory liabilities | | - | 34 |
| Advance From Customer | | 1 | 5 |
| Deferred Revenue | | 142 | 142 |
| | **Total** | **143** | **181** |

### 24 Revenue from Operations

| | | For the twelve months ended 30th September, 2021 (₹ in Millions) | For the twelve months ended 30th September, 2020 (₹ in Millions) |
|---|---|---|---|
| **Revenue from Contract with Customers** | | | |
| Revenue from Power Supply | | 4,905 | 4,873 |
| Revenue from Traded Goods | | 58 | 23 |
| **Other operating Income** | | | |
| Income from Viability Gap Funding and Change in Law | | 142 | 61 |
| Income from Carbon Credit | | - | 15 |
| | **Total** | **5,105** | **4,972** |

### 25 Other Income

| | | For the twelve months ended 30th September, 2021 (₹ in Millions) | For the twelve months ended 30th September, 2020 (₹ in Millions) |
|---|---|---|---|
| Interest Income (refer note (i) below) | | 700 | 255 |
| Net gain on sale/ fair valuation of investments through profit and loss (refer note (ii) below) | | 19 | 8 |
| Sale of Scrap | | 1 | 0 |
| Profit on sale of Property plant and equipment | | - | 0 |
| Liability No Longer Required Written Back | | 24 | 24 |
| Miscellaneous Income | | 0 | 0 |
| | **Total** | **744** | **287** |

**Notes:**
(i) Interest income includes ₹ 329 Millions (As at 30th September, 2020 ₹ 13 Millions) from intercorporate deposits and ₹ 133 Millions (As at 30th September, 2020 ₹ 75 Millions) from Bank deposits.
(ii) Includes fair value gain amounting to ₹ 0 Million (as at 30th September, 2020 ₹ 0 Million).

| 26 Employee Benefits Expenses | | For the twelve months ended 30th September, 2021 (₹ in Millions) | For the twelve months ended 30th September, 2020 (₹ in Millions) |
|---|---|---|---|
| Salaries, Wages and Bonus | | - | 15 |
| Contribution to provident and other funds | | - | 1 |
| Staff welfare expenses | | - | 0 |
| | **Total** | **-** | **16** |

| 27 Finance costs | | For the twelve months ended 30th September, 2021 (₹ in Millions) | For the twelve months ended 30th September, 2020 (₹ in Millions) |
|---|---|---|---|
| **(a) Interest Expenses on financial liabilities measured at amortised cost:** | | | |
| Interest on Bonds and Debentures | | 1,782 | 1,680 |
| Interest on Lease Liabilities | | 48 | 47 |
| Interest Expenses - Trade Credit and Others | | - | 4 |
| | **(a)** | **1,830** | **1,731** |
| **(b) Other borrowing costs :** | | | |
| Loss on Derivatives Contracts (Net) | | 1,051 | 241 |
| Bank Charges and Other Borrowing Costs | | 15 | 18 |
| | **(b)** | **1,066** | **259** |
| **(c) Exchange difference regarded as an adjustment to borrowing cost** | | 159 | 108 |
| | **(c)** | **159** | **108** |
| | **Total (a+b+c)** | **3,055** | **2,098** |

| 28 Other Expenses | | For the twelve months ended 30th September, 2021 (₹ in Millions) | For the twelve months ended 30th September, 2020 (₹ in Millions) |
|---|---|---|---|
| Stores and Spares | | 13 | 8 |
| Transmission Expenses | | - | 3 |
| Communication expenses | | 2 | 3 |
| Repairs and Maintenance | | | |
| Plant and Equipment (refer note 36) | | 159 | 151 |
| Others | | 0 | 9 |
| Expense related to short term leases | | - | 1 |
| Rates and Taxes | | 6 | 3 |
| Legal and Professional Expenses (refer note 36) | | 10 | 73 |
| Payment to Auditors | | | |
| Statutory Audit Fees | | 1 | 0 |
| Tax Audit Fees | | - | 0 |
| Others | | 1 | 0 |
| Travelling and Conveyance Expenses | | 15 | 16 |
| Insurance Expenses | | 42 | 36 |
| Office Expenses | | - | 0 |
| Liquidated Damages | | 69 | - |
| Loss on sale of Property plant and equipment | | 27 | - |
| Directors' Sitting Fees | | 0 | 0 |
| Foreign Exchange Fluctuation and derivative loss | | 4 | 921 |
| Electricity Expenses | | - | 0 |
| Miscellaneous Expenses | | 18 | 4 |
| | **Total** | **367** | **1,229** |

## 29 Income Tax

The major components of income tax expense for the period ended 30th September, 2021 and 30th September, 2020 are:

| Income Tax Expense : | | For the twelve months ended 30th September, 2021 (₹ in Millions) | For the twelve months ended 30th September, 2020 (₹ in Millions) |
|---|---|---|---|
| **Current Tax:** | | | |
| Current Income Tax Charge | | - | - |
| Adjustment of tax relating to earlier years | | - | - |
| | **Total (a)** | **-** | **-** |
| **Deferred Tax:** | | | |
| In respect of current year origination and reversal of temporary differences | | 362 | 48 |
| | **Total (b)** | **362** | **48** |
| | **Total (a+b)** | **362** | **48** |

**The income tax expense for the period can be reconciled to the accounting profit as follows:**

| | For the twelve months ended 30th September, 2021 (₹ in Millions) | For the twelve months ended 30th September, 2020 (₹ in Millions) |
|---|---|---|
| **Profit / (Loss) before tax as per Combined Statement of Profit and Loss** | 1,405 | 200 |
| **Income tax using the Restricted group's domestic tax rate 25.17% (as at 30th September, 2020 @ 25.17%)** | 354 | 50 |
| **Tax Effect of :** | | |
| Change in estimate relating to prior years | 8 | - |
| Income charged as per special provision of Income Tax Act, 1961 | - | - |
| Change in Tax Rate | - | (2) |
| **Tax Expense for the year recognised in Combined Statement of Profit and Loss for the period** | **362** | **48** |

**30 Contingent Liabilities and Commitments ( to the extent not provided for) :**

| (i) Contingent Liabilities: | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| The Restricted Group - 2 has received demand for liquidation damages for various projects completed beyond the contractually agreed dates. The Restricted Group - 2 has filed appeal against such demands with appellant authorities. The management believes the reason for delay were not attributable to the Restricted Group - 2 and the facts underlying the Restricted Group - 2's position, it believes that the probability that it will ultimately be found liable for these assessments currently does not seem probable and accordingly has not accrued any amount with respect to these matters in its financial statements. The Restricted Group - 2 does not expect the impact of these demands to have a material adverse effect on its financial position and financial results. | 29 | 29 |

| (ii) Commitments : | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| Capital Commitment (estimated amount of contracts remaining to be executed on capital account and not provided for): | | |
| Wardha Solar (Maharashtra) Private Limited | 15 | 69 |
| Kodangal Solar Parks Private Limited | - | 0 |
| Adani Renewable Energy (RJ) Limited | 21 | 1 |
| **Total** | **36** | **70** |

**31 Leases**

The Restricted Group - 2 has elected below practical expedients on transition to Ind AS 116:
1. Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
2. Applied the exemption not to recognise right of use assets and lease liabilities with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
4. Elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Restricted Group - 2 relied on its assessment made applying Ind AS 17 Leases.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

The Restricted Group - 2 has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term.

The Restricted Group - 2 has lease contracts for land used in its operations. Leases of this items generally have lease terms of 25 years, the Restricted Group - 2 is restricted from assigning and subleasing the leased assets.

The weighted average incremental borrowing rate applied to lease liabilities is 10.50%.

The following is the movement in Lease liabilities:

| Particulars | (₹ in Millions) |
|---|---|
| **Balance as at 1st October, 2019** | **444** |
| Finance costs incurred during the period | 47 |
| Payments of Lease Liabilities | (17) |
| **Balance as at 30th September, 2020** | **473** |
| Finance costs incurred during the period | 48 |
| Payments of Lease Liabilities | (68) |
| **Balance as at 30th September, 2021** | **453** |

**32 Financial Instruments and Risk Review :**

The Restricted Group - 2's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of entities forming part of Restricted Group - 2. The Management ensures appropriate risk governance framework for the Restricted Group - 2 through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Restricted Group - 2's policies and risk objectives.

The Restricted Group - 2's financial liabilities comprise mainly of borrowings, trade and other payables. The Restricted Group - 2's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Restricted Group - 2 has exposure to the following risks arising from financial instruments:
- Market risk;
- Credit risk; and
- Liquidity risk

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

**i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Restricted Group - 2's exposure to the risk of changes in market interest rates relates primarily to the Restricted Group - 2's Non-current debt obligations with fixed and floating interest rates.

The sensitivity analysis have been carried out based on the exposure to interest rates for instruments not hedged against interest rate fluctuations at the end of the reporting period. The said analysis has been carried on the amount of floating rate Non-current liabilities outstanding at the end of the reporting period. A 50 basis point increase or decrease represents the management's assessment of the reasonably possible change in interest rates.

Since all the non current borrowing of Restricted Group - 2 are hedged, there will be no impact in the profit and loss on account of change in interest rate.

**ii) Foreign Currency risk**

Foreign Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Restricted Group - 2 is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Restricted Group - 2's operating and financing activities. The Restricted Group - 2 hedges at least 25% of its total exposure for 12 months as per the policy.

Every 1% depreciation / appreciation in the exchange rate between the Indian rupee and U.S.dollar and other currencies on the exposure of $ 0 million as on 30th September, 2021 and $ 0 million as on 31st March, 2021, would have decreased/increased the Restricted Group - 2's profit for the year as follows :

| | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|
| Impact on profit / (loss) for the period / year (before tax) | 0 | 0 |

**iii) Price risk**

The Restricted Group - 2's exposure to price risk in the investment in mutual funds and classified in the balance sheet as fair value through profit or loss. The Restricted Group - 2's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Management monitors the investments closely to mitigate its impact on profit and cash flows.

**Credit risk**

**Trade Receivable:**

Major receivables of the Restricted Group - 2 are from State and Central distribution Companies (DISCOM) which are Government entities. The Restricted Group - 2 is regularly receiving its dues from DISCOM. Delayed payments carries interest as per the terms of agreements. Trade receivables are generally due for lesser than one year, accordingly in relation to these dues, the Restricted Group - 2 does not foresee any significant Credit Risk.

**Other Financial Assets:**

This comprises mainly of deposits with banks, investments in mutual funds and other intercompany receivables. Credit risk arising from these financial assets is limited and there is no collateral held against these because the counterparties are Unrestricted Group Companies, banks and recognised financial institutions. Banks and recognised financial institutions have high credit ratings assigned by the international credit rating agencies.

**Liquidity risk**

Liquidity risk is the risk that the Restricted Group - 2 will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Restricted Group - 2 monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Restricted Group - 2's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through continued support from lenders, trade creditors as well as through issue of equity shares.

The Restricted Group - 2 expects to generate positive cash flows from operations in order to meet its external financial liabilities as they fall due. The Restricted Group - 2 has understanding from unrestricted Group entities to extend repayment terms of borrowings as required.

**Maturity profile of financial liabilities:**

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

(₹ in Millions)

| As at 30th September, 2021 | Note | Less than 1 year | 1 to 5 year | More than 5 Years | Total |
|---|---|---|---|---|---|
| Borrowings (Including current maturities) | 17 and 20 | 1,250 | 6,022 | 21,729 | 29,001 |
| Lease Liabilities | | 41 | 124 | 288 | 453 |
| Trade Payables | 21 | 81 | - | - | 81 |
| Derivative Liabilities | 22 | 32 | - | - | 32 |
| Other Financial Liabilities | 22 | 1,010 | - | - | 1,010 |

(₹ in Millions)

| As at 31st March, 2021 | Note | Less than 1 year | 1 to 5 year | More than 5 Years | Total |
|---|---|---|---|---|---|
| Borrowings (Including current maturities) | 17 and 20 | 1,219 | 6,131 | 21,765 | 29,115 |
| Lease Liabilities | | 41 | 136 | 295 | 472 |
| Trade Payables | 21 | 75 | - | - | 75 |
| Derivative Liabilities | 22 | 60 | 22 | - | 82 |
| Other Financial Liabilities | 22 | 709 | - | - | 709 |

**Capital Management**

The Restricted Group - 2's objectives for managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Restricted Group - 2's overall strategy remains unchanged from previous year.

The Restricted Group - 2 sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation, debt securities and other Non-current/current borrowings. The Restricted Group - 2's policy is to use current and non-current borrowings to meet anticipated funding requirements. The Restricted Group - 2 monitors capital on the basis of the net debt to equity ratio.

The Restricted Group - 2 believes that it will able to meet all its current liabilities and interest obligations in a timely manner, since most of the current liabilities are from Unrestricted Group entities.

In Order to achieve this overall objective, the Restricted Group - 2's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the period / year ended 30th September, 2021 and 31st March, 2021.

| Particulars | Note | As at 30th September, 2021 (₹ in Millions) | As at 31st March, 2021 (₹ in Millions) |
|---|---|---|---|
| Net debt (total debt less cash and cash equivalents) (A) | 17, 20 and 12 | 28,531 | 28,805 |
| Total net parent investment (B) | 16 | 4,461 | 4,074 |
| Total net parent investment and net debt C=(A+B) | | 32,992 | 32,879 |
| Gearing ratio (A/C) | | **86.5%** | **87.6%** |

**33** The Restricted Group - 2 has taken various derivatives to hedge its loans and other payable. The outstanding position of derivative instruments is as under:

| Nature | Purpose | As at 30th September, 2021 | | As at 31st March, 2021 | |
|---|---|---|---|---|---|
| | | (₹ in Millions) | Foreign Currency (USD in Million) | (₹ in Millions) | Foreign Currency (USD in Million) |
| Forward Contract | Hedging of Bond Interest accrued but not due | 1,168 | 16 | 1,167 | 16 |
| Principal only Swap | Hedging of Foreign Currency Bond Principal | 25,428 | 343 | 25,409 | 348 |
| | **Total** | **26,596** | **359** | **26,576** | **364** |

The details of foreign currency exposures not hedged by derivative instruments are as under :-

| | Currency | As at 30th September, 2021 (₹ in Millions) | As at 30th September, 2021 Foreign Currency (USD in Million) | As at 31st March, 2021 (₹ in Millions) | As at 31st March, 2021 Foreign Currency (USD in Million) |
|---|---|---|---|---|---|
| Creditors and Acceptances | **USD** | 40 | 0 | 33 | 0 |
| Creditors and Acceptances | **EUR - Euro** | 6 | 0 | 1 | 0 |
| | **Total** | **46** | **0** | **34** | **0** |

(Closing rate as at 30th September, 2021 : INR/USD-74.23 and INR/EUR-86.07 and as at 31st March, 2021 : INR/USD-73.11 and INR/EUR-85.75)

**34 Fair Value Measurement :**

**a) The carrying value of financial instruments by categories as of 30th September, 2021 is as follows :**

**(₹ in Millions)**

| Particulars | Fair Value through Other Comprehensive Income | Fair Value through profit or loss | Amortised cost | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Cash and cash equivalents | - | - | 175 | 175 |
| Bank balances other than cash and cash equivalents | - | - | 71 | 71 |
| Investments | - | 1,340 | - | 1,340 |
| Trade Receivables | - | - | 595 | 595 |
| Loans | - | - | 3,840 | 3,840 |
| Derivative Assets | 154 | - | - | 154 |
| Other Financial assets | - | - | 4,738 | 4,738 |
| **Total** | **154** | **1,340** | **9,419** | **10,913** |
| **Financial Liabilities** | | | | |
| Borrowings (including current maturities) | - | - | 28,705 | 28,705 |
| Lease Liabilities | - | - | 453 | 453 |
| Trade Payables | - | - | 81 | 81 |
| Derivative Liabilities | 32 | - | - | 32 |
| Other Financial Liabilities | - | - | 1,010 | 1,010 |
| **Total** | **32** | **-** | **30,249** | **30,281** |

**b) The carrying value of financial instruments by categories as of 31st March, 2021 is as follows :**

(₹ in Millions)

| Particulars | Fair Value through Other Comprehensive Income | Fair Value through profit or loss | Amortised cost | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Cash and cash equivalents | - | - | 8 | 8 |
| Bank balances other than cash and cash equivalents | - | - | 261 | 261 |
| Investments | - | 1,366 | - | 1,366 |
| Trade Receivables | - | - | 203 | 203 |
| Loans | - | - | 3,032 | 3,032 |
| Derivative Assets | 34 | - | - | 34 |
| Other Financial assets | - | - | 5,002 | 5,002 |
| **Total** | **34** | **1,366** | **8,506** | **9,906** |
| **Financial Liabilities** | | | | |
| Borrowings (including current maturities) | - | - | 28,813 | 28,813 |
| Lease Liabilities | - | - | 472 | 472 |
| Trade Payables | - | - | 76 | 76 |
| Derivative Liabilities | 82 | - | - | 82 |
| Other Financial Liabilities | - | - | 709 | 709 |
| **Total** | **82** | **-** | **30,070** | **30,152** |

**Note:**

(i) Fair value of financial assets and liabilities measured at amortised cost is not materially different from the fair value. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

(ii) Trade Receivables, Cash and Cash Equivalents, Other bank balances, Loans, Other Financial Assets, Current Borrowings, Trade Payables and Other Current Financial Liabilities: Fair values approximate their carrying amounts largely due to short-term maturities of these instruments.

**35 Fair Value hierarchy :**

(₹ in Millions)

| Particulars | | As at 30th September, 2021 | |
|---|---|---|---|
| | | Level 2 | Total |
| **Assets** | | | |
| Investments | | 1,340 | 1,340 |
| Derivative instruments | | 154 | 154 |
| | **Total** | **1,494** | **1,494** |
| **Liabilities** | | | |
| Derivative instruments | | 32 | 32 |
| | **Total** | **32** | **32** |

(₹ in Millions)

| Particulars | | As at 31st March, 2021 | |
|---|---|---|---|
| | | Level 2 | Total |
| **Assets** | | | |
| Investments | | 1,366 | 1,366 |
| Derivative instruments | | 34 | 34 |
| | **Total** | **1,400** | **1,400** |
| **Liabilities** | | | |
| Derivative instruments | | 82 | 82 |
| | **Total** | **82** | **82** |

(i) The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

(ii) The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs as at reporting date. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange rates.

**36 Related party transactions**

**a. List of related parties and relationship**

The Restricted Group entities have certain transactions with entities which are not covered under Restricted Group (Unrestricted Group entities).

| | | |
|---|---|---|
| Entities with joint control of, or significant influence over, the Parent Company | : | S. B. Adani Family Trust ( SBAFT )<br>Adani Trading Services LLP<br>Adani Properties Private Limited<br>Universal Trade and Investments Limited |
| Ultimate Holding Company | | Adani Green Energy Limited |
| Immediate Holding Company of WSMPL | : | Parampujya Solar Energy Private Limited |
| Immediate Holding Company of ARERJL | : | Adani Green Energy Twenty Three Limited (w.e.f. 3rd April, 2020) |
| Immediate Holding Company of KSPPL | : | Adani Green Energy Twenty Three Limited (w.e.f. 3rd April, 2020) |
| Unrestricted group entities (with whom transaction are done) | : | Adani Infrastructure Management Service Limited<br>Adani Wind Energy Kutchh Two Limited (Formerly known as Adani Renewable Energy (TN) Limited)<br>Adani Solar Energy Four Private Limited (Formerly known as Kilaj Solar (Maharashtra) Private Limited)<br>Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited)<br>Adani Green Energy (UP) Limited<br>Kamuthi Solar Power Limited<br>Adani Renewable Energy GJ Limited<br>Gaya Solar (Bihar) Private Limited<br>Adani Global DMCC<br>Adani Foundation |
| Key Management Personnel | : | **Wardha Solar (Maharashtra) Private Limited**<br>Abhilash Mehta, Whole-time-Director<br>Unni Krishnan Gopal, Director<br>Ashish Garg, Director (upto 22nd November,2019)<br>Ankit Shah, Chief Financial Officer<br>Dipak Gupta, Additional Director (w.e.f. 31st March, 2021)<br>Ravi Kapoor, Independent Director (w.e.f. 31st March, 2021)<br>Krishnakumar Mishra, Additional Director (upto 16th January,2021)<br>Sushama Oza, Independent Director<br>**Kodangal Solar Parks Private Limited**<br>Ajay Purohit, Whole-time Director<br>Krishnakumar Mishra (w.e.f. 21st October, 2019 upto 16th January,2021)<br>Raj Kumar Jain, Director<br>Ajith Kannissery, Director (upto 7th December,2020)<br>Kirti Joshi, Additional Director (w.e.f. 7th December, 2020)<br>Ravi Kapoor, Additional Director (w.e.f. 31st March, 2021)<br>Nayana Gadhavi (w.e.f. 21st October, 2019)<br>Shashi Kant Ranjan, Chief Financial Officer<br>Sneha Chaudhary (w.e.f. 6th September, 2019 upto 22 September,2020)<br>**Adani Renewable Energy (RJ) Limited**<br>Bhupendra Asawa, Whole-time Director<br>Raj KumarJain, Director<br>Sandip Adani, Director<br>Udayan Sharma, Chief Financial Officer<br>Nayana Gadhavi, Additional Director<br>Sushama Oza, Additional Director |

**Terms and conditions of transactions with Unrestricted group entities**

Outstanding balances of Unrestricted group entities at the year-end are unsecured. Transaction entered into with Unrestricted group entities are made on terms equivalent to those that prevail in arm's length transactions.

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Restricted Group - 2 with the related parties during the existence of the related party relationship. Transactions in excess of 10% of the total related party transactions for each type has been disclosed in note below.

**Notes:**

The names of the Unrestricted group entities and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Restricted Group - 2 with the Unrestricted group entities during the existence of the related party relationship.

**37** The Restricted Group - 2's activities during the year revolve around renewable power generation. Considering the nature of The Restricted Group - 2's business, as well as based on reviews by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS - 108 – "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015. As the Restricted Group - 2's entire revenue is from domestic sales, no separate geographical segment is disclosed.

**38** **<u>Contract balances:</u>**

(a) The following table provides information about receivables and contract assets from the contracts with customers.

(₹ in Millions)

| **Particulars** | **As at 30th September, 2021** | **As at 31st March, 2021** |
|---|---|---|
| Trade receivables (refer note 11) | 217 | 203 |
| Contract Assets - Unbilled Revenue (refer note 11) | 378 | 481 |

The contract assets primarily relate to the Restricted Group - 2's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Restricted Group - 2 issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

(b) Significant changes in contract assets during the period:

(₹ in Millions)

| **Particulars** | **As at 30th September, 2021** | **As at 31st March, 2021** |
|---|---|---|
| Contract assets reclassified to receivables | 481 | 481 |

**Reconciliation the amount of revenue recognised in the statement of combined profit and loss with the contracted price:**

(₹ in Millions)

| **Particulars** | **For the twelve months ended 30th September, 2021** | **For the twelve months ended 30th September, 2020** |
|---|---|---|
| Revenue as per contracted price | 5,034 | 4,967 |
| **<u>Adjustments</u>** | | |
| Discounts | 71 | 71 |
| **Revenue from contract with customers** | **4,963** | **4,896** |

The Restricted Group - 2 does not have any remaining performance obligation for sale of goods.

**39** During the previous year, the Restricted Group had refinanced its earlier borrowings through issuance of secured senior notes (US$ denominated bonds). On account of such refinancing activities, the Restricted Group has incurred a onetime expense aggregating to ₹ 744 Millions. These expenses comprises of prepayment charges, unamortized portion of other borrowing cost related to earlier borrowings and cost of premature termination of derivative contracts. The same are treated as exceptional items in the combined financial statements.

**40** Due to ongoing impact of COVID-19 globally and in India, the Restricted Group - 2 has assessed the likely adverse impact on economic environment in general as well as operating and financial risks on its business. The Restricted Group - 2 is in electricity generation business, which is an essential service as emphasized by the Ministry of Power, Government of India. Renewables sector has significantly supported in servicing the power demand in the most critical period of COVID 19 lockdown, not being dependent on any raw material source. Government has kept its "Must Run" status intact even in the testing time of COVID 19. Despite the initial drop, post COVID 19 lockdowns, demand of power has picked up at pace faster than expected with increasing economic activities in the country. The Restricted Group - 2's management has estimated future cash flows from its business, which indicates no major impact on the operational and financial performance of the Restricted Group - 2. The Restricted Group - 2's management, however, will continue to closely monitor the performance.

**41** Entities forming part of Restricted Group - 2 does not have any employee. The operational management and administrative functions of the entities forming part of Restricted Group - 2 are being managed by Ultimate Holding Company.

**42** **Events occurring after the Balance sheet Date**

The Restricted Group - 2 evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the special purpose combined financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the special purpose combined financial statements. There are no subsequent events to be recognized or reported that are not already disclosed.

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

Jain Anuj Digitally signed by Jain Anuj Date: 2021.11.12 21:15:50 +05'30'

**Anuj Jain**
Partner
Membership No. 119140

**Place : Ahmedabad**
**Date : 12th November 2021**

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

ADANI SAGAR RAJESHBHAI Digitally signed by ADANI SAGAR RAJESHBHAI Date: 2021.11.12 19:32:56 +05'30'

**Sagar R. Adani**
Additional Director
DIN: 07626229

**Vneet S. Jaain**
Additional Director
DIN: 00053906

**Place : Ahmedabad**
**Date : 12th November 2021**

**Transactions with Related Parties**

(₹ in Millions)

| Particulars | For the twelve months ended 30th September, 2021 | | | | | For the twelve months ended 30th September, 2020 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Holding Company (including Immediate Holding) | Fellow Subsidiaries | Joint Ventures of Group | Entities under common control/ Associate entities | Key Management Personnel | Holding Company (including Immediate Holding) | Fellow Subsidiaries | Joint Ventures of Group | Entities under common control/ Associate entities | Key Management Personnel |
| **Equity Share Capital** | - | - | - | - | - | - | - | - | - | - |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | - | - | - | - | - | - | - |
| **Equity Share Capital Transfer To** | **977** | - | - | - | - | **2** | - | - | - | - |
| Adani Green Energy Twenty Three Limited | 977 | - | - | - | - | 2 | - | - | - | - |
| **Equity Share Capital Transfer From** | - | - | - | **977** | - | **2** | - | - | - | - |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | 977 | - | - | - | - | - | - |
| Adani Green Energy Limited | - | - | - | - | - | 2 | - | - | - | - |
| **Preference Share Capital Transfer From** | - | - | - | - | - | **267** | - | - | - | - |
| Adani Green Energy Limited | - | - | - | - | - | 267 | - | - | - | - |
| **Preference Share Capital Transfer To** | - | - | - | - | - | **267** | - | - | - | - |
| Adani Green Energy Twenty Three Limited | - | - | - | - | - | 267 | - | - | - | - |
| **Conversion of Borrowing (Debenture) to Loan** | - | - | - | - | - | **1,440** | - | - | **938** | - |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | - | - | - | - | - | 938 | - |
| Parampujya Solar Energy Private Limited | - | - | - | - | - | 1,440 | - | - | - | - |
| **Interest Expenses on Debenture** | - | - | - | - | - | **68** | - | - | **43** | - |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | - | - | - | - | - | 43 | - |
| Parampujya Solar Energy Private Limited | - | - | - | - | - | 68 | - | - | - | - |
| **Loan Given** | **1,638** | - | - | **3,840** | - | **1,839** | - | - | - | - |
| Adani Green Energy Limited | 1,638 | - | - | - | - | 1,539 | - | - | - | - |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | 3,840 | - | - | - | - | - | - |
| **Loan Received Back** | **2,777** | - | - | - | - | **700** | - | - | - | - |
| Adani Green Energy Limited | 2,777 | - | - | - | - | 400 | - | - | - | - |
| Adani Green Energy Twenty Three Limited | - | - | - | - | - | 300 | - | - | - | - |
| **Interest Income on Loan** | **141** | - | - | **188** | - | **14** | - | - | - | - |
| Adani Green Energy Limited | 141 | - | - | - | - | 14 | - | - | - | - |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | 188 | - | - | - | - | - | - |
| **Loan Taken** | **384** | - | - | - | - | **2,938** | - | - | **1,041** | - |
| Adani Green Energy Twenty Three Limited | 161 | - | - | - | - | 1,093 | - | - | - | - |
| Parampujya Solar Energy Private Limited | 223 | - | - | - | - | 1,778 | - | - | - | - |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | - | - | - | - | - | 1,041 | - |
| **Loan Repaid Back** | **154** | - | - | - | - | **3,049** | - | - | **1,041** | - |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | - | - | - | - | - | 1,041 | - |
| Adani Green Energy Twenty Three Limited | 154 | - | - | - | - | - | - | - | - | - |
| Adani Green Energy Limited | - | - | - | - | - | 3,010 | - | - | - | - |
| **Interest Expense on Loan** | **455** | - | - | - | - | **257** | - | - | **6** | - |
| Adani Green Energy Twenty Three Limited | 167 | - | - | - | - | 82 | - | - | - | - |
| Parampujya Solar Energy Private Limited | 288 | - | - | - | - | 145 | - | - | - | - |
| Adani Green Energy Limited | - | - | - | - | - | 30 | - | - | - | - |
| **Interest expense- Others** | - | - | - | - | - | - | - | - | **6** | - |
| Adani Global DMCC | - | - | - | - | - | - | - | - | 6 | - |
| **Other Balances Transfer from** | **0** | - | - | **20** | - | **3** | - | - | **9** | - |
| Adani Green Energy (UP) Limited | - | - | - | 4 | - | - | - | - | 9 | - |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | 16 | - | - | - | - | - | - |
| Parampujya Solar Energy Private Limited | - | - | - | - | - | 2 | - | - | - | - |
| **Other Balances Transfer to** | **11** | - | - | **2** | - | **14** | **0** | - | **0** | - |
| Adani Green Energy Limited | 11 | - | - | - | - | 3 | - | - | - | - |
| Parampujya Solar Energy Private Limited | - | - | - | - | - | 10 | - | - | - | - |
| Adani Green Energy (UP) Limited | - | - | - | 2 | - | - | - | - | - | - |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Purchase of Goods** | **14** | **-** | **0** | **191** | **-** | **4,429** | **-** | **-** | **-** | **-** |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | 186 | - | - | - | - | - | - |
| Adani Green Energy Limited | - | - | - | - | - | 4,426 | - | - | - | - |
| | | | | | | | | | | |
| **Receiving of Services** | **0** | **-** | **-** | **132** | **-** | **93** | **-** | **-** | **130** | **-** |
| Adani Infrastructure Management Service Limited | - | - | - | 132 | - | - | - | - | 130 | - |
| Adani Green Energy Limited | - | - | - | - | - | 93 | - | - | - | - |
| | | | | | | | | | | |
| **Sale of Assets** | **6** | **0** | **-** | **0** | **-** | **-** | **-** | **-** | **1** | **-** |
| Adani Green Energy Limited | 6 | - | - | - | - | - | - | - | - | - |
| Adani Green Energy (UP) Limited | - | - | - | - | - | - | - | - | 0 | - |
| Adani Wind Energy Kutchh Two Limited (Formerly known as Adani Renewable Energy (TN) Limited) | - | - | - | - | - | - | - | - | 0 | - |
| Gaya Solar (Bihar) Private Limited | - | - | - | - | - | - | - | - | 0 | - |
| Adani Renewable Energy GJ Limited | - | - | - | - | - | - | - | - | 0 | - |
| | | | | | | | | | | |
| **Sale of Goods** | **7** | **0** | **3** | **42** | **-** | **15** | **0** | **-** | **19** | **-** |
| Adani Green Energy (UP) Limited | - | - | - | 26 | - | - | - | - | - | - |
| Adani Green Energy Limited | - | - | - | - | - | 15 | - | - | - | - |
| Parampujya Solar Energy Private Limited | 7 | - | - | - | - | - | - | - | - | - |
| Adani Infrastructure Management Service Limited | - | - | - | 6 | - | - | - | - | - | - |
| Kilaj Solar (Maharashtra) Pvt Limited | - | - | - | - | - | - | - | - | 18 | - |
| | | | | | | | | | | |
| **Purchase of Land** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **0** | **-** |
| Kamuthi Solar Power Limited | - | - | - | - | - | - | - | - | 0 | - |
| | | | | | | | | | | |
| **Reimbursement Paid** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **4** | **-** |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | - | - | - | - | - | 4 | - |
| | | | | | | | | | | |
| **Corporate Social Responsibility Expenses** | **-** | **-** | **-** | **10** | **-** | **-** | **-** | **-** | **-** | **-** |
| Adani Foundation | - | - | - | 9 | - | - | - | - | - | - |
| | | | | | | | | | | |
| **Director Sitting Fees** | **-** | **-** | **-** | **-** | **0** | **-** | **-** | **-** | **-** | **0** |
| Krishnakumar Chhaganlal Mishra | - | - | - | - | 0 | - | - | - | - | 0 |
| Nayna K Gadhvi | - | - | - | - | 0 | - | - | - | - | 0 |

**Balances With Related Parties**

| Particulars | As at 30th Sep, 2021 | | | | | As at 31st March, 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Holding Company (including Immediate Holding) | Subsidiary Companies (Including Fellow) | Joint Ventures of Group | Entities under common control/ Associate entities | Key Management Personnel | Holding Company (including Immediate Holding) | Subsidiary Companies (Including Fellow) | Joint Ventures of Group | Entities under common control/ Associate entities | Key Management Personnel |
| **Borrowings (Loan)** | **3,062** | **-** | **-** | **-** | **-** | **3,216** | **-** | **-** | **-** | **-** |
| Adani Green Energy Twenty Three Limited | 1,061 | - | - | - | - | 1,215 | - | - | - | - |
| Parampujya Solar Energy Private Limited | 2,001 | - | - | - | - | 2,001 | - | - | - | - |
| | | | | | | | | | | |
| **Loans & Advances Given** | **-** | **-** | **-** | **3,840** | **-** | **-** | **-** | **-** | **3,032** | **-** |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | 3,840 | - | - | - | - | 3,032 | - |
| | | | | | | | | | | |
| **Interest Accrued and due receivable (Loan)** | **-** | **-** | **-** | **186** | **-** | **-** | **-** | **-** | **-** | **-** |
| Adani Renewable Energy Holding One Limited (Formerly known as Mahoba Solar UP Private Limited) | - | - | - | 186 | - | - | - | - | - | - |
| | | | | | | | | | | |
| **Interest Accrued but not due (Loan)** | **239** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Adani Green Energy Twenty Three Limited | 86 | - | - | - | - | - | - | - | - | - |
| Parampujya Solar Energy Private Limited | 153 | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| **Accounts Payable (Inclusive of Provisions)** | **177** | **-** | **-** | **27** | **-** | **53** | **-** | **0** | **3** | **-** |
| Adani Green Energy Limited | 158 | - | - | - | - | 31 | - | - | - | - |
| Parampujya Solar Energy Private Limited | - | - | - | - | - | 22 | - | - | - | - |
| Adani Infrastructure Management Service Limited | - | - | - | 25 | - | - | - | - | - | - |
| | | | | | | | | | | |
| **Accounts Receivable** | **-** | **-** | **-** | **146** | **-** | **0** | **1** | **-** | **162** | **-** |
| Adani Green Energy (UP) Limited | - | - | - | 127 | - | - | - | - | 117 | - |
| Adani Solar Energy Four Private Limited (Formerly known as Kilaj Solar (Maharashtra) Private Limited) | - | - | - | - | - | - | - | - | 22 | - |