

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Summary Special Purpose Combined Financial Statements of Restricted Group 2 presented in another documents.

Results of Operations

The following table sets out select financial data derived from the Special Purpose Combined Interim Financial Statements for the nine months ended December 31, 2022, and 2023:

Nine Months Ended December 31, 2022, Compared to Nine Months Ended December 31, 2023

	Nine months ended December 31,		
	2022	2023	2023
	(INR in millions)		(US\$ in millions) ⁽¹⁾
Combined Summary Statement of Profit or Loss			
Income			
Revenue from operations	7,913	9,798	117.9
Other income	1,426	1,056	12.7
Total income (A)	9,339	10,854	130.6
Operating and maintenance expenses	1,486	2,226	26.8
Employee benefits expense	124	177	2.1
Other expenses	513	655	7.9
Total expense (B)	2,123	3,058	36.8
EBITDA (A-B)	7,216	7,796	93.8
Depreciation and amortization expense	1,490	1,801	21.7
Finance costs	4,377	5,007	60.2
Profit before tax	1,349	988	11.9
Tax pertaining to prior year	—	4	0.0
Deferred tax	823	671	8.1
Total tax expenses	823	675	8.1
Profit after tax	526	313	3.8
Share of profit attributable to minority shareholders' fund	34	108	1.3
Profit for the period	492	205	2.5

Note:

- (1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of INR 83.1164 per US\$1.00, being the closing exchange rate published by the FBIL as of December 29, 2023.

Revenue from operations

Revenue from operations increased by 23.8% from INR 7,913 million for the nine months ended December 31, 2022 to INR 9,798 million for the nine months ended December 31, 2023. The following table sets forth the breakdown of our revenue from operations for the indicated periods:

	Nine months ended December 31,	
	2022	2023
	(INR in millions, unless otherwise stated)	
Sale of electricity	7,614	9,494
Income from international renewable energy certificate	—	9
Generation-based incentive	286	205
Sale of stores and spares	—	25
Revenue loss recovered	13	65
Total revenue from operations	7,913	9,798
Installed capacity at beginning of period (MW)	750.9	943.2
Installed capacity at end of period (MW)	904.6	990.8
Generation (GWh)	1,366.0	1,620.9

Revenue from sale of electricity increased by 24.7% from INR 7,614 million for the nine months ended December 31, 2022 to INR 9,494 million for the nine months ended December 31, 2023, despite the lower generation on account of lower wind speed, as a result of the Rajkot 3 Project becoming fully operational in the nine months ending December 2023.

GBI decreased by 28.3% from INR 286 million for the nine months ended December 31, 2022 to INR 205 million for the nine months ended December 31, 2023, due to the expiry of the 10-year period from the commissioning date for certain WTGs at the Bothe project.

Revenue loss recovered increased from INR 13 million for the nine months ended December 31, 2022 to INR 65 million for the nine months ended December 31, 2023, which was primarily from compensation for lower machine availability provided by the O&M contractor as against committed machine availability pursuant to the O&M agreement entered into for Ratlam 1 and Rajkot 2B projects.

We also had income from international renewable energy certificate of INR 9 million and sale of stores and spares of INR 25 million for the nine months ended December 31, 2023.

Generation for the nine months ended December 31, 2022 and December 31, 2023 was 1,366 GWh and 1,620.9 GWh, respectively, representing an increase of 18.7%.

Other income

Other income decreased by 25.9% from INR 1,426 million for the nine months ended December 31, 2022 to INR 1,056 million for the nine months ended December 31, 2023, primarily due to decreased interest income on overdue trade receivables by INR 414 million, a reversal of a provision made for a rebate on collection by INR 136 million. This was marginally offset by higher interest income earned on bank deposit and interest income on an unsecured loan from related parties amounting to INR 220 million.

Total expense (other than depreciation and amortization and finance costs)

Total expenses (other than depreciation and amortization and finance costs) increased by 44.1% from INR 2,123 million for the nine months ended December 31, 2022 to INR 3,058 million for the nine months ended December 31, 2023, primarily due to interim operating and maintenance fees paid in Rajkot 3 and other increases in open access charges due to commissioning of the Rajkot 3 project in June 2023 of INR 417 million an inflationary increase in operating and maintenance fees payable to an O&M contractor and an increase in transmission charges in Tamil Nadu.

Depreciation and amortization expense

Depreciation and amortization expense increased by 20.9 % from INR 1,490 million for the nine months ended December 31, 2022 to INR 1,801 million for the nine months ended December 31, 2023, primarily due to an increase in property, plant and equipment on account of the commissioning of the Rajkot 3 Project, which achieved commercial operation in June 2023. As a result, depreciation is provided for the full period on the total assets of the Rajkot 3 project.

Finance costs

Finance costs increased by 14.4% from INR 4,377 million for the nine months ended December 31, 2022 to INR 5,007 million for the nine months ended December 31, 2023, primarily due to an increase in term loans drawn down in relation to the Rajkot 3 project which was under construction during the nine month ended December 31, 2022 as well as interest on OCDs/CCDs and CFCDs accrued in the nine months ended December 2023. The increases were offset in part by lower interest on working capital.

Profit before tax

For the reasons discussed above, profit before tax decreased from a profit of INR 1,349 million for the nine months ended December 31, 2022 to a profit of INR 988 million for the nine months ended December 31, 2023.

Tax pertaining to prior year

Effective from April 1, 2019, few of the entities in Restricted Group 2 have adopted new tax regime available under Section 115BAA, which has reduced the base tax rate to 22% and provision of MAT are not applicable. Consequently, there is no tax payable for the nine months ended December 31, 2022 and December 31, 2023 as there are sufficient brought forward tax losses. For the nine months ended December 31, 2023, tax expense pertaining to prior period of INR 4 million was charged to the profit and loss account.

Deferred tax

Deferred tax liability is recognized for the nine months ended December 31, 2023 for the timing difference of depreciation which is offset by creation of deferred tax asset on unabsorbed depreciation losses was given to statement of profit and loss account. Deferred tax liability is higher in the initial years of operations as book depreciation is lower than income tax depreciation leading to the creation of deferred tax liability.

Profit after tax

As a result of the foregoing, our profit after tax decreased from a profit after tax of INR 526 million for the nine months ended December 31, 2022 to a profit after tax of INR 313 million for the nine months ended December 31, 2023.

Share of profit attributable to minority shareholders' fund

This represents the share of profit attributable to minority shareholders' fund on account of profit reported in Watsun Infrabuild Private Limited, approximately 28% of which is held by our group captive C&I consumers. For nine months ended December 31, 2023, share of profit attributable to minority shareholders' fund were INR 108 million, as compared to profit attributed to minority shareholders' fund of INR 34 million for nine months ended December 31, 2022.

Profit for the period

As a result of the foregoing, our profit for the period decreased from a profit of INR 492 million for the nine months ended December 31, 2022 to a profit of INR 205 million for the nine months ended December 31, 2023.

Fiscal Year Ended March 31, 2021, 2022 and 2023

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions)			(US\$ in millions) ⁽¹⁾
Combined Summary Statement of Profit & Loss				
Income				
Revenue from operations	7,661	9,191	9,749	117.3
Other income	614	965	1,761	21.2
Total income (A)	8,275	10,156	11,510	138.5
Operating and maintenance expenses	1,352	1,645	2,044	24.6
Employee benefits expense	115	152	170	2.1
Other expenses	586	654	701	8.4
Total expense (B)	2,053	2,451	2,915	35.1
EBITDA (A-B)	6,222	7,705	8,595	103.4
Depreciation and amortization expense	1,788	1,847	2,052	24.7
Finance cost	5,773	5,625	5,897	70.9
Profit/(loss) before tax	(1,339)	233	646	7.8
Current tax	—	—	2	0.0
Deferred tax charge/(credit)	(201)	305	857	10.3
Total tax expenses/(credit)	(201)	305	859	10.3
(Loss) after tax	(1,138)	(72)	(213)	(2.6)
Share of (loss) attributable to minority shareholders' fund	(30)	(40)	(65)	(0.8)
(Loss) for the year	(1,108)	(32)	(148)	(1.8)

Note:

(1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of INR 83.1164 per US\$1.00, being the closing exchange rate published by the FBIL as of December 29, 2023.

FY 2023 Compared to FY 2022

Revenue from operations

Revenue from operations increased by 6.1% from INR 9,191 million in FY 2022 to INR 9,749 million in FY 2023. The following table sets forth the breakdown of our revenue of operations for the indicated years:

	As of March 31,	
	2022	2023
	(INR in millions, unless otherwise stated)	
Sale of electricity	8,675	9,413
Generation based incentive	346	323
Sale of verified carbon units	170	—
Revenue loss recovered ⁽¹⁾	—	13
Total revenue from operations	9,191	9,749
Installed capacity at beginning of period (MW)	722.9	750.9
Installed capacity at end of period (MW)	750.9	943.2
Generation (GWh)	1,590.4	1,674.6

Note:

(1) During the year, one of the subsidiary of the Restricted Group 2 has accounted for revenue loss recovered in the amount of INR 13 million towards compensation for lower machine availability provided by the O&M contractor as against committed machine availability as per O&M agreement entered with the contractor for the Rajkot 1 project.

Revenue from sale of electricity increased by 8.5% from INR 8,675 million in FY 2022 to INR 9,413 million in FY 2023, which was primarily due to the full commissioning of the Rajkot 2B project in March 2022.

Generation based incentive decreased by 6.6% from INR 346 million in FY 2022 to INR 323 million in FY 2023, primarily due to lower generation in the Bothe and Ratlam 1 wind farms and completion of the 10-year period for partial capacity in the Bothe project.

Revenue from sale of verified carbon units decreased from INR 170 million in FY 2022 to nil in FY 2023. In addition, revenue loss recovered increased from nil in FY 2022 to INR 13 million in FY 2023 which was primarily due to compensation received for lower machine availability provided by the O&M contractor as against committed machine availability.

Our generation for FY 2022 and FY 2023 was 1,590.4 GWh and 1,674.6 GWh, respectively, an increase of 5.3%.

Other income

Other income increased by 82.5% from INR 965 million in FY 2022 to INR 1,761 million in FY 2023, primarily due to an increase in interest income on bank deposits from INR 71 million in FY 2022 to INR 233 million in FY 2023 as a result of an increase in the balance of our bank deposits, interest income on overdue trade receivable from INR 38 million in FY 2022 to INR 501 million in FY 2023 as a result of as a result of recognition of interest income on overdue trade receivables based on certainty of its collection and past trend of actual receipts of interest on overdue receivable, as well as an increase in provisions no longer required written back from nil in FY 2022 to INR 136 million in FY 2023 mainly as a result of reversal of excess provision towards the 6.3 MW capacity at the Bothe project of INR 119 million and reversal of provision made towards early payment rebate of INR 17 million at the Ratlam project.

Total expense (other than depreciation and amortization and finance costs)

Total expense (other than depreciation and amortization and finance costs) increased by 18.9% from INR 2,451 million in FY 2022 to INR 2,915 million in FY 2023, primarily due to following reasons:

- (a) An increase in O&M expenses from INR 1,645 million in FY 2022 to INR 2,044 million in FY 2023 as a result of (i) end of the free O&M period of the Rajkot 1 project in July 2021 and the Rajkot 2A project in May 2022 and general inflationary increases in fees to contractors, partially offset by reductions in transmission and open access charges per day per MW and also reductions in additional surcharge/cross subsidy surcharge per KW of Rajkot 1 and Rajkot 2A projects and reductions in DSM charges of Ratlam 1 project.
- (b) An increase in employee benefits expenses from INR 152 million in FY 2022 to INR 170 million in FY 2023 primarily due to annual increases in compensation.
- (c) An increase in other expenses from INR 654 million in FY 2022 to INR 701 million in FY 2023 mainly on account of as a result of increases in various expenses including rent, insurance expenses and traveling, lodging and boarding.

Depreciation and amortization expenses

Depreciation and amortization expenses increased by 11.1% from INR 1,847 million in FY 2022 to INR 2,052 million in FY 2023 primarily due to the Rajkot 2A project being commissioned, leading to depreciation on turbines capitalized during March 2022.

Finance costs

Finance costs decreased by 4.8% from INR 5,625 million in FY 2022 to INR 5,897 million in FY 2023, primarily due to increase in (i) interest on term loans from nil in FY 2022 to INR 339 million in FY 2023 in relation to the Rajkot 2A and Rajkot 3 projects as well as interest on such loans getting charged off upon mechanical completion project capacities during FY 2023, (ii) interest on CCDs/CFCDs from INR 785 million in FY 2022 to INR 797 million in FY 2023 as a result of COD of the project in Rajkot 2 project in March 22 and (iii) other borrowing costs from INR 150 million in FY 2022 to INR 202 million in FY 2023.

Profit before tax

For the reasons discussed above, we recorded a profit before tax of INR 233 million in FY 2022 and profit before tax of INR 646 million in FY 2023.

Current tax

We had current tax of INR 2 million in FY 2023 as compared to nil in FY 2022.

Deferred tax

We had deferred tax charge of INR 305 million in FY 2022 and INR 857 million in FY 2023. This was primarily due to the fact that few of the entities in Restricted Group 2 had adopted new tax regime available under Section 115BAA and had to give up benefits available under Section 80IA. Consequently, deferred tax liability outstanding at April 1, 2019 was remeasured and a one-time impact on account of creation of a deferred tax assets on unabsorbed depreciation losses was recognized on the statement of profit and loss account.

Profit/(loss) after tax

For the reasons discussed above, we recorded a loss after tax of INR 72 million in FY 2022 and loss after tax of INR 213 million in FY 2023.

Share of loss attributable to minority shareholders' fund

This represents the share of loss attributable to minority shareholders' fund on account of profit reported in Watsun Infrabuild Private Limited, approximately 28% of which is held by our group captive C&I consumers. For FY 2023, share of loss attributable to minority shareholders' fund were INR 65 million, as compared to a share of loss attributed to minority shareholders' fund of INR 40 million for FY 2022.

Profit/(loss) for the year

As a result of the foregoing, our loss for the year increased from INR 32 million for FY 2022 to INR 148 million for FY 2023.

FY 2022 Compared to FY 2021

Revenue from operations

Revenue from operations increased by 20.0% from INR 7,661 million in FY 2021 to INR 9,191 million in FY 2022. The following table sets forth the breakdown of our revenue of operations for the indicated years:

	As of March 31,	
	2021	2022
	(INR in millions, unless otherwise stated)	
Sale of electricity	7,332	8,675
Generation based incentive	329	346
Sale of verified carbon units	—	170
Total revenue from operations	7,661	9,191
Installed capacity at beginning of period (MW)	706.1	722.9
Installed capacity at end of period (MW)	722.9	750.9
Generation (GWh)	1,353.2	1,590.4

Revenue from sale of electricity increased by 18.3% from INR 7,332 million in FY 2021 to INR 8,675 million in FY 2022, primarily due to the commissioning of windfarms in Rajkot 2A in FY 2022 and Rajkot 2B in March 2022. The increase also was driven by the Periyapatti wind project (94 MW) starting to generate revenue from March 1, 2021.

Generation based incentive increased by 5.2% from INR 329 million in FY 2021 to INR 346 million in FY 2022, primarily due to higher generation on account of increased wind speeds.

Revenue from sale of verified carbon units increased from nil in FY 2021 to INR 170 million in FY 2022.

Our generation for FY 2021 and FY 2022 was 1,353.2 GWh and 1,590.4 GWh, respectively, representing an increase of 17.5%.

Other income

Other income increased by 57.2% from INR 614 million in FY 2021 to INR 965 million in FY 2022, primarily due to interest income on an unsecured loan to related parties from INR 444 million in FY 2021 to INR 803 million in FY 2022 primarily due to unsecured loans given to related parties and an increase in overdue trade receivable from nil FY 2021 to INR 38 million in FY 2022 as a result of recognition of interest income on overdue trade receivable based on certainty of its collection and past trend of receipts of overdue receivables.

Total expense (other than depreciation and amortization and finance costs)

Total expense (other than depreciation and amortization and finance costs) increased by 19.4% from INR 2,053 million in FY 2021 to INR 2,451 million in FY 2022, primarily due to following reasons:

- (a) An increase in O&M expenses from INR 1,352 million in FY 2021 to INR 1,645 million in FY 2022 as a result of the Periyapatti solar project being commissioned at the end of FY 2021, the end of the free O&M period of the Rajkot 1 project in July 2021 and general inflationary increase in fees to contractors and increase in transmission and open access charges due to higher throughput of C&I projects in FY 2022 vs FY 2021.
- (b) Increase in employee benefits expenses from INR 115 million in FY 2021 to INR 152 million in FY 2022 primarily due to annual increase in compensation.

Depreciation and amortization expenses

Depreciation and amortization expenses increased by 3.3% from INR 1,788 million in FY 2021 to INR 1,847 million in FY 2022, primarily due to the commissioning of the Periyapatti solar project and the Rajkot 2A and Rajkot 2B projects, plus the resulting increase in depreciation on turbines and solar equipment capitalized during the year.

Finance costs

Finance costs decreased by 2.6% from INR 5,773 million in FY 2021 to INR 5,625 million in FY 2022, primarily due to a decrease in (i) interest on borrowings from INR 3,523 million in FY 2021 to INR 93 million in FY 2022 as a result of repayment of project term loan in end of FY 2021, (ii) prepayment premium charges from INR 909 million in FY 2021 to nil in FY 2022, partially offset by an increase in interest on NCDs from INR 298 million in FY 2021 to INR 3,741 million in FY 2022.

Profit/(loss) before tax

For the reasons discussed above, we recorded a loss before tax of INR 1,339 million in FY 2021 and a profit before tax of INR 233 million in FY 2022.

Current tax

No current tax was paid in FY 2021 or FY 2022.

Deferred tax charge/(credit)

We had deferred tax credit of INR 201 million in FY 2021 and deferred tax charge of INR 305 million in FY 2022.

Profit/(loss) after tax

For the reasons discussed above, we recorded a loss after tax of INR 1,138 million in FY 2021 and loss after tax of INR 72 million in FY 2022.

Share of loss attributable to minority shareholders' fund

This represents the share of loss attributable to minority shareholders' fund on account of profit reported in Watsun Infrabuild Private Limited, approximately 28% of which is held by our group captive C&I consumers. For FY 2022, share of loss attributable to minority shareholders' fund was INR 40 million, as compared to a share of loss attributable to minority shareholders' fund of INR 30 million for FY 2021.

Profit/(loss) for the year

As a result of the foregoing, our loss for the year decreased from INR 1,108 million for FY 2021 to INR 32 million for FY 2022.

Liquidity and Capital Resources

Overview

As of December 31, 2023, our cash and cash equivalents plus bank balances (other than cash and cash equivalents) were INR 7,402 million. Our financing requirements are primarily for:

- maintenance and operation of projects;
- financing and servicing of debt;
- funding working capital needs; and
- general overheads.

We fund our operations and capital requirements primarily through equity and CCD instruments and debt provided by CGE IPL and debt financing facilities from commercial banks and financial institutions. We believe that our credit facilities, together with cash generated from our operations will be sufficient to finance our working capital requirements for the next 12 months. We expect that cash flow from operations and our credit facilities will continue to be our principal sources of cash in the medium term.

Cash Flows

A summary of the Special Purpose Combined Cash Flow Statement is set forth below:

	Nine months ended December 31,		
	2022	2023	2023
	(INR in millions)		(US\$ in millions) ⁽¹⁾
Combined Summary Cash Flow Statement			
Net cash flow from operating activities	6,725	7,271	87.5
Net cash flow (used in) investing activities	(3,685)	(1,421)	(17.1)
Net cash flow (used in) from financing activities	(1,636)	(3,128)	(37.6)
Cash and cash equivalents at the beginning of the financial year	3,404	3,217	38.7
Cash and cash equivalents at the end of the financial period	4,808	5,939	71.5

Note:

(1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of INR 83.1164 per US\$1.00, being the closing exchange rate published by the FBIL as of December 29, 2023.

Net cash flow from in operating activities

For the nine months ended December 31, 2022, our net cash from operating activities was INR 6,725 million. This net cash inflow was primarily attributable to a profit before tax of INR 1,349 million, which was adjusted for (i) depreciation and amortization expenses of INR 1,490 million, finance costs related parties of INR 4,111 million and finance cost others of INR 266 million, which was offset by provisions no longer required written back of INR 136 million and interest income of INR 788 million, and (ii) changes in working capital primarily including a decrease in trade receivables of INR 1,644 million and decrease in other liabilities of INR 129 million.

For the nine months ended December 31, 2023, our net cash from operating activities was INR 7,271 million. This net cash inflow was primarily attributable to a profit before tax of INR 988 million, which was adjusted for (i) depreciation and amortization expenses of INR 1,801 million, finance cost related parties of INR 4,258 million and finance cost other of INR 749 million, which was offset by interest income of INR 1,008 million, and (ii) changes in working capital primarily including an increase in other liabilities of INR 286 million and a decrease in trade receivables of INR 467 million, which was offset by an increase in other current assets and other non-current assets of INR 303 million.

Net cash flow used in investing activities

For the nine months ended December 31, 2022, our net cash used in investing activities of INR 3,685 million primarily included (i) INR 4,410 million in purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors, (ii) INR 96 million in investment in fixed deposits, (iii) INR 41 million in loans given to related parties (net), (iv) INR 562 million in interests received, which was offset by INR 300 million in proceeds received from redemption of investment.

For the nine months ended December 31, 2023, our net cash flows used in investing activities of INR 1,421 million primarily included (i) INR 372 million used for purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors and (ii) INR 2,048 million in loan given to related parties (net), which was offset by (i) INR 616 million in maturity of fixed deposits and (ii) INR 383 million in interest received.

Net cash flow used in financing activities

For the nine months ended December 31, 2022, our net cash used in financing activities of INR 1,636 million was primarily attributable to (i) INR 761 million in redemption of NCDs, (ii) INR 1,429 million in repayment of short-term borrowings (net) and (iii) INR 2,855 million in finance costs paid to related parties and INR 771 million in finance cost paid to others, which was offset by (i) INR 3,705 million in proceeds from long-term borrowings and (ii) INR 474 million in proceeds from OCDs.

For the nine months ended December 31, 2023, our net cash used in financing activities of INR 3,128 million was primarily attributable to (i) INR 1,573 million in redemption of NCDs, (ii) INR 1,859 million in finance costs paid to related parties and INR 825 million in finance cost paid to others and (iii) INR 119 million repayment of long term borrowing (net), which was offset by INR 1,248 million in proceeds from short-term borrowings.

	Fiscal year ended March 31,			
	2021	2022	2023	2023
	(INR in millions)			(US\$ in millions) ⁽¹⁾
Combined Summary Cash Flow Statement				
Net cash flow from operating activities . . .	3,137	5,999	9,265	111.5
Net cash flow used in investing activities. .	(453)	(10,573)	(4,181)	(50.3)
Net cash flow from/(used in) financing activities.	(3,273)	7,474	(5,271)	(63.4)
Cash and cash equivalents at the beginning of the financial year	1,093	504	3,404	41.0
Cash and cash equivalents at the end of the financial year	504	3,404	3,217	38.8

Note:

(1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. Translations were made at the exchange rate of INR 83.1164 per US\$1.00, being the closing exchange rate published by the FBIL as of December 29, 2023.

Net cash flow from/Net cash flow used in operating activities

In 2021, our net cash from operating activities was INR 3,137 million. This net cash inflow was primarily attributable to a loss before tax of INR 1,339 million, which was adjusted for (i) depreciation and amortization expenses of INR 1,788 million and finance costs to related parties of INR 897 million and finance cost to other of INR 4,876 million, which was offset by provisions no longer required written back of INR 31 million and interest income of INR 576 million, and (ii) changes in working capital primarily including a decrease in other liabilities of INR 432 million and increase in trade receivables of INR 2,133 million.

In FY 2022, our net cash from operating activities was INR 5,999 million. This net cash inflow was primarily attributable to a profit before tax of INR 233 million, which was adjusted for (i) depreciation and amortization expenses of INR 1,847 million and finance cost to related parties of INR 5,518 million and finance cost to other of INR 107 million which was offset by interest income of INR 874 million, and (ii) changes in working capital primarily including a increase in other liabilities of INR 248 million and an increase in trade receivables of INR 954 million, which was offset by a decrease in other current assets and other non-current assets of INR 15 million.

In FY 2023, our net cash from operating activities was INR 9,265 million. This net cash inflow was primarily attributable to a profit before tax of INR 646 million, which was adjusted for (i) depreciation and amortization expenses of INR 2,052 million and finance costs-related parties of INR 5,434 million and finance cost-others of INR 463 million, which was offset by provisions no longer required written back of INR 136 million and interest income of INR 1,062 million, and (ii) changes in working capital primarily including a decrease in trade receivables of INR 2,218 million and increase in other current assets and other non-current assets of INR 225 million.

Net cash flows used in investing activities

In FY 2021, our net cash flows used in investing activities of INR 453 million primarily included (i) INR 603 million in purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors, (ii) INR 2,959 million in loans given to related parties (net), which was offset by INR 2,726 million in withdrawal of fixed deposits.

In FY 2022, our net cash flows used in investing activities of INR 10,573 million primarily included (i) INR 8,678 million used for purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors and (ii) INR 2,295 million in investment in fixed deposits, which was offset by (i) INR 228 million in loan repaid by related parties (net) and (ii) INR 172 million in interest received.

In FY 2023, our net cash flows used in investing activities of INR 4,181 million primarily included (i) INR 5,098 million used for purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors and (ii) INR 306 million in loans given to related parties (net), which was offset by (i) INR 400 million in redemption of optionally convertible redeemable preference shares, (ii) INR 204 million in maturity of fixed deposits, and (iii) INR 619 million in interest received.

Net cashflow from/used in financing activities

In FY 2021, our net cash used in financing activities of INR 3,273 million was primarily attributable to (i) INR 3,310 million repayment of short term borrowings (net), (ii) INR 33,844 million in repayment of long-term borrowings and (iii) INR 5,221 million in finance costs paid to others and INR 1,508 million finance cost paid to related parties, which was offset by INR 40,610 million in proceeds from NCDs.

In FY 2022, our net cash from financing activities of INR 7,474 million was primarily attributable to (i) INR 2,329 million in proceeds from short-term borrowings (net), and (ii) INR 9,757 million in proceeds from long-term borrowings which was offset by (i) INR 842 million in redemption of NCDs and (ii) INR 3,547 million in finance costs paid to related parties and INR 223 million finance cost paid to others.

In FY 2023, our net cash used in financing activities of INR 5,271 million was primarily attributable to (i) INR 2,283 million in redemption of NCDs, (ii) INR 2,057 million in repayment of short-term borrowings (net) and (iii) INR 4,930 million in finance costs paid to related parties and INR 959 million, which was offset by (i) INR 4,484 million in proceeds from long-term borrowings and (ii) INR 474 million in proceeds from issuance of OCDs.

Indebtedness

As of December 31, 2023 and March 31, 2023, we had adjusted borrowings of INR 47,719 million and INR 47,739 million, respectively. Adjusted borrowings comprise long-term borrowings (including current maturities of long-term borrowings but excluding long-term loan from related parties), plus short-term borrowings (excluding current maturities of long-term borrowings and short-term loan from related parties).

Our borrowings are typically secured by a lien on the assets of the project to which they relate and a pledge of certain percentage of shares and debentures issued by the relevant project subsidiary. Our loan agreements generally contain covenants, including limitations on the use of proceeds and restrictions on indebtedness, liens, asset sales, investments, transfers of ownership interests and certain changes in business. These covenants may limit our ability to pay dividends or make loans or advances to us, subject to the lender's waiver or consent.

Our ability to incur additional debt is subject to a variety of uncertainties including the amount of capital that other entities with operations may seek to raise in the domestic and foreign capital markets, economic and other conditions in India or elsewhere that may affect investor demand for our securities, the liquidity of capital markets in India or elsewhere, our compliance with covenants in our financing agreements and our cash flows, financial condition and results of operations. We intend to continue to utilize long-term debt towards satisfying our financing requirements, taking into account prevailing market conditions and our ability to borrow at competitive rates.