

# CONTINUUM RESTRICTED GROUP 2

## Unaudited Special Purpose Combined Interim Condensed Financial Result for the period ended June 30, 2024 (Amended MD&A)

		(INR Millions)	
		Unaudited Special Purpose Combined Interim Condensed Financial Results	
Sr. No.	Particulars	For the period ended 30.06.2024	For the period ended 30.06.2023
<b>1</b>	<b>Income</b>		
	Revenue from operations	3,023	3,013
	Other income	415	283
	<b>Total income</b>	<b>3,438</b>	<b>3,296</b>
<b>2</b>	<b>Expenses</b>		
	(a) Operating & maintenance expenses	457	419
	(b) Employee benefits expenses	61	47
	(c) Finance costs	2,336	1,548
	(d) Depreciation and amortisation expenses	580	578
	(e) Other expenses	267	208
	<b>Total expenses</b>	<b>3,701</b>	<b>2,800</b>
<b>3</b>	<b>Profit / (loss) before tax (1-2)</b>	<b>(263)</b>	<b>496</b>
<b>4</b>	<b>Tax expenses / (credit)</b>		
	(a) Current tax	-	-
	(b) Deferred tax	(676)	1,185
	<b>Total tax expenses / (credit)</b>	<b>(676)</b>	<b>1,185</b>
<b>5</b>	<b>Profit/(loss) after tax (3-4)</b>	<b>413</b>	<b>(689)</b>
<b>6</b>	<b>Other comprehensive income/(loss)</b>		
	(A) Items that will not be reclassified subsequently to profit or loss:		
	i) Remeasurement of net defined benefit liability	1	3
	ii) Income tax related to above	0	(1)
	(B) Items that may not be reclassified subsequently to profit or loss:		
	i) Effective portion of (losses) / gains on hedging instrument in cash flow hedges	(979)	-
	ii) Income tax relating to above	246	-
	<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>(732)</b>	<b>2</b>
<b>7</b>	<b>Total comprehensive income/ (loss) for the year (5-6)</b>	<b>(319)</b>	<b>(687)</b>

**Notes:**

**Operating Results**

**A. Revenue from Operations**

The Operating revenue for Q1FY25 is at INR 3,023 mn i.e., increased by 0.3% as against INR 3,013 mn in Q1FY24 mainly due to increase in

- i) sale of electricity by INR 39 mn (1.34% higher) and
- ii) sale of stores & spares of INR 9 mn

which is partially offset by

- i) lower GBI by INR 11 mn due to completion of 10 years from commissioning in case of Bothe project for certain WTGs and
- ii) Nil revenue loss recovered on account of compensation for lower than committed machine availability from an O&M contractor in Q1FY25 as compared to INR 27 mn in Q1FY24.

**B. Other income**

The Other income for Q1FY25 is at INR 415 mn i.e., increased by 46.6% over INR 283 mn in Q1FY24 mainly due to increase in

- i) other income by INR 86 towards gain due to changes in fair valuation of some of the compulsory convertible debentures issued to holding company (related party) and accounted as borrowing under Ind AS
- ii) interest income on unsecured loan from related parties by INR 48 mn and
- iii) Insurance claim received by INR 18 mn

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which is marginally offset by

- i) lower interest income on overdue trade receivables of INR 4 mn in Q1FY25 vs. INR 11 mn in Q1FY24 on overdue invoices
- ii) decrease in interest income on financial assets of INR 14 mn (due to present value of long-term trade receivables accounting) as compared to INR 22 mn for Q1FY24 and
- iii) lower interest income earned on bank deposits by INR 14 mn.

### C. Total expenses other than finance costs and depreciation

Particulars	(INR Millions)	
	For the period ended 30.06.2024	For the period ended 30.06.2023
i) Operation and maintenance expenses	281	263
ii) Transmission, open access and other operating charges	176	156
<b>a) Total operating and maintenance expenses (i+ii)</b>	<b>457</b>	<b>419</b>
<b>b) Employee benefits expense</b>	<b>61</b>	<b>47</b>
<b>c) Other expenses</b>	<b>267</b>	<b>208</b>

- a) The O & M expenses for Q1FY25 are at INR 457 mn i.e., increase of 9.1% over INR 419 mn in Q1FY24 mainly due to:
  - i) Increase in O&M fees payable to contractors on account of inflationary increase.
  - ii) Increase in transmission/open access charges are on account of 2 reasons
    - a) Introduction of deviation and settlement charges in state of Tamil Nadu from the month of Apr'24 as well as increase in transmission charges per mw from April 24 onwards.
    - b) Increase in transmission/open access charges in State of Gujarat mainly due to increase in transmission charges per mw and certain capacity got operationalised in CTRPL in June 23.
- b) Other expenses for Q1FY25 are at INR 267 mn and i.e., increased by 28.4% over INR 208 mn in Q1FY24 mainly due to
  - i) non-cash foreign exchange loss of INR 57 mn in Q1FY25 compared to Nil in Q1FY24 due to restatement of 7.5% US\$ Senior Secured Notes (in the form of ECBs, issued by RG2 during Q1FY25
  - ii) Commitment charges against short supply of INR 16 mn in Q1FY25 compared to INR 2 mn in Q1FY24.
  - iii) increase in various expenses including repair and maintenance, rent, insurance expenses, legal and professional fees and rates and taxes.

which is marginally offset by non-cash net loss on financial liability measured at fair value through profit or loss on compulsory convertible debentures by Nil in Q1FY25 as compared to INR 28 mn in Q1FY24.

### D. Adjusted EBITDA

Adjusted EBITDA as defined in the Offering Circular for the 7.5% US\$ Senior Secured Notes is as follows:

Particulars	(INR Millions)	
	For the period ended 30.06.2024	For the period ended 30.06.2023
<b>(Loss)/ profit before tax</b>	<b>(263)</b>	<b>496</b>
Add: Finance costs	2,336	1,548
Add: Depreciation and amortisation expenses	580	578
<b>EBITDA</b>	<b>2,653</b>	<b>2,622</b>
<b>Less: Other income</b>		
Net gain on financial assets measured at FVTPL: Investment in OCRPS	4	3
Unwinding income of financial asset (due to present value of long-term trade receivables)	14	22
Sundry balance written back	7	-
Provision written back	1	-
Net gain on financial liability measured at fair value through profit or loss - Compulsory convertible debentures	86	-
<b>Add: Other expenses</b>		
Allocable common overheads	61	66

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Particulars	For the period ended 30.06.2024	For the period ended 30.06.2023
Foreign exchange loss (net)	57	-
Net loss on extinguishment of financial liabilities	5	3
Net loss on financial liability measured at fair value through profit or loss - Compulsory convertible debentures	-	28
<b>EBITDA Adjusted</b>	<b>2,664</b>	<b>2,694</b>

#### E. Depreciation and amortisation Expense

No material variances in depreciation and amortisation expense.

#### F. Borrowings and Finance Costs

##### 1. Borrowings: The table below presents the borrowings as reported in financial statements accounted as per IndAS

(INR Millions)

Details	As at 30 Jun 2024			As at 31 Mar 2024		
	Non - current	Current	Total	Non - current	Current	Total
<b><u>Long Term Borrowings</u></b>						
Term loans from financial institutions and banks*	-	10,434	10,434	9,682	738	10,420
8.75% INR Non-convertible debentures issued to Continuum Energy Leventer Pte. Ltd.**	-	4,783	4,783	30,450	6,956	37,406
7.5% USD Senior Secured Notes#	47,049	6,432	53,481	-	-	-
<b><u>Short Term Borrowings</u></b>						
Working capital loans from banks	-	-	-	-	631	631
<b>Total</b>	<b>47,049</b>	<b>21,649</b>	<b>68,698</b>	<b>40,132</b>	<b>8,325</b>	<b>48,457</b>

The table below presents the principal amounts of borrowings as per financing contracts (without any fair value accounting adjustments as required under IndAS).

(INR Millions)

Details	As at June 30, 2024			As at March 31, 2024		
	Non- Current	Current	Total	Non- Current	Current	Total
<b><u>Long Term Borrowings</u></b>						
Term loans from financial institutions and banks**		10,391	10,391	9,840	692	10,532
8.75% INR Non convertible debentures issued to Continuum Energy Leventer Pte. Ltd.**		4,548	4,548	31,016	3,452	34,468
7.5% USD Senior Secured Notes#	52,319	1,926	54,245	-	-	-
<b><u>Short Term Borrowings</u></b>						
Working capital loan from banks	-	-	-	-	629	629
<b>Total</b>	<b>52,319</b>	<b>16,865</b>	<b>69,184</b>	<b>40,856</b>	<b>4,773</b>	<b>45,629</b>

# During the period ended on Jun 30, 2024 7.5% US\$ Senior Secured Notes issued by RG Group which was partly used for redemption of 8.75% Non-convertible debentures issued to Continuum Energy Leventer Pte. Ltd and banks. The exposure against exchange rate variation has already been hedged by RG2 Group. Subsequent to quarter end, RG2 Group has also repaid the term loans from financial institution and banks as part of use of proceeds from 7.5% US\$ Senior Secured Notes issued by RG2 Group.

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\*\* The 8.75% INR Non-convertible debentures were fully redeemed in July 2024 following the completion of the receipt of the proceeds from 7.50% US\$ Senior Secured Notes on 26 June 2024. Further, INR 10,391 mn of term loans and interest thereon from financial institutions availed for two subsidiaries forming RG2 were also repaid in July 2024 from the proceeds of the 7.5% US\$ Senior Secured Notes. Total borrowings as on June 30, 2024 excluding the 8.75% INR Non-convertible debentures and the term loans repaid in July 2024 would be INR 53,481 million as per IndAS and INR 54,245 million principal outstanding as per financing contracts.

### 2. Finance costs

Finance cost for Q1FY25 are at INR 2,336 mn i.e., increased by 50.9% over INR 1,548 mn in Q1FY24 mainly due to

- i) Increased by INR 632 mn primarily due to prepayment charges and unmortised borrowing cost charged to P&L on prepayment of loans in relation to the Rajkot 3, Rajkot 2B projects and redemption of Levanter NCDs
- ii) increase in interest cost by INR 66 mn in Rajkot 3 project due to drawdown on remaining project debt after Q1FY24 and
- iii) interest cost of INR 50 mn towards new 7.5% US\$ Senior Secured Notes issued by RG2 Group during Q1FY25.

### G. Trade Receivables

(INR Millions)		
Details	As at 30 Jun 2024	As at 31 Mar 2024
Receivables from Discoms	1,399	1,286
Receivables from C&I customers	234	222
<b>Total</b>	<b>1,633</b>	<b>1,508</b>
<b>Of which,</b>		
Non-Current Receivables	211	335
Current receivables	1,422	1,173
<b>Total</b>	<b>1,633</b>	<b>1,508</b>

Trade Receivables (TR) includes current as well as non-current TR. Receivables from Discoms are higher mainly due to increase in MSEDCCL outstanding by INR 44 mn i.e. from INR 326 mn as on March 31, 2024 to INR 370 mn as on Jun 30, 2024 and increase in MPPMCL/MP Discom (Ratlam I project) outstanding by INR 69 mn i.e. from INR 960 mn as on Mar 31, 2024 to INR 1,029 mn as on Jun 30, 2024.

### Cash flows and liquidity

#### H. Cashflow from Operating Activities

The net cash generated from operating activities increased from INR 1,568 mn in Q1FY24 to INR 1,968 mn Q1FY25. The increase is mainly due to decreased net cash outflow on account of movement in working capital which was INR 423 mn in Q1FY25 compared to INR 841 mn in Q1FY24 mainly due to increase in other liabilities and trade and other payables in Q1FY25 as compared to Q1FY24.

#### I. Cashflow from Investing Activities

The net cash used in investing activities dropped to INR 487 mn in Q1FY25 as compared to INR 1,048 mn in Q1FY24. This is primarily due to

- i) the decrease in net loan given to related party (from surplus after meeting distribution covenants) of INR 170 mn in Q1FY25 as compared to INR 950 mn in Q1FY24.
- ii) cash used in acquisition of PPE, including capital advances and capital work in progress of INR 66 mn in Q1FY25 vs INR 200 mn in Q1FY24
- iii) Interest received INR 42 mn in Q1FY25 as compared to INR 28 mn in Q1FY 2024

which is offset by maturity of fixed deposits from banks of INR 83 mn in Q1FY24 as compared to investment of INR 293 mn in Q1FY25.

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**for the period ended June 30, 2024**  
**(Amended MD&A)**

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**J. Cashflow from Financing Activities**

The cash used in financing activities was INR 791 mn in Q1FY24 as compared to cash generated of INR 18,596 mn in Q1FY25. This is mainly due to Proceeds from Issuance of 7.5% US\$ Senior Secured Notes of INR 54,177 mn, which is partially offset by

- i) repayment of non-convertible debentures of on INR 29,920 mn issued to, fellow subsidiary, Continuum Energy Levanter Pte. Ltd. during Q1 FY25 and
- ii) Repayment of loans drawn down for working capital of INR 629 mn in Q1FY25.
- iii) increase in payment of finance cost to related parties INR 4,620 mn in Q1FY25 as compared to INR 1,509 mn in Q1FY24.

**K. Liquidity Position**

Cash and cash equivalent INR 22,094 mn & balance with banks INR 2,453 mn totaling to INR 24,547 mn as on Jun 30, 2024 has increased from INR 5,080 mn as on March 31, 2024. The above balances, net of working capital loans stands at INR 24,547 mn as on Jun 30, 2024 as compared to INR 4,449 mn as on March 31, 2024.