

STRICTLY CONFIDENTIAL — DO NOT FORWARD

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS (AS DEFINED BELOW) UNDER RULE 144A OR (2) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S.

IMPORTANT: You must read this disclaimer before continuing. This disclaimer applies to the attached offering memorandum (the “**Offering Memorandum**”). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Offering Memorandum. In accessing the attached Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of your representation: By accepting and accessing the attached Offering Memorandum you are deemed to have represented to Deutsche Bank AG, Singapore Branch, Emirates NBD Bank PJSC, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc and Standard Chartered Bank (collectively, the “**Initial Purchasers**”) that (1) (i) you are not in the United States as defined in Regulation S (“**Regulation S**”) under the U.S. Securities Act of 1933 (the “**Securities Act**”) and, to the extent you will purchase the securities described in the attached Offering Memorandum, you will be doing so pursuant to Regulation S or (ii) you are acting on behalf of, or you are, a qualified institutional buyer (“**QIB**”), as defined in Rule 144A under the Securities Act, and (2) you consent to the delivery of the attached Offering Memorandum and any amendments or supplements thereto by electronic transmission.

The attached Offering Memorandum has been made available to you in electronic form. You are reminded that documents may be altered when transmitted electronically and consequently none of Trinethra Wind and Hydro Power Private Limited, DJ Energy Private Limited, Bothe Windfarm Development Private Limited, Uttar Urja Projects Private Limited, Watson Infrabuild Private Limited, Renewables Trinethra Private Limited, Continuum Trinethra Renewables Private Limited and Kutch Windfarm Development Private Limited (collectively, the “**Co-Issuers**”) or the Initial Purchasers or any of their respective directors, employees, representatives, affiliates or agents accept any liability or responsibility whatsoever in respect of any discrepancies between the Offering Memorandum distributed to you electronically and the hard copy version. A hard copy version will be provided to you upon request.

Restrictions: The attached Offering Memorandum is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein. The information in the attached Offering Memorandum is not complete and may be changed.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation to subscribe for or purchase any of the securities described herein, and access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Initial Purchaser or any affiliate of any Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Initial Purchaser or affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Memorandum on the basis that you are a person into whose possession it may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If you have gained access to this electronic transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Actions that you may not take: You should not reply by e-mail to this communication, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “**Reply**” function on your e-mail software, will be ignored or rejected.

This Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this Offering Memorandum you shall be deemed to have represented to us and agreed that you meet the requirements of the ECB Regulations, are eligible to purchase the Notes (as defined in this Offering Memorandum) and will meet, for so long as you hold any Notes, the requirements of the ECB Regulations. Further, all Holders represent and agree that the Notes will not be offered or sold on the secondary market to any person who does not comply with the requirements of the ECB Regulations.

You may not forward or deliver the attached Offering Memorandum, electronically or otherwise, to any other person or reproduce it in any manner whatsoever. Any forwarding, distribution or reproduction of the attached Offering Memorandum, in whole or in part, is unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the securities laws of other jurisdictions.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



**Trinethra Wind and Hydro Power Private Limited
DJ Energy Private Limited
Bothe Windfarm Development Private Limited
Uttar Urja Projects Private Limited
Watsun Infrabuild Private Limited
Renewables Trinethra Private Limited
Continuum Trinethra Renewables Private Limited
Kutch Windfarm Development Private Limited**

(each incorporated in the Republic of India with limited liability under the Indian Companies Act, 1956 or the Indian Companies Act 2013)

U.S.\$650,000,000 7.50% Senior Secured Notes due 2033

Trinethra Wind and Hydro Power Private Limited, DJ Energy Private Limited, Bothe Windfarm Development Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Renewables Trinethra Private Limited, Continuum Trinethra Renewables Private Limited and Kutch Windfarm Development Private Limited, each a company with limited liability incorporated under the laws of India (each, a “Co-Issuer” and, collectively, the “Co-Issuers”) are offering US\$650,000,000 in aggregate principal amount of their 7.50% Senior Secured Notes due 2033 (the “Notes”). Interest on the Notes will be payable semi-annually in arrears on each June 26 and December 26, commencing on December 26, 2024. The Notes will mature on June 26, 2033 unless earlier redeemed pursuant to the terms of the Indenture.

The Indenture will include provisions relating to unsubordinated Guarantees for the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes issued by any other Co-Issuer (for which such other Co-Issuer acts as a primary obligor and not as a Guarantor). No later than 90 days after the Closing Date (the “Guarantee Effective Date”), each of the Co-Issuers will deliver a notice to the Security Trustee and the Trustee of the date on which the Guarantor for the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes issued by any other Co-Issuer (for which such other Co-Issuer acts as a primary obligor and not as a Guarantor) (each, in such capacity, a “Guarantor”, and collectively, the “Guarantors”) becomes effective. Until the Guarantee Effective Date, the liability of each Co-Issuer under the Notes will initially be capped at the percentage of Notes issued by it. See “Description of the Notes — Brief Description of the Notes and the Guarantees — The Notes” and “Risk Factors — Risks Relating to the Notes, the Guarantees and the Collateral — On the Closing Date, the Notes will not be guaranteed by any of the Guarantors and, accordingly, the Notes will be structurally subordinated to the liabilities of the Co-Issuers.”

At any time prior to June 26, 2027, the Co-Issuers may, on one or more occasions, redeem the Notes, in whole or in part, at a redemption price equal to 100% of their principal amount, plus the Applicable Premium (as defined herein), plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the applicable redemption date. At any time prior to June 26, 2027, the Co-Issuers may, on one or more occasions, redeem up to 40% of the aggregate principal amount of the Notes with the net cash proceeds from one or more sales of the Capital Stock in an Equity Offering (each as defined herein), at a redemption price equal to 107.50% of the principal amount of the Notes, plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the applicable redemption date, subject to certain conditions. At any time on or after June 26, 2027, the Co-Issuers may, on one or more occasions, redeem the Notes, in whole or in part, at the redemption prices set forth under “Description of the Notes — Optional Redemptions,” plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the applicable redemption date. Upon the occurrence of a Change of Control Triggering Event (as defined herein) and subject to certain conditions as more fully described under “Description of the Notes — Change of Control Triggering Event,” the Co-Issuers will make a Change of Control Offer to purchase all or any part of a Holder’s Notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the applicable date of purchase. Subject to certain conditions as more fully described under “Description of the Notes — Redemption for Taxation Reasons,” the Notes may be redeemed at the option of the Co-Issuers, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and any Additional Amounts, if any, to the date fixed by the Co-Issuers for redemption, upon the occurrence of certain changes in applicable tax law.

The Notes are subject to partial mandatory amortization redemptions on the specified Amortization Redemption Dates and in the amounts set forth under “Description of the Notes — Mandatory Amortization Redemption”. The Notes are also subject to partial mandatory cash sweep amortization redemptions on the dates and in the amounts set forth under “Description of the Notes — MCS Amortization Redemption”.

The Notes issued by each Co-Issuer are general obligations of such Co-Issuer, secured by the applicable Collateral (as defined herein) (to the extent of the Notes in respect of which such Co-Issuer acts as a primary obligor and not as a Guarantor) and will rank *pari passu* in right of payment with all other unsubordinated indebtedness of such Co-Issuer. A Guarantee provided by a Guarantor is a general obligation of such Guarantor and will rank *pari passu* in right of payment with all other unsubordinated indebtedness of such Guarantor.

Each Co-Issuer will be required to execute the applicable Collateral Documents (as defined herein) and create, perfect and register the security interest over the applicable Collateral securing the Notes (to the extent of the Notes in respect of which such Co-Issuer acts as a primary obligor and not as a Guarantor) within the respective time periods described in “Description of the Notes — Security — Timelines.” Until such time as the Collateral Documents are entered into, the Notes will be unsecured. See, “Risk Factors — Risks Relating to the Notes, the Guarantees and the Collateral — The Obligations of each Co-Issuer under the Indenture and the Notes will not be secured on the Closing Date. The failure of the Co-Issuers to properly create, perfect and register the security interests in the Collateral securing the Notes could result in an Event of Default under the Notes, and could impair the ability of the Holders to seek repayment.”

Application shall be made to the Global Securities Market (“GSM”) segment of the India International Exchange (IFSC) Limited (the “India INX”) for the listing and trading of the Notes on the India INX. **The India INX has not approved or verified the contents of this Offering Memorandum or the listing particulars. Admission to trading of the Notes to the India INX and quotation of the Notes on the India INX is not to be taken as an indication of the merits of the offering, the Notes, the Co-Issuers, any of their respective subsidiaries or associated companies.**

**Investing in the Notes involves a high degree of risk. See “Risk Factors” beginning on page 46.
Price: 100.0%**

It is expected that delivery of the Notes will be made through the facilities of The Depository Trust Company (“DTC”) on or about June 26, 2024 (the “Closing Date”).

The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933 (the “Securities Act”), or the securities laws of any other jurisdiction. Accordingly, the Notes are being offered and sold only to qualified institutional buyers (“QIBs”) in accordance with Rule 144A under the Securities Act (“Rule 144A”) and outside the United States in offshore transactions in accordance with Regulation S under the Securities Act (“Regulation S”). For a description of certain restrictions on resales and transfers, see “Transfer Restrictions.”

The Notes are expected to be rated “Ba2” by Moody’s Investors Services (“Moody’s”) and “BB+” by Fitch Ratings Limited (“Fitch”). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

Left Lead

**Deutsche Bank
Green Structuring
Agent**

Joint Bookrunners and Joint Lead Managers

**Emirates NBD
Bank PJSC**

HSBC

J.P.Morgan

**Standard
Chartered
Bank**

The date of this Offering Memorandum is June 18, 2024

NOTICE TO INVESTORS

This Offering Memorandum is not an offer to sell the Notes and we are not soliciting an offer to buy the Notes in any jurisdiction in which the offer or sale is prohibited. Neither the delivery of this Offering Memorandum nor any sale made under the terms described herein shall imply that the information herein is correct as of any date after the date hereof.

This Offering Memorandum has not been and will not be registered as a prospectus or a statement in lieu of a prospectus with the Registrar of Companies in India in accordance with the Companies Act (as defined below), and the rules framed thereunder and other applicable laws in India for the time being in force. This Offering Memorandum has not been and will not be reviewed or approved by any regulatory authority in India, including but not limited to the Securities and Exchange Board of India, any Registrar of Companies or any stock exchange in India or any other statutory or regulatory body of like nature in India. This Offering Memorandum is not and should not be construed as an advertisement, offer, invitation to offer, invitation to subscribe, or sale, of any securities to the public or any person resident in India. This Offering Memorandum or any other document or material relating to the Notes has not been and will not be circulated or distributed in India, directly or indirectly, to the public or members of the public in India. The Notes have not been, and will not be, offered or sold to any person resident in India.

This offering is being made in reliance upon exemptions from registration under the Securities Act, for an offer and sale of securities which does not involve a public offering. The Notes will be initially purchased by Deutsche Bank AG, Singapore Branch, Emirates NBD Bank PJSC, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc and Standard Chartered Bank (collectively, the “**Initial Purchasers**”) in accordance with such exemptions. If you purchase any of the Notes, you will be deemed to make certain acknowledgments, representations and agreements set forth under “*Transfer Restrictions*.” You may be required to bear the financial risks of this investment for an indefinite period of time.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Initial Purchaser or any affiliate of any Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Initial Purchaser or affiliate on behalf of the Issuer in such jurisdiction.

We prepared this Offering Memorandum solely for use in connection with this offering. In accepting this Offering Memorandum, you have agreed that this Offering Memorandum is highly confidential and that you will hold the information contained or referred to herein in confidence. We and the Initial Purchasers reserve the right to reject any offer to purchase any of the Notes for any reason, or to sell less than the principal amount of the Notes for which any prospective purchaser has subscribed. This Offering Memorandum is personal to each offeree and is not an offer to any other person or to the public generally to subscribe for the Notes. You represent that you are basing your investment decision solely on this Offering Memorandum and your own examination of us and the terms of this offering. You cannot distribute this Offering Memorandum or the information contained in it, by electronic or other means, to any person other than your professional advisor without our prior written consent. You cannot make any photocopies of this Offering Memorandum or any documents referred to in this Offering Memorandum.

We accept responsibility for the information contained in this Offering Memorandum. We have made all reasonable inquiries and confirm to the best of our knowledge, information and belief that the information contained in this Offering Memorandum with regard to us and our subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this Offering Memorandum are honestly held and that we are not aware of any other facts, the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect.

By receiving this Offering Memorandum and by purchasing the Notes, you acknowledge that (1) you have not relied on the Initial Purchaser or any person affiliated with the Initial Purchasers in connection with investigating the accuracy of such information or your investment decision, and (2) no person has been authorized to give information or to make any representation concerning us or the Notes other than as

contained in this Offering Memorandum and information given by our duly authorized officers and employees in connection with your examination of us and the terms of this offering. You cannot rely on any such other information or representation.

Neither the Initial Purchasers, the Trustee, the Security Trustee, the Paying Agent, the Registrar nor the Transfer Agent makes any representation or warranty, express or implied, concerning the accuracy or completeness of the information in this Offering Memorandum, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation, from the Initial Purchasers, the Trustee, the Security Trustee, the Paying Agent, the Registrar or the Transfer Agent whether as to the past or the future. To the fullest extent permitted by law, none of the Initial Purchasers accept any responsibility for the contents of this Offering Memorandum or for any statement made or purported to be made by the Initial Purchasers, the Trustee, the Security Trustee, the Paying Agent, the Registrar or the Transfer Agent or on its behalf in connection with the Co-Issuers or the issue and offering of the Notes. The Initial Purchasers, the Trustee, the Security Trustee, the Paying Agent, the Registrar and the Transfer Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Offering Memorandum or any such statement.

We cannot give you any assurance and you should not assume that the information contained in this Offering Memorandum is accurate or complete after the date appearing on the cover page. Our business, financial condition, results of operations, cash flows and prospects may have changed since that date.

The contents of this Offering Memorandum do not constitute legal, business or tax advice, and neither we nor the Initial Purchasers are making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. You should consult your own attorney, business advisor and tax advisor as to legal, business or tax advice related to a purchase of the Notes.

The Notes and the Guarantees have not been and will not be registered under the Securities Act or the securities laws of other jurisdictions and are being offered and sold in the United States only to qualified institutional buyers in reliance on an exemption from registration provided by Rule 144A under the Securities Act and in transactions outside the United States in reliance on Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the Co-Issuers may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Notes are not transferable except in accordance with the restrictions described under “*Transfer Restrictions.*”

Notes sold in reliance on Rule 144A under the Securities Act will initially be represented by a single permanent global certificate (which may be subdivided), and Notes sold in reliance on Regulation S under the Securities Act will initially be represented by a separate single global note (which may be subdivided), in each case in fully registered form without coupons, and each such global note will be registered in the name of a nominee of The Depository Trust Company, as depository. See “*Description of the Notes — Book-Entry, Delivery and Form.*”

You must comply with all applicable laws and regulations (including obtaining required consents, approvals or permissions) in force in any jurisdiction in which you purchase, offer or sell the Notes. Neither we nor the Initial Purchasers have any responsibility for any purchase, offer or sale of the Notes by you.

In connection with this offering, the Initial Purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Initial Purchasers may over-allot in connection with this offering, may bid for and purchase Notes in the open market and may impose penalty bids. For a description of these activities, see “*Plan of Distribution.*”

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission nor any other securities regulatory authority has approved or disapproved of these securities or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

EU MiFID II Product Governance/Professional Investors and ECPs Only Target Market — Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU on markets in financial instruments (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Prohibition of Sales to EEA Retail Investors — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**EU PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”) and the regulations made under the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and the regulations made under the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA and the regulations made under the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Important notice pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct — Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Initial Purchasers, are “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

Prospective investors who are the directors, employees or major shareholders of the Co-Issuers, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Co-Issuers, the CMI or the relevant group company. Prospective investors associated with the Co-Issuers or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations

are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMI's). If a prospective investor is an asset manager arm affiliated with any Initial Purchaser, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Initial Purchaser or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMI's in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Initial Purchaser, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Bookrunner when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMI's (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Initial Purchasers and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

PRESENTATION OF FINANCIAL AND OTHER DATA

Unless otherwise specified or the context provides otherwise:

- “Co-Issuer” refers to any of Trinethra Wind and Hydro Power Private Limited, DJ Energy Private Limited, Bothe Windfarm Development Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Renewables Trinethra Private Limited, Continuum Trinethra Renewables Private Limited and Kutch Windfarm Development Private Limited, and “Co-Issuers” refers to all of them;
- “Restricted Group 2” refers to the Co-Issuers on a combined basis;
- “Parent”, “Company” or “CGEL” refers to Continuum Green Energy Limited;
- “Continuum Group” or “Continuum” refers to Continuum Green Energy Limited and its subsidiaries;
- “We”, “us” or “our” refer to the Restricted Group 2 or the Co-Issuers, as the context requires; and
- “FY”, “fiscal” or “fiscal year” refers to the fiscal year ended or ending on March 31 of the year indicated.

This Offering Memorandum includes the Restricted Group 2’s audited special purpose combined financial statements as of and for the fiscal years ended March 31, 2021, 2022 and 2023 (the “**Indian GAAP Audited Special Purpose Combined Financial Statements**”) as well as the audited special purpose combined financial statements for the fiscal year ended March 31, 2024 (the “**Ind AS Audited Special Purpose Combined Financial Statements**,” together with the Indian GAAP Special Purpose Combined Financial Statements, the “**Audited Special Purpose Combined Financial Statements**”). With respect to assessment of the Restricted Group 2’s financial performance for the fiscal year ended March 31, 2024 and 2023, investors should refer to the Ind AS Audited Special Purpose Combined Financial Statements in its entirety and should not refer to the Indian GAAP Audited Special Purpose Combined Financial Statements for the fiscal year ended March 31, 2023 and Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements (as defined below).

The special purpose combined Ind AS financial statements of the Restricted Group 2 for the fiscal year ended March 31, 2024 were prepared by Continuum Green Energy (India) Private Limited (“**Parent Company**”) in accordance with “recognition and measurement principles of Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 (except Ind AS-33 on Earnings Per Share) and other accounting principles generally accepted in India and the Guidance Note on Combined and Carveout Financial Statements issued by the Institute of Chartered Accountants of India (ICAI) by the Parent Company in accordance with the Indian Accounting Standards as prescribed under section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“**Ind AS**”).

The special purpose combined financial statements of the Restricted Group 2 for the fiscal year ended March 31, 2023 were prepared by the Parent Company in accordance with the requirements of Accounting Standards notified under section 133 of Companies Act, 2013 and the Companies (Accounting Standards) Rules, 2021 (as amended) and other applicable requirements for the years ended on March 31, 2023 (hereinafter referred to as ‘Indian GAAP’), taking into account the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India (the “**Guidance Note**”) and the specifics to be considered in preparing special purpose combined financial statements. These financial statements have been prepared in accordance with the recognition, measurement and disclosure principles specified in Indian GAAP.

The special purpose combined financial statements of the Restricted Group 2 as for the fiscal year ended March 31, 2022 were prepared by the Parent Company in accordance with the requirements of Accounting Standards notified under section 133 of Companies Act, 2013 and the Companies (Accounting Standards) Rules, 2021 (as amended) Division I of Schedule III to the Companies Act, 2013 ('Schedule III') and other applicable requirements for the year ended March 31, 2022 (hereinafter referred to as 'Indian GAAP'), taking into account the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("the Guidance Note") and the specifics to be considered in preparing special purpose combined financial statements. These financial statements have been prepared in accordance with the recognition, measurement and disclosure principles specified in Indian GAAP.

The special purpose combined financial statements of the Restricted Group 2 as for the fiscal year ended March 31, 2021 were prepared by the Parent Company in accordance with the requirements of Accounting Standards notified under section 133 of Companies Act, 2013 and the Companies (Accounting Standards) Rules, 2016, Division I of Schedule III to the Companies Act, 2013 ('Schedule III') and other applicable requirements for the year ended on March 31, 2021 (hereinafter referred to as 'Indian GAAP'). Taking into account the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("the Guidance Note") and the specifics to be considered in preparing special purpose combined financial statements. These financial statements have been prepared in accordance with the recognition, measurement and disclosure principles specified in Indian GAAP.

This Offering Memorandum also includes the Restricted Group 2's unaudited special purpose combined interim financial statements for the nine months ended December 31, 2023 (the "**Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements**"). The Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements have been prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act (the Act), 2013, read with the Companies (Accounting Standards) Rules, 2021, the Guidance Note on Combined and Carve-Out Financial Statements issued by the ICAI and other accounting principles accepted in India.

The degree to which the financial information prepared in accordance with Indian GAAP and Ind AS will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP and Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Offering Memorandum should accordingly be limited. The Restricted Group 2 urges prospective investors to consult their own advisors regarding such differences and their impact on the Restricted Group 2's financial data. See "*Description of Certain Differences Between Indian GAAP, Ind AS And IFRS.*"

The individual financial statements of Co-Issuers were prepared for the fiscal years ended March 31, 2021, March 2022 and March 31, 2023 and the nine months ended December 31, 2023 under Indian GAAP, and the individual financial statements of Co-Issuers were prepared for the fiscal year ended March 31, 2024 under Ind AS, and thus, the Indian GAAP Audited Special Purpose Combined Financial Statements as well as Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements are prepared on the principles of Indian GAAP and the Ind AS Audited Special Purpose Combined Financial Statements are prepared on the principles of Ind AS.

The Co-Issuers had authorised its Parent Company to prepare these Audited Special Purpose Combined Financial Statements and Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements on behalf of the Co-Issuers and thus, Co-Issuers are responsible to consider and include those Audited Special Purpose Combined Financial Statements and Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements in this Offering Memorandum.

As Indian GAAP and Ind AS does not provide specific guidance for the preparation of combined financial statements and, accordingly, in preparing these special purpose combined financial statements, accounting conventions commonly used for the preparation of consolidated financial statements in accordance with AS 21 Consolidated Financial Statements have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same special purpose combined financial statements are prepared on a

basis that combines the results and assets and liabilities of each entity of the Restricted Group 2 and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business. As we did not constitute a separate legal group of entities for the periods presented, the Special Purpose Combined Financial Statements are not necessarily indicative of our financial performance, financial position and cash flows that would have occurred if we had operated as a standalone group of entities during the periods presented, nor are they indicative of the Restricted Group 2's future performance. See *“Risk Factors — Risks Relating to Our Business — The Special Purpose Combined Financial Statements may not accurately reflect the results of any legal group.”*

The Restricted Group 2's special purpose combined financial statements for the fiscal years ended March 31, 2021 and March 31, 2022 have been audited by S R B C & CO LLP Chartered Accountant as set forth in their reports thereon. The Restricted Group 2's special purpose combined financial statements for the fiscal years ended March 31, 2023 and March 31, 2024 have been audited by, Deloitte Haskins & Sells LLP as set forth in their reports thereon.

The Restricted Group 2's special purpose combined interim financial statements for the nine months ended December 31, 2023 have been reviewed by Deloitte Haskins & Sells LLP and the Restricted Group 2's financial information for the nine months ended December 31, 2022 has been derived from the comparative information included in the Restricted Group 2's unaudited special purpose combined interim financial statements for the nine months ended December 31, 2023.

EBITDA, EBITDA Adjusted, Net Revenue, EBITDA Margin, EBITDA as a Percentage of Net Revenue, Capital Expenditure, Adjusted Borrowings and FFO

This Offering Memorandum contains certain non-GAAP measures and ratios, including Earnings before Interest, Tax, Depreciation and Amortization (“**EBITDA**”), EBITDA Adjusted, net revenue, EBITDA margin, EBITDA as a percentage of net revenue, capital expenditure, adjusted borrowings and fund from operations (“**FFO**”) (collectively “**Non-GAAP Measures**”) that are supplemental measures of our performance and liquidity, and are not required by “Indian GAAP”, “IFRS”, “U.S. GAAP” or presented in accordance with SEC requirements or the accounting standards of any other jurisdiction. We present these measures because management uses them in measuring operating performance, and as a basis for strategic planning and forecasting, as well as monitoring certain aspects of our operating cash flow and liquidity. We also believe that these measures and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Indian GAAP, IFRS or U.S. GAAP. In addition, EBITDA, EBITDA Adjusted, net revenue, EBITDA margin, EBITDA as a percentage of net revenue, adjusted borrowings and FFO are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, these measures are defined by us as follows:

- “Reported EBITDA/EBITDA” is calculated as profit before tax, less finance costs, exceptional items and depreciation expense;
- “EBITDA Adjusted” is calculated as Reported EBITDA/EBITDA plus non-cash and non-recurring expenses plus extraordinary item plus provisions plus allocable common overheads;
- “Net revenue” is calculated as total income minus transmission, open access and other operating charges;

- “EBITDA margin” is calculated as EBITDA divided by total income;
- “EBITDA as a percentage of net revenue” is calculated as EBITDA divided by net revenue;
- “Capital expenditure” represents additions in property, plant and equipment plus closing capital work-in-progress less opening capital work-in-progress;
- “Adjusted borrowings” includes long-term borrowings and current maturities of long-term borrowings less Indian rupee term loan from related parties and 10.50% non-convertible debentures of INR 10/- each and non-convertible debentures of INR 10/- each plus short term borrowings: working capital (secured) from banks;
- “Adjusted borrowings (as per Ind AS)” includes Term loans from bank & financial institutions — principal, Working capital loan from banks — principal and 8.75% nonconvertible debentures issued to Continuum Energy Levanter Pte. Ltd. — principal;
- “FFO” is defined as EBITDA Adjusted less interest expenditure less income tax refund/(paid) (net) or direct tax paid (net) plus change in working capital. This definition of FFO used generally in this Offering Memorandum differs from the definition of FFO used in the section entitled “Description of the Notes”.

EBITDA, EBITDA margin and EBITDA as a percentage of net revenue and related ratios along with other Non-GAAP measures should not be considered in isolation and are not measures of our financial performance or liquidity under Indian GAAP and should not be considered as an alternative to operating profit or loss for the year or any other performance measures derived in accordance with Indian GAAP or as an alternative to cash flow from operating, investing or financing activities or any other measure of our liquidity derived in accordance with Indian GAAP. These measures do not necessarily indicate whether cash flow will be sufficient or available for cash requirements and may not be indicative of our results of operations.

EBITDA, EBITDA Adjusted and EBITDA margin may not be comparable to other similarly titled measures of other companies. These measures have limitations as analytical tools. Some of these limitations include the following: (i) they do not reflect our capital expenditures, their future requirements for capital expenditures or their contractual commitments; (ii) they do not reflect changes in, or cash requirements for, their working capital needs; (iii) they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on their debt; (iv) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized, may need to be replaced in the future and they do not reflect any cash requirements that would be required for such replacements; and (v) other companies in our industry may calculate these measures differently from the way we do, limiting their usefulness as comparative measures.

Due to these limitations, EBITDA, EBITDA Adjusted and EBITDA margin should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on the unaudited special purpose combined interim financial statements for the nine months ended December 31, 2023 and audited special purpose combined financial statements for the year ended March 31, 2021, March 31, 2022, March 31, 2023 included elsewhere in this Offering Memorandum.

The financial information included in this Offering Memorandum is not intended to comply with the applicable accounting requirements of the Securities Act and the related rules and regulations of the SEC which would apply if the Notes were being registered with the SEC.

Rounding

Certain figures contained in this Offering Memorandum have been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row of a table contained in this Offering Memorandum may not conform exactly to the total figure given for that column or row.

Currency

Unless otherwise indicated, financial information relating to the Restricted Group 2 is presented in Indian rupees.

Currency Presentation

Unless otherwise specified or the context otherwise requires, all references to “rupee(s),” “Rs.,” “INR” or “Indian rupee(s)” are to the lawful currency of India and all references to “\$,” “U.S.\$,” “US\$,” “USD” or “U.S. dollar(s)” are to the lawful currency of the United States.

CERTAIN DEFINITIONS

Unless otherwise specified or the context otherwise requires, in this Offering Memorandum:

“**2027 Notes**” refers to the 4.50% senior secured notes due 2027 issued by Continuum Energy Levanter Pte. Ltd., a wholly owned subsidiary of the Parent;

“**ACOS**” refers to Average Cost of Supply of electricity by discoms;

“**AD Bank**” refers to designated authorized dealer bank in India;

“**Appropriate Government**” has the meaning ascribed to the said term in sub-section (5) of section 2 of the Electricity Act;

“**APTEL**” refers to the Appellate Tribunal for Electricity;

“**CEA**” refers to Central Electricity Authority;

“**CERC**” refers to the Central Electricity Regulatory Commission of India;

“**Companies Act**” refers to the Companies Act, 2013 of India and to the extent effective, read with the rules, regulations, clarifications and modifications thereunder;

“**Discom**” refers to distribution company or utility;

“**ECBs**” refers to external commercial borrowings;

“**ECB Regulations**” refers to Master Directions on External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, as amended, updated or replaced, from time to time, applicable provisions of the Master Directions on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016, as amended, updated or replaced, from time to time, the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, as amended from time to time and the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time and the circulars issued thereunder;

“**FATF**” refers to the Financial Action Task Force;

“**GoI**” refers to the Government of India;

“**GSM**” refers to Global Securities Market segment of the India INX;

“**India INX**” refers to the India International Exchange (IFSC) Limited;

“**MERC**” refers to Maharashtra Electricity Regulatory Commission;

“**MNRE**” refers to Ministry of New and Renewable Energy;

“**MPPMCL**” refers to Madhya Pradesh Power Management Company Limited;

“**MSEDCL**” refers to Maharashtra State Electricity Distribution Company Limited;

“**Electricity Act**” refers to the Electricity Act, 2003 of India and to the extent effective, read with the rules, regulations, clarifications and modifications thereunder;

“**FBIL**” refers to the Financial Benchmarks India Pvt. Ltd.;

“**National Load Despatch Center**” means the Center established under sub-section (1) of section 26 of the Electricity Act;

“**RBI**” refers to the Reserve Bank of India;

“**SECI**” refers to Solar Energy Corporation of India Limited;

“**SERC**” refers to a State Electricity Regulatory Commission; and

“**State Commission**” means the State Electricity Regulatory Commission constituted under sub-section (1) of section 82 of the Electricity Act and includes a Joint Commission constituted under sub-section (1) of section 83 of the Electricity Act.

GLOSSARY OF TECHNICAL INDUSTRY TERMS

“BOP” refers to balance of plant;

“C&I” refers to commercial and industrial;

“CAGR” refers to compounded annual growth rate;

“CER” refers to certified emission reduction;

“CUF” refers to capacity utilization factor and “PLF” refers to plant load factor, both of which refer to a project’s actual or estimated generation output over the stated period of time as a percentage of to the maximum possible energy that can be generated by the plant working at its rated capacity, over the same stated period of time;

“COD” date of commissioning of the wind turbine or wind project and solar project;

“EPA” refers to energy purchase agreements;

“EPC” refers to engineering, procurement and construction;

“FIT” refers to feed-in tariff;

“GBI” refers to Generation Based Incentive;

“GW” refers to gigawatt;

“GWh” refers to the energy produced in an hour during which one GW of electrical power has been continuously produced;

“kV” refers to kilovolt;

“kW” refers to kilowatt;

“kWh” refers to the energy produced in an hour during which one kW of electrical power has been continuously produced;

“MW” refers to megawatt;

“MW_{AC}” refers to megawatt, alternating current;

“WM_{DC}” refers to megawatt, direct current;

“MWp” refers to megawatt peak;

“MWh” refers to the energy produced in an hour during which one MW of electrical power has been continuously produced;

“O&M” refers to operation and maintenance;

“OEM” refers to original equipment manufacturer;

“PLF” refers to plant load factor;

“PPA” refers to power purchase agreement;

“PSS” refers to pooling sub station;

“PV” refers to photovoltaic;

“REC” refers to renewable energy certificate;

“RPO” refers to Renewable Purchase Obligation;

“SCADA” refers to supervisory control and data acquisition software;

“TW” refers to terawatt;

“TWh” refers to the energy produced in an hour during which one TW of electrical power is being continuously produced;

“Utilities” refers to electricity distribution utilities in India;

“VER” refers to verified emission reduction;

“WSH” refers to wind-solar hybrid; and

“WTG” refers to wind turbine generator.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used throughout this Offering Memorandum has been obtained through internal company research, management estimates and, industry and general publications. Management estimates are based on publicly available information released by third party sources, data from our internal research and our knowledge of our industries and markets, which we believe to be reasonable.

This Offering Memorandum includes industry and market data that have been obtained from industry publications that are publicly available, including an industry report entitled “India Renewable Energy Market” dated May 2024 (the that the Company has commissioned from CRISIL Market Intelligence & Analytics, a division of CRISIL Limited. Industry publications generally state that the information contained in those publications has been obtained from sources that are believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry and market data used in this Offering Memorandum is reliable, such data has not been verified by us, the Initial Purchasers or any independent source, nor do we make any representation regarding the accuracy of such data. The market data include projections that are based on a number of assumptions. In addition, the extent to which the market data presented in this Offering Memorandum is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data-gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information.

Disclaimer of CRISIL

CRISIL Market Intelligence & Analytics (“**CRISIL MI&A**”), a division of CRISIL Limited (“**CRISIL**”) has taken due care and caution in preparing this report (“**Report**”) based on the information obtained by CRISIL from sources which it considers reliable (“**Data**”). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Report. This Report is not a recommendation to invest/disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers/users/transmitters/distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Continuum Green Energy (India) Private Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.

AVAILABLE INFORMATION

For so long as any of the Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934 (the “**Exchange Act**”) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner or to the Trustee (as defined herein) for delivery to such holder, beneficial owner or prospective purchaser, in each case upon the request of such holder, beneficial owner, prospective purchaser or Trustee, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Copies of the Indenture and the Collateral Documents will be available by email to the requesting Holder or for inspection of the Notes upon prior request in writing and proof of holding and identity to the satisfaction of the Trustee during regular business hours (being between 9:00 a.m. to 3:00 p.m. from Monday to Friday (New York time) (other than public holidays)), at the corporate trust office of the Trustee located at 240 Greenwich Street, New York, New York 10286, United States of America.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements. Forward-looking statements may contain words or phrases such as “will,” “may,” “aim,” “will likely result,” “believe,” “expect,” “will continue,” “anticipate,” “estimate,” “intend,” “plan,” “contemplate,” “seek to,” “future,” “objective,” “goal,” “project,” “should,” “will pursue” and similar expressions or variations of such expressions, that are forward-looking statements. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant statement.

The future events referred to in these forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause the actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future and are not a guarantee of future performance. Important factors that could cause the actual results, performance or achievements to differ materially from those in the forward-looking statements include the following:

- conditions at our wind and solar energy projects that are unfavorable or below our estimates;
- operational problems that may reduce energy production below our expectations and require us to expend significant amounts of capital and other resources;
- our inability to renew our PPAs at current or lower tariffs;
- credit and performance risk from third parties under service and supply contracts;
- the ability of our vendors to satisfy their obligations under warranties and/or guarantees;
- reliance on a limited number of key customers who may not fulfill their contractual obligations;
- our inability to procure, renew or maintain necessary governmental approvals;
- an increase in the cost of operating our plants;
- changes in environmental, health and safety laws and regulations such as tariff regulations;

- changes in government policies that support clean energy and other regulations that impact the electricity sector;
- outbreaks of contagious diseases that may have a material adverse effect on our business operations, cash flows, financial condition and results of operations;
- availability of and access to interconnection facilities and transmission systems;
- negative public or community response to clean energy projects in general or our projects specifically;
- competition from traditional and clean energy sources;
- fluctuations in supply and demand in the energy market in India;
- the effects of current or future litigation or administrative proceedings;
- natural events that may reduce energy production below our expectations;
- our inability to insure against all potential risks and higher insurance premiums;
- our inability to finance our business;
- loss of one or more members of Continuum’s senior management or key employees; and
- violations under anti-corruption legislation.

This list of important factors is not exhaustive. Additional factors that could cause the actual results, performance or achievements to differ materially include, those discussed under “*Risk Factors*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Our Business*.” When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made. Accordingly, we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

LISTING OF THE NOTES

Application shall be made to the GSM segment of the India INX for the listing and trading of the Notes on the India INX. The India INX has not approved or verified the contents of this Offering Memorandum. The listing of the Notes by the Co-Issuers shall be in compliance with the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021, as amended from time to time. Admission to trading of the Notes to the India INX and quotation of the Notes on the India INX is not to be taken as an indication of the merits of the offering, the Notes, the Co-Issuers, any of their respective subsidiaries or associated companies.

Neither we nor the Initial Purchasers or their respective affiliates have authorized any person to provide you with any information or represent anything about us, the Notes or this offering that is not contained in this Offering Memorandum. Neither we nor the Initial Purchasers or their respective affiliates take any responsibility for, or provide assurance as to the reliability of, any information that others may give you. We are not, and the Initial Purchasers are not, making an offer to sell these Notes in any jurisdiction where an offer or sale is not permitted.

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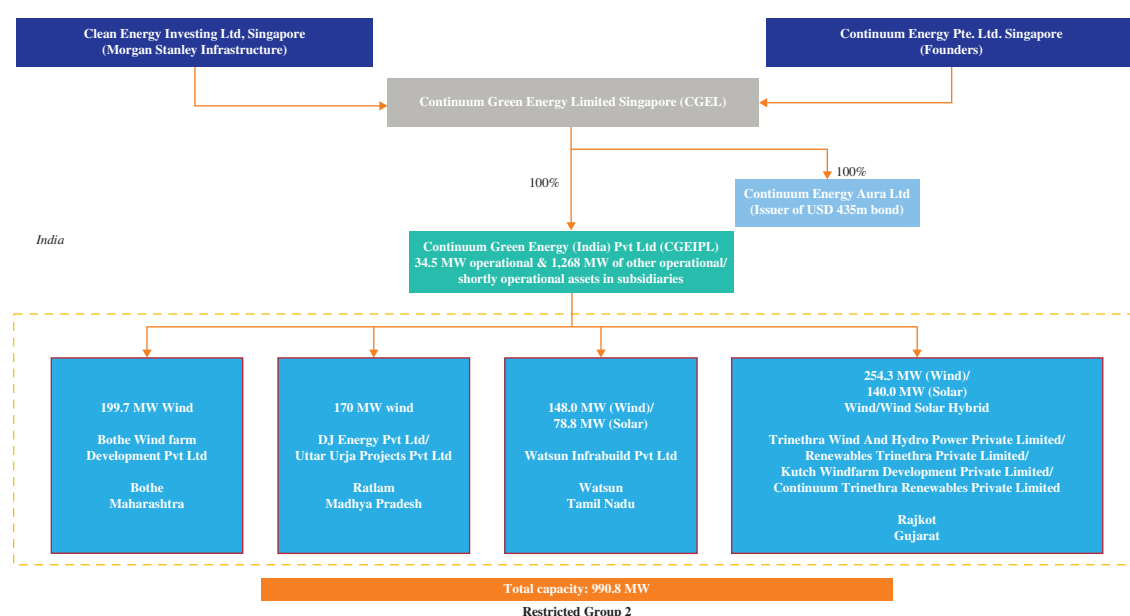
SUMMARY

This summary highlights information contained elsewhere in this Offering Memorandum and does not contain all of the information that you should consider before investing in the Notes. You should read this entire document, including “Risk Factors” and the financial statements and related notes included elsewhere in this Offering Memorandum, before making an investment decision. This Offering Memorandum includes forward-looking statements that involve risks and uncertainties. See “Forward-Looking Statements”.

Overview

We own and operate two large wind farms and two large wind-solar co-located hybrid farms across four states in India, which we believe positions us well to take advantage of India’s abundant wind and solar energy resources and the country’s favorable regulatory framework for renewable energy. Our Bothe and Ratlam 1 wind farms are located in the states of Maharashtra and Madhya Pradesh, respectively. Our Periyapatti and Rajkot wind-solar co-located/WSH farms are located in the states of Tamil Nadu and Gujarat, respectively.

Our four project sites are owned and operated by eight Co-Issuers, namely Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited. The Continuum Group owns 100% of the Restricted Group 2 companies except for Watsun Infrabuild Private Limited, approximately 28% of which is held by our group captive C&I consumers.



As of December 31, 2023, our operational capacity was 990.8 MW, comprising 369.7 MW of wind generation capacity and 621.1 MW of wind-solar co-located/WSH generation capacity. Out of this, PPAs have been executed for 984.5 MW, with distribution utilities accounting for 363.4 MW of our capacity and with C&I consumers accounting for the remaining 621.1 MW.

From our Bothe and Ratlam 1 projects, we sell electricity under the feed-in-tariff PPAs to distribution utilities i.e. MSEDCL and MPPMCL, respectively and realize a tariff, fixed for the duration of the PPAs, of (i) INR 5.81 per kWh for 101.0 MW and INR 5.70 per kWh for 92.4 MW of electricity generated at the Bothe wind farm; and (ii) INR 5.92 per kWh for the 170 MW of electricity generated at the Ratlam 1 wind farm. We also receive GBI benefits of INR 0.50 per kWh up to a cumulative value of INR 10 million per MW for each of these projects in a maximum period of 10 years.

For our Rajkot and Periyapatti projects (with over 130 C&I consumers), we have varying tariffs under our PPAs. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity distribution utilities and are set lower than the then prevailing tariffs charged by the distribution utilities for black energy to these consumers. The net tariff realized under these PPAs varies with increase/decrease in tariffs charged by distribution utilities to such consumers and open access charges/losses payable to distribution utilities/transmission utilities. The net variation in tariffs charged by distribution utilities and open access charges/losses is usually shared as per agreed terms between the C&I consumer and the company.

The following table sets forth certain key operational data of our projects:

	Status	Location	Total Capacity (MW)	Commissioning date (FY)
Bothe	Operational	Maharashtra	199.7 (Wind) ⁽¹⁾	2015
Ratlam 1	Operational	Madhya Pradesh	170.0 (Wind)	2016
Periyapatti	Operational	Tamil Nadu	148.0 (Wind) ⁽²⁾ 78.8 (Solar)	2018-2021
Rajkot	Operational	Gujarat	254.3 (Wind) ⁽³⁾ 140.0 (Solar)	2019-2024
Total			990.8	

Notes:

- (1) PPAs are pending for 6.3 MW capacity.
- (2) Periyapatti wind 148 MW was commissioned in FY 2018 — FY 2019 and Periyapatti Solar 78.8 MW was commissioned in FY 2021.
- (3) Rajkot site include Rajkot I (101.2 MW), Rajkot IIA (25.2 MW), Rajkot IIB (28.0 MW) and Rajkot 3 (239.9 MW) with last 86.2 MW of the Rajkot 3 was commissioned in phases between Q4 FY 2023 and Q1 FY2024.

Competitive Strengths

Attractive Industry Dynamics and Economics

India is the third largest electricity producer and consumer globally and is the fourth largest renewable market globally based on installed capacity as of end-2022, according to REN21 Renewables 2022 Global Status Report. The International Monetary Fund (“IMF”) has projected that India would be the fastest-growing economy in the world, despite considerable global challenges. In January 2024, the IMF released its latest World Economic Outlook update, projecting that the Indian economy will grow by 6.5% in FY 2024 and 2025. According to the agency, India’s prospects for FY 2024 are marked up on expected improvements to credit growth and, subsequently, investment and consumption, building on better-than-anticipated performance of the financial sector. Economic growth fueled by increasing urbanization, industrialization and penetration of technology is also resulting in increasing demand for electricity. Total electricity demand in India grew at a CAGR of 4.3% during the ten years ended FY 2023. The CEA in its National Electricity Plan dated May 2023 expects energy demand to grow at a CAGR of 6.67% to 1,908 billion kWh by FY 2027 and a CAGR of 5.33% to 2,474 billion kWh by FY 2032. Further, as per the CEA, the Indian market for renewable energy is anticipated to grow at a CAGR of 16.5% until FY 2027 and a CAGR of 12.1% until FY 2032 and to have a 35.0% and 44.0% contribution of renewable energy in the total energy demand at the end of those periods. This expected growth is supported by various government policies, rising environmental concerns, incentives, and tax benefits for solar panel installations.

The Indian power sector has traditionally been more dependent on conventional thermal fuel sources, such as coal and gas, than on renewable sources. Power consumption in India, a developing nation, has been increasing at a greater pace. However, India's reliance on thermal sources has been adversely affected by persistent shortfalls in coal and gas supplies and water shortages, resulting in increased costs and uncertainty of supply from new thermal power generation capacity. There is an increasing focus on reducing the import of energy to India, relying on alternative sources of energy, and enhancement of domestic supply. Steep declines in solar panel prices over the last several years, improving efficiency of wind turbines and rising cost of coal-based power has resulted in more competitive wind and solar power tariffs and has increased the appeal of renewable energy. Wind power in India has already achieved grid parity in some wind rich states, such as Tamil Nadu, Karnataka, Gujarat, Maharashtra and Madhya Pradesh, when compared with newly built coal projects. The GoI has established its commitment to fight climate change by presenting a five-point agenda while delivering the "National Statement" at the COP-26 conference in Glasgow, Scotland, which include (i) non-fossil fuel-based energy capacity of the country to reach 500 GW by 2030, (ii) 50% of the country's energy requirements to be met using renewable energy sources by 2030, (iii) country to reduce the total projected carbon emission by one billion tons between now and the year 2030, (iv) carbon intensity of the economy to reduce by more than 45% by 2030, and (v) to achieve net zero emissions by 2070. India reaffirmed its commitment towards renewable energy at the COP-28 conference in Dubai. India has successfully reduced the emission intensity vis-à-vis its GDP by 33% between 2005 and 2019, thus achieving the initial Nationally Determined Contributions ("NDC") target for 2030, 11 years ahead of the scheduled time. India has also achieved 40% of electric installed capacity through non-fossil fuel sources nine years ahead of the target for 2030. Between 2017 and 2023, India has added around 100 GW of installed electric capacity, of which around 80% is attributed to non-fossil fuel-based resources. India had since adjusted the NDC targets upwards, indicating further commitment to combat climate change.

Furthermore, the GoI is strengthening its efforts to develop renewable energy sources, with the promotion of wind and solar power being one of its key agendas with policies such as the National Solar Mission launched in January 2010, the National Wind-Solar Hybrid Policy issued in 2018, the Green Energy Corridor initiative, the National Tariff Policy 2016, the Late Payment Surcharge Rules 2022, Green Open Access Rules 2022, the Discoms Reform 3.0 program and several amendments to the Electricity Rules 2005. We believe these measures provide a favorable environment to own and operate wind and solar farms in India.

Carefully curated portfolio of projects

We have focused on conceptualization and building of projects with high efficiency and creating significant entry barriers with sustainable intrinsic value.

- Our projects in Periyapatti and Rajkot operate at amongst the highest PLFs compared to other projects in the respective states engaged in open access sales. Our Bothe project has had history of higher generation compared to other projects in the proximity to our project. Our Periyapatti and Rajkot projects are among the largest co-located Wind — Solar hybrid projects in their respective states which helps make our projects more attractive to C&I consumers and their attraction can be enhanced in future by adding electricity storage. In our Ratlam 1 and Bothe projects, since we own all of the wind turbines along with dedicated interconnection infrastructure, we have the ability to add solar and solar-storage hybrid capacity to enhance their attractiveness to the C&I consumers.
- Each of our projects is connected to extra high voltage connectivity, which ensures reliability of power, a key concern of most of the industrial consumers. There has been no history of curtailment in existing projects except in case of Periyapatti project, where high voltage green corridor completion was delayed from the utility end, but which was completed in March 2022. We have experienced no curtailment since June 2022. Higher voltage connectivity also helps absorb variability in nature of power generation for renewable sector.

- We focus on building and owning dedicated evacuation and interconnection facilities, which reduce dependence and reliance on third parties for operation and maintenance, as well as retaining the ability to implement upgrades, brownfield project expansions and conversions into wind-solar or wind-solar-storage hybrids. Since we control the balance of our plants, we retain the capability to replace the O&M contractors for the plants. As such, we are in a position to expand existing windfarms into WSH and later WSH storage projects. Since we own 100% of our wind turbines with no shared infrastructure with other wind turbine owners, we retain self-development capability for upgrading and augmenting of project capacity as technology evolves. Both Rajkot and Periyapatti were initially only wind projects and were subsequently converted into WSH/co located wind solar projects.
- In the C&I business, WSH projects provide up to approximately 3.7 times more value for consumers than standalone solar projects in terms of annual savings. Due to higher PLF, wind capacity provides approximately 2.2 times more MWh per MW of consumer load compared to solar. The grid access costs are payable per MW of connected load in most of the states, which results in approximately 30% lower charges per kWh for wind capacity compared to standalone solar capacity and approximately 50% lower charges per kWh for WSH capacity compared to standalone solar capacity. Further, due to the complimentary nature of generation for wind and solar projects, hybrid capacities offer lower fluctuation and better intra-day matching with demand curve of power, requiring fewer storage capacities for dispatchable supply. Approximately 62.7% of our Restricted Group 2 capacity are WSH projects. These WSH projects are expected to require lower storage capacity addition for future expansions once storage cost is economically attractive, retaining a significant future potential for cross-selling of products and services. At present, in most cases, we supply not more than 50% of our consumers' consumption requirement. With the addition of storage capacity and the removal of restrictions on contract demand through open access, we have the potential supply dispatchable power to the consumers as a premium service and can take the supply contract for arrangement of remaining electricity needs of the consumers through its own projects, third-party projects or power exchange solutions, thereby increasing our business revenue volume.
- Instead of focusing on large utility-scale low tariff auctioned projects, our strategic focus is on utility-scale C&I segment in states with (i) higher wind and solar resource availability, (ii) higher industrialization, and (iii) regulatory maturity to ensure stability in the business. In addition, we have successfully developed relationships with over 130 C&I consumers for 621.1 MW capacity out of the 990.8 MW Restricted Group 2 portfolio, with high repeat order business for new projects. We have also built a mechanism in which in case of any increase or decrease in grid discom tariff or open access charges, upside/downside is shared between the consumer and us. This creates a win-win approach where in case of any increase in grid tariff, additional benefit is passed on to the consumer in the form of higher savings compared to the grid discom tariff as well as to us in the form of higher net tariff.
- We have carefully selected projects to lock-in long term policy benefits to place us at substantial advantage compared to our competitors. See “— *Our Projects.*”

Diversified Portfolio of Clean Energy Assets

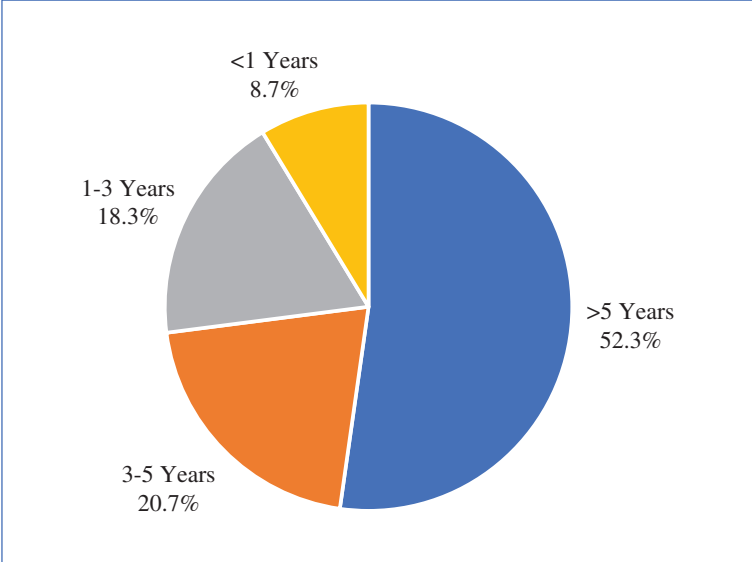
We own and operate two large wind farms and two large wind-solar co-located hybrid farms across four states in India, with a total portfolio of 990.8 MW of generation capacity. We mitigate our resource risks through our presence across wind-rich states in India. Our wind farm projects and WSH/wind-solar co-located hybrid projects are located in Maharashtra, Madhya Pradesh, Tamil Nadu and Gujarat which account for 20.2%, 17.2%, 22.8% and 39.8% of the project capacity respectively.

We purchase equipment from reputable turbine and solar module suppliers such as Inox Wind, Suzlon, Vestas, Siemens Gamesa, Adani Solar, Waaree Energies and GE.

Long and demonstrated track record of the operating assets

All projects are operational with an operating history of more than one year (except for the 86.2 MW of the Rajkot 3 WSH which was commissioned in phases between Q4 FY 2023 and Q1 FY2024) and have no construction risks or major capital expenditure requirements. As seen in the diagram below, the average life of the portfolio of assets is approximately 5 years and over 52% of the capacity has an operating history of over 5 years.

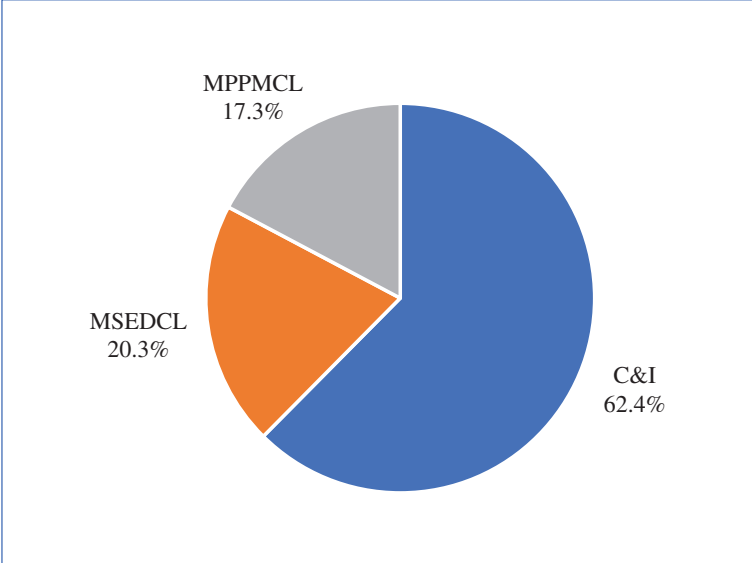
Long track record & experience in operating projects (by capacity)



Distinctive Business Model with Diversified Off-taker Mix and Earnings Visibility through Long-term PPAs

As seen in the diagram below, our diversified mix of PPAs are comprised of fixed tariffs (for the term of the PPAs) PPAs with MSEDCL distribution utility in Maharashtra and MPPMCL distribution utility in Madhya Pradesh and C&I tariff PPA with over 130 C&I consumers in Gujarat and Tamil Nadu, each accounting for 20.3%, 17.3% and 62.4% of the mix of PPAs.

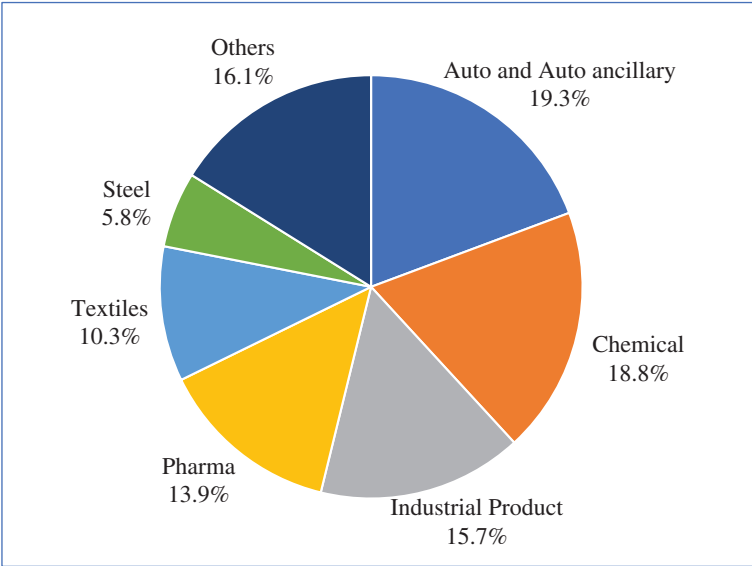
Off-takers mix (by capacity)



For FY 2023 and the nine months ended December 31, 2023, we generated 41.0% and 34.2% of our total revenue from the sale of electricity to state discom MPPMCL and MSEDCL, respectively. Additionally, the Bothe and Ratlam projects are eligible for GBI benefits from the GoI (paid by IREDA) which constituted 3.3% and 2.1% of our total revenue in FY 2023 and the nine months ended December 31, 2023, respectively. The PPAs with MSEDCL and MPPMCL are structured on the basis of fixed feed-in-tariffs (FITs) and have a term of 13 and 25 years respectively, which ensure off-take security and high visibility of our future financial performance.

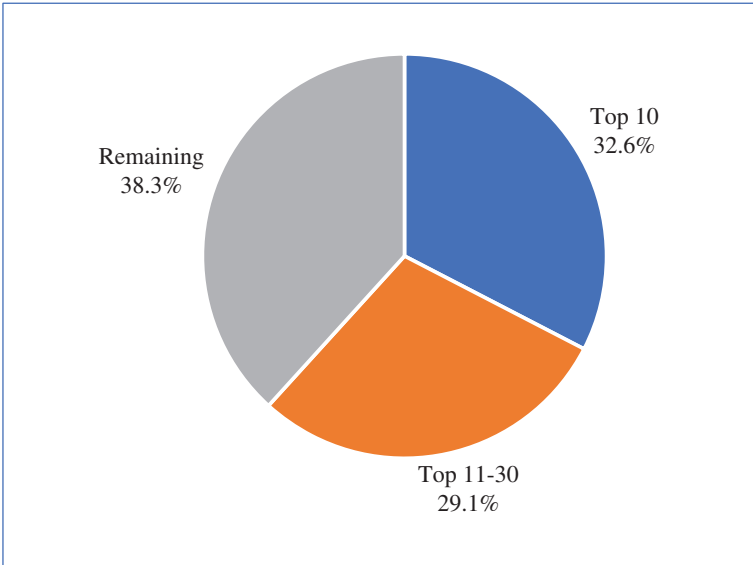
For FY 2023 and the nine months ended December 31, 2023, we generated 55.7% and 63.7% of our total revenue from the sale of electricity from our PPAs with C&I consumers, respectively. PPAs with C&I consumers are generally for five to 20 years, at tariffs set at a level lower than their alternative variable cost of power purchase from distribution utilities and cater to a portion of an individual consumer’s demand of electricity, which ensures off-take security and high visibility of our future financial performance. As seen in the diagram below, our C&I consumers for the Restricted Group 2 span a wide range of industries mitigating our offtake risk with no single industry accounting for more than 20% of our total sales to C&I consumers.

Off-taker industries (by capacity)



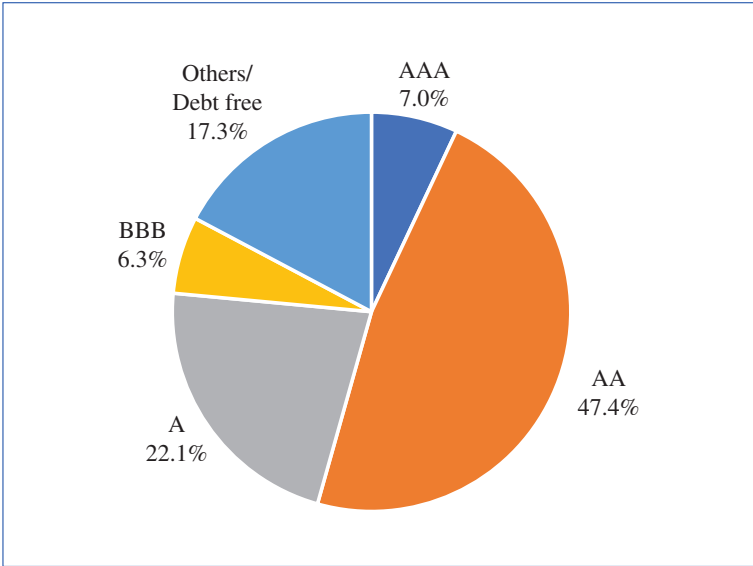
Further, in our C&I business, we face reduced customer concentration risk with no C&I consumer accounting for more than 5.5% of our C&I business and 3.5% of our overall business in terms of capacity.

Off-taker share (by capacity)



We have entered into PPAs with high quality C&I consumers — as seen in the diagram below, more than 75% of our consumers are rated ‘A’ or higher by independent, regulated credit rating agencies in India and all others are either unrated or rated investment grade or above (BBB-). Approximately 24% of our C&I sales are made to consumers that are part of multinational companies and 55% to companies belonging to marquee and large Indian industrial groups.

Off-taker credit ratings (by capacity)



The high quality and diversified customer base helps us achieve approximately 99.4% of offtake from the Restricted Group 2. Even during the lockdowns period from March to July 2020 in the wake of COVID-19, 94.4% of our total saleable generation from C&I projects was accounted for by consumption by our C&I consumers and the balance was sold to distribution utilities at predetermined tariffs.

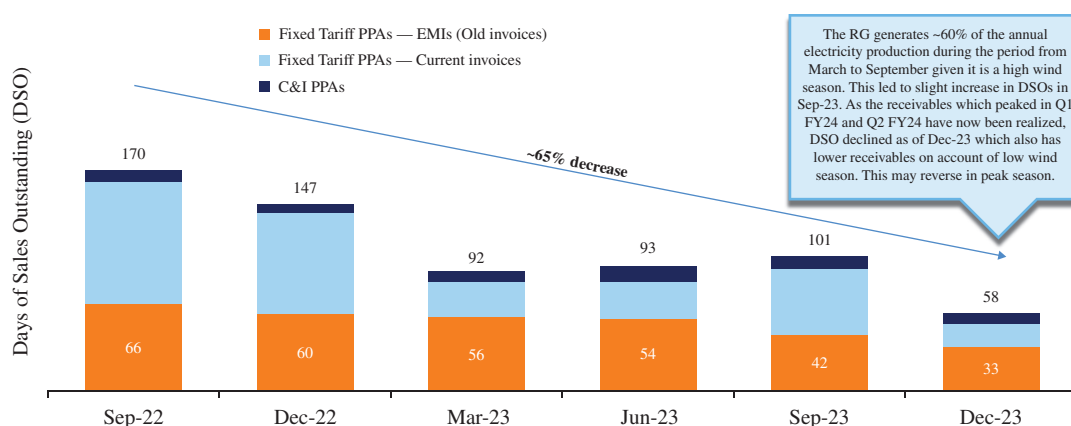
Industry Leading Receivables Position

We sell all of our electricity to MSEDCL, MPPMCL and over 130 C&I consumers. With our C&I consumers, our receivables are usually paid within 20 days or less. To utilities, we sell electricity from:

- 199.7 MW Bothe project to Maharashtra discom MSEDCL. All invoices raised till generation month of January 2024 have been cleared by MSEDCL till May 2024. The current receivable cycle (up to May 2024) for MSEDCL stands at three months from the invoicing date (i.e. one months from the due date). Enactment of the Electricity (Late Payment Surcharge and Related Matters) Rules 2022 (“LPS Rules”) ensures that the payments from MSEDCL are being collected at frequent intervals within three to four months of invoicing date along with LPS. LPS has been paid for invoices submitted till October 2023. Further, MSEDCL has also started remitting payments against generation from 6.3 MW (for which PPA has not been signed) as per provisional invoice being raised at a tariff of INR 3.50/kWh from October 10, 2022 pursuant to favorable interim Supreme Court Order. Payment against such invoices have been received till the generation month of February 2024. The matter is listed for final hearing/disposal in September 2024. The ongoing litigation with respect to signing of PPAs for 6.3 MW capacity and related details have been discussed subsequently. See “— Governmental, Legal and Arbitration Proceedings — Proceedings instituted by Bothe Windfarm Development Private Limited against MSEDCL”;
- 170.0 MW Ratlam 1 project to Madhya Pradesh discom MPPMCL. Pursuant to the LPS Rules, MPPMCL has opted to reschedule their dues till generation month of March 2022 along with LPS amount in 40 equal monthly instalments under the revised LPS Rules. We have already collected 22 instalments till May 2024. The current receivable (up to May 2024) stands at one month from the invoice submission date, with invoices till generation month of March 2024 and invoiced in April 2024 collected in May 2024.

Due to benefits of the LPS Rules in relation to projects selling power to discoms and with the increase in C&I capacity, our overall DSOs have reduced significantly. As of December 2023, our overall receivable cycle for the portfolio has reduced to 58 days and is expected to improve after payment of all monthly instalments by MPPMCL. Of the 58 days, 33 days of DSOs were represented by the receivables due from MPPMCL for the 23 monthly instalments remaining to be paid as of December 31, 2023.

The chart below shows our overall DSOs situation from September 2022 to December 2023.



Low Operating Risk with High Project Quality and Asset Management Approach

Our wind power and solar power projects are operational and require low levels of expenditure to operate and maintain them. For our windfarms, we have comprehensive O&M contracts for periods of 10 to 20 years (with free services in some cases for the first two to three years). The comprehensive O&M contracts include scope of repairs and replacement of minor/major components within the fee agreed for these

contracts. These contracts generally provide for a warranty for a minimum period of two years from the earlier of the date of commissioning or the date of supply, a power curve guarantee which assures reliability of performance of the wind turbines and a guaranteed operational performance commitment in the form of a minimum availability guarantee of 95% to 97% of the wind turbines' availability to generate electricity for a specified percentage of time with liquidated damages calculated by way of revenue loss. In addition, serial defect warranties, access to unfiltered turbine data, blade cleaning services and seasonal availability guarantees also help improve the performance.

We mitigate wind risks with our thorough site selection process. Our projects were selected after analyzing long-term wind data from multiple on-site wind masts to increase generation reliability. We conducted external and in-house micro-siting studies and layout planning to reduce wake effects and maximize generation at our project sites. For example, the Bothe wind farm was selected after relying on up to eight years of wind data from 11 on-site wind masts and the Ratlam 1 wind project was selected after relying on up to four years of wind data from five on-site wind masts. The Rajkot wind-solar co-located hybrid farm was selected after relying on up to three years of wind data from five on-site wind masts. The Periyapatti wind-solar co-located hybrid farm was selected after relying on up to seven years of wind data from 10 on-site wind masts.

Unlike companies that purchase wind turbines on a turnkey basis from wind turbine manufacturers where they control a portion of the turbines in a wind farm, our project companies own the entirety of our wind/solar farms (however, minority ownership of voting securities of Watsun Infrabuild Private Limited is held by our group captive C&I consumers) and have exclusive grid connections from them, giving us the flexibility to choose the wind turbine technology, partner with multiple suppliers and O&M contractors, manage our regulatory risks and maintain the flexibility to deploy the latest technology (including solar hybrid and electricity storage solutions) at our wind farms. Our experienced in-house team helps us deliver improved cost efficiencies and greater quality control over designing, sizing, engineering, developing, constructing and operating our wind and solar farms.

We use high quality electrical components to reduce our wind farm and solar park transmission loss and improve our turbine availability. For example, we have deployed rolled steel joist poles and galvanized square cross-sectional poles to ensure good mechanical strength of the turbines and extend their durability. We also installed the AL59 conductor instead of the ASCR model to ensure better internal grid connections and reduced line losses. To reduce downtime, we have deployed suspension type insulators and installed higher poles with bird guards.

We also maintain complete control over the evacuation infrastructure to minimize downtime. For example, we have deployed double circuit transmission lines to reduce downtime risks in case of mishaps, provided transfer buses in substations to help secure downtime in case of a system failure and optimized internal lines to achieve full utilization of feeder capacity and lower right of way concerns.


We operate our projects in tandem with equipment vendors and O&M contractors under long-term contracts. While the OEM equipment vendors are awarded full-service agreement for operating and maintaining the wind turbines and solar panels, we operate and maintain the balance of plant (“**BoP**”) in-house. We have strong partnerships with reputable O&M operators and suppliers such as Inox Wind, Suzlon, Vestas, Siemens Gamesa, Larsen & Toubro, Waaree Renewables etc. As part of our O&M operations, we have a dedicated in-house team. The Continuum Group has well-defined asset management practices and has received ISO certification for Quality, Environment and Safety.

Our contracts for our solar projects include performance ratio guarantees for up to eight years, starting at 81.55% and a comprehensive O&M contract for 5 – 10 years.

In several of our O&M contracts for our wind farms and in the O&M contract for our solar park, instead of paying a fixed fee per year per MW of capacity, we pay the O&M fee on per kWh of electricity generated and billed from the plant (subject to a base minimum fee per MW per year) thereby aligning our and O&M contractor’s interest in maximizing generation and reducing downtime.

Real time monitoring through AOMS solution

Since 2017, all of our operational wind and solar projects are monitored using real-time artificial intelligence based monitoring systems, providing continuous, real-time alerts, predictive maintenance requirements to our operations team. Our analytics solutions help to track the health of our equipment, trigger maintenance alerts, conduct detailed root cause analysis of alarms to enable us to better understand the equipment issues, create fault patterns and run probabilistic models to help us estimate on a real time basis the likelihood of faults. The solution is scalable to any wind turbine and solar module/invertor model.



Data Centralization	Clear Reporting	Push O&M beyond SLA	Performance Analytics	Predictive Maintenance
Real time unrestricted data collection on per sec basis from Turbines, Balance of Plant, and Weather/Forecasting model	Generation of periodic reports and continuous monitoring of system KPIs	Continuous parallel monitoring of alarms & downtime, and thereby pushing the O&Ms to perform beyond SLA	Detailed analytics on system Health and Performance by assigning Risk & Performance scores	AI based comparative analysis of performance and alarms within the turbine pool, assist in detecting future issues

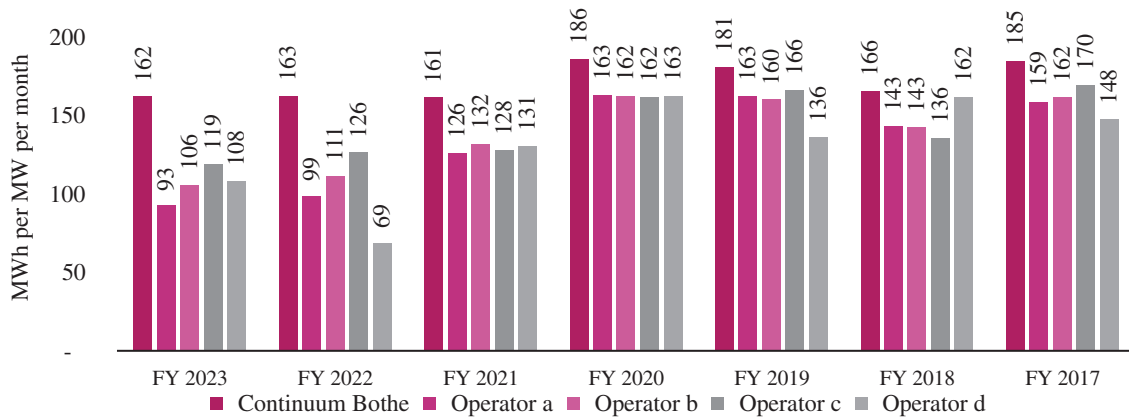
The Continuum Group’s Asset Operations Monitoring System (“**AOMS**”) collects more than 112 gigabytes of data every day and along with more than 90 terabytes of data already collected, continuously benchmarks the wind/solar equipment against other wind/solar equipment in the same wind/solar projects as well as across the Continuum Group’s fleet to identify deviation in performance of components and various indicators such as temperature, pressure, power curve performance, etc., raises alerts in case of deviations and suggests probable causes for such deviation for further investigation. This helps our operations teams, in many cases, to identify potential problems before an equipment failure occurs so that proactive actions can be taken to preserve equipment health, procure spare parts and schedule maintenance (predictive maintenance). Several times, these problems were not identified by our O&M contractors. Therefore, this system helps improve the quality of our operations and maintenance than if we relied solely on our O&M contractors. For example, on August 24, 2023 at our Bothe project, we observed that a choke coil of the VCS section for a WTG had reached 40 degrees higher than park average (136 against 96). The issue was notified to the OEM and corrective action was requested. The OEM team attended WTG on the same day and found that the VCS control cooling fan was damaged, so they replaced the same with new one. The temperature returned to normal thereafter. More than 3,431 intelligent predictive alerts (not identified by OEM operator) have been raised between April 2017 and December 2023 at our projects.

Our O&M team was able to resolve these issues quickly, helping us to avoid generation losses during peak wind season, reduce potential downtime and keep our machine availability high.

Under the terms of our O&M contracts and due to our complete ownership of our wind farms, we have the ability to switch between wind turbine suppliers and mitigate the risk of relying on one specific vendor. Vendors such as Vestas, Siemens Gamesa, Suzlon and Dalian Huarui Heavy Industry Group, among others, have the expertise to take over O&M operations at our wind farms where the wind turbines have been supplied by other turbine manufacturers.

We believe that all the above features as described will help us achieve superior performance as compared to our competitors. As an example, according to data obtained from the Maharashtra State Load Despatch Centre, the Bothe project achieves higher monthly generation per MW of installed capacity than our competitors for the period indicated in the chart below.

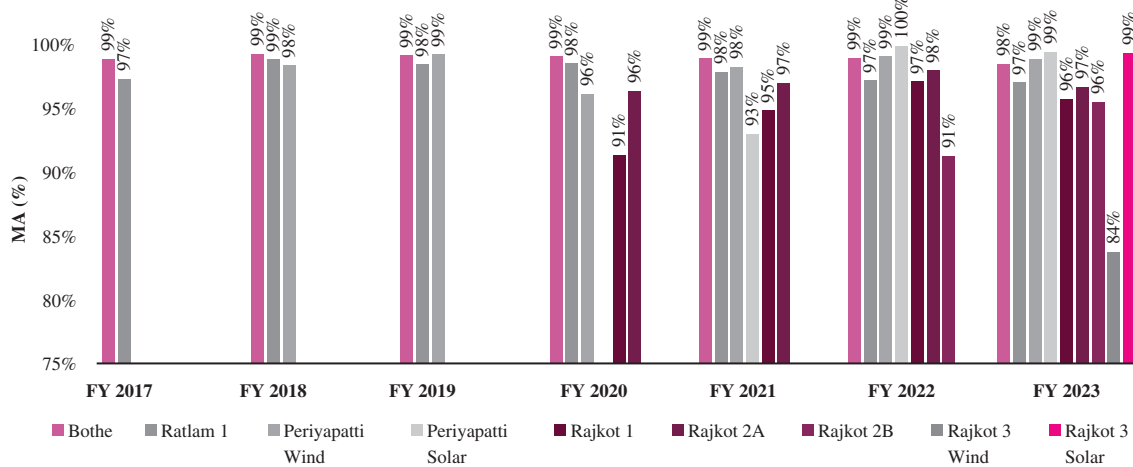
Our generation compared to our peers



Source: MSEDCL, Maharashtra SLDC

Some of the KPIs we track at our projects are machine availability, internal grid availability, external grid availability and Mean Time Between Inspections (“MTBI”). Higher MTBI indicates fewer needs for maintenance personnel to attend to turbines and indicate better turbine health and lower downtimes. Machine availability and internal grid availability are a function of quality of our own windfarms and quality of our maintenance. We believe we have achieved industry leading availabilities and MTBI as set out in the chart below for the periods indicated:

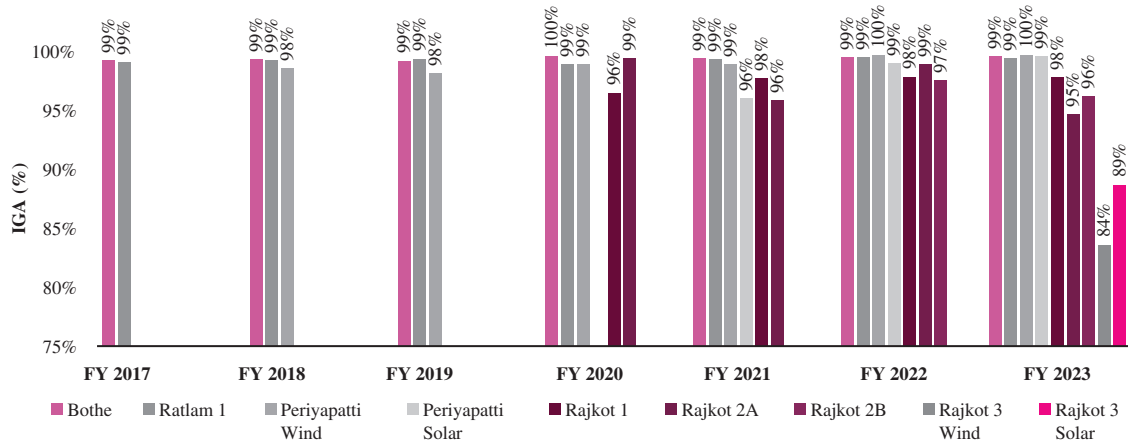
Machine Availability (%)



Notes:

1. FY 2021: (i) availability at Periyapatti solar project and Rajkot 2A project was lower due to stabilization period as part of first year of operations; (ii) availability at Rajkot 1 project was lower because wind turbines were shutdown/operated in derated mode as a precaution after the fire incident in Vestas make wind turbine in July 2020 at Rajkot 1 project. Rectification works were undertaken on the wind turbines between September 2020 to February 2021.
2. FY 2022: (i) availability at Rajkot 2B project was lower due to stabilization period post commissioning for Rajkot 2B project; (ii) availability at Rajkot 3 project was lower as it was partly operational.
3. FY 2023: (i) availability at Rajkot 1 project was lower due to implementation of software upgrade for 19 WTG; (ii) Rajkot 1, 2A & 2B project faced downtime due to reshuffling of internal transmission lines because of construction and addition of the Rajkot 3 project; (iii) Rajkot 1, 2A & 2B project wind turbines were down due to transformer failure and restoration was delayed due to crane availability; (iv) Rajkot 3 project was partly operational and under stabilization.

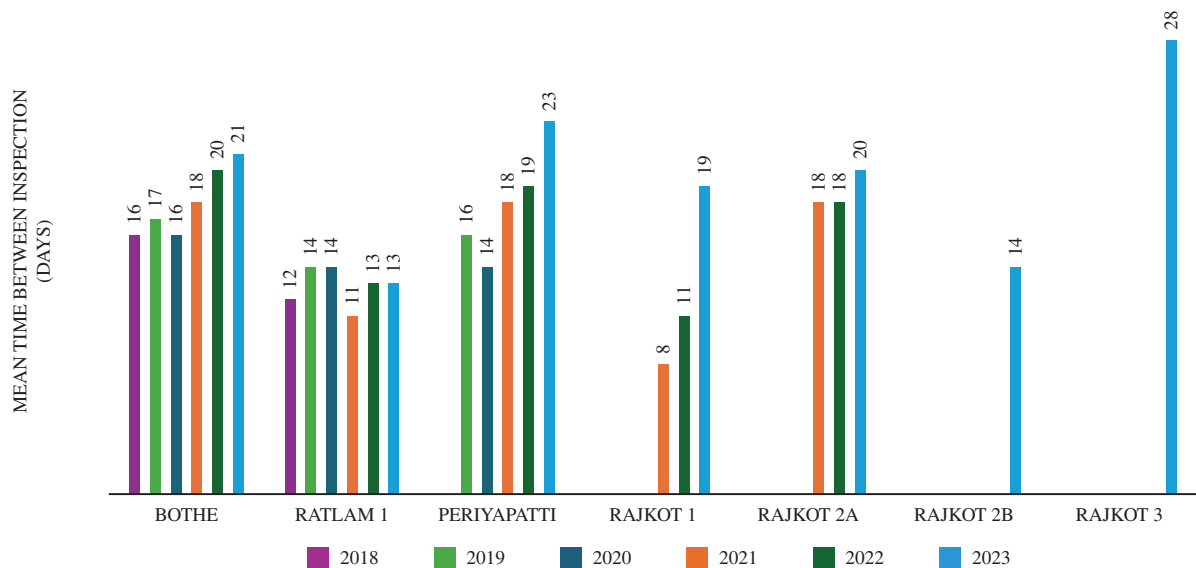
Internal grid Availability (%)



Note:

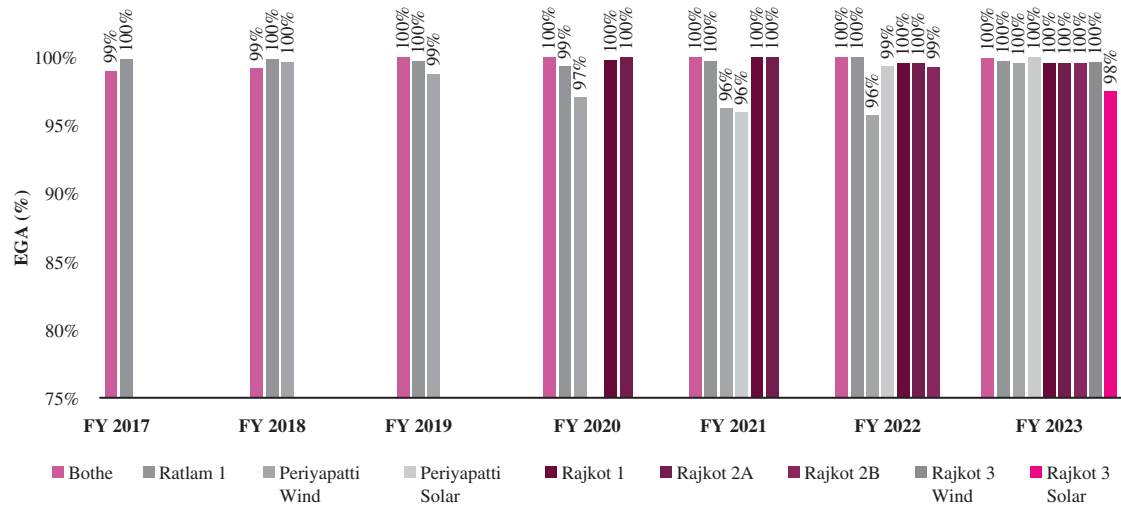
- FY 2023: (i) low Internal grid availability for Rajkot 1, 2A and 2B project on account of downtime due to reshuffling of internal lines because of construction of the Rajkot 3 project; (ii) Rajkot 3 project was partly operational and under stabilization.

Mean Time Between Inspections



The external grid availability is largely a function of the quality of electricity grid that our windfarms and solar park are connected to. We prefer to build windfarms or solar parks where we get extra high voltage connection to 220kV grid substations which, in turn evacuate power at 400 kV or higher. Such grid substations are part of high capacity, trunk transmission routes of the electricity grid, have higher availability and can absorb the variability of renewable energy production. As a result of this extra high voltage connection, our windfarms in Bothe, Ratlam and Rajkot have not faced any curtailment of energy. We have faced some curtailment of energy at our Periyapatti windfarm because the 400 kV green corridor grid that we are connected to. The work on 400kV green corridor was completed in March 2022 and we have not faced any curtailment since June 2022.

External Grid Availability



Notes:

1. FY 2021 and FY 2022: High voltage corridor completion for Periyapatti project was delayed by the utility. It was completed in March 2022 and has not faced curtailment since June 2022.
2. FY 2023: Rajkot 3 project was partly operational and under stabilization.

Our control over entire wind projects has resulted in consistent improvement in accuracy of generation forecasting which in turn has resulted in lower DSM charges and higher profitability. Further, the larger size of each wind project formed by combining multiple projects helps us gain higher allowable absolute deviation (which is a function of total installed capacity connected to a pooling substation) thereby resulting in more accurate forecasting and reduction of deviation costs. For example, Rajkot 1, 2A, 2B and Rajkot 3 are connected to the same project pooling sub-station and are considered as a single wind project owned by us and the forecasting is done for the entire project rather than for each individual project. Moreover, the lower actual deviation due to diversification within the sites due to wind/solar connecting to same sub-station (WSH) or large number/different types of equipment at the same site, longer wind resource data, higher equipment/grid availability and integration of AOMS and forecasting data helps in improving the accuracy of forecasting and thereby reduction in deviation costs.

Financial Profile Bolstered by Attractive Credit Metrics

We benefit from a robust balance sheet, which we leverage prudently to support our growth.

	As at and for the fiscal year ended March 31,			As at and for the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(INR in millions unless otherwise stated)				
Operational Capacity @ year/period end (MW)	722.9	750.9	943.2	904.6	990.8
Total assets	53,767	68,327	69,318	72,498	72,013
Total income	8,275	10,156	11,510	9,339	10,854
Revenue from operations.	7,661	9,191	9,749	7,913	9,798
Profit/(loss) before tax	(1,339)	233	646	1,349	988
EBITDA Adjusted ⁽¹⁾ (A)	6,449	7,989	8,771	7,310	8,066
FFO ⁽¹⁾ (B)	88	2,467	5,740	4,120	4,450
Adjusted borrowings ⁽³⁾ (C)	40,610	48,628	47,739	50,026	47,719
FFO to Adjusted borrowings (B/C) (%).	—	5%	12%	8%	9%

Notes:

- (1) Reconciliation from profit/(loss) for the year/period to EBITDA, EBITDA Adjusted and FFO

	For the fiscal year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(INR in millions)			(INR in millions)	
Profit/(loss) for the year/period.	(1,108)	(32)	(148)	492	205
Add: Share of profit/(loss) attributable to minority shareholder's fund	(30)	(40)	(65)	34	108
Add: Total tax expenses/(credit)	(201)	305	859	823	675
Add: Finance costs	5,773	5,625	5,897	4,377	5,007
Add: Depreciation and amortisation expense	1,788	1,847	2,052	1,490	1,801
EBITDA	6,222	7,705	8,595	7,216	7,796
Add/(less): adjustments					
Balance written back	(31)	—	—	—	—
Provision written back	—	—	(136)	(136)	—
Allocable common overheads	209	235	312	230	270
Provision towards litigation and contingencies	49	49	—	—	—
EBITDA Adjusted (A)	6,449	7,989	8,771	7,310	8,066
Interest expenditure ⁽²⁾ (B)	3,889	4,690	4,898	3,624	4,099
Income taxes refund/(paid) (net) (C1)	—	—	(42)	(22)	26
Direct Tax paid (net) (C2).	(20)	(23)	—	—	—
Aggregate of movement in working capital as per cashflow statement (D)	(2,452)	(809)	1,909	456	457
FFO (E) = (A-B+C1+C2+D)	88	2,467	5,740	4,120	4,450

(2) Reconciliation from finance cost to interest expenditure:

	For the fiscal year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(INR in millions)			(INR in millions)	
Finance cost	5,773	5,625	5,897	4,377	5,007
Less: Prepayment premium charges	(909)	—	—	—	—
Less: Interest on CCDs	(409)	(785)	—	—	—
Less: Interest on CCDs/CFCDs	—	—	(797)	(599)	(599)
Less: Interest on OCDs	—	—	—	—	(149)
Less: Interest on unsecured loan	(113)	—	—	—	—
Less: Other borrowing costs	(453)	(150)	(202)	(154)	(160)
Interest expenditure	3,889	4,690	4,898	3,624	4,099

(3) Reconciliation from Long Term Borrowings to Adjusted Borrowings

	As at fiscal year ended March 31,			As at December 31,	
	2021	2022	2023	2022	2023
	(INR in millions)			(INR in millions)	
Long-term borrowings (A)	40,428	44,571	45,261	46,207	43,266
Add: Current maturities of long-term borrowings (B)	558	2,372	3,366	3,290	3,883
Less: Indian rupee term loan from related parties (C)	93	355	893	219	166
Less: 10.50% Non-convertible debentures of INR 10/- each (D)	283	—	—	—	—
Less: Non-convertible debentures of INR 10/- each (E)	—	242	242	—	242
Add: Short term borrowings: working capital (secured) from banks (F)	—	2,282	247	748	978
Adjusted borrowings (A+B-C-D-E+F)	40,610	48,628	47,739	50,026	47,719

FFO and Adjusted borrowings disclosed here may not be comparable to other similarly titled measures of other companies because such measures are not uniformly defined. These measures have limitations as analytical tools. See “*EBITDA, Net Revenue, EBITDA Margin, EBITDA as a Percentage of Net Revenue, Capital Expenditure, Adjusted Borrowings and FFO.*”

Highly Experienced Management Team

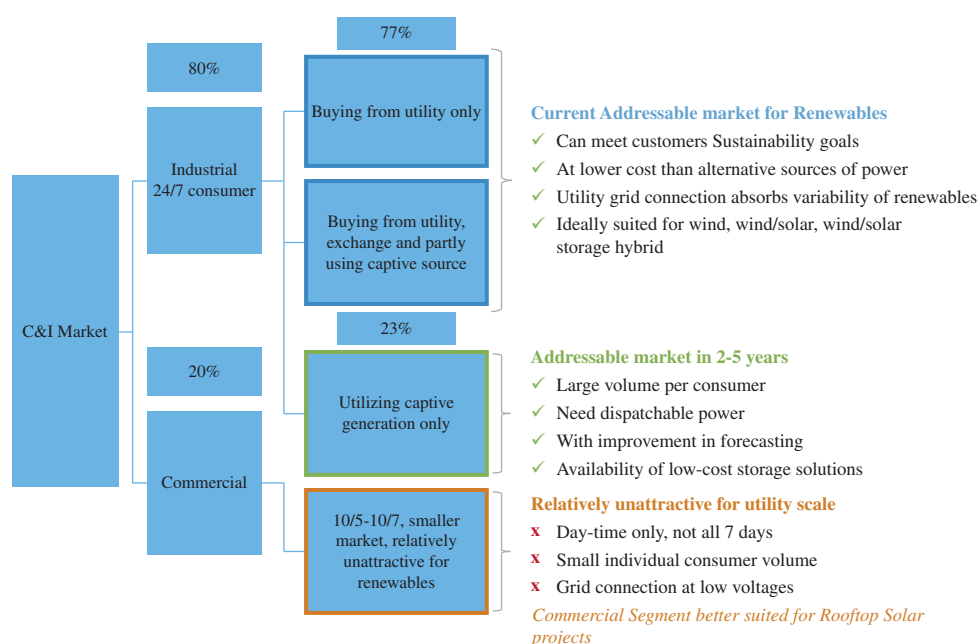
We are led by a management team with extensive experience in the renewable energy sector, in-depth understanding of managing projects and a proven track record of superior performance. The senior management team of Continuum, led by Mr. Arvind Bansal (Chief Executive Officer) and Mr. N.V. Venkataramanan (Chief Operating Officer), possess complementary skills and have extensive experience and knowledge of the electricity sector. We have an experienced Projects Team with expertise in developing and executing large scale projects with the help of a high quality Corporate Finance Team with demonstrated ability to raise finance for large projects. The experience of Continuum's O&M Team lends significant expertise for the operation and maintenance of our projects. Additionally, our dedicated Regulatory & C&I Sales team have pioneered in building the unique inflation linked C&I business.

Business Strategy

Focus on sale of renewable energy to C&I consumers

Our current strategy of selling renewable energy under open access centers around selling to industrial consumers. Industrial consumers constitute approximately 80% of the electrical consumption in the C&I segment, which in turn constitutes approximately 50% of total electricity consumption in India. Our industrial consumers usually consume electricity 24x7, unlike commercial consumers who consume during day time on some, and not necessarily all, days of the week. Since wind farms and solar farms are designed to produce energy all days of the year and wind farms produce energy at all times of the day, our target segment is industrial consumers. Those industrial consumers who buy part or all of their energy from the distribution utility have a grid connection to absorb the variability in the production of electricity by renewable sources and hence are a more suitable target market for us than those who produce all the energy they need captively without any connection to distribution utility grid. The latter category of consumers is usually larger and present an attractive market in the future when the costs of electricity storage solution have reduced and the accuracy in forecasting the production of renewable energy has improved significantly.

We believe that the commercial consumer segment, unless they are 24x7 consumers of electricity, is more suitable for rooftop solar sources of energy.

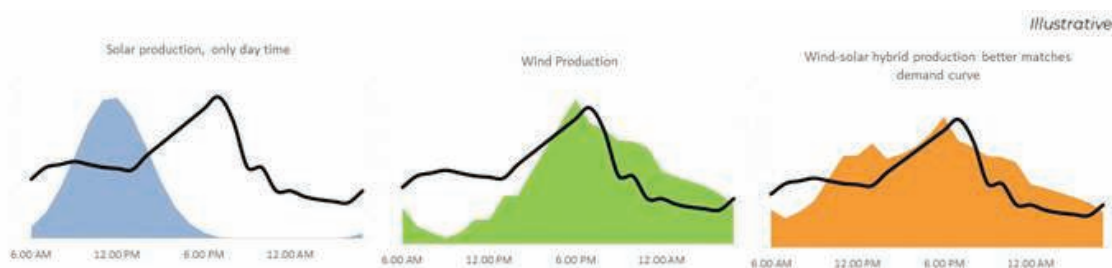


Attractiveness of wind energy and wind-solar hybrid energy

We plan to continue to add solar and solar-storage capacity to our existing wind projects over time and increase the value to our consumers as well as to ourselves. As WSH energy projects produce significantly higher amount of electricity per MW of installed capacity than wind projects and followed by solar projects, we intend to utilize our advantages of being able to convert our wind projects into WSH projects and increase the attractiveness of our wind-solar hybrid projects by adding electricity storage, once the same is economically viable. Any such capacity increase is expected to be funded through equity injection or subordinated debt.

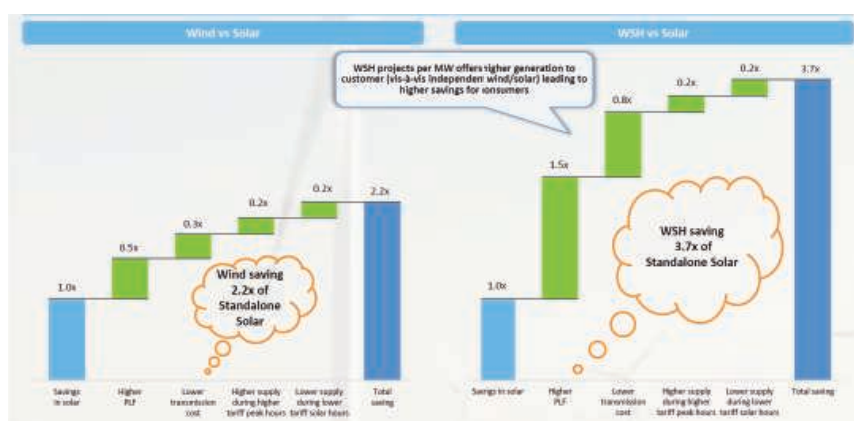
Discoms or inter-state grids are large capacity grids and can absorb large quantities of energy supply. However, a C&I consumer has a defined capacity of electrical connection to the utility grid (in turn a function of the size of its manufacturing facilities) which limits the amount of electricity that a consumer can purchase and consume at a given time. Since we generally price our green energy PPAs at an agreed discount per kWh to the variable cost of purchase of black electricity from the grid, an open access consumer benefits the most by purchasing electricity on open access from a source that provides higher amount of energy per MW (i.e, plant load factor or PLF) of grid connection than other sources. Such higher amount of renewable energy per MW of open access also enables a consumer to achieve their ESG goals (replacement of fossil power by renewable power) faster.

Unlike solar energy generation profile, the average wind energy generation profile matches more closely with the demand curve for electricity in Indian grid. In India, the peak demand for electricity occurs during morning hours (6 am to 10 am) and evening hours (6 pm to 10 pm) when solar projects produce nil to a small percentage of their overall output. Therefore, standalone solar provides lower value electricity to the grid compared to wind. WSH production better matches the demand curve.



Wind project provides 2.2 times more saving to a customer as compared to solar alone. This is largely on account of higher PLF or higher generation per MW of open access, generation available during peak hours and lower transmission cost per kWh. This saving increases to 3.7 times with WSH capacity which has even higher PLF, generation per MW of open access and lower transmission cost per kWh. The below chart illustrates a sample annual savings calculation for an industrial consumer.

*Annual savings calculation for Industrial consumer (at same delivered energy tariff)
with connection to Gujarat Grid*



Note:

(1) Time of Day tariff as per amendment to Electricity (Rights of Consumers) Rules, 2020 dated June 14, 2023.

As a result, by purchasing the same MW of WSH energy on open access, the consumer makes a higher absolute amount of annual savings in its electricity costs compared to purchasing the same MW amount of standalone wind or solar energy on open access. Further, as several open access costs (such as transmission charges, for example) are payable on a per MW of open access basis, the per kWh cost of such open access costs is lower for purchase of WSH energy on open access than for wind energy followed by solar energy. In addition, WSH projects have lower transmission cost which is charged on the higher of the wind or solar AC capacity and lower capital expenditure on account of sharing of common infrastructure.

Our wind projects are designed to be able to add solar and solar-storage hybrid capacity because we own all the wind turbines in our project and have exclusive dedicated interconnection facilities (such as pooling substation and EHV transmission lines). For example, Periyapatti project capacity was increased from 148.0 MW wind to 226.8 MW WSH; similarly Rajkot 1, which is a 101.2 MW project, was expanded by adding 25.2 MW of wind capacity from Rajkot 2A and was further expanded with Rajkot 2B adding 28 MW of wind capacity and Rajkot 3 adding 239.9 MW of WSH capacity. Similarly, in our Bothe project, since we own all of the wind turbines along with dedicated interconnection infrastructure, we have the ability to add solar and solar-storage hybrid capacity, as discussed above, to enhance their attractiveness to the C&I consumers post expiry of MSEDCL PPA period which is expected to be between FY 2027 and FY 2028. We intend to utilize our capability of converting our wind energy projects into WSH energy projects to increase the attractiveness of our wind-solar hybrid projects.

Sustainable and Increasing Commercial and Industrial (C&I) Tariff

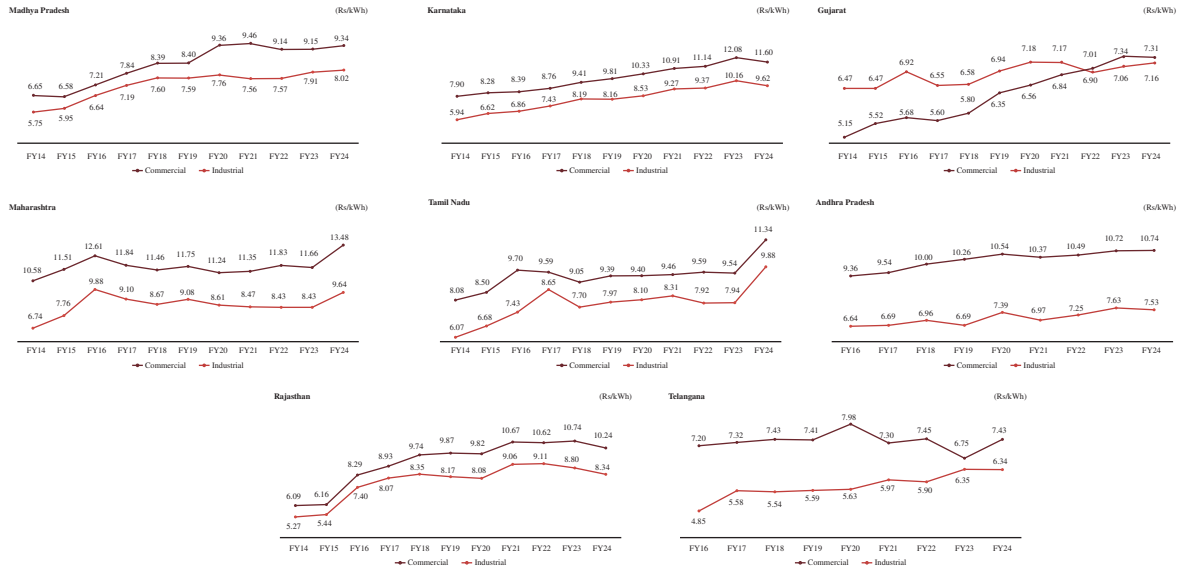
We intend to continue to focus on C&I consumers and take advantage of the increasing commercial and industrial tariff.

C&I consumers accounts for the largest share of the total electricity consumption in India (49.6% in FY 2022). Discom tariffs are expected to increase going forward providing sustained opportunity to service C&I consumers with renewable energy at lower than grid prices, on account of following reasons:

- inflation in the cost of coal which is the fuel for almost three-fourth of total electricity production;
- rising average power purchasing cost of utilities due to increasing cost of environmental compliance for thermal projects and cost of coal;
- higher transmission and distribution costs to provide 24x7 “Power to All”;
- higher per unit transmission and distribution cost on account of thrust for renewables which have lower plant load factors than base load thermal projects;
- higher fixed cost of backed-down thermal power due to increasing renewable penetration with must-run status;
- grid balancing and storage costs due to increasing share of renewable energy;
- several utilities making losses at current tariffs and new regulatory requirements for regulators to set cost compensatory tariffs without recovery gap;
- agriculture and residences continue to be cross-subsidized by higher commercial and industrial tariffs; and
- limited or no ability of distribution utilities to pass the increasing cost through tariff to agriculture and residential consumers leaving such costs to be almost entirely absorbed by commercial and industrial consumers who account for half of total consumption.

The factors cited above and the imperative to be financially viable will necessitate that the discoms rationalize their tariffs to meet costs. It is politically unpalatable to increase agricultural tariff (very low or nil) and residential tariffs and political parties regularly promise lower tariffs/free electricity. For example, in 2022 and 2023, residential consumers consuming less than 300 kWh/month were assured free electricity in states of Punjab, Delhi and Karnataka. As a result, tariffs charged C&I consumers are increased to offset the increase in costs of supply. Agricultural and residential consumers account for approximately 28% to 67% of consumption of electricity supplied by utilities:

The chart below sets out historical trend of increase in industrial tariff in various states.



Source: CRISIL

Note: The tariffs from FY20 to FY22 can not be validated due to absence of data

Further, we have witnessed increase in tariff from 1.5% to 15.0% in all key state where we are present and sell power to C&I consumers from December 2022 to December 2023.

Variable Tariff charged by Discoms to Industries	Gujarat	Tamil Nadu	Madhya Pradesh ⁽¹⁾	Maharashtra
As at December 31, 2022, INR/kWh	8.01	7.57	7.12	6.99
As at December 31, 2023, INR/kWh	8.84	7.74	7.23	8.22
% increase	10.4%	2.2%	1.5%	15.0%

Note:

(1) We have considered rate for 132 kV.

We believe that the tariffs for industrial consumers will increase at a faster pace than historical trends. In 2022, 23 out of 28 states signed up under the Discom Reforms 3.0 program and tariff increases undertaken by certain states in recent periods are as outlined below:

- March 2022: Telangana discom has announced 9-33% increase in tariff for industrial consumers.
- July 2022: Kerala discom has announced 6-10% increase in tariff for industrial consumers.
- September 2022: Tamil Nadu regulatory commission has made a one-time increase of 6% and further set increase in tariffs for industrial consumers at lower of 6% p.a. or consumer price inflation (CPI) index for the next 5 years.
- January 2023: Gujarat FAC charges increased from INR 2.60 per kWh to INR 2.85 per kWh.
- April 2023: Maharashtra regulator approved 18% hike in C&I tariff for FY 2024.
- June 2023: MP power management company decided to effect a 6.16% hike in tariff from June 24.

- July 2023: Tamil Nadu approved 2.18% tariff escalation for FY 2023-24 for both energy charges and fixed charges.
- July 2023: Gujarat FAC charges increased from INR 2.85 per kWh to INR 3.10 per kWh.
- October 2023: Gujarat FAC charges increased from INR 3.10 per kWh to INR 3.35 per kWh.

Recent Developments

Entry into Share Purchase and Subscription Agreement

On May 11, 2024, our Parent and its shareholders, CEPL and CEIL had entered into a share purchase and subscription agreement (the “**SPSA**”), pursuant to which, through a combination of concurrent actions: (a) acquisition of convertible preferred shares of our Parent from CEIL, (b) subscription of new shares by CEPL in our Parent and (c) conversion of the convertible preferred shares owned by CEIL and CEPL into ordinary shares of our Parent at the applicable conversion price derived pursuant to existing agreements between CEIL, CEPL and our Parent, CEPL and CEIL will, at closing of such transactions, hold 74% and 26% of the Parent’s ordinary share capital, respectively (the “**Transaction**”). The completion of the Transaction is subject to the satisfaction of various conditions precedent outlined in the SPSA. See also “*Risk Factors — Risks Relating to Our Business — The Parent’s major shareholders may sell a substantial portion or all the shares they own in the Parent.*”

Entry into Certain Financing Agreements

On May 16, 2024, Starlight Pacific Ventures Pte. Ltd., Clean Joules Pte. Ltd. (collectively, the “**Financing Guarantors**”) and CEPL had entered into certain definitive financing agreements with several investors to finance the purchase and subscription of the shareholding interest in our Parent pursuant to the Transaction (the “**Financing**”). Salient features of the Financing include:

- (a) a three-year bullet facility with early repayment options available with CEPL,
- (b) substantially payment-in-kind (PIK) coupon with the cash portion of the coupon pre-funded for the first two years, and
- (c) security, inter alia, against CEPL’s equity interest in our Parent and the Guarantors’ equity interest in CEPL.

Upon completion of the Financing, an enforcement of the share charge over all of the shares of CEPL or the share charge in respect of all of the shares of our Parent could constitute a change of control under the terms of certain financing agreements, including the Notes.

Potential Anchor Investors

Clifford Capital group entities are proposing to purchase up to US\$75 million of the Notes subject to receipt of final approvals. Potential investors should not place any reliance on Clifford Capital’s group entities participation in the Notes as anchor investors, or their investment analysis about the Co-Issuers and the Notes being offered, and each investor making an investment in the Notes should make its own independent investment decision.

THE OFFERING

The summary below describes the principal terms of the Notes. Some of the terms and conditions described below are subject to important limitations and exceptions. See “Description of the Notes” for a more detailed description of the terms and conditions of the Notes. Terms used and otherwise not defined in the summary below have the meanings given to them in “Description of the Notes.”

Co-Issuers	Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited.
Guarantees	Each Guarantee of the Notes from each of the Guarantors (as of the respective Guarantee Effective Date).
Guarantors	Each of the Co-Issuers as of the respective Guarantee Effective Date.
Notes	US\$650,000,000 aggregate principal amount of 7.50% Senior Secured Notes due June 26, 2033. Please see Annexure A of this Offering Memorandum for certain information regarding the Notes for purposes of the applications by each of the Co-Issuers to the RBI for loan registration numbers.
Maturity Date	June 26, 2033.
Interest	7.50% per annum, payable semi-annually in arrears on each June 26 and December 26, commencing on December 26, 2024.
Restricted Group 2	The Co-Issuers.
Ranking of the Notes	The Notes issued by a Co-Issuer will: <ul style="list-style-type: none">• be general obligations of such Co-Issuer;• rank senior in right of payment to any existing and future obligations of such Co-Issuer that is subordinated in right of payment to the Notes;• rank equally in right of payment with any existing and future obligations of such Co-Issuer that are not subordinated in right of payment to the Notes;• be guaranteed by the Guarantors on a senior basis in accordance with the Indenture, subject to the limitations described below under “Description of the Notes — The Guarantees” and “Risk Factors — Risks Relating to the Notes, the Guarantees and the Collateral — On the Closing Date, the Notes will not be guaranteed by any of the Guarantors and, accordingly, the Notes will be structurally subordinated to the liabilities of the Co-Issuers.”

- be effectively subordinated to any existing and future secured Indebtedness of such Co-Issuer (other than the Notes and any Indebtedness to the extent secured over the Collateral) to the extent of the value of the assets securing such Indebtedness; and
- be secured by a Lien on the applicable Collateral as further described under the caption “*Description of the Notes — Security.*”

Until the Guarantees become effective on the Guarantee Effective Date, the obligations in respect of each Note will be attributable on a several (and not a joint and several) basis to each Co-Issuer (acting as a primary obligor and not as a Guarantor) in the same proportion as the principal amount of Notes that such Co-Issuer will issue as a primary obligor bears to the aggregate principal amount of Notes. See Annexure A of this Offering Memorandum for information regarding the principal amount of Notes each Co-Issuer will act as a primary obligor.

Ranking of the Guarantees .

As soon as practicable and no later than the date falling 90 days after the Closing Date, each of the Co-Issuers will provide unsubordinated Guarantees for the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes issued by any other Co-Issuer (for which such other Co-Issuer acts as a primary obligor and not as a Guarantor), whereby the Guarantees of each Co-Issuer shall become effective in respect of such Co-Issuer on the date in which such Co-Issuer delivers a notice to the Trustee and the Security Trustee confirming the date on which such Guarantees shall become effective in respect of itself (such date, the “**Guarantee Effective Date**” in respect of such Co-Issuer). Each Guarantee provided by a Guarantor will:

- be a general obligation of such Guarantor;
- rank senior in right of payment to any existing and future obligations of such Guarantor that are subordinated in right of payment to its Guarantee;
- rank equally in right of payment with any existing and future obligations of such Guarantor that are not subordinated in right of payment to its Guarantee; and
- be effectively subordinated to any existing and future secured Indebtedness of such Guarantor to the extent of the value of the assets securing such Indebtedness.

Until the Guarantee Effective Date, the liability of a Co-Issuer under the Notes will initially be capped at the percentage of Notes issued by it. Only if and when a Co-Issuer provides Guarantees on the Guarantee Effective Date, will the Co-Issuer become jointly and severally liable under the Notes. See “*Risk Factors — Risks Relating to the Notes, the Guarantees and the Collateral — On the Closing Date, the Notes will not be guaranteed by any of the Guarantors and, accordingly, the Guarantees will be effectively subordinated to the secured liabilities of the Guarantors.*”

Collateral The obligations of each Co-Issuer with respect to the Notes (for which such Co-Issuer acts as a primary obligor and not as a Guarantor) and the performance of all other obligations of each Co-Issuer under the Indenture (to the extent of the Notes in respect of which such Co-Issuer acts as a primary obligor and not as a Guarantor) will, subject to the release of a Lien over any Collateral undertaken in compliance with the terms herein, be secured by the following Indian-law governed security package:

- (a) the “**Common Collateral**” comprising the following:
- a first ranking *pari passu* mortgage over immovable property (including in the form of leasehold rights, but excluding immovable property in respect of which only a right to use has been provided) of such Co-Issuer, both present and future, in respect of the project(s) of such Co-Issuer;
 - a first ranking *pari passu* charge over movable assets of such Co-Issuer, both present and future, in respect of the project(s) of such Co-Issuer, other than (i) the current assets of such Co-Issuer and (ii) any Permitted Investments subscribed to, or extended by such Co-Issuer and issued by any Affiliates of such a Co-Issuer;
 - a first ranking exclusive charge over the applicable Senior Debt Restricted Amortization Account and the applicable Senior Debt Mandatory Cash Sweep Account of such Co-Issuer;
 - a first ranking *pari passu* charge over the applicable Debt Service Reserve Account, the applicable Restricted Surplus Account, the applicable Restricted Debt Service Account and the applicable Senior Debt Enforcement Proceeds Account of such Co-Issuer;
 - a first ranking *pari passu* charge over the rights and benefits of such Co-Issuer under its respective project documents (including, without limitation, the power purchase agreements, insurance policies and other project documents of such Co-Issuer), both present and future; and
 - a first ranking *pari passu* pledge by the Pledgor over 100% of the equity shares of each of the Co-Issuers (other than, in the case of WIPL, where the Pledgor shall create and perfect a first ranking *pari passu* pledge over 65% of the equity shares of WIPL) (collectively, the “**Pledge Collateral**”); and

(b) the “**WCF Collateral**” comprising:

- a second ranking charge over the current assets of such Co-Issuer (including trade and other receivables of such Co-Issuer), but excluding any Permitted Investments subscribed to, or extended, by such Co-Issuer and issued by any Affiliates of such Co-Issuer; and
- a second ranking charge over the applicable RCF Facility Enforcement Proceeds Account, the applicable TRA Revenue Account, the applicable Statutory Dues Account, the applicable Operations and Maintenance Account and the applicable Distribution Account of such Co-Issuer.

The Common Collateral and the WCF Collateral are together referred to as the “**Collateral**”.

The Senior Debt Restricted Amortization Accounts and the Senior Debt Mandatory Cash Sweep Accounts are together referred to as the “**Exclusive Collateral**”.

The security over the Common Collateral (other than the Exclusive Collateral) shall be created on a first ranking *pari passu* basis in favor of Security Trustee acting as the security trustee on behalf of and for the benefit of (i) the Trustee and the Holders and (ii) the hedging banks with whom Co-Issuer(s) enter into Required Hedging Arrangements in relation to the Notes (such hedge banks, the “**Note Hedge Counterparties**”). Additionally, the security over the Restricted Debt Service Account shall also be created on a first ranking *pari passu* basis for the benefit of the RCF Lenders. The RCF Lenders shall have the benefit of a second ranking charge over the Common Collateral (other than (i) the Exclusive Collateral, (ii) the Debt Service Reserve Accounts, (iii) the Restricted Surplus Accounts and (iv) Restricted Debt Service Accounts).

The security over the WCF Collateral shall be created on a second ranking *pari passu* basis in favor of Security Trustee acting as the security trustee on behalf of and for the benefit of (i) the Trustee and the Holders and (ii) the Note Hedge Counterparties. The RCF Lenders shall have the benefit of a first ranking charge over the WCF Collateral.

In case a Permitted Refinancing Indebtedness is Incurred, the lenders of such Permitted Refinancing Indebtedness may have the benefit of the Collateral and the Operating Accounts Waterfall, in the same manner as the Holders of the Notes.

Notwithstanding anything to the contrary herein, each of the Co-Issuers shall ensure that no Lien is created or permitted to be created or subsists in respect of, or over any, Permitted Investments made by such Co-Issuer in any Affiliate of such Co-Issuer.

See “— *Events of Default and Remedies*” and “*Risk Factors — Risks Relating to the Notes, the Guarantees and the Collateral*”.

Release of Co-Issuers and Guarantees in certain circumstances

The obligations of a particular Co-Issuer under the Notes (for which it is acting as primary obligor and not as Guarantor) and the related Guarantees will be automatically released in respect of such Co-Issuer (upon issuance of notice by the Co-Issuer to the Trustee and the holders of the Notes) upon:

- (1) the merger, amalgamation or consolidation of such Co-Issuer with and into, or the sale, conveyance or other disposition of all or substantially all the assets of such Co-Issuer to, another Co-Issuer;
- (2) the consummation of a Qualified CGE IPL Sale Event; or
- (3) legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions “— *Legal Defeasance and Covenant Defeasance*” and “— *Satisfaction and Discharge*” and upon repayment in full of the Notes.

Use of Proceeds

Subject to compliance with applicable laws and regulations, the Co-Issuers intend to use the proceeds of this offering to repay outstanding indebtedness of the Co-Issuers as set out in detail in “*Use of Proceeds*.”

Redemption for Taxation Reasons

Subject to certain exceptions and as more fully described herein, the Notes may be redeemed, at the option of the Co-Issuers as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date, upon the occurrence of certain changes in applicable tax law and subject to certain conditions.

Repurchase of Notes Upon a Change of Control Triggering Event

Not later than ten days following a Change of Control Triggering Event, the Co-Issuers will make an offer to purchase all outstanding Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the applicable date of purchase.

Optional Redemptions

At any time prior to June 26, 2027, the Co-Issuers may redeem the Notes, in whole or in part, at a redemption price equal to 100% of their principal amount, plus the Applicable Premium, plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the applicable redemption date.

At any time prior to June 26, 2027, the Co-Issuers may, on one or more occasions, redeem up to 40.0% of the aggregate principal amount of the Notes with the net cash proceeds from one or more sale of the Capital Stock in Equity Offerings, at a redemption price of 107.50% of their principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to (but not including) the applicable redemption date, subject to certain conditions.

At any time on or after June 26, 2027, the Co-Issuers may, on any one or more occasions, redeem the Notes, in whole or in part, at the redemption prices set forth under “*Description of the Notes — Optional Redemptions*,” plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date.

See “*Description of the Notes — Optional Redemption*”.

Mandatory Amortization Redemption

The Notes are subject to partial mandatory amortization redemptions (each, a “**Mandatory Amortization Redemption**”), on the specified Amortization Redemption Dates for the amount calculated as set forth under the heading “*Description of the Notes — Mandatory Amortization Redemption*”.

See “*Description of the Notes — Mandatory Amortization Redemption*” for more details.

MCS Amortization Redemption

The Notes are subject to partial mandatory cash sweep amortization redemptions (each, an “**MCS Amortization Redemption**”) on the dates set forth under “*Description of the Notes — MCS Amortization Redemption*,” (each, the “**MCS Redemption Date**”) for the amount calculated as set forth under the heading “*Description of the Notes — MCS Amortization Redemption*”.

Early Redemption

Redemption of Notes prior to the Maturity Date may require the prior approval of the RBI or the designated authorized dealer bank, as the case may be, in accordance with the ECB Regulations.

Certain Covenants

The Indenture will contain certain covenants that, among other things, limit each Co-Issuer’s ability to:

- incur or guarantee additional indebtedness;
- issue disqualified stock;
- incur liens;
- sell assets;
- effect a consolidation or merger; or
- have subsidiaries.

In addition, the Co-Issuers will be required to maintain a debt service cover ratio of 1.1:1.0.

These covenants will be subject to a number of important limitations and exceptions.

Additional Amounts All payments made by or on behalf of the Co-Issuers on the Notes will be made without withholding or deduction for taxes imposed or levied in any relevant jurisdiction, unless required by law, in which case the Co-Issuers will pay such additional amounts as will result in the receipt by each Holder of such amounts as would have been received had no such withholding or deduction been required, subject to certain limitations.

**No Registration Rights;
Transfer Restrictions** The Co-Issuers are not required to and do not intend to register the Notes for resale under the Securities Act or the securities laws of any other jurisdiction or to offer to exchange the Notes for notes registered under the Securities Act or the securities laws of any other jurisdiction. The Notes will be subject to restrictions on transfer and may only be offered or sold in transactions exempt from, or not subject to, the registration requirements of the Securities Act.

**Form, Denomination and
Registration** The Notes will be issued in fully registered form, without coupons, in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof and will be deposited upon issuance with a custodian for DTC, in New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC.

Delivery of the Notes The Co-Issuers expect to deliver the Notes, against payment in same-day funds, on or about June 26, 2024, which they expect will be the fifth business day following the date of this Offering Memorandum, referred to as T+5. Initial trading of the Notes may be affected by the T+5 settlement. See “*Plan of Distribution.*”

**Security Sharing
Agreement** Each Co-Issuer will appoint the Security Trustee to act as security trustee and hold the Collateral for the benefit of the Holders (acting through the Trustee), the Notes Hedge Counterparties and the RCF Lenders in accordance with the Security Sharing Agreement. The Security Trustee (in its capacity as representative of the Trustee, the Holders and the RCF Lenders) will be a party to the Security Sharing Agreement. The Security Sharing Agreement will allow the Notes Hedge Counterparties and the RCF Lenders to accede to the agreement either by themselves or through their authorized representatives, and also permit transferees or novatees of such parties to accede to the agreement. The Security Sharing Agreement will regulate, among other things, the manner of enforcement of rights over the Collateral by the Security Trustee acting on the instructions of the Holders, the Notes Hedge Counterparties and the RCF Lenders.

**Trust and Retention
Accounts Agreement** The Co-Issuers shall execute a Trust and Retention Accounts Agreement with, *inter alia*, a scheduled commercial bank in India, as the account bank, and the Security Trustee, in order to open and operate the trust retention accounts. See “*Description of the Notes — Trust and Retention Account Agreement*” for a summary of the Operating Accounts and summary of the Trust and Retention Accounts Agreement.

Trustee The Bank of New York Mellon.

Paying Agent, Transfer Agent and Registrar	The Bank of New York Mellon.																
Security Trustee	Catalyst Trusteeship Limited.																
Governing Law	Each of the Notes, the Guarantees and the Indenture will be governed by and construed in accordance with the laws of the State of New York. The applicable Collateral Documents, the Security Sharing Agreements and the Trust and Retention Accounts Agreement will be governed by and construed in accordance with the laws of India.																
Legal Entity Identifiers	<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Bothe Windfarm Development Private Limited</td> <td style="width: 40%;">335800A71UZ8CXGYVD07</td> </tr> <tr> <td>DJ Energy Private Limited</td> <td>335800E2BEO11U6JWS09</td> </tr> <tr> <td>Uttar Urja Projects Private Limited</td> <td>3358004ORFV9UALGPX15</td> </tr> <tr> <td>Watsun Infrabuild Private Limited</td> <td>335800AK91Y7IYQPVB72</td> </tr> <tr> <td>Trinethra Wind and Hydro Power Private Limited</td> <td>335800O9C2GIRYAP7G21</td> </tr> <tr> <td>Renewables Trinethra Private Limited</td> <td>3358004UVL2O7VTAEW41</td> </tr> <tr> <td>Kutch Windfarm Development Private Limited</td> <td>335800MD57D74JTDNI32</td> </tr> <tr> <td>Continuum Trinethra Renewables Private Limited</td> <td>335800ZNO2SOIWFPSQ56</td> </tr> </table>	Bothe Windfarm Development Private Limited	335800A71UZ8CXGYVD07	DJ Energy Private Limited	335800E2BEO11U6JWS09	Uttar Urja Projects Private Limited	3358004ORFV9UALGPX15	Watsun Infrabuild Private Limited	335800AK91Y7IYQPVB72	Trinethra Wind and Hydro Power Private Limited	335800O9C2GIRYAP7G21	Renewables Trinethra Private Limited	3358004UVL2O7VTAEW41	Kutch Windfarm Development Private Limited	335800MD57D74JTDNI32	Continuum Trinethra Renewables Private Limited	335800ZNO2SOIWFPSQ56
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Kutch Windfarm Development Private Limited	335800MD57D74JTDNI32																
Continuum Trinethra Renewables Private Limited	335800ZNO2SOIWFPSQ56																
Listing	Application shall be made to the GSM segment of the India INX for the listing and trading of the Notes on the India INX. The India INX has not approved or verified the contents of this Offering Memorandum. The listing of the Notes by the Co-Issuers shall be in compliance with the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021, as amended from time to time. Admission to trading of the Notes to the India INX and quotation of the Notes on the India INX is not to be taken as an indication of the merits of the offering, the Notes, the Co-Issuers or any of their relevant associated companies.																
Ratings	The Notes are expected to be rated “Ba2” by Moody’s Investors Services, Inc. and “BB+” by Fitch Ratings Ltd. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.																
Risk Factors	You should carefully consider the information under the caption “ <i>Risk Factors</i> ” and the other information included in this Offering Memorandum before deciding whether to invest in the Notes.																

Security Codes

	Rule 144A Global Note	Regulation S Global Note
CUSIP	89629LAA5	Y8987LAA4
ISIN	US89629LAA52	USY8987LAA45

**Certain U.S. Federal
Income Tax Consideration
to U.S. Holders**

For a discussion of certain U.S. federal income tax considerations to U.S. holders of an investment in the Notes, see “*Taxation — Certain U.S. Federal Income Tax Considerations to U.S. Holders.*” You should consult your own tax advisor to determine the U.S. federal, state, local and other tax consequences of an investment in the Notes.

SUMMARY SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS AND OTHER DATA

The tables below set forth the summary combined financial data of the Restricted Group 2 as of March 31, 2021, 2022 and 2023 derived or calculated from the Indian GAAP Audited Special Purpose Combined Financial Statements and for the nine months ended December 31, 2023 derived or calculated from the Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements included elsewhere in this Offering Memorandum. For more details, see “Presentation of Financial and Other Data — Financial Statements.” The following tables should be read in conjunction with, “Management’s Discussion and Analysis of Cash Flows, Financial Condition and Results of Operations,” and the Special Purpose Combined Financial Statements included elsewhere in this Offering Memorandum.

Unless context requires otherwise, the Restricted Group 2’s financial information for the nine months ended December 31, 2022 has been derived from the comparative information included in the Restricted Group 2’s unaudited special purpose combined interim financial statements for the nine months ended December 31, 2023.

As we do not constitute a separate legal group of entities for the periods presented, the Special Purpose Combined Financial Statements are not necessarily indicative of our financial performance, financial position and cash flows that would have occurred if it had operated as a standalone group of entities during the periods presented, nor are they indicative of the Restricted Group 2’s future performance.

Summary of Combined Statement of Profit and Loss

	Fiscal year ended March 31,				Nine months ended December 31,		
	2021	2022	2023	2023	2022	2023	2023
	(INR in millions)			(US\$ in millions) ⁽¹⁾	(INR in millions)		(US\$ in millions) ⁽¹⁾
Combined Summary							
Statement of Profit or Loss							
Income							
Revenue from operations	7,661	9,191	9,749	117.3	7,913	9,798	117.9
Other income	614	965	1,761	21.2	1,426	1,056	12.7
Total income (A)	8,275	10,156	11,510	138.5	9,339	10,854	130.6
Operating and maintenance expenses							
Operating and maintenance expenses	1,352	1,645	2,044	24.6	1,486	2,226	26.8
Employee benefits expense	115	152	170	2.1	124	177	2.1
Other expenses	586	654	701	8.4	513	655	7.9
Total expense (B)	2,053	2,451	2,915	35.1	2,123	3,058	36.8
Earnings before interest, tax, depreciation and amortisation (EBITDA)							
(A-B)	6,222	7,705	8,595	103.4	7,216	7,796	93.8
Depreciation and amortization expense							
Depreciation and amortization expense	1,788	1,847	2,052	24.7	1,490	1,801	21.7
Finance cost	5,773	5,625	5,897	70.9	4,377	5,007	60.2
Profit/(loss) before tax	(1,339)	233	646	7.8	1,349	988	11.9

	Fiscal year ended March 31,				Nine months ended December 31,		
	2021	2022	2023	2023	2022	2023	2023
	(INR in millions)			(US\$ in millions) ⁽¹⁾	(INR in millions)		(US\$ in millions) ⁽¹⁾
Tax expenses							
Current tax.	—	—	2	0.0	—	4	0.0
Deferred tax charge/(credit). . .	(201)	305	857	10.3	823	671	8.1
Total tax expenses/(credit). . .	(201)	305	859	10.3	823	675	8.1
Profit/(loss) after tax.	(1,138)	(72)	(213)	(2.6)	526	313	3.8
Share of profit/(loss) attributable to minority shareholders' fund.							
	(30)	(40)	(65)	(0.8)	34	108	1.3
Profit/(loss) for the year/period	(1,108)	(32)	(148)	(1.8)	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.

Reconciliation from profit/(loss) for the year/period to EBITDA

	Fiscal year ended March 31,				Nine months ended December 31,		
	2021	2022	2023	2023	2022	2023	2023
	(INR in millions)			(US\$ in millions) ⁽¹⁾	(INR in millions)		(US\$ in millions) ⁽¹⁾
Profit/(loss) for the year/period.	(1,108)	(32)	(148)	(1.8)	492	205	2.5
Add: Share of profit/(loss) attributable to minority shareholder's fund.	(30)	(40)	(65)	(0.8)	34	108	1.3
Add: Total tax expenses/(credit).	(201)	305	859	10.3	823	675	8.1
Add: Finance costs.	5,773	5,625	5,897	70.9	4,377	5,007	60.2
Add: Depreciation and amortisation expense.	1,788	1,847	2,052	24.7	1,490	1,801	21.7
EBITDA	6,222	7,705	8,595	103.3	7,216	7,796	93.8

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.

Summary of Combined Balance Sheet

	As of March 31,			As of December 31,		
	2021	2022	2023	2023	2023	
	(INR in millions)			(U.S.\$ in millions) ⁽¹⁾	(INR in millions)	(U.S.\$ in millions) ⁽¹⁾
Equity and Liabilities						
Combined shareholders' funds						
Combined share capital	5,227	6,050	6,297	75.8	6,373	76.7
Combined reserves and surplus	(1,524)	(1,556)	(1,754)	(21.1)	(1,503)	(18.1)
	3,703	4,494	4,543	54.7	4,870	58.6
Minority shareholders' fund	58	21	—	—	63	0.8
Compulsory fully convertible debentures (CFCDs)	7,844	7,967	7,967	95.9	7,967	95.9
Optionally convertible debentures (OCDs)	—	2,096	2,823	34.0	3,050	36.7
Non-current liabilities						
Long term borrowings	40,428	44,571	45,261	544.6	43,266	520.5
Deferred tax liabilities (net)	116	420	1,278	15.4	1,948	23.4
Other long-term liabilities	149	121	136	1.6	152	1.8
Long-term provisions	14	17	19	0.2	25	0.3
	40,707	45,129	46,694	561.8	45,391	546.0
Current liabilities						
Short-term borrowings	41	4,654	3,613	43.5	4,861	58.5
Trade payables						
Outstanding dues of micro and small enterprises	4	10	4	0.1	—	—
Outstanding dues to other than micro and small enterprises	210	148	202	2.4	190	2.3
Other current liabilities	1,144	3,757	3,426	41.2	5,571	67.0
Short-term provisions	56	51	46	0.6	50	0.6
	1,455	8,620	7,291	87.7	10,672	128.4
TOTAL	53,767	68,327	69,318	834.0	72,013	866.4

	As of March 31,			As of December 31,		
	2021	2022	2023	2023	2023	2023
	(INR in millions)			(U.S.\$ in millions) ⁽¹⁾	(INR in millions)	(U.S.\$ in millions) ⁽¹⁾
Assets						
Non-current assets						
Property, plant and equipment	39,312	39,048	47,451	570.9	48,411	582.4
Goodwill attributable to Indian Identified Entities	315	315	315	3.8	315	3.8
Capital work-in-progress	81	8,290	2,808	33.8	—	—
Non-current investments	1,038	1,038	638	7.7	638	7.7
Long-term loans and advances	6,670	6,403	6,759	81.3	8,772	105.5
Other non-current assets	1,212	1,814	3,192	38.4	3,420	41.2
	48,628	56,908	61,163	735.9	61,556	740.6
Current assets						
Trade receivables	3,540	4,494	1,419	17.1	1,338	16.1
Cash and cash equivalents (CCE).	—	— ⁽²⁾	3,217	38.7	5,939	71.5
Bank balances other than CCE above	—	— ⁽²⁾	2,078	25.0	1,463	17.6
Cash and bank balances	536	5,680 ⁽²⁾	— ⁽²⁾	—	—	—
Short-term loans and advances	227	189	269	3.2	261	3.1
Other current assets	836	1,056	1,172	14.1	1,456	17.5
	5,139	11,419	8,155	98.1	10,457	125.8
TOTAL	53,767	68,327	69,318	834.0	72,013	866.4

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.
- (2) Under Indian GAAP, the Continuum Group made certain regrouping of balance sheet items of FY 2022 in financial statements of FY 2023.

Summary of Combined Cash Flow Statement

	Fiscal year ended March 31,				Nine months ended December 31,		
	2021	2022	2023	2023	2022	2023	2023
	(INR in millions)			(U.S.\$ in millions ⁽¹⁾)	(INR in millions)		(U.S.\$ in millions ⁽¹⁾)
Net cash flows from operating activities	3,137	5,999	9,265	111.5	6,725	7,271	87.5
Net cash (used in) investing activities	(453)	(10,573)	(4,181)	(50.3)	(3,685)	(1,421)	(17.1)
Net cash (used in)/flow from financing activities	(3,273)	7,474	(5,271)	(63.4)	(1,636)	(3,128)	(37.6)
Cash and cash equivalents at the beginning of the year/period	1,093	504	3,404	41.0	3,404	3,217	38.7
Cash and cash equivalents at the end of the year/period. .	504	3,404	3,217	38.8	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.

Other Financial Data

	For the fiscal year ended March 31,				For the Nine months ended December 31,		
	2021	2022	2023	2023	2022	2023	2023
	(Rs. in millions, unless otherwise stated)			(U.S.\$ In millions ⁽¹⁾)	(Rs. in millions)		(U.S.\$ in millions ⁽¹⁾)
Total Income (A)	8,275	10,156	11,510	138.5	9,339	10,854	130.6
Less: other income — (I)	614	965	1,761	21.2	1,426	1,056	12.7
Less: Transmission, open access and other operating charges (B)	671	861	1,074	12.9	794	1,336	16.1
Net revenue ⁽²⁾ (C = A-I-B)	6,990	8,330	8,675	104.4	7,119	8,462	101.8
EBITDA (D)	6,222	7,705	8,595	103.4	7,216	7,796	93.8
EBITDA margin (D/A) (%)	75.2%	75.9%	74.7%	74.7%	77.3%	71.8%	71.8%
EBITDA less other income (II) = (D) – (I)	5,608	6,740	6,834	82.2	5,790	6,740	81.1
EBITDA less other income as a percentage of net revenue ((II)/C) (%)	80.2%	80.9%	78.8%	78.8%	81.3%	79.7%	79.7%
Capital Expenditure	1,416	9,792	4,973	59.8	4,630	(48)	(0.6)

Notes:

- (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.
- (2) Net revenue equals total income minus transmission, open access and other operating charges.
- (3) Capital expenditure represents additions in property, plant and equipment plus closing capital work-in-progress less opening capital work-in-progress as follows:

	As at fiscal year ended March 31,				Nine months ended December 31,		
	2021	2022	2023	2023	2022	2023	2023
	(INR in millions)			(U.S.\$ in millions ⁽¹⁾)	(INR in millions)		(U.S.\$ in millions ⁽¹⁾)
Addition to Property, plant and equipment (A)	3,708	1,583	10,455	125.8	8,440	2,760	33.2
Add: Closing Capital work-in-progress (B)	81	8,290	2,808	33.8	4,480	—	—
Less: Opening Capital work-in-progress (C)	<u>2,373</u>	<u>81</u>	<u>8,290</u>	<u>99.7</u>	<u>8,290</u>	<u>2,808</u>	<u>33.8</u>
Capital expenditure (A+B-C)	<u>1,416</u>	<u>9,792</u>	<u>4,973</u>	<u>59.8</u>	<u>4,630</u>	<u>(48)</u>	<u>(0.6)</u>

Reconciliation from Long Term Borrowings to Adjusted Borrowings

	As at fiscal year ended March 31,			As at December 31,	
	2021	2022	2023	2022	2023
	(INR in millions)			(INR in millions)	
Long-term borrowings (A)	40,428	44,571	45,261	46,207	43,266
Add: Current maturities of long-term borrowings (B)	558	2,372	3,366	3,290	3,883
Less: Indian rupee term loan from related parties (C)	93	355	893	219	166
Less: 10.50% Non-convertible debentures of INR 10/- each (D)	283	—	—	—	—
Less: Non-convertible debentures of INR 10/- each (E)	—	242	242	—	242
Add: Short term borrowings: working capital (secured) from banks (F)	<u>—</u>	<u>2,282</u>	<u>247</u>	<u>748</u>	<u>978</u>
Adjusted borrowings (A+B-C-D-E+F)	<u>40,610</u>	<u>48,628</u>	<u>47,739</u>	<u>50,026</u>	<u>47,719</u>

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.

Certain Operating Data

The total capacity of the operational projects of the Restricted Group 2 is 990.8 MW as of December 31, 2023. The tables below set forth the total gross generation and total PLF of the Restricted Group 2 for the years indicated.

	Fiscal year ended March 31,			Nine months ended December 31,	
	2021	2022	2023	2022	2023
Operational Capacity (MW)	722.9	750.9	943.2	904.6	990.8
Gross Generation (GWh) at PSS . .	1,353.2	1,590.4	1,674.6	1,366.0	1,620.9
PLF (%)	23.88%	24.91%	23.97%	N/A	N/A

SUMMARY AUDITED SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS AND OTHER DATA FOR FY 2024 UNDER IND AS

The tables below set forth the summary of special purpose combined financial data of the Restricted Group 2 as of March 31, 2023 and 2024 derived or calculated from audited special purpose combined financial statements for the fiscal year ended March 31, 2024 (the “**Ind AS Audited Special Purpose Combined Financial Statements**”), which were prepared in accordance with the Indian Accounting Standards as prescribed under section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“**Ind AS**”).

The following tables should be read in conjunction with, “Recent Developments,” and Ind AS Audited Special Purpose Combined Financial Statements included elsewhere in the Supplement.

As we do not constitute a separate legal group of entities for the periods presented, the Special Purpose Combined Financial Statements are not necessarily indicative of our financial performance, financial position and cash flows that would have occurred if it had operated as a standalone group of entities during the periods presented, nor are they indicative of the Restricted Group 2’s future performance.

Summary of Combined Statement of Profit and Loss (as per Ind AS)

	Fiscal year ended March 31,		
	2023	2024	2024
	(INR in millions)		(US\$ in millions) ⁽¹⁾
Summary of Combined Statement of Profit and Loss (as per Ind AS)			
Income			
Revenue from operations	9,198	11,055	132.6
Other income	1,614	1,445	17.3
I. Total income	10,812	12,500	149.9
Expenses			
Operating and maintenance expenses	1,505	1,703	20.4
Employee benefits expense	171	238	2.9
Finance costs	5,895	7,245	86.9
Depreciation and amortisation expenses	2,051	2,310	27.7
Other expenses	802	1,061	12.7
II. Total expenses	10,424	12,557	150.6
III. Profit/(loss) before exceptional items and Tax (I-II)	388	(57)	(0.7)
IV. Exceptional Items	—	264	3.2
V. Profit/(Loss) before tax (III-IV)	388	(321)	(3.9)
VI. Tax Expenses			
Current tax	—	—	—
Tax related to earlier years	2	5	0.1
Deferred tax	470	788	9.4
Total tax expenses	472	793	9.5
VII. (Loss) for the year (V-VI)	(84)	(1,114)	(13.4)

	Fiscal year ended March 31,		
	2023	2024	2024
	(INR in millions)		(US\$ in millions) ⁽¹⁾
VIII. Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss:			
(i) Remeasurement of net defined benefit liability	0	(1)	(0.0)
(ii) Income tax relating to above	(0)	0	0.0
Other comprehensive income for the year, net of tax	0	(1)	(0.0)
IX. Total Comprehensive Income for the year (VII+VIII)	(84)	(1,115)	(13.4)

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 83.3739 per US\$1.00, being the closing exchange rate published by the FBIL as of March 28, 2024.

Summary of Combined Balance Sheet (as per Ind AS)

	As at March 31,		
	2023	2024	2024
	(INR in millions)		(US\$ in millions) ⁽¹⁾
ASSETS			
Non-current assets			
(a) Property, plant and equipment	39,287	40,251	482.8
(b) Capital work in progress	2,817	—	—
(c) Goodwill	315	315	3.8
(d) Right of use assets	426	415	5.0
(e) Intangible assets	7,947	7,496	89.9
(f) Financial assets			
a. Investments	140	154	1.8
b. Trade Receivables	811	335	4.0
c. Unbilled Revenue	308	315	3.8
d. Loans	5,151	7,554	90.6
e. Other financial assets	116	110	1.3
(g) Income tax assets (net)	132	145	1.7
(h) Other assets	61	50	0.6
Total non-current assets	57,511	57,140	685.4

	As at March 31,		
	2023	2024	2024
	(INR in millions)		(US\$ in millions) ⁽¹⁾
Current assets			
(a) Financial Assets			
a. Trade receivables	1,349	1,173	14.1
b. Unbilled revenue	776	1,163	13.9
c. Cash & cash equivalents	3,217	2,017	24.2
d. Bank balances other than (iii) above	2,114	2,088	25.0
e. Loans	179	186	2.2
f. Other financial assets	96	55	0.7
(b) Other asset	206	317	3.8
Total Current Assets	7,937	6,999	83.9
Total Assets	65,448	64,139	769.3
<u>EQUITY & LIABILITIES</u>			
Equity			
(a) Combined share capital	6,298	6,373	76.4
(b) Combined other equity	(1,247)	(3,060)	(36.7)
Total equity attributable to owners of the Group	5,051	3,313	39.7
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
a. Borrowings	49,550	47,941	575.0
b. Lease liabilities	198	200	2.4
c. Other financial liabilities	108	102	1.2
(b) Provisions	19	25	0.3
(c) Deferred tax liabilities (net)	1,433	1,983	23.8
(d) Other non-current liabilities	26	21	0.3
Total non-current liabilities	51,334	50,272	603.0
Current liabilities			
(a) Financial liabilities			
a. Borrowings	7,923	9,556	114.6
b. Lease liabilities	18	18	0.2
c. Trade payables			
i. Total outstanding dues of micro and small enterprises	4	4	0.0
ii. Total outstanding dues of other than micro and small enterprises	202	427	5.1
d. Other financial liabilities	841	470	5.6
(b) Provisions	46	49	0.6
(c) Other current liabilities	29	30	0.4
Total current liabilities	9,063	10,554	126.6
Total equity and liabilities	65,448	64,139	769.3

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 83.3739 per US\$1.00, being the closing exchange rate published by the FBIL as of March 28, 2024.

Summary of Combined Statement of Cash Flows (as per Ind AS)

	Fiscal year ended March 31,		
	2023	2024	2024
	(INR in millions)		(US\$ in millions) ⁽¹⁾
Summary of Combined Statement of Cash Flows (as per Ind AS)			
Net cash generated by operating activities	9,268	8,479	101.7
Net cash flow (used in) investing activities	(4,170)	(1,942)	(23.3)
Net cash flow (used in) from financing activities	(5,290)	(7,737)	(92.8)
Cash and cash equivalents at the beginning of the year	3,409	3,217	38.6
Cash and cash equivalents at the end of the year	<u>3,217</u>	<u>2,017</u>	<u>24.2</u>

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 83.3739 per US\$1.00, being the closing exchange rate published by the FBIL as of March 28, 2024.

Other Financial Data (as per Ind AS)

	As at and for the years ended March 31,	
	2023	2024
	(INR in million, unless otherwise stated)	
Operational Capacity @ year end (MW)	943.2	990.8
Total assets	65,448	64,139
Total income	10,812	12,500
Revenue from operations	9,198	11,055
Total Borrowing ⁽⁴⁾	57,473	57,497
EBITDA Adjusted ⁽¹⁾ (A)	8,541	9,899
FFO ⁽¹⁾ (B)	5,965	4,053
Adjusted borrowings ⁽³⁾ (C)	47,739	45,629
FFO to Adjusted borrowings (B/C) (%)	12%	9%

Notes:

(1) Reconciliation from profit/(loss) for the year to EBITDA, EBITDA Adjusted and FFO (as per Ind AS):

	For the fiscal year ended March 31,	
	2023	2024
	(INR in millions)	
(Loss)/Profit before tax	388	(321)
Add: Finance costs	5,895	7,245
Add: Depreciation and amortization expenses	2,051	2,310
Add: Exceptional items	—	264
EBITDA	8,334	9,498
Less: Other income		
Net gain on financial assets measured at FVTPL: Investment in OCRPS	20	14
Sundry balance written back	121	—
Unwinding income of financial asset	66	75
Provision no longer required written back	17	0
Add: Other expenses		
Allocable common overheads	312	355
Allowance for expected credit loss	—	15
Sundry balances written off	1	—
Net loss on financial liability measured at fair value through profit or loss		
— Compulsory convertible debentures	115	116
Net loss on extinguishment of financial liability	3	4
EBITDA Adjusted (A)	8,541	9,899
Interest expenditure ⁽²⁾ (B)	4,938	6,382
Income taxes paid (C)	(42)	(19)
Aggregate of movement in working capital as per cashflow statement (D)	2,404	555
FFO (E) = (A-B+C+D)	5,965	4,053

(2) Reconciliation from finance cost to interest expenditure (as per Ind AS):

	For the fiscal year ended March 31,	
	2023	2024
	(INR in millions)	
Finance costs	5,895	7,245
Less: Non-convertible debentures — KWDPL	23	26
Less: Liability component of compulsory convertible debentures	555	502
Less: Liability component of optionally convertible debentures	113	225
Less: Loan from related parties	4	15
Less: Lease liabilities	5	20
Less: Redemption liability	6	7
Less: Security deposits	5	6
Less: Loss on account of modification of contractual cash flows	190	—
Less: Other borrowing costs	56	62
Interest expenditure	4,938	6,382

(3) Details of Adjusted borrowings (as per Ind AS)⁽¹⁾:

	As at March 31,	
	2023	2024
	(INR in millions)	
Term loans from bank & financial institutions — principal (A) ⁽¹⁾	9,725	10,532
Working capital loan from banks — principal (B) ⁽¹⁾	247	629
8.75% Non convertible debentures issued to Continuum Energy Levanter Pte. Ltd. — principal (C) ⁽¹⁾	37,767	34,468
Adjusted borrowings⁽¹⁾ (A+B+C)	47,739	45,629

Notes:

- (1) Adjusted borrowings (as per Ind AS) includes Term loans from bank & financial institutions — principal Working capital loan from banks — principal and 8.75% non-convertible debentures issued to Continuum Energy Levanter Pte. Ltd. — principal.
- (2) Please refer to Note 39.5 of Ind AS Audited Special Purpose Combined Financial Statements regarding liquidity risk management.

(4) Total Borrowings (as per Ind AS):

	As at March 31,	
	2023	2024
	(INR in millions)	
Non-current liabilities: Financial liabilities		
Borrowings (A)	49,550	47,941
Current liabilities: Financial liabilities		
Borrowings (B)	7,923	9,556
Total Borrowing (C=A+B)	57,473	57,497
Less: 24,210,900 non-convertible debentures of INR 10/- each (D) ⁽¹⁾	258	284
Less: Liability component of Compulsory Convertible Debentures (E) ⁽¹⁾	4,497	4,645
Less: Liability component of Optionally Convertible Debentures (F) ⁽¹⁾	2,158	2,565
Less: Compulsory Convertible Debentures (G) ⁽¹⁾	1,388	1,502
Less: Loan from related parties (H) ⁽¹⁾	228	44
Total Borrowing from external parties including 8.75% Non convertible debentures issued to Continuum Energy Levanter Pte. Ltd. (J=C-D-E-F-G-H)	48,944	48,457
Adjusted borrowings⁽²⁾	47,739	45,629

Notes:

- (1) Please refer to Note 19 of Ind AS Audited Special Purpose Combined Financial Statements regarding borrowing.
- (2) The difference between Borrowing from external parties including 8.75% non-convertible debentures issued to Continuum Energy Levanter Pte. Ltd. and adjusted borrowing of INR 1,205 million (INR 48,944 million minus INR 47,739 million) for FY 2023 and INR 2,828 million (INR 48,457 million minus INR 45,629 million) for FY 2024 are due to accrued interest, fair value/amortized cost and other adjustments in accordance with Ind AS.

Reconciliation of Certain Statement of Profit and Loss and Balance Sheet Items under Indian GAAP and Ind AS

The table below sets out reconciliation of certain Special Purpose Combined Balance Sheet Items as at March 31, 2023 and Special Purpose Combined Statement of Profit and Loss Items for the year ended March 31, 2023 prepared under Indian GAAP and Ind AS. For further details regarding the reconciliation, please refer to Note 40 of Ind AS Audited Special Purpose Combined Financial Statements.

	Fiscal year ended March 31, 2023		
	Indian GAAP	Adjustment	Ind AS
	(INR in millions)		
Certain Items of Combined Statement of Profit and Loss			
Revenue from operations	9,749	(551) ⁽¹⁾	9,198
Other income	1,761	(147) ⁽²⁾	1,614
Total income (A)	11,510	(698)	10,812
Operating and maintenance expenses	2,044	(539) ⁽¹⁾	1,505
Employee benefits expense	170	1	171
Other expenses	701	101 ⁽³⁾	802
Total expense (B)	2,915	(437)	2,478
Earnings before interest, tax, depreciation and amortization (EBITDA) (A-B)	8,595	(261)	8,334

Notes:

- (1) Revenue from operations is net of adjustment of variable consideration (discounts & variable open access charges). This includes INR 539 million earlier classified as Transmission, Open Access and Other Operating Charges and INR 8 million earlier classified as Other Expenses. The Restricted Group 2 has recorded income from service concession arrangement as per Appendix C of Ind AS 115 of INR 2 million. These adjustments have a neutral impact on EBITDA.
- (2) Adjustment in other income includes:
 - a. Increase in other income recognized as interest income on financial assets of INR 66 million (due to present value of long-term trade receivables accounting) and INR 4 million (due to present value of security deposits),
 - b. Increase in other income due to net gain on measurement of OCRPS at fair value by INR 20 million, and
 - c. Reduction in interest income by INR 237 million due to difference between present value and face value of interest income on unsecured loans given to related parties.
- (3) Other expenses includes:
 - a. Increase in other expenses by INR 115 million towards loss due to changes in fair valuation on some of the compulsory convertible debentures issued to holding company (related party) and accounted as borrowing under Ind AS.
 - b. Reduction in other expenses due to reclassification of discounts to revenue from operations of INR 8 million.
- (4) EBITDA is calculated based on above formula and not presented in Ind AS Audited Special Purpose Combined Financial Statements.

	As at March 31, 2023		
	Indian GAAP	Adjustment	Ind AS
	(INR in millions)		
Certain Items of Combined Balance Sheet			
Long term borrowings	45,261	4,289 ⁽¹⁾	49,550
Property, plant and equipment	47,451	(8,164)	39,287
Intangible assets	—	7,947 ⁽²⁾	7,947
Cash and cash equivalents (CCE)	3,217	—	3,217
Bank balances other than CCE above	2,078	36 ⁽³⁾	2,114

Notes:

- (1) Long term borrowings
- Some of the compulsory convertible debentures issued by the Restricted Group 2 are classified as a compound financial instrument and accounted for in accordance with Ind AS 32, by bifurcating the same into equity and liability component (borrowing).
 - Some of the compulsory convertible debentures issued by the Restricted Group 2 are classified as financial liability (borrowing) and are accounted for in accordance with Ind AS 109, by measuring the same at fair value through profit and loss.
 - Non-convertible debentures issued by the Restricted Group 2 are classified as financial liabilities (borrowing) and accounted for in accordance with Ind AS 109, by measuring the same at amortized cost using Effective Interest Rate (EIR) method.
 - Interest bearing loans given to parent company are accounted in accordance with Ind AS 109, by measuring the same at amortized cost using Effective Interest Rate (EIR) method.
- (2) The Restricted Group 2 has identified certain power purchase agreements as service concession arrangement for its Ratlam 1 project and the same are accounted in accordance with Appendix C of Ind AS 115 under the intangible asset model.
- (3) Bank balances other than CCE above include bank deposits and have been shown including amount of interest accrued thereon.

	Fiscal year ended March 31, 2023	
	Indian GAAP	Ind AS
	(INR in millions)	
Reconciliation from EBITDA to EBITDA Adjusted		
EBITDA (A)	8,595	8,334
Less: Other income		
Provision written back	136	—
Sundry balance written back	—	121
Provision no longer required written back	—	17
Net gain/(loss) on financial assets measured at FVTPL: Investment in OCRPS	—	20
Unwinding income of financial asset	—	66
Total Other income (B)	136	224
Add: Other expenses		
Allocable common overheads	312	312
Sundry balances written off	—	1
‘Net loss on financial liability measured at fair value through profit or loss		
— Compulsory convertible debentures	—	115
‘Net loss on extinguishment of financial liability	—	3
Total other expenses (C)	312	431
EBITDA Adjusted (A-B+C)	8,771	8,541

RISK FACTORS

An investment in the Notes involves a high degree of risk. You should carefully consider all the information in this Offering Memorandum, including the risks and uncertainties described below, in deciding whether to invest in the Notes. If any or some combination of the following risks actually occur, then our business, prospects, financial condition, results of operations and cashflows could suffer, the trading price of the Notes could decline, we may not be able to meet our obligations under the Notes and you may lose all or part of your investment.

The risks and uncertainties described in this section are those that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those that we are not aware of or currently consider immaterial which may become material in the future, may also result in decreased income, increased expenses or other events that could result in a decline in the value of the Notes.

Prospective investors should pay particular attention to the fact that all of the companies in the Restricted Group 2 are incorporated under the laws of India and are subject to a legal and regulatory environment which differs from that of other countries. This Offering Memorandum also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Offering Memorandum. For further details, see “Forward-Looking Statements.”

In making an investment decision, prospective investors must rely on their own examination of us and the terms of this offering, including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of investing in the Notes..

Risks Relating to our Business

If conditions of our wind and solar energy projects are unfavorable or below estimates, our electricity production, and therefore our revenues, may be substantially below our expectations and we may, in some cases, face penalties payable to our customers for short supply of electricity. Additionally, seasonality causes fluctuations in our business, cashflows, financial condition and results of operations.

The revenues generated by our wind and solar energy projects are proportional to the amount of electricity generated, which in turn is dependent upon available environmental conditions, operating efficiencies, machine availabilities and the quality of grid connectivity.

Wind energy is highly dependent on environmental conditions and, in particular, on wind conditions. The profitability of a wind energy project depends not only on the observed wind conditions at the project site, which are inherently variable, but also on the consistency of the wind conditions with assumptions made during the project development phase. Wind conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. In India, wind conditions are generally tied to the monsoon season, which results from shifts in winds and ocean temperatures, and are impacted by the strength of each monsoon season. We generate approximately 60% of our annual electricity production during the period from March to September, which is the monsoon season in most parts of India. If the wind conditions are sub-optimal during this monsoon period, the total production during the year could be lower than our average estimates. In addition, meteorological studies may not accurately predict actual wind conditions due to various factors, including variations in weather patterns that may result from climate change or otherwise. Consequently, the actual electricity generated by our wind projects may not meet our anticipated production levels or the rated capacity of the turbines located at the wind farms, which could adversely affect our business, cash flows, financial condition and results of operations.

For example, in fiscal year 2021, for the period between April to September, the Bothe project recorded the lowest wind speed of 6.06 m/s for the five years preceding 2021. Though wind speed increased to 6.30m/s for the period between April to September for fiscal year 2022, it was again lowered to 6.21 m/s for the period between April to September for fiscal year 2023 and further down to 6.04 m/s from April to September for fiscal year 2024. Similarly, the Ratlam 1 project recorded the lowest wind speed of 6.26 m/s between April to September in fiscal year 2021, and subsequently remained high at 6.49 m/s, 6.47 m/s and 6.30 m/s for the period between April to September for fiscal year 2022, 2023 and 2024, respectively. The Watsun and Rajkot sites on the other hand had lower wind speeds of 7.86 m/s and 6.11 m/s, respectively, for the period between April to September for fiscal year 2021, which became high thereafter and reached 8.05 m/s and 6.68 m/s, respectively, for the period between April to September in fiscal year 2024. Such fluctuations in wind speed directly affected the amount of energy generated from our wind projects, which could in turn affect the revenue profile of our wind projects.

In addition, unfavorable weather and atmospheric conditions could impair the effectiveness of our solar energy and wind energy projects or reduce their output to levels below their rated capacity. Components of our systems, such as solar panels, inverters or wind turbines could be damaged by severe weather conditions, such as hailstorms, tornadoes, lightning strikes or high levels of pollution, dust and humidity. The operational performance of a particular solar energy project also depends on the contour of the land on which the project is situated. Additionally, energy output performance of our solar plants is dependent in part on the amount of sunlight. As a result, our revenue is impacted by cloud cover during the monsoon season or shorter daylight hours in winters.

In addition, our ability to generate electricity depends on operational efficiencies, including in relation to the quality of preventive, unscheduled and predictive maintenance of the windfarms; the quality of personnel deployed for operations and maintenance activities; quantities of spare parts maintained at project sites; lead time in procuring spare parts/equipment need for replacement; the quality of performance of our O&M contractor(s); wind speeds (lower wind speeds result in lower efficiency of wind turbines); solar irradiance (lower solar irradiance results in lower efficiency of solar modules); disturbances caused in the local community leading to restriction to access the project site; and weather effects on maintenance/availability of movement of heavy material and equipment. For instance, we may not be able to transport a crane to a wind turbine location for any repairs if the turbine were to fail during heavy rains and roads leading to the windfarm are damaged by such heavy rains, until such roads are repaired.

The ability of our projects to generate electricity also depends on our ability to evacuate the electricity from each project and, in particular on grid connectivity. We have received grid connectivity for all our operational projects for their full installed capacity and our projects enjoy “must-run” status in India, which means that any wind, solar or small hydro power that is generated must always be accepted by the grid; however, the grid utilities could partially or fully curtail the production from our wind and solar farms during times when there are concerns relating to grid safety issues or emergencies or issues of similar nature. Further, the electricity grid beyond the interconnection point of our projects which is under the management and control of the grid utilities may suffer its own constraint, downtime for maintenance and natural disasters. For example, the high voltage corridor completion for the Periyapatti project was delayed by the utility and was completed in March 2022. However we continued to face curtailment until then. In such times, even if our windfarm and solar farm internal grids are operating well, we may not be able to evacuate part or any power to the grid. We are not entitled to deemed generation during such times of unavailability of external grid or curtailments. If we are unable to evacuate electricity due to low or no grid connectivity as a result of these or other factors, the rate of return for the projects would be below our expectations.

We make our investment decisions with respect to each wind and solar energy project on the findings of related wind or solar studies conducted on-site prior to construction. A sustained decline in environmental conditions, inefficiencies or shutdowns in operations, the non-availability of grid connections could result in a material adverse change in the volume of electricity we generate and consequently our business, revenues, cash flows, financial condition and results of operations.

Operational problems may reduce energy production below our expectations and repairing any failure could require us to expend significant amounts of capital and other resources.

Our assets may not continue to perform their obligations as they have in the past or as expected, and there is a risk of equipment failure due to wear and tear, latent defect, design error or operator error, or force majeure events, among other things, which could have a material adverse effect on our assets, liabilities, business, financial condition, results of operations and cash flows.

Even though we have entered into comprehensive O&M contracts with our suppliers and entered into third party contracts, spare parts for wind turbines and key pieces of electrical equipment such as gear boxes or control panels may be hard to acquire, may be damaged, or may have significant sourcing lead times. Sources for some critical spare parts and other equipment are located outside of India. If we were to experience a shortage of, or an inability to acquire, critical spare parts, we could incur significant delays in returning facilities to full operation. Repairing wind turbines may also require mobilizing cranes at our project sites, which could take significant lead time, especially if cranes are required during busy periods, such as end of the financial year, or during monsoon seasons. Such delays could have a significant impact on our operations, as our wind turbines may be inoperable or performing below maximum capacity while the crane is being mobilized. For example, in September 2019, we had to mobilize a crane to repair two inoperable wind turbines at the Rajkot windfarm, which took approximately 60 days to mobilize. In addition, wind turbines were shutdown or operated in derated mode as a precaution after the fire incident in Vestas-make wind turbine in July 2020 at the Rajkot 1 project site. Rectification works were undertaken on the wind turbines between September 2020 to February 2021. Furthermore, transformer failure at our Rajkot site led to generation loss on account of lower machine availability in Q1 and Q2 FY 2024, which was rectified subsequently by replacing it with a spare transformer.

We also face risks arising from our engagements with O&M contractors. Our O&M contractors may fail to perform as expected or as required under the O&M agreements. For example, in the event that an O&M contractor enters bankruptcy or winds up its operations, we may experience difficulties in finding alternative contractors. O&M contractors may also fail to plan their operational strategy for the complete lifecycle of a given project, which could potentially create problems such as an inability to service turbines and solar farms over the project lifecycle, or failure to maintain the required site infrastructure or failure to maintain adequate resources at the project sites. These could lead to a degradation of power plants and, as a result, a decrease in profitability of such power plants. If our O&M contractors fail to perform as expected or as required under the O&M agreements or fail to develop adequate schedules or strategies for maintenance and procurement of spare parts/consumables, there could be a material adverse effect on our assets, liabilities, business, financial conditions, results of operations and cash flow.

Physical conditions surrounding the wind turbine generators and solar farms may interfere with the operational performance of these assets.

The operational performance of our wind farms depends on wind speeds which can be impacted by the physical conditions at the relevant site. Objects such as large buildings or other wind turbine generators that may come up near our wind farms, may reduce our wind resources due to the disruption of wind flows, known as “wake effects.” Typically, the land underlying a wind turbine generator tower is acquired or leased in connection with the development of a wind farm by a power producer. Currently, there are technical constraints specifying the minimum inter-turbine distances to minimize such wake-effects. In case such technical constraints are lifted or relaxed, new wind turbines from our competitors or certain other structures may be installed by third parties near our wind farms, which could have a negative effect on our wind farms. While we take into account such external wake effects in our energy prognosis for our wind farms, our estimates may be lower than the actual wake effects.

Similarly, any conditions near our solar farms such as shadows from nearby buildings or trees, or as a result of construction work or forestry or plantations works, could cause additional dust in our solar farms thereby reducing the efficiency of our solar farms.

Such factors may reduce the operational performance of our wind farms or solar farms, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

If the contracts with our customers are terminated, we may not be able to replace them with agreements on similar terms or at all. We may also not be able to renew our expiring PPAs at current or higher tariffs.

Some of our PPAs with our C&I customers provide for termination without cause by either party in addition to for cause upon default after certain lock-in period. While termination without cause has not happened in the past, there is no assurance it will not happen in the future. Upon expiry or termination of our PPAs, we may not be able to renew or enter into new PPAs at similar or higher tariffs for some or all of our capacity.

While we have entered into long-term contracts with utilities for a total of 363.4 MW (including with MSEDCL for our Bothe project and with MPPMCL for our Ratlam 1 project) and with over 130 C&I customers for the balance 621.1 MW for the supply of electricity, such agreements may be terminated before the end of their respective terms on the occurrence of certain events of default or otherwise (including without cause, as highlighted above). Such defaults include failure to supply the contracted amount of energy, failure to meet our contractual commitments or insolvency, bankruptcy or liquidation of our companies, or failure to comply with permits obtained to own and operate these projects. In addition, we may face increased competition from other suppliers of electricity (conventional or clean energy suppliers) who may be willing to offer electricity at lower prices. If PPAs or energy purchase agreements are terminated before the contracted term, our business, financial condition, results of operations and prospects could be adversely affected.

Our PPAs do not cover the entire anticipated economic life of our projects. For example, MSEDCL PPAs corresponding to 101.0 MW capacity and 92.4 MW in the Bothe Project are expected to expire in FY 2027 and FY 2028, respectively. While we intend to add solar or storage hybrid capacity to such wind energy projects, we may not be able to renew or obtain new PPAs at similar or higher tariffs as in our current PPAs or may not be able to procure new PPAs at all for some or all of our capacity. We may face increased competition from other suppliers of electricity (conventional or clean energy suppliers) who may be willing to offer electricity at lower prices for their own reasons, including lower cost of construction or operations or higher operating efficiency of their projects. In case we are unable to procure new PPAs, we may have to sell the electricity at spot prices, thereby exposing us to price realization risk or market risk on the sale of electricity from our projects.

Details of our long term PPAs are as follows:

Capacity (MW)	Average start date	Tenure	Fiscal 2023 tariff (per unit)
Bothe project — PPAs with MSEDCL ⁽¹⁾			
101.0	FY 2014	13 years — until FY 2027	INR 5.81
92.4	FY 2015	13 years — until FY 2028	INR 5.70
Ratlam 1 project — PPAs with MPPMCL			
94.0	FY 2016	25 years — until FY 2041	INR 5.92
76.0	FY 2016	25 years — until FY 2041	INR 5.92

Note:

(1) PPA for balance 6.3 MW capacity is yet to be signed. Favorable order received from APTEL in August 2022; pending adjudication of appeal in Supreme Court.

We have substantial indebtedness and we are subject to restrictive and other covenants under our debt financing arrangements.

As of December 31, 2023, we had adjusted borrowings of INR 47,719 million. Our ability to meet our payment obligations under our outstanding debt depends on our ability to generate significant cash flow. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond our control, such as the general condition of global equity and debt capital markets, economic and political conditions and development of the renewable energy sector. If we are unable to generate sufficient cash flow to satisfy our debt obligations or other liquidity needs, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. There is no assurance that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms, would materially and adversely affect our financial condition and results of operations.

Our existing credit agreements contain a number of covenants that in certain cases could limit our ability to, among other things, effect changes in the control, management or capital structure of our company, change or amend the constitution or articles and memorandum of association, transfer or dispose of assets, incur additional indebtedness, create liens, make investments, loans and acquisitions, merge or consolidate with other companies or sell substantially all of its assets. If we are unable to comply with the terms of our credit agreements, our lenders may choose to accelerate our obligations under our credit agreements and foreclose upon the collateral, or we may be forced to sell assets, restructure our indebtedness, or seek additional equity capital, which would dilute our shareholders' interests. Failure to comply with any covenant could result in an event of default under the agreement and the lenders (or any subsequent lender) could make the entire debt immediately due and payable.

In the past, however, in the rare instance when such covenants have been breached, no lender has called an event of default and neither have they exercised their rights to accelerate the repayment of debt. We have historically been able to cure the breaches, refinance the relevant facility or procure waivers or extensions in timelines from the relevant lenders. To date, none of our lenders have issued a notice of default or accelerated payment under such facilities on the basis of such breaches, however there can be no assurance that lenders will not choose to enforce their rights or that we will be able to remedy such breaches in the same manner as was done in the past. For details of our material indebtedness, please see "*Description of Other Indebtedness.*"

The interests of the Parent's shareholders may conflict with your interests and the Parent's shareholders could change.

The interests of the Parent's shareholders may conflict with your interests as holders of the Notes, which may increase the financial risk of holding the Notes. For example, the Parent's shareholders could cause us to take corporate actions as permitted under the Indenture, even though such transactions might involve risks or decrease the market value of the Notes. The Parent's current principal shareholders are set forth under "Principal Shareholders". The Parent's principal shareholders can change over time as there are no restrictions on the Parent's shareholders ability to sell or transfer their shares.

The Parent's major shareholders may sell a substantial portion or all the shares they own in the Parent.

As of December 31, 2023, our majority shareholder, Clean Energy Investing Limited ("CEIL") (a fund entity of North Haven Infrastructure Partners managed by Morgan Stanley Infrastructure Partners), held 92.31% of our Parent's share capital (on a fully diluted basis), and Continuum Energy Pte Ltd ("CEPL") (an entity owned by the founders), held 7.69% of our Parent's share capital (on a fully diluted basis), respectively. On May 11, 2024, our Parent and its shareholders, CEPL and CEIL had entered into a share purchase and subscription agreement (the "SPSA"), pursuant to which, through a combination of

concurrent actions: (a) acquisition of convertible preferred shares of our Parent from CEIL, (b) subscription of new shares by CEPL in our Parent and (c) conversion of the convertible preferred shares owned by CEIL and CEPL into ordinary shares of our Parent at the applicable conversion price derived pursuant to existing agreements between CEIL, CEPL and our Parent, CEPL and CEIL will, at closing of such transactions, hold 74% and 26% of the Parent's ordinary share capital, respectively (the "**Transaction**"). The completion of the Transaction is subject to the satisfaction of various conditions precedent outlined in the SPSA. There can be no certainty or assurance as at the date of this Offering Memorandum that the Transaction will be completed. In addition, there are no assurances that CEIL (or any other of some or all of our current shareholders) will continue to remain as shareholders during the tenor of the Notes.

On May 16, 2024, the Financing Guarantors and CEPL had entered into certain definitive financing agreements with several investors to finance the purchase and subscription of the shareholding interest in our Parent pursuant to the Transaction (the "**Financing**"). As part of the Financing, security will be granted against CEPL's equity interest in our Parent and the Guarantors' equity interest in CEPL. See "*Recent Developments — Entry into Certain Financing Agreements.*"

If external investors take, directly or indirectly, majority control of the Parent, the control structure of the Parent may significantly change and such change could constitute a change of control under the terms of certain financing agreements, including the Notes. In addition, the composition of the management team of the Parent and the Co-Issuers may also significantly change. Upon completion of the Financing, an enforcement of the share charge over all of the shares of CEPL or the share charge in respect of all of the shares of our Parent could also constitute a change of control under the terms of certain financing agreements, including the Notes. For terms and conditions of the Notes related to change of control, see "*Description of the Notes.*"

We depend on Continuum's management team to manage our business.

The success of our business and the operational success of our projects depends significantly on the expertise of Continuum's management team and the loss of one or more key executives could have a negative impact on our business. We also depend on Continuum's ability to retain and motivate key employees and attract qualified new employees. Because the renewable energy industry in India is relatively new, there is a scarcity of top-quality employees with experience in the industry. If Continuum loses a member of the management team or a key employee, Continuum may not be able to replace him or her. Integrating new executives into Continuum's management team and training new employees with no prior experience in the renewable energy industry could prove disruptive to our operations. An inability to attract and retain sufficient technical and managerial personnel could limit Continuum's ability to effectively manage our projects, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We do not have energy purchase agreements signed in respect of 6.3 MW out of 199.7 MW capacity with respect to BWDPL. Until such energy purchase agreements are signed, we are unable to invoice for the power supplied.

We do not have energy purchase agreements signed in respect of 6.3 MW out of 199.7 MW capacity with respect to BWDPL. As a result, while we supply electricity to MSEDCL for that 6.3 MW of wind capacity (comprising three wind turbines of 2.1 MW capacity each) at the Bothe plant, we cannot invoice for the electricity sold. In January 2020, we filed a petition against MSEDCL contesting their refusal to enter into the PPA for such 6.3 MW capacity. The Maharashtra Electricity Regulatory Commission ("**MERC**") ruled in favor of MSEDCL but still ordered them to pay for electricity generated and utilized by MSEDCL until March 31, 2017 at the average power purchase cost ("**APPC**") plus floor price of renewable energy certificates. We appealed against this order to the Appellate Tribunal for Electricity ("**APTEL**"), which sided with us in August 2022, ordering MSEDCL to execute the PPA at a tariff of INR 5.70/kWh from the date of our application in December 2014. MSEDCL took this matter to the Supreme Court, which put a temporary hold on the APTEL order. After several hearings, the Supreme Court instructed MSEDCL to pay

at a lower rate of INR 3.5/kWh. The difference in tariff is to be paid following the MERC order dated July 1, 2020, and converted into an interest-bearing fixed deposit receipt, periodically renewed, for 12 months. The matter is listed for final hearing/disposal in September 2024. For further details, please see “*Our Business — Governmental, Legal and Arbitration Proceedings.*”

Total amount of revenue for the 6.3 MW capacity since commissioning until December 31, 2023 would be INR 586 million if calculated at a tariff of INR 5.70/kWh and INR 360 million if calculated at a tariff of INR 3.5/kWh. We have received INR 133 million from MSEDCL for the 6.3 MW capacity as of December 31, 2023. The deposit with the Supreme Court would be made bi-monthly. The matter is listed for final hearing/disposal in September 2024.

Our PPAs with C&I consumers are linked to the tariff charged to the consumer by the electricity distribution utilities and open access charges and losses applicable. These are approved by the regulators and are subject to regulatory risks.

62.7% of our capacity is selling electricity to over 130 C&I consumers under open access with varying tariffs from the Periyapatti and Rajkot projects. Tariffs charged under our PPAs for green energy to individual C&I customers are dependent on the tariff charged to them by the electricity distribution utilities and are set lower than the then prevailing tariffs charged by the distribution utilities for black energy to these consumers (excluding few exceptions wherein there is fixed tariff or bus bar tariff). The net tariff realized under these PPAs varies with increase/decrease in tariffs charged by distribution utilities to such consumers and open access charges/losses payable to distribution utilities/transmission utilities. The net variation in tariffs charged by distribution utilities and open access charges/losses is usually shared as per agreed terms between the C&I consumer and each Co-Issuers.

Our revenue realization under these PPAs varies based on the variation in the tariff charged to the consumer by the electricity distribution utilities and the variation in the open access charges and losses. Such variations could lead to a reduction in our revenue.

The tariff charged to the consumer by the electricity distribution utilities, open access charges and losses are approved by the State Electricity Regulatory Commission upon independent review of the request by electricity distribution utilities. Although there are agreed standards for the determination of these charges and losses and there are, typically, only minor variations in them, in the past there have been instances when the charges or losses have been drastically increased. For example, the additional surcharges in Gujarat have varied between nil to INR 0.87 per kWh at different times from FY 2021 to FY 2024. Further, under the Revamped Distribution Sector Scheme released by the GoI, electricity distribution utilities have agreed to revise the electricity prices charged to the consumers on an annual basis, although these revisions have not always taken place due to a variety of factors, including political pressure. For example, the electricity distribution utilities in Tamil Nadu did not revise the electricity prices for over 4 years. However, in September 2022 Tamil Nadu announced a 6% increase and subsequently increased the tariff by the lower of CPI or 6% p.a. for next five years, which in part led to an increase in our revenue in FY 2023 and the nine months ended December 31, 2023. We carry the risk of increase or decrease in tariffs charged by distribution utilities to such C&I customers, risk of variation in existing levels of open access charges and losses, imposition of any new open access charges and losses, removal of any existing open access charges and losses, risk of variation of existing incentives or waivers available for open access and for renewable energy and imposition of new or removal of existing incentives or waivers which may have a material adverse effect on our business, cash flows, financial condition and results of operations. Generally, our PPAs for open access projects provide that, subject to certain conditions, 50% of such variations shall be for the account of our C&I customers and 50% shall be for our account. However, some PPAs have different sharing percentages or sharing on either side, i.e. either 100% or no sharing at all. We carry the risk that some or all of our C&I customers may object to absorbing such variation, especially in case of adverse variation.

Our PPAs with utilities have fixed tariffs and we do not have flexibility to charge higher tariff if our costs of production increase.

In our PPAs with utilities, our tariffs are fixed for the term of the PPAs and have been set by the respective state electricity regulatory commissions. As a result, we do not have the flexibility to charge higher tariffs from our customers in case of increased costs of production, which can have an adverse impact on our revenue and results of operations. Even if the market price for electricity rises above the levels stipulated in the PPAs, we may not be able to realize such higher price, which will disadvantage our business as we will suffer notional loss in relation to our competitors who do not have long-term PPAs with fixed tariffs.

If we default in fulfilling our obligations under the PPAs, we may be liable for penalties.

If we default in fulfilling our obligations under the PPAs with our customers, such as failing to supply power or failing to obtain regulatory approvals, licenses and clearances with respect to our projects, we may be liable for penalties, potential payment of damages or compensation and in certain specified events, customers may also terminate such PPAs, which could in turn result in a loss of a substantial portion of our revenues.

Our customers may not reimburse us for increased costs or lost revenues arising as a result of the projects' failure to operate within the agreed norms, whether as a result of factors beyond our control or due to our non-compliance. For example, we may be required by the state load despatch center in charge of grid operations in certain states to disconnect our wind farms and solar farms, partially or fully, from time to time, in the event of a defect, grid emergency or grid safety issues or for other issues in the electricity grid system beyond our control and we would lose revenue derived from electricity that we could have otherwise produced and sold during such periods. We may also be required to disconnect the power supply if we are unable to comply with applicable regulations or directions in respect to grid discipline. We have no right to claim revenue on the basis of deemed generation during such periods, nor can we claim any insurance for such lost revenue. For our open access projects, both we and our customers are expected to obtain and maintain several regulatory approvals, licenses and clearances. If we or our customers fail to obtain and maintain such approvals and clearances, we may not be able to evacuate power to such customers for such periods of time. Additionally, the failure to enter into or renew offtake arrangements in a timely manner and on terms that are acceptable to us if at all, could adversely affect our business, results of operations and cash flows.

This could have an adverse effect on our business, cash flows, financial condition and results of operations.

In the case of Bothe and Ratlam 1 windfarms, we depend on a single customer each for all of our cashflow and sell 100% of the wind power generated at the Bothe and Ratlam 1 windfarms to such customers, which may expose us to certain risks that may affect our results of operations.

We supply 100% of the wind power generated at the Bothe and Ratlam 1 projects to MSEDCL and MPPMCL, respectively. For FY 2023 and the nine months ended December 31, 2023, we generated 41.0% and 34.2% of our total revenue from the sale of electricity to MPPMCL and MSEDCL, respectively. Our PPAs with MSEDCL and MPPMCL represent 20.3% and 17.3% of our operating capacity, respectively. While MSEDCL and MPPMCL are committed to purchasing power from us under the relevant PPAs, if they experience any unexpected financial or other difficulties, we may not be able to recover amounts due to us, which could adversely affect our business, cash flows, financial condition and prospects.

Our customers may not be able to fulfill their payment-obligations under the PPAs as a result of poor financial health, restructuring or other external events, which could have an adverse impact on our operations, cashflows and our ability to service our debt under our loan agreements.

Power generated by our Bothe and Ratlam 1 projects is sold under long-term PPAs with the MSEDCL and MPPMCL, respectively, and the power generated by our C&I projects is sold to over 130 C&I customers. The ability of utilities or our C&I customers to fulfill their contractual obligations and pay for electricity received from us during the term of the relevant PPA could become impaired for various reasons, including

their poor financial health, which could result in insolvency, liquidation proceedings or restructuring, as well as other external events such as a severe economic downturn or another global pandemic. If utilities or our C&I customers are unable or unwilling to fulfill their contractual obligations under the relevant PPA or if they refuse to accept delivery of power under the terms of the PPAs, our business, financial condition, results of operations and cash flow could be materially and adversely affected as we may not be able to replace the relevant agreement with an agreement on equivalent terms and conditions or at all.

Further, while we are entitled to charge interest for any delay in payments, a delay in recovering any amounts due under these PPAs could adversely affect our operational cash flows. In the past we have experienced significant delays in receivable settlements with our state utility customers and have not been able to recover payment charges for the delay, which may lead to cash constraints and have an adverse impact on our operations and our ability to meet our payment obligations under our loan agreements.

For example, with respect to the 193.4 MW of contracted wind capacity at the Bothe project and 170.0MW of wind capacity at the Ratlam 1 project, the receivable cycle for the contracted tariffs under the PPAs from MSEDCL and MPPMCL were delayed significantly due to losses suffered by MSEDCL and MPPMCL in the wake of COVID-19. Though the receivable cycle had improved post COVID and has further improved following implementation of LPS Rules, as of December 31, 2023 we had trade receivables due from MSEDCL and MPPMCL of INR 732 million and INR 1,045 million, respectively.

Furthermore, the Ministry of New and Renewable Energy as well as various state departments have previously issued orders notifying the restrictions placed by the GoI to contain the spread of the COVID-19 as an event of force majeure. Accordingly, some Co-Issuers have previously received notices from their customers invoking force majeure provisions under the respective PPAs and claiming, inter alia, additional time for making payments, as well as the right to curtail demand of power, on the grounds that the restrictions have impacted the liquidity of such customers and their contractual counterparties (which have also faced difficulties in collection of payments from customers), thereby reducing their ability to make timely payments under the PPAs. While such notices which were received by some C&I customers during the lockdown periods of April to July 2020 are no longer subsisting, there can be no assurance that the C&I customers will not be impacted in the future and not invoke application of force majeure provisions under the PPAs entered into with the C&I project.

Our business is dependent on the regulatory and policy environment affecting the renewable energy sector in India.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may materially and adversely affect our business, prospects, financial condition, results of operations and cash flows, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Our business and operations are governed by various laws and regulations, including the Electricity Act, 2003, National Electricity Policy, 2005 (as revised by the Central Electricity Authority periodically) and National Tariff Policy, 2016, regulations and orders issued by the central and state electricity regulatory commissions, policies of respective state governments, environmental and labor laws and other legislations enacted by the GoI and the relevant state governments in India. See “*Regulation*” for further details. Our business, cash flows and financial performance could be adversely affected by any unfavorable changes in or interpretations of existing laws, or the promulgation of new laws. There can be no assurance that the GoI or any state government in India will not implement new regulations and policies which will require us to obtain additional approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on their operations, which could result in increased compliance costs as well as divert significant management time and other resources. For example, on June 30, 2023, the Ministry of Power, Government of India (“**MoP**”) notified the Electricity (Amendment) Rules, 2023 (“**Amendment Rules**”). The Amendment Rules became effective on June 30, 2023 and introduced certain changes in relation to the captive power projects, and did not provide any exemption for existing projects regarding compliance with the amendments. This could have had an adverse effect on our C&I business, cash flows and financial performance. The MoP in September 2023 notified the Electricity (Third Amendment) Rules, 2023 (the

“**Third Amendment Rules**”) and clarified the changes introduced by the Amendment Rules, thereby preventing any adverse impact which could have been caused on our business. As another example, draft amendments proposed by the GoI in 2018 to the Electricity Rules, 2005 required that the amount of investment by the captive or group captive consumers may be calculated on a normative basis as 26% of the 30% of capital employed. While these amendments were not effected, if such amendments or some variant of these amendments were to come into force, one of the requirements may be that we alter the capital structure of our group captive company, i.e. Watsun Infrabuild Private Limited, which carries out our group captive supply of electricity from our Periyapatti project. This may require our group captive users to increase their investment in the company and such consumers may require us to reset our tariffs under the PPAs with them.

In addition, any unfavorable interpretation by regulatory authorities may also have an adverse effect on our business, cash flows and financial performance. For example, while the Electricity Act, 2003 mandates that the supply of electricity to captive consumers will not be subject to surcharges, the MERC ruled that while cross subsidy surcharge is not applicable, the additional surcharge is applicable on sale of electricity to captive consumers. The Forum of Regulators, comprising of all electricity regulators in India, of which MERC is a part, had also stated that additional surcharge is not leviable so far as captive users/consumers are concerned. On appeal, in March 2019, APTEL set this interpretation aside and ruled that additional surcharge is not applicable on captive or group captive sales of electricity. MSEDCL and MERC appealed to the Supreme Court of India. In December 2021, the Supreme Court, while dismissing the civil appeal, observed that captive consumers/captive users are not liable to pay the additional surcharge leviable under Section 42(4) of the Electricity Act, 2003, and the Supreme Court dismissed the review petition filed by the MSEDCL in the civil appeal. The Electricity (Amendment) Rules, 2024 direct that (a) in relation to a person availing open access additional surcharge shall be linearly reduced and get eliminated within four years from the date of grant of access and (b) the additional surcharge shall not be applicable for open access consumer to the extent of contract demand being maintained with the distribution licensees.

Further, we depend in part on government policies that support renewable energy and enhance the economic feasibility of developing renewable energy projects. The GoI and several of the states in which we operate or plan to operate or into which we sell power provide incentives and support the generation and sale of renewable energy, and additional legislation is regularly being considered that could enhance the demand for renewable energy and obligations to use renewable energy sources.

For example, in Gujarat, our Rajkot site enjoys a 50% waiver on cross subsidy surcharge and additional surcharge for 25 years amounting to a waiver of greater than INR 1/kWh at current levels of these charges, which is not available for renewable energy projects commissioned after June 18, 2023. Further, banking charge for new wind and wind solar hybrid projects has been set at INR 1.50/kWh up to September 2024 and to be determined monthly or quarterly as per the details and information of the previous month or quarter, against banking charge of 2% (for monthly banking facility) in kind on total generated units applicable for wind projects commissioned before March 2023 and nil charge for WSH projects commissioned before June 2023. In addition, for the project commissioned after June 18, 2023 under new Renewable Energy Policy 2023 of Government of Gujarat, there is 25% waiver on cross subsidy surcharges (if the renewable energy generator and consumer do not claim renewable attribute and allow distribution licensee to avail the same for the renewable purchase obligations), compared to 50% for the wind solar hybrid project commissioned before June 18, 2023 (without any relation to utilization of renewable attribute), which gives us an additional advantage of approximately INR 0.40/kWh based on current cross subsidy surcharges which is around INR 1.60/kWh. Our entire Rajkot capacity of 394.3 MW (operational by June 2023) in Gujarat, prior to expiry of the said policy benefits, has locked-in these significant long-term grand-fathered benefits of approximately INR 2.00 per kWh on electricity generated for 25 years, compared to new projects commissioned after June 18, 2023.

As a further example, the National Tariff Policy mandates that, in respect of captive power, wheeling charges and other terms and conditions for implementation are determined in advance by the respective state commission, duly ensuring that the charges are reasonable and fair. In addition, regulatory policies in each state in India currently provide a favorable framework for securing attractive returns on capital invested.

If any of these incentives or policies are adversely amended, eliminated or not extended beyond their current expiration dates, or if funding for these incentives is reduced, or if governmental support of renewable energy development, particularly wind and solar energy, is discontinued or reduced, it could adversely affect our ability to obtain financing, the viability of new renewable energy projects constructed based on current tariff and cost assumptions or the profitability of our existing projects, and may also have a material adverse effect on our business, cash flows, financial condition and results of operations.

The GoI has accorded renewable energy “must-run” status, which means that any wind, solar or small hydro power that is generated must always be accepted by the grid. However, certain state utilities or load despatch centers may order the curtailment of renewable energy generation despite this status and there have been instances of such orders citing grid safety and stability issues being introduced in the past. For example, the Tamil Nadu State Load Despatch Centre has historically imposed curtailment without providing valid reasons such as grid safety or emergency. Even though the CEA has in the past created mechanisms for recording such instances, along with the relevant justification, and has decided to investigate such instances of violation of “must run” status, there can be no assurance that state authorities will diligently provide this information or such investigation will be completed at all or will result in a favorable outcome. Any future curtailment of renewable energy production may interrupt our operations, subject us to penalty payments for short supplies to our customers and may have a material adverse effect on our business, cash flows, financial condition and results of operations. There can be no assurance that the GoI will continue to maintain the “must-run” status for renewable energy or that the state electricity boards will not make any orders to curtail the generation of renewable energy. In October 2021, the GoI notified the Electricity (Promotion of Generation from Renewable Sources of Energy by Addressing Must Run and Other Matters) Rules, 2021, primarily aimed at compliance with “must run” status and for payment of compensation in the event of violation of “must run” rules.

Further, while certain national and state laws, incentives, programs and policies promote clean energy and additional legislation is regularly being considered that would enhance the demand for clean energy, they may be adversely modified. Legislation may be amended or may not be enacted and governmental support of clean energy development and renewable energy may not continue or may be reduced. If governmental authorities do not continue supporting, or reduce or eliminate their support for, the development of clean energy projects, our revenues may be adversely affected; our economic return on certain projects may be reduced; our financing costs may increase; it may become more difficult to obtain financing; and our business and prospects may otherwise be adversely affected.

Therefore, any change in policy that impacts renewable energy generation may adversely affect our business. A delay or failure by governmental authorities to administer incentive programs in a timely and efficient manner could also adversely affect our ability to obtain financing for our projects. These may, in turn, materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Any outbreaks of contagious diseases such as the COVID-19 may have a material adverse effect on the our business operations, cashflows, financial condition and results of operations.

The outbreak of a novel strain of coronavirus (“COVID-19”) had earlier spread rapidly and globally across multiple countries around the world. The outbreak of contagious diseases such as COVID-19, the H1N1 virus (Swine Flu), H7N9 strain of flu (Avian Flu) could be severe and widespread and may result in protracted volatility in international markets and/or result in a global or local recession or depression as a consequence of disruptions to travel and retail segments, tourism and manufacturing supply chains.

Some of our customers, particularly the distribution utilities, suffered losses due to reduction of offtake by C&I customers resulting from weak economic situations and this caused significant delays in payments by the distribution utilities towards our invoices. The GoI extended an INR 1,250.0 billion liquidity support scheme for the distribution utilities. Under this scheme, loans granted to distribution utilities are paid directly to the accounts of generators and transmission companies to whom payments are due by the distribution utilities. Further, the MoP notified LPS Rules on June 3, 2022, which provide a mechanism for settlement of outstanding dues of generating companies, inter-state transmission licensees and electricity trading licensees. However, in the event there are any change or relaxation in these regulations, our receivables collections from the distribution utilities may again suffer delays or may again be reduced.

There can also be no assurance that the policies and controls for outbreak prevention and disease recurrence or any stimulus packages introduced by the GoI will be successful. There can also be no assurance that any future outbreak of contagious diseases will not have a material adverse effect on our business, cash flows, financial condition and results of operations.

We are subject to credit and performance risk from third parties under service and supply contracts.

We are highly dependent on certain third parties to, among other things, provide quality goods and services on a timely basis. This includes contracts we enter into with vendors to supply equipment, materials and other goods and services for the operation of our projects as well as for other business operations. While we maintain a diversified set of vendors, we remain subject to the risk that vendors may not perform their obligations in full or at all. If vendors do not perform their obligations, or if they deliver any defective components or do not comply with the applicable quality standards and technical specifications, we may suffer schedule disruptions or may have to enter into new contracts with other vendors at a higher cost. There is also a risk that the alternative vendors may not be available.

Further, any mechanical failure or shutdown of equipment sourced from third parties could result in undamaged equipment that is dependent on or interacts with damaged sections of our facilities also having to be shut down. Such events could have a material and adverse impact on our generating capacity. If any shutdowns continue for extended periods, this could give rise to contractual penalties or liabilities, loss of customers and damage to our reputation. Although we are entitled to be compensated by manufacturers for certain equipment failures and defects in certain cases, these arrangements may not fully compensate us for the damage and loss suffered as a result thereof.

Our relationship with our third-party suppliers and vendors may worsen or lead to disagreements or litigation which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

When we purchase wind turbines or engage EPC contractors for our solar farms, our contracts with the vendors typically include the provision of comprehensive O&M service for a period of five to 10 years (with free service, in some cases, for the first two to three years), a warranty in respect of the equipment supplied and works performed for a minimum period of two years from the earlier of the date of commissioning or the date of supply, a power curve guarantee in the case of turbines and a performance ratio guarantee in the case of solar farms, repair and replacement of consumables and parts guarantee, a minimum wind turbine availability guarantee and a maximum reactive power consumption guarantee. However, there can be no assurance that such vendors and contractors will be able to fulfill their respective contractual obligations in full or at all over the periods of our contracts with them. Additionally, as some of these warranties generally expire within a fixed period after the delivery date or the date the equipment is commissioned, we may lose all or a portion of the benefit of a warranty if we take delivery of equipment before we are able to deploy it. If we seek warranty or guarantee protection and the vendor is unable or unwilling to perform its obligations under the warranty or guarantee, whether as a result of the vendor's financial condition or otherwise, or if the term of the warranty or guarantee has expired, we may be required to make significant maintenance expenditures, which could have a material adverse effect on our business, cash flows, financial condition and results of operations. In addition, the vendor's payment liabilities for breach of warranties under O&M arrangements are typically subject to an aggregate maximum cap that is a portion of the total purchase price of the turbines/contract or the total fees payable for the O&M services. Losses in excess of these caps would be our responsibility.

The cost of operating our projects could increase, and we may not manage costs effectively.

While we believe we currently maintain a competitive cost of operations, there is a risk that an increase in our cost structure could have a material adverse impact on our financial performance. Examples of such costs include property taxes, the cost of procuring materials and services required for our general operations and maintenance activities and inflation in the cost of these goods/services.

Our profitability is largely a function of our ability to manage costs during the terms of the PPAs and to operate the projects at optimal levels. If we are unable to manage our costs effectively or to operate our projects at optimal levels, our profit margins, and therefore our business and results of operations may be adversely affected.

Any delay or failure to renew or maintain necessary permits would adversely affect the operation of our projects.

There is no assurance that we may be able to renew our existing approvals in a timely manner or at all. While we intend to timely apply to renew our existing permits and approvals, the relevant state agency may not renew them in a timely manner, without imposition of stringent conditions or at all. For example, in our Rajkot project, we faced delays of up to two months in obtaining the Medium-Term Open Access approvals required for the project during the COVID period. In our solar project in Periyapatti, we faced a delay of approximately nine months in obtaining group captive open access and wheeling permission from Tamil Nadu Generation and Distribution Corporation Limited (“**Tangedco**”) and, as a result, we were unable to sell and bill electricity from this project to our group captive customers for the initial months. While we have been operating the project since July 2020, the electricity was being supplied free of cost to Tangedco until we received the group captive open access and wheeling permission from Tangedco in February 2021. In addition, multiple WSH project in Gujarat could not be commissioned for a long time on account of delay in issuance of the Gujarat Renewable Energy Policy and Tariff Order. The previous Wind Solar Hybrid Power Policy 2018 was applicable for WSH capacity commissioned until June 2023 and the new Gujarat Renewable Energy Policy came only in October 2023. Further, the new policy had multiple placeholders linked to tariff order which was finally released in February 2024, leading to accumulated waiting time of approximately 7 months. Commissioning of WSH capacity has been pending due to the delay by the authorities in the issuance of policy, the tariff order, application and approval procedures and other commissioning orders. Any failure to procure, renew or maintain necessary permits would adversely affect the continuing operation of our projects.

Group captive projects are required to verify compliance with the conditions for group captive sales at the end of every financial year. Failure to comply with the conditions will lead to the imposition of cross subsidy surcharge on our C&I customers and this may lead to disputes or obligations on us to bear some or all of such costs. The verification of group captive status in Tamil Nadu has not been done since 2014 (our Periyapatti project commenced operations only in FY 2018) because the matter had been in dispute between Tangedco and several industry associations. A detailed procedure for verification of group captive status has been issued by the Tamil Nadu Electricity Regulatory Commission only in January 2020 pursuant to which we have filed the required documents for verification for the past financial years starting in 2018. However, there has been no response from Tangedco as of the date of this Offering Memorandum. Some industry associations have also appealed to APTEL on several aspects of the detailed procedure announced in January 2020. APTEL held that although the discoms may collect data for verification, any actions such as the imposition of cross subsidy surcharge can only be taken by the TNERC after initiating proper proceedings. Further, APTEL held that any verification of the status of captive generating plants and captive users can be done only at the end of a financial year. While the APTEL clarified several components of the detailed procedure in its order, and Tangedco has revised its processes accordingly, the outcome of the verification done by Tangedco may have an adverse impact on our business, cash flows and financial performance of our Periyapatti project. A judgment issued on October 9, 2023 issued by the Honorable Supreme Court of India (in a matter unrelated to us) has clarified a number of contentious issues. However, the updated verification procedures after the said judgment are yet to be notified.

Our operations are subject to numerous environmental, health and safety laws and regulations.

We are subject to numerous environmental, health and safety laws and regulations in India at the national and regional level. These laws and regulations require us to obtain and maintain permits and approvals, undergo environmental impact assessments and review processes, and implement environmental, health and safety programs and procedures to control risks associated with the ownership, construction, operation and decommissioning of projects. See “*Regulation*” for further details.

If we do not comply with applicable laws, regulations or permit requirements, we may be required to pay penalties or fines or curtail or cease operations of such projects. Violations of environmental and other laws, regulations and permit requirements may also result in criminal sanctions or injunctions.

Environmental, health and safety laws, regulations and permit requirements may change or become more stringent. Any such changes in these laws may result in increased liabilities, compliance costs and capital expenditures or difficulty in our ability to comply with applicable laws, regulations and requirements. Our business could be adversely affected by significant changes in existing laws, regulations or requirements imposing additional permits and regulatory requirements on the projects or by the interpretation of those laws, regulations or requirements or more stringent enforcement by governmental authorities. If we do not comply with applicable laws, regulations or requirements, including permit requirements, we may be obliged to pay penalties or fines or curtail or cease operations of the projects, among other sanctions. Moreover, environmental laws and regulations may allow governmental authorities to bring enforcement actions requiring us to remediate any damages caused to the environment and private parties may bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety impacts of our past and current operations and natural resources. Any such changes could require us to incur materially higher costs than we currently have. Our costs of complying with current and future environmental, health and safety laws, regulations and permit requirements, and any liabilities, fines or other sanctions resulting from violations of them, could adversely affect our business, cash flows, financial condition and results of operations.

The recent order of the Supreme Court of India in 2021 directing the undergrounding of existing overhead transmission lines in certain environmentally protected areas might adversely impact our business and operation.

A writ petition was filed in 2019 before the Supreme Court of India seeking the conservation of two critically endangered species of birds, the Great Indian Bustard and the Lesser Florican, majorly existing in the states of Rajasthan and Gujarat. The petitioner through an interim application sought directions to ensure predator proof fencing, barring installation of overhead powerlines, installation of solar infrastructure in priority and potential area as identified by the Wildlife Institute of India (“**WII**”) in the states of Rajasthan and Gujarat (“**Designated Area**”), and installation of bird diverters for certain powerlines (as listed in the application) for the conservation of these two species. The Supreme Court issued an interim order on April 19, 2021, which directed that all low voltage overhead powerlines in the Designated Area should be converted into underground powerlines. In relation to the conversion of the high voltage overhead powerlines in the Designated Area into underground powerlines, the Supreme Court specified a list of powerlines where the bird diverters shall be installed and a list of powerlines where an assessment shall be made by a committee with regard to the feasibility of their undergrounding (the “**SC Committee**”). Consequently, all existing overhead lines had to be undergrounded within a period of one year from date of order of April 19, 2021 unless found technically feasible by SC Committee and pending consideration, bird diverters must be installed as an immediate measure.

On April 22, 2022, the Supreme Court also directed the SC Committee to formulate standards of quality required for bird diverters in consultation with the CEA. Following this order, a technical expert committee (“**TEC**”) constituted by the MoP submitted a report to the MoP, recommending undergrounding of only low voltage transmission lines (33kV and below) and installation of bird diverters on high voltage transmission lines (66kV and above). These recommendations have not been placed before the Supreme Court for approval.

Separately, the CEA on February 1, 2023 issued Draft Central Electricity Authority (Construction of Electric Lines in Great Indian Bustard Area) Regulations, 2023 (“**Draft GIB Regulations**”). The Draft GIB Regulations classify low voltage transmission lines as 33kV or below (and therefore implies that lines of only 33 kV or below need to be compulsorily undergrounded). In addition, the Draft GIB Regulations provide that lines with higher voltage may be constructed with bird diverters. The Draft GIB Regulations are yet to be notified.

All new high voltage transmission lines (above 66 kV) are required to seek a specific exemption from undergrounding from the SC Committee if they pass through the “priority” or “potential” GIB areas. In cases where the power producers are required to bear the additional amount adding to the cost of production, the Supreme Court has noted that power producers would be open to regulate the manner in which the cost would be mitigated in accordance with contractual terms (for example, claims may be made under PPAs for change in law). On March 21, 2024, the Supreme Court modified its earlier order dated April 19, 2021, and restricted the injunction of undergrounding only to the “Priority Area” (subject to feasibility) and eased the restrictions in the “Potential Area.” The Supreme Court also appointed an expert committee to balance the conservation of the endangered species with renewable energy goals. The expert committee is expected to receive proposals of additional measures and submit its report to the Supreme Court by July 31, 2024.

The implications of the order and manner of its implementation are not fully clear yet. While at present none of our projects are located in the Designated Area, in the event the Designated Area is expanded in the future and we are unable to take relevant remedial measures or receive suitable compensation for costs associated with moving the transmission line underground, such costs will need to be borne by the relevant Co-Issuer. In addition, despite the Supreme Court’s order to protect these endangered species, there is a possibility that these species may continue to face danger of extinction on account of the transmission lines, which can attract certain negative attention, negatively affect biodiversity, and also cause harm to the reputation of power producers including us.

The ability to deliver electricity to our various counterparties requires the availability of and access to interconnection facilities and transmission systems.

Our ability to sell electricity is impacted by the availability of, and access to, the various transmission systems to deliver power to its contractual delivery point and the arrangements and facilities for interconnecting our generation projects to the transmission systems which are owned and operated by third parties or state electricity boards. Under our PPAs and the electricity grid codes in India, if the state transmission or distribution utilities determines that our project endangers personal safety or the integrity of the grid system or electrical service where real time visibility of electricity is not provided to load despatch centers, our project may be disconnected from the grid system (without compensation in the case of an emergency) partly or fully from time to time. While we own the entirety of our evacuation infrastructure in our projects, we have also entered into arrangements with third parties to share this infrastructure in few of our projects and may be exposed to associated risks.

The absence of availability and access to as well as the operational failure of existing interconnection facilities or transmission facilities may have a material adverse effect on our ability to deliver electricity to our various counterparties or the requirement of counterparties to accept and pay for energy delivery, which could materially and adversely affect our assets, liabilities, business, financial condition, results of operations and cash flow.

We do not own all the land on which we operate and we may be forced to remove our equipment at the end of the lease.

Some of the land area we utilize or intend to utilize for our projects is leased. The conditions under lease agreements in respect of our projects typically include restrictions on leasehold interest or rights to use the land, continual operating requirements, and other obligations which include obtaining requisite approvals, payment of necessary statutory charges and giving preference to local workers for construction and maintenance. We are also exposed to the risk that these leases will not be extended or will be terminated by the relevant lessors if any conditions under lease agreements are not complied with. Some

of our projects are located, or will be located, on revenue land that is owned by the state governments or on land acquired or to be acquired from private parties. The timeline for transfer of title in the land is dependent on the type of land on which the power projects are, or will be, located, and the policies of the relevant state government in which such land is located. In the case of land acquired from private parties, which is agricultural land, the transfer of such land from agriculturalists to non-agriculturalists such as our company and the use of such land for non-agricultural purposes may require an order from the relevant state land or revenue authority allowing such transfer or use. For revenue land, we obtain a lease from the relevant government authority. In certain cases, the land leased for the development of renewable energy projects is obtained on a sub-lease from the relevant state governments, which in turn has leased such land from private parties. Such land may be subject to disputes on account of right of way, encroachment and other related issues.

There is no assurance that the outstanding approvals would be received in time, or that lease or sub-lease deeds including renewal of such deeds would be executed in a timely manner, such that the operation of the projects will continue unaffected. In the event that the relevant state authorities do not wish to renew the lease or sub-lease agreements, we may be forced to remove our equipment at the end of the lease and we may not be able to find an alternative location in the short term or at all and our business, results of operations, cash flows and financial condition could be adversely affected.

We may be liable to pay a penalty if our forecasting of generation from wind and solar projects is incorrect.

Wind and solar projects in India are subjected to regulations that require us to forecast the generation, subject to certain conditions, in each 15-minute block. If the actual generation deviates from the forecast generation, then, subject to certain tolerance limits, penalty is payable for such deviation. Given the variable nature of wind speeds and solar radiation, accurate forecasts are not possible. Therefore, in the event our forecasting accuracy declines or the tolerance limits for deviation are tightened or the level of penalties are increased by the electricity regulators, our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected.

Further, these regulations on forecasting and deviation penalty are relatively new and utilities have been taking different interpretations of these regulations. For example, we have petitioned against the adverse interpretations and infirmities in the regulations regarding deviation settlement mechanism (DSM) of forecasting penalties in Maharashtra and Madhya Pradesh and the matters are currently being considered by the High Court of Bombay and the Honorable Appellate Tribunal of Electricity, respectively. MERC has in December 2020 suspended the operation of certain portions of these regulations objected to by us and certain other operators in the industry and is reviewing the same. If the distribution utilities take interpretations or regulatory commissions issue orders which result in higher than anticipated penalties, our results of operations, financial conditions, cashflows and operations may be materially and adversely affected.

Our assets and operations are subject to certain risks and hazards which may not be fully insured against, and we may become subject to higher insurance premiums or less favorable terms under its insurance policies.

Our main assets are wind turbine generators and solar farms. Operating and developing these assets involves risks and hazards that may adversely affect our operations, including equipment failures, natural disasters, environmental hazards and industrial accidents. These and other hazards can cause or result in significant personal injury or death, severe damage to and destruction of property, plant and equipment and suspension of operations. For example, due to a fatal explosion on January 9, 2015 near the Bothe wind turbines, our property was damaged, three lives were lost and operation had stopped for four months which resulted in loss of profits. Two of our employees were named in the first information report that was filed with the police and the investigating authorities have filed a charge sheet against these two employees, one of whom is no longer our employee. The Judicial Magistrate First Class had referred the matter to the Sessions Court where the accused employees had filed discharge applications. The matter is still pending

before the Sessions Court and the pleadings are yet to be completed. See “*Our Business — Governmental, Legal and Arbitration Proceedings*” for further details.

In April 2016, July 2019 and July 2020, one turbine each caught fire in our Ratlam (Inox turbine), Rajkot 1 (Vestas turbine) and Rajkot 1 (Vestas turbine) windfarms respectively wherein we suffered loss of property and suspension/derating of performance until the root cause of the fire was analyzed and asset restored to operations. While the respective OEMs replaced these turbines at their cost in each of these three cases, and the OEMs compensated us for a portion of our financial loss, we may or may not be able to recover the remaining losses from insurance.

We have made insurance claims for the damages caused to the property and loss of profits due to business interruptions following the incident near the Bothe project in 2015. The insurance company has disputed our claim of approximately INR 283 million for loss of profits due to business interruptions and the matter is at an evidence stage before the High Court of Bombay and there can be no assurance that we will be able to recover the claimed amount, or at all. We have not recognized any income or asset on this account in our financial statements.

Furthermore, transformer failure at our Rajkot site led to generation loss on account of lower machine availability in Q3 FY 2024, which was rectified subsequently by replacing it with a spare transformer. We have approached the insurance company regarding the failure of the transformer, however we may or may not be able to recover the remaining losses from insurance.

We may also face contractual or civil liabilities or fines in the ordinary course of business as a result of damages suffered by PPA counterparties or third parties, which may require us to make indemnification or other damage payments under contract or otherwise in accordance with applicable law, and our contracts may not have adequate limitations of liability for direct or indirect damage. We have insurance policies in place to cover certain risks associated with our business. While we believe that the insurance coverage is reasonable for our business operations and risk profile, any claims made under such insurance policies might not be successful or compensate us fully against all risks and losses that may arise, and the scope of our insurance coverage itself might not be adequate to cover incurred losses.

In addition, these insurance policies are subject to annual review by insurers, and they might not be renewed on similar or otherwise acceptable terms or at all. We might not be able to maintain adequate insurance at rates we consider reasonable. If we were to incur a serious uninsured loss or a loss that significantly exceeded the limits of these insurance policies, the resulting costs could have a material adverse effect on our business, prospects, cash flows, financial condition and results of operations.

One of our Parent’s indirect shareholders is named in a 2G spectrum case and as a result we face certain risks under the shareholders agreement between our Parent and CEIL.

The shareholder of Starlight Pacific Ventures Pte. Ltd., an indirect shareholder of our Parent, was named as a defendant in the matter related to irregularities in the matter of the terms of unified service license and of allotment of 2G spectrum to private sector telecom companies by the GoI in 2008 (“**2G Spectrum case**”). See “*Principal Shareholders*”. While he was acquitted in 2017 by a special trial court set up for the purpose, the GoI has filed an appeal with higher court in 2018. The said appeal is yet to be heard and no leave for appeal has been granted to date. While no proceedings are currently outstanding against the aforementioned shareholder in relation to the 2G Spectrum case, there can be no assurance that similar or other proceedings may not arise or restart in the future.

Under the terms of the existing shareholders agreement between our Parent and CEIL, our Parent may be required to transfer the shares of one of our Parent’s indirect shareholders to another party acceptable to CEIL, if an adverse judgment or order is passed against such shareholder by Indian courts in relation to the 2G spectrum case in India. If the shareholder’s shares are not transferred within three months of such adverse order, CEIL may acquire the shares of the said shareholder. Failure to complete these steps would result in an event of default under the existing shareholders agreement, which could result in CEIL

terminating the agreement. While CEPL, CEIL and our Parent intend to enter into an agreed form of amended and restated shareholders' agreement upon completion of the transactions as set forth under the SPSA, CEPL, CEIL and our Parent are currently bound by the existing shareholders agreement as of the date of this Offering Memorandum, and there can be no assurance that there will be no similar obligations in the amended and restated shareholders' agreement in the event of an adverse judgment or order that is passed against the Parent's indirect shareholders or that the amended and restated shareholders' agreement will be entered into. See "*— Risks Relating to Our Business — The Parent's major shareholders may sell a substantial portion or all the shares they own in the Parent.*"

We face high competition from conventional and other clean energy producers.

Our primary competitors include domestic and foreign companies, many of which have substantially greater financial, marketing, personnel and other resources than we do and which may be in a position to acquire clean energy assets by paying a significant premium. A reduction in demand for energy from clean energy sources or our failure to identify and adapt to new technologies could have a material adverse effect on our business, cash flows, financial condition and results of operations. Furthermore, technological progress in conventional forms of electricity generation or the discovery of large new deposits of conventional fuels could reduce the cost of electricity generated from those sources or make them more environmentally friendly, and as a consequence reduce the demand for electricity from clean energy sources or render our projects uncompetitive.

In the case of our open access projects in Periyapatti and Rajkot, we compete on price and terms, with other conventional and clean energy producers, in selling electricity and negotiating PPAs with C&I customers. Once these PPAs expire or are terminated, we may face competition against conventional and clean energy generators in negotiating new PPAs with our current or new customers. We may also compete on price if we sell electricity into power markets at wholesale market prices. We may also compete with other conventional energy and clean energy generators, when we bid on, negotiate or renegotiate a long-term PPA, which could have an adverse effect on our business prospects, cash flows, financial condition and results of operation.

Failure to maintain at least 26% of the voting equity of the customers in our co-located wind and solar/WSH projects selling power to the customers under captive/group captive norms as per the Electricity Rules, 2005, could lead to imposition of cross subsidy surcharge and additional surcharge on our customers.

In our co-located wind and solar project in Periyapatti selling power to the customers under captive/group captive norms as per the Electricity Rules, 2005, we are required to maintain at least 26% of the voting equity (pro-rata to the capacity being sold under the group captive arrangement) to be owned by the customers. Under the Electricity Act, 2003 and the rules and policies made thereunder, electricity can be supplied to a group of consumers in a "group captive structure" without levy of cross subsidy surcharge and additional surcharge. In order to take advantage of the structure, a group captive project must have the following characteristics:

- At least 26% of the voting equity of the project company (pro-rata to the generating capacity sold under group captive mechanism) must be owned by consumers of electricity; and
- At least 51% of net electricity generation must be consumed by such consumers in a financial year.

Consumption of energy from group captive projects (provided that the above two criteria are met) in any financial year exempts such consumers from levy of cross subsidy surcharge and additional surcharge. Failure to comply with the conditions will lead to the imposition of cross subsidy surcharge and additional surcharge on our C&I customers and this may lead to disputes or obligations on us to bear some or all of such costs.

Supply and demand in the energy market in India, including the conventional energy market, is volatile and such volatility could have an adverse impact on electricity prices and have a material adverse effect on our business, financial condition, results of operations and cash flow.

Growth of electricity demand in India is greatly influenced by macroeconomic conditions, by absolute and relative energy prices, and by developments in energy conservation and demand-side management.

Correspondingly, from a supply perspective, there are uncertainties associated with the timing of decommissioning of older thermal power projects in part driven by environmental regulations and with the scale, pace and structure of replacement capacity, again reflecting a complex interaction of economic and political pressures and environmental preferences. The decommissioning of such power projects will cause a reduction in power supply. This volatility and uncertainty in the energy market in India, including the conventional energy market, could have a material adverse effect on our business, financial condition, results of operations and cash flow.

We have in the past entered into a number of related party transactions and may continue to enter into related party transactions in the future, and there can be no assurance that we could not have achieved more favorable terms if such transactions had not been entered into with related parties.

We have entered into related party transactions with Continuum Green Energy (India) Private Limited (“CGE IPL”), the holding company of the Co-Issuers and a wholly-owned subsidiary of our Parent, and their terms, may not be as favorable to us, as applicable, if they had been negotiated with unaffiliated third parties. While we believe that all such transactions have been conducted on an arm’s length basis, we might have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into additional related party transactions in the ordinary course of our business. Such transactions to be entered in the future, individually or in the aggregate, could have a material adverse effect on our business prospects, cash flows, financial condition and results of operations. See “*Certain Relationships and Related Party Transactions*” for further details.

Current or future litigation or administrative proceedings could have a material adverse effect on our business, cash flows, financial condition and results of operations.

We have been and continue to be involved in legal proceedings, administrative proceedings, claims and other litigation that arise in the ordinary course of business. Individuals and interest groups may sue to challenge the issuance of a permit for our clean energy project or seek to enjoin construction of our clean energy project. In addition, we may be subject to legal proceedings or claims contesting operation of our clean energy projects. In addition, from time to time, we may be involved in disagreements or disputes with our counter-parties in relation to the terms of our performance under our existing and potential PPAs. Unfavorable outcomes or developments relating to these proceedings, such as judgments for monetary damages, injunctions or denial or revocation of permits, could have a material adverse effect on our business, cash flows, financial condition and results of operations and the Co-Issuers’ ability to pay the principal of and interest on the Notes. We may also be impleaded as parties in matters where we are not the intended respondents. In addition, settlement of claims could adversely affect our business prospects, cash flows, financial condition and results of operations.

For example, some companies are parties to litigations with respect to certain parcels of land, which are still pending consideration by courts in India. Additionally, a charge sheet has been filed against two employees of Bothe Windfarm Development Private Limited (one of whom has since resigned) in relation to an ongoing police investigation with respect to a fatal accident that occurred near our Bothe project in January 2015. The matter is still pending before the Sessions Court and the pleadings are yet to be completed. For details of material legal proceedings that we are involved in, see “*Our Business — Governmental, Legal and Arbitration Proceedings.*”

Natural and catastrophic events may reduce energy production below our expectations.

A natural disaster, severe weather conditions or an accident that damages or otherwise adversely affects any of our operations could have a material adverse effect on our business, financial condition and results of operations.

Severe flooding, lightning strikes, earthquakes, extreme wind conditions, severe storms, wildfires, and other unfavorable weather conditions (including those from climate change) or natural disasters may damage our property and assets or require us to shut down our projects or related equipment and facilities, impeding our ability to maintain and operate our projects and decreasing electricity production levels and revenues. Any of these events, to the extent not fully covered by insurance, could have a material adverse effect on our business, cash flows, financial condition and results of operations.

In addition, catastrophic events such as explosions, terrorist acts or other similar occurrences could result in similar consequences or in personal injury, loss of life, environmental danger or severe damage to or destruction of the projects or suspension of operations, in each case, adversely affecting our ability to maintain and operate the projects and decreasing electricity production levels and revenues. If any of the foregoing events occur, to the extent not fully covered by insurance (and not all such risks are insurable), it could materially adversely affect our ability to make payments on the Notes.

The Co-Issuers are not listed companies and therefore are not subject to the disclosure and corporate governance requirements that are applicable to a listed company.

None of the Co-Issuers is a listed company and their shares are not traded on any stock exchange. Other than the reporting obligations that we are required to comply with under the Indenture and the reporting obligation as per the regulation of India INX, we do not have to comply with any additional reporting obligations imposed by any stock exchange. As such, Noteholders will not have the benefit of the disclosure and corporate governance requirements that are imposed on companies that are publicly listed in India or Singapore or elsewhere and access to information regarding the Co-Issuers may be limited.

We will follow the applicable corporate disclosure standards for debt securities listed on the India INX, which standards may be different from those applicable to companies in certain other countries.

We will be subject to reporting obligations in respect of the Notes to be listed on the India INX. The disclosure and corporate governance standards imposed by the India INX may be different from those imposed by securities exchanges in other countries or regions such as the United States. As a result, the level of information that is available may not correspond to the level to which investors in the Notes are accustomed.

The Special Purpose Combined Financial Statements may not accurately reflect the results of any legal group.

We have not formed a separate legal group comprising of Restricted Group 2 entities nor are there any plans to form such a legal group in the near future. The Restricted Group 2 entities do not constitute a separate legal group of entities for the fiscal years ended March 31, 2021, 2022 and 2023 and the nine months ended December 31, 2023, which are the financial periods covered by the Restricted Group 2's Special Purpose Combined Financial Statements included in this Offering Memorandum. The Special Purpose Combined Financial Statements have been prepared in accordance with the recognition, measurement and disclosure principles of Indian GAAP, except for disclosure requirement of AS-20 Earnings Per Share and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India; however, as Indian GAAP does not provide specific guidance for the preparation of combined financial statements and, accordingly, in preparing The Special Purpose Combined Financial Statements, accounting conventions commonly used for the preparation of consolidated financial statements in accordance with AS 21 Consolidated Financial Statements have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same, the Special

Purpose Combined Financial Statements are prepared on a basis that combines the results and assets and liabilities of each entity of the Restricted Group 2 and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business. The Special Purpose Combined Financial Statements are, therefore, not necessarily indicative of our financial performance, financial position and cash flows that would have occurred if it had operated as a separate standalone group of entities during the years or interim periods presented, nor are they indicative of the Co-Issuers' future performance on a separate basis, or of the Restricted Group 2 on a combined basis. As a result, it may not be a suitable benchmark to make an investment decision based on the future performance of these entities as a legal group.

Significant differences exist between Indian GAAP, IND AS and other accounting principles, such as IFRS, SFRS and US GAAP, which may be material to the financial statements of the Restricted Group 2 once such financial statements are prepared in accordance with IND AS in the future.

The Special Purpose Combined Financial Statements included in this Offering Memorandum have been prepared in accordance with Indian GAAP and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India; however, as Indian GAAP does not provide specific guidance for the preparation of combined financial statements and, accordingly, in preparing these Special Purpose Combined Financial Statements, accounting conventions commonly used for the preparation of consolidated financial statements in accordance with AS 21 Consolidated Financial Statements have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same special purpose combined financial statements are prepared on a basis that combines the results and assets and liabilities of each entity of the Restricted Group 2 and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business.

For the period commencing from the fiscal year ended March 31, 2024, the Restricted Group 2 will prepare its special purpose combined financial statement in accordance with IND AS. Accordingly, there could be significant differences between the financial statements prepared in accordance with IND AS compared to the financial statements prepared in accordance with Indian GAAP included in this Offering Memorandum.

Indian GAAP and IND AS both differ in certain respects from US GAAP, IFRS and SFRS, with which prospective investors may be familiar in other countries and reconciliation of the financial information to other accounting principles has not been provided. The degree to which the financial information included in this Offering Memorandum will provide meaningful information is dependent on the reader's level of familiarity with Indian accounting policies and practices, and investors should consult their own advisors regarding such differences and their impact on the financial data of the Restricted Group 2. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Offering Memorandum should accordingly be limited.

Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

Although we attempt to maintain the latest international technology standards, the technology requirements for businesses in the wind sectors are subject to continuing change and development. Some of our existing technologies and processes in the wind and solar business may become obsolete, performing less efficiently compared to newer and better technologies and processes in the future. The cost of upgrading or implementing new technologies, upgrading our existing equipment or expanding capacity could be significant and could adversely affect our results of operations. Failure to respond to current and future technological changes in the wind farm industry in an effective and timely manner may have a material adverse effect on our business, cash flows, financial condition or results of operations. For example, the new evolving grid requirements specify certain technological advancements, which may require us to make substantial investments.

Negative public or community response to clean energy projects in general or to our projects specifically can adversely affect our ability to operate our projects.

Negative public or community response to clean energy projects in general or our projects specifically can lead to legal, public relations and other challenges that impede our ability to maintain operational efficiency and generate revenues. An increase in opposition to our requests for permits or successful challenges or appeals to permits issued to us could materially adversely affect our development plans and operations.

If we are unable to maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

While we manage regulatory compliance by monitoring and evaluating our internal controls to ensure that we are in compliance with all relevant statutory and regulatory requirements, there can be no assurance that deficiencies in our internal controls and compliances will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no other instances of non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

We are exposed to operational risks arising from inadequacy or failure of internal processes or systems. In addition, we are exposed from risk associated with fraud or misconduct of our employees. In the past, we have not experienced any fraud or misconduct by employees which has materially affected our business, results of operations or financial condition. However, we may not be safeguarded against all fraud or misconduct by employees or outsiders, unauthorized transactions by employees and operational errors. Employee or executive misconduct could also involve the improper use or disclosure of confidential information or data breach or other illegal acts, which could result in regulatory sanctions and reputational or financial harm, including harm to our brand. Our management information systems and internal control procedures are designed to monitor our operations and overall compliance. However, they may not be able to identify non-compliance and/or suspicious transactions in a timely manner or at all. In addition, certain internal control processes are carried out manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may suffer monetary losses, including contractual liabilities and penalties, which may not be covered by our insurance and may thereby adversely affect our business, results of operations and financial condition. Such a result may also adversely affect our reputation, business, results of operations and financial condition.

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

As of December 31, 2023, the Continuum Group had approximately over 240 full-time employees. While we had not had any instances of strikes or lock-outs since we commenced operations, we may experience disruptions in our operations due to disputes or other problems with our workforce, and efforts by our employees to modify compensation and other terms of employment may divert management's attention and increase operating expenses. From time to time, we also enter into contracts with independent contractors to complete specific assignments and these contractors are required to provide the labor necessary to complete such assignments. Although we do not engage these laborers directly, we may be held responsible for wage payments to laborers engaged by contractors should the contractors default on wage payments. The occurrence of such events could materially adversely affect our business, prospects, financial condition, results of operations and cash flows.

Lack of transparency, threat of fraud, public sector corruption and other forms of criminal activity involving government officials may increase our risk for potential liability under anti-corruption legislation, including the U.S. Foreign Corrupt Practices Act and other international anti-bribery laws.

We are subject to international anti-bribery laws, including the U.S. Foreign Corrupt Practices Act that prohibit improper payments or offers of improper payments to foreign governments and their officials and political parties for the purpose of obtaining or retaining business or securing an improper advantage, and require the maintenance of internal controls to prevent such payments. Although we maintain an anti-bribery compliance program and train our employees in respect of such matters, there can be no assurance that our employees will not take actions that could expose us to potential liability under the FCPA or other applicable anti-bribery laws. In particular, in certain circumstances, we may be held liable for actions taken by our local partners and agents, even though such parties are not always subject to our control. Any determination that we have violated international anti-corruption laws (whether directly or through acts of others, intentionally or through inadvertence) could result in penalties, both financial and non-financial, that could have a material adverse effect on our business.

Fluctuations in foreign currency exchange rates may result in exchange losses.

Our functional currency is the Indian rupee and our revenue and operating expenses are denominated primarily in Indian rupees. However, some of our other obligations, including our external commercial borrowings, are denominated in U.S. dollars. To the extent that we are unable to match revenue received in our functional currency with costs paid in foreign currencies, exchange rate fluctuations could adversely affect our profitability. Substantially all of our cash flows are generated in Indian rupees and, therefore, significant changes in the value of the Indian rupee relative to foreign currencies could adversely affect our financial condition.

Changes in exchange rates may adversely affect our results of operations and financial condition, despite our hedging arrangements against foreign currency fluctuations. Any amounts we spend in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. We cannot assure you that we will be able to reduce our foreign currency risk exposure, through the hedging transactions we have already entered into or will enter into, in an effective manner, at reasonable costs, or at all. In addition, we may incur additional costs when rolling over hedges after the expiry of our hedging contracts due to illiquidity for long tenor hedges in U.S. dollars against Indian rupees, which could significantly affect our business, prospects, financial condition, results of operations and cash flows.

We may not be able to adequately protect our intellectual property rights which could harm our competitiveness.

We believe that the use of our name and logo is vital to our competitiveness and success and for us to attract and retain our clients and business partners. Any improper use or infringement by any party could adversely affect our business, cash flows, financial condition and results of operations. We cannot assure you that the measures we have taken will be sufficient to prevent any misappropriation of our intellectual property.

Enforcement of any intellectual property rights could be time consuming and costly. We may not be able to establish our rights to such intellectual property in the absence of relevant registrations and accordingly may not be able to take appropriate action or prevent the use of such name or logo by third parties. If the measures we take do not adequately safeguard our intellectual property rights, we could suffer losses due to competing offerings of services that exploit our name and logo. We may also be subject to claims for breach of intellectual property by third parties if we are unable to secure adequate protection in relation to our name and logo.

Risks Relating to India

Changing laws, rules and regulations and legal uncertainties in India may adversely affect our business and operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may materially and adversely affect our business, prospects, financial condition, results of operations and cash flows, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. We have not determined the impact of these recent and proposed changes on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedents, may be time consuming as well as costly for us to resolve and may impact the viability of our business currently or in the future.

Our business and operations are governed by various laws and regulations such as the Electricity Act, 2003, National Electricity Policy, 2005, National Tariff Policy, 2016, the various national and state-level policies, regulations and rules issued thereunder, together with environmental and labor laws and other legislations enacted by the GoI and the relevant state governments in India.

The business, cash flows and financial performance of our Indian subsidiaries could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to the Restricted Group 2. There can be no assurance that the GoI or any state government in India will not implement new regulations and policies which will require our Indian subsidiaries to obtain additional approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on their operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on the business, cash flows, financial condition and results of operations.

The Electricity Act, 2003 has resulted in substantial changes within the power sector in India, including delicensing of generation, competition in supply, open access to distribution and transmission systems and the reorganization and privatization of certain of the state electricity boards (“SEBs”). Furthermore, the MoP has also proposed a draft Electricity (Amendment) Bill, 2022. The major amendments proposed to the Electricity Act, 2003 include, among other things, (i) introducing a framework which would allow more than one distribution company to supply power in a given area; (ii) requiring CERC and SERCs to include at least one member with experience and qualifications in law and also increasing the number of members of the APTEL; (iii) empowering the National Load Despatch Centers to oversee the national grid; (iv) requiring any contract for scheduling or despatch of power to provide for an adequate payment security mechanism, as may be prescribed by the GoI; (v) introduction of penalties for failure to meet renewable purchase obligations; (vi) removing requirement of more than one distribution licensee (discom) to operate in the same area and supply electricity through their own network; (vii) requiring the network-owning discoms to provide open and non-discriminatory access to its network to other discoms having license within the same area of supply, subject to payment of certain charges and regulations specified by the relevant commission; (viii) sharing of the power and associated costs from existing power purchase agreements (PPAs) among all discoms in an area; (ix) determination of the floor and ceiling tariffs for retail supply by the State Commission, if there is more than one discom in an area; (x) setting up a cross-subsidy balancing fund by the state government to deposit surplus of cross-subsidy with one discom, and to provide for any deficit with another discom in the same or any other area; (xi) providing for a payment security mechanism to ensure timely payment to generation companies; and (xii) amending the qualification for chairpersons and other members of the Central and State Commissions. The Electricity (Amendment) Bill, 2022 was introduced in Lok Sabha in August 2022. It has been referred to the Standing Committee on Energy for detailed examination.

Additionally, the MoP notified the Electricity (Amendment) Rules, 2023 on June 30, 2023, Electricity (Second Amendment) Rules, 2023 on July 26, 2023, Electricity (Third) Amendment Rules, 2023 on September 1, 2023 and Electricity (Amendment) Rules, 2024 on January 10, 2024. These rules may have implications for captive power projects and the C&I business in India, including the business of the requester. Any negative interpretation by regulatory authorities could adversely affect the C&I business's financial performance. Existing captive generation projects are required to comply with the Amendment Rules read with the Third Amendment Rules at the end of each financial year. See "*Regulation*" for further details. We have not determined the impact on our business of these recent and proposed changes to Indian law. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our business currently or in the future.

Additionally, the GoI has introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 (collectively, the "**Labor Codes**") which consolidate, subsume and replace numerous existing central labor legislations. The GoI has deferred the effective date of implementation of the respective Labor Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labor Codes. While the rules for implementation under these codes have not been notified in their entirety, as an immediate consequence, the coming into force of these codes could increase the financial burden on the Co-Issuers, which may adversely impact our profitability. We are yet to determine the impact of such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. Furthermore, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our employee and labor costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

In addition, there are certain recent legislations pertaining to the land pursuant to which we may be required to acquire land for our operations, which may have an impact on our business and results of operations. For instance, the Land Acquisition Act, 2013 came into force with effect from January 1, 2014. The provisions of the Land Acquisition Act, 2013 cover various aspects related to the acquisition of land which may affect our Indian subsidiaries, including provisions stipulating: (i) restrictions on acquisition of certain types of agricultural land; and (ii) compensation, rehabilitation and resettlement of affected people residing on such acquired land.

Further, the solar sector enjoys benefits in the form of concession or exemption of indirect taxes. Under the present norms, goods and service tax is exempted for solar projects and there is concession in the rate of custom duty for the materials imported for solar project. Any adverse changes in the present norms or promulgation of new regulations may have a material adverse effect on the exemptions available to us and our business, prospects, financial condition and results of operations and cash flows.

In addition, the GoI and different states have enacted regulations for forecasting and scheduling of all forms of renewable energy. Such regulations apply to all renewable projects commissioned and connected to the grid. The regulations require us to submit a schedule of electricity generation. If we fail to adhere to these regulations, we may be exposed to penalties, which could have a material adverse effect on our profitability.

Further, GoI may change their fiscal policy which may have any adverse change in our project. For example, pursuant to the decisions taken at the 45th GST Council Meeting in September 2021, the renewable energy devices and parts for their manufacture, and particularly Windmills, Wind Operated Electricity Generator ("**WOEG**") shall now be subject to a higher GST rate effective from October 1, 2021

(i.e., 5% GST rate changed to 12% GST). This has resulted in increase in project cost. Although, the change in GST will be considered as ‘Change in Law’ under the PPA and shall be completely pass through under the PPA by way of increase in tariff. We have also filed petition with CERC on April 1, 2023 for increase in tariff, the final approval may be delayed from the time we are expecting and the actual tariff increase can be different from what we are estimating.

Further, RBI has released draft regulations titled ‘Reserve Bank of India — Prudential Framework for Income Recognition, Asset Classification and Provisioning pertaining to Advances — Projects Under Implementation, Directions, 2024’ (“**Draft RBI Guidelines**”). The Draft RBI Guidelines pertain to prudential framework for financing projects in infrastructure, non-infrastructure, and commercial real estate sectors by regulated entities such as scheduled commercial banks, non-banking financial companies, primary (urban) cooperative banks and all India financial institutions. The Draft RBI Guidelines amongst other conditions contemplate provisioning of funds as a percentage of loan and proposes that a bank must set aside a general provision of five percent of the funded outstanding, on all existing as well as fresh exposures on a portfolio basis, during the constructions phase which would marginally reduce on the project attaining the operational phase. Further, all mandatory pre-requisites relating to the project such as the availability of land and/or right of way, environmental and other regulatory clearances are required to be procured before attaining the financial closure and the date of commencement of commercial operations should be clearly spelt out prior to the disbursement of funds. The Draft RBI Guidelines also provide that the banks will have to classify a loan as non-performing if the resolution plan involving a change in the stipulated date of commencement of commercial operations is not successfully implemented within 180 days from the end of review period. While the new norms are being proposed to mitigate risk in project financing, they could potentially have detrimental effects leading to a rise in interest rates and deterring lenders to take up exposure in infrastructure, non-infrastructure, and commercial real estate sector projects.

Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own, lease or may from time to time acquire in connection with our current or future operations. Additionally, certain land may be subject to onerous conditions which may delay the lease/transfer of the land to us, or adversely affect its use or creation of security over the said land.

Land title in India can be uncertain and we may not be able to identify or correct defects or irregularities in title to the land which we own, lease or may from time to time acquire in connection with our current or future operations. Additionally, title to certain land may be subject to onerous conditions which may delay the lease/transfer of the land to us, or adversely affect its use or creation of security over the said land.

There is no central title registry for real property in India and the method of documentation of land records in India has not been fully computerized. Property records in India are generally maintained at the state and district level in local languages and are updated manually through physical records. Therefore, property records may not be available online for inspection or updated in a timely manner, may be illegible, untraceable, incomplete or inaccurate in certain respects, or may have been kept in poor condition, which may impede title investigations or our ability to rely on such property records. In certain instances, there may be a discrepancy between the extent of the areas stated in the revenue records and the areas stated in the title deeds, and the actual physical area of some of the land on which our wind projects are constructed. Furthermore, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property’s chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners, or other defects that a purchaser may not be aware of can affect the title to a property. As a result, potential disputes or claims over title to the land that we own or the land on which our wind projects are or will be constructed may arise. There can also be no assurance that there will be no legal defects and irregularities in title to any land (including irregularities on account of delay in mutation of land) which we have acquired or may acquire in the future in connection with the acquisition or development of wind projects or otherwise, or that we will be able to identify or correct any such defects or irregularities in title on time, if at all.

Further, pursuant to the Prohibition of Benami Property Transactions Act, 1988, as amended (the “**BPT Act**”), any land, the title of which is registered in the name of a third party who is not the actual owner of the property, is liable to confiscation by the GoI without payment of any compensation. Further, transfers from any such third party to the actual owner are now prohibited, and any such transfer may be declared null and void. In addition, the GoI also has a right of compulsory acquisition under the Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the “**Land Acquisition Act, 2013**”). Under the Land Acquisition Act, 2013, we would be compensated for any land compulsorily acquired, however, the compensation may not necessarily reflect the market value of such land which may have an impact on our business, cash flows, financial condition and operations.

Further, some portions of our projects are also located on revenue land which is owned by the government and leased to us. Non-compliance with the relevant applicable laws and regulations could result in significant remedial costs and penalties and have a material adverse effect on our business, cash flows, financial condition and results of operations, as such defects or irregularities may result in loss of development rights over land, which could prejudice the success of our wind farm and may require us to write off substantial expenditures in respect of such wind farms.

In addition, in respect of certain portions of our Rajkot 1, 2A & 2B and Ratlam projects, we only have the right to use the land, and in respect of certain portions of our project, we have easement and do not have ownership or leasehold rights in respect of such portions. Their interest in such land being limited to a right to use is subordinate to the interest of the holder(s) of such ownership rights or leasehold rights and is therefore neither a transferable interest nor an interest which is chargeable as security. While we carried out due diligence before acquiring land in undertaking any project, all risks, onerous obligations and liabilities associated with the land for each project may not be fully assessed or identified, which could include, inter alia, the nature of faulty or disputed title, unregistered encumbrances, adverse possession rights or potential expropriation by the GoI pursuant to applicable law. It may also impede the transfer of title and expose us to legal disputes and/or financial liabilities and affect our business and operations. Presently, certain legal disputes, pertaining to some of our land, are pending which may affect our title on such land. For details, see “*Our Business — Governmental, Legal and Arbitration Proceedings*”.

In addition, there is also a possibility that, in the future, GoI may also exercise its right of compulsory acquisition under the Land Acquisition Act, 2013. Though under the Land Acquisition Act, 2013, we shall be compensated for the land which shall be compulsorily acquired, however, the compensation may not reflect the market values and which may impact our business, cash flows, financial condition and operations.

Any defects or irregularities of title may result in loss of development rights over land, which may prejudice our success and may require us to write off substantial expenditures in respect of a wind and solar power project. Any inability to identify defects or irregularities of title, and any inability to correct any such defects or irregularities of title may have an adverse effect on our business, cash flows, financial condition and results of operations.

Further, our operations required certain land related approvals for construction and also require labor related approvals which require renewal from time to time. There can be no assurance that such approvals will be renewed by us in the future which might impede our ability to carry out our operations in the event of non-renewal of such approvals.

Our ability to raise foreign capital may be constrained by Indian law and the Notes are subject to offering and selling restrictions pursuant to ECB Regulations, which may adversely affect their liquidity and the price at which they may be sold.

The Co-Issuers are subject to exchange controls that regulate borrowing in foreign currencies. The issuance of the Notes is subject to compliance with the ECB Regulations which impose certain restrictions. For example, the Notes cannot be offered or sold, including by way of security, to any person from a Restricted Jurisdiction (as defined below), or who is a Restricted Overseas Person (as defined below) which may adversely affect the liquidity of the Notes and the price at which they may be sold. Further,

if an investor is from a Restricted Jurisdiction or is a Restricted Overseas Person, the Co-Issuers will not be obliged to make payments due under the Notes to such investors, and claims by such investors against the Co-Issuers may not be successful. For details, see “*Indian Government Filings and Approvals.*”

Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance of existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse impact on our business growth, financial condition, results of operations and cash flows.

Similarly, the Group’s ability to raise foreign capital may also be constrained by Indian law. The Group is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Group’s financing sources and hence could constrain the Group’s ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, the Group cannot assure you that the required approvals will be granted to the Group without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse impact on the Group’s business growth, financial condition, results of operations and cash flows.

A significant change in the GoI’s economic liberalization and deregulation policies could impact economic conditions in India generally and our business and financial results and prospects in particular.

Since 1991, successive GoI have pursued policies of economic liberalization and financial sector reforms, including significant relaxations of restrictions on the private sector. Nevertheless, the GoI continues to exercise a dominant influence over many aspects of the economy, and its economic policies have had and continue to have a significant effect on private-sector entities, including us.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the GoI and the state governments in the Indian economy and the effect on producers, consumers, service providers and regulators have remained significant over the years. The GoI has in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees, determined the allocation to businesses of raw materials and foreign exchange and reversed their policies of economic liberalization. We may not be able to react to such changes promptly or in a cost-effective manner. Increased regulation or changes in existing regulations may require us to change our business policies and practices and may increase the cost of providing services to our customers which would have an adverse effect on our operations and our cash flows, financial condition and results of operations.

Although the current GoI has continued India’s economic liberalization and deregulation programs, there can be no assurances that these liberalization policies will continue in the future. Significant changes in India’s economic liberalization and deregulation policies could adversely affect business and economic conditions in India in general as well as our business and our future financial performance.

A prolonged slowdown in economic growth in India or financial instability in other countries could cause our business to suffer.

Slowdown in the growth of the Indian economy could adversely affect our business and our lenders and contractual counterparties, especially if such a slowdown were to be prolonged. The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be adversely affected by such economic slowdown. Notwithstanding the RBI’s policy initiatives, the course of market interest rates continues to be uncertain due to the high inflation, the increase in the fiscal deficit and the GoI’s borrowing program. Any continued or future inflation because of increases in prices of commodities such as crude oil or otherwise, may result in a tightening of monetary policy and could have a material adverse effect on our business, cash flows, financial condition and results of operations,

thereby affecting our ability to service the Notes. The uncertainty regarding liquidity and interest rates, and any increase in interest rates or reduction in liquidity could adversely impact our business.

In addition, the Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly those of emerging market countries in Asia. Investors' reactions to developments in one country may have adverse effects on the economies of other countries, including the Indian economy. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could influence the Indian economy and could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Recent global economic conditions have been challenging and continue to affect the Indian securities market, which may adversely affect our business, financial condition, results of operations, cashflows and prospects.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may adversely affect the market price of securities of companies located in other countries, including India.

For instance, the COVID-19 pandemic adversely affected market prices in the global securities markets, including India. Several countries' governments and numerous companies imposed increasingly stringent restrictions to help avoid, or slow down, the spread of COVID-19, including restrictions on international and local travel, public gatherings, physical participation in meetings, as well as closure of universities, schools, stores and restaurants.

In February 2022, a military conflict erupted between Ukraine and Russia, involving a military incursion by Russia into Ukraine. As a result, the United States, the European Union and other countries imposed wide ranging sanctions against Russia and certain Russian entities and individuals connected to the Russian government. Similarly, the conflict in the Middle East has also had an adverse effect on the global markets. The escalating conflicts have resulted in great uncertainty in the global markets, which could have an impact on the ability of companies to access capital in the global capital markets and result in liquidity constraints for companies. Any significant decrease in availability of funding through the international capital markets could have an adverse effect on us.

Further, negative economic developments, such as increasing food and commodity prices, globally exacerbating inflationary pressures, rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, cash flows and financial performance.

Any other global economic developments or the perception that any of them could occur may adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, cash flows, financial condition and results of operations.

Terrorist attacks, civil disturbances and regional conflicts in South Asia may have a material adverse effect on our business.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighboring countries. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business, cash flows and future financial performance. There can be no assurance that such situations will not recur or be more intense than in the past.

Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business, results of operations and financial condition. Such violence may have an adverse impact on the Indian and worldwide financial markets. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Notes.

Foreign investment laws in India include certain restrictions, which may affect our fundraising, future acquisitions and investments in India.

We are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse impact on our business, prospects, financial condition, results of operations and cash flows.

Further, India regulates ownership of Indian companies by non-residents, although some restrictions on foreign investment have been relaxed in recent years. For example, under its consolidated foreign direct investment policy, the GoI has set out additional requirements for foreign investments in India, including requirements with respect to downstream investments by Indian companies owned or controlled by non-resident entities, and the transfer of ownership or control from resident Indian persons or entities to non-residents, of Indian companies in sectors with limits on foreign investment. Under current Indian regulations, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the guidelines specified by the RBI in relation to pricing and valuation of such shares and certain reporting requirements for such transactions specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions specified by the RBI, the prior approval of the RBI will be required before any such transfer (including pursuant to enforcement of pledge over the shares of the Co-Issuers) may be consummated. We may not be able to obtain any required approval from the RBI or any other Indian regulatory authority on any particular terms or at all.

Natural calamities could have a negative impact on the Indian economy and adversely affect our business and project operations.

India has experienced natural calamities, such as earthquakes, tsunamis, floods and drought in the past few years. In December 2016, cyclonic storm resulted in heavy rains over the state of Tamil Nadu in southern India and adjoining areas, as a result of which, many parts of Tamil Nadu and Andhra Pradesh witnessed massive damage. In May 2018, high-velocity dust storms swept across the northern region in India resulting in destruction of infrastructure including electric poles and mass casualties. In June 2023, Biparjoy cyclone hit western region in India resulting in destruction of infrastructure. The extent and severity of these natural disasters determines their impact on the Indian economy. If natural disasters occur in areas where our projects and project teams are located, project development, connectivity to the power grid and the provision of O&M services may be adversely affected. In particular, materials may not be delivered as scheduled and labor may not be available. All of our operations and employees are located in India and there can be no assurance that we will not be adversely affected by natural disasters in the future.

Any downgrading of India's sovereign debt rating by an international rating agency could have a negative impact on our business and results of operations and the trading price of the Notes.

As of April 2024, India's credit rating by S&P is BBB- with stable outlook, Fitch is BBB- with stable outlook and Moodys' is Baa3 with stable outlook. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, terms on which we are able to finance future capital expenditure or refinance any existing indebtedness. This could

have an adverse effect on our capital expenditure plans, business, cash flow and financial performance, and the trading price of the Notes. See “— *Risks Relating to the Notes, the Guarantees and the Collateral* — *The rating of the Notes may be lowered or withdrawn depending on various factors, including the rating agency’s assessment of our financial strength and Indian sovereign risk*”.

Investors may not be able to enforce a judgment of a foreign court against the Indian subsidiaries, certain of our directors, or Continuum’s key management personnel, except by way of a suit in India on such judgment.

All Co-Issuers are incorporated under the laws of India. In addition, certain of our directors and substantially all of Continuum’s key management personnel reside in India, and all or a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India. In India, recognition and enforcement of foreign judgments are provided for under Section 13, Section 14 and Section 44A of the Code of Civil Procedure, 1908 (the “**Civil Code**”) on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim to litigate under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

Under Section 14 of the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record. However, such a presumption may be displaced by proving want of jurisdiction.

India is not a party or signatory to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the GoI has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards. Further, the execution of the foreign decree under Section 44A of the Civil Code is also subject to the exceptions under Section 13 of the Civil Code.

The United Kingdom, Singapore and Hong Kong (among others) have been declared by the GoI to be reciprocating territories for the purposes of Section 44A of the Civil Code. However, the United States has not been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Accordingly, a judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. A suit for enforcement of a foreign judgment is to be filed in India within three years from the date of the judgment in the same manner as any other suit filed in India to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court would, if an action were brought in India. Further, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with Indian public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such judgment and such amount may be subject to income tax in accordance with applicable laws. In addition, any judgment awarding damages in a foreign currency would be converted into Indian rupees on the date of the judgment and not

the date of payment. We cannot predict whether a suit brought instituted in an Indian court will be disposed of in a timely manner or be subject to considerable delay.

A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could have an adverse impact on us. A rapid decrease in reserves would create a settlement risk for Noteholders.

Since the economic crisis in 1991, pursuant to the policies of liberalization adopted by India, there has been a significant increase in India's foreign exchange reserves.

As of May 3, 2024, India's foreign exchange reserve stood at U.S.\$637.9 billion. However, a sharp decline in India's foreign exchange reserves could result in reduced liquidity and higher interest rates in the Indian economy. Reduced liquidity or an increase in interest rates in the economy following a decline in foreign exchange reserves could have a material adverse effect on our business, cash flows and financial performance and ability to obtain financing to fund our growth on favorable terms or at all. Further, in the event the foreign exchange reserves of India are significantly low, it could limit the ability of the Co-Issuers to obtain U.S. dollars to fund their obligations under the Notes.

The Insolvency and Bankruptcy Code in India may adversely affect the Co-Issuers' ability to pay back its creditors.

The Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**") provides for reorganization and insolvency resolution of corporate persons. The Bankruptcy Code offers a uniform, comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code created an institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, that facilitate a formal and time-bound insolvency resolution and liquidation process. The Bankruptcy Code enabled Creditors to file a corporate insolvency and resolution petition ("**CIRP**") against debtors, including on default in payment of debt by debtors. Further, in the event the CIRP is admitted by the National Company Law Tribunal against a debtor, the moratorium provisions under the Bankruptcy Code prohibit, among other things, the creation of encumbrance, disposing of assets of such debtor, any action enforcing the security interest of such debtor and the institution or continuation of legal proceedings against such debtor. In March 2020, the GoI increased the threshold for initiating corporate insolvency resolution processes from INR 100,000 to INR 10,000,000. If the Bankruptcy Code provisions are invoked against us, it may adversely affect our ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

The new tax reforms could adversely affect the Co-Issuers' business prospects, cash flows, financial condition and results of operations.

There are two major reforms in Indian tax laws, namely the introduction of Goods and Services Tax (the "**GST**") and provisions relating to General Anti-Avoidance Rules ("**GAAR**").

The government has implemented the GST regime in India with effect from July 1, 2017, unifying and replacing various indirect taxes applicable earlier. The GST will lead to minor increase in the cost of operations of the Co-Issuers since various services received by the Co-Issuers will now be taxed at the rate of 18% under GST as compared to the earlier service tax which was charged at the rate of 15%.

The provisions of GAAR came into effect on April 1, 2017. The GAAR provisions can be invoked once an arrangement is regarded as an "impermissible avoidance arrangements", which is any arrangement, or a part of it, the main purpose of which is to obtain a tax benefit and which satisfies at least one of the following tests:

- (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length price;

- (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961;
- (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or
- (iv) is entered into, or carried out, by means, or in a manner, which is not ordinarily employed for bona fide purposes.

The onus to prove that the transaction is not an “impermissible avoidance agreement” is on the assessee, i.e. where GAAR provisions are invoked, an arrangement shall be presumed to be an “impermissible avoidance agreement”, unless it is proved to the contrary by the assessee. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty the consequences and effects of which are not determinable at present. In the absence of any significant precedents on the subject, the application of these provisions is uncertain. Such effects could materially and adversely affect our Co-Issuers’ business, prospects, financial condition, results of operations and cash flows.

In addition, pursuant to the decisions taken at the 45th GST Council Meeting in September 2021, the renewable energy devices and parts for their manufacture, and particularly Windmills, Wind Operated Electricity Generator (“**WOEG**”) shall now be subject to a higher GST rate effective from October 1, 2021 (i.e., 5% GST rate changed to 12% GST). This has resulted in increase in project cost. Although, the change in GST will be considered as ‘Change in Law’ under the SECI PPA and shall be completely pass through under the SECI PPA by way of increase in tariff.

Moreover, certain changes in Indian tax laws or regulations or non-renewal of certain tax benefits past a sunset date could give the Issuer the right to redeem the Notes prior to their scheduled maturity. See “*Description of the Notes — Redemption for Taxation Reasons*” and “*— Risks Relating to the Notes, the Guarantees and the Collateral — The redemption of the Notes prior to maturity may adversely affect your return on the Notes.*”

We cannot predict whether any new tax laws or regulations, in India or any other jurisdictions (including pursuant to any implementation of global tax initiatives such as Organization of Economic Cooperation and Development and G20’s Inclusive Framework on Base Erosion or Profit Shifting) impacting the Co-Issuers’ services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on their financial statements.

Non-resident investors may be subject to taxation in India with respect to income from Notes.

The income from the Notes, in the form of interest and/or gains on disposition, would be eligible to tax in India if the underlying conditions are satisfied, and would entail additional tax outlay if the tax relaxations and/or exemptions are adversely amended:

- Interest on the Notes may not be subject to taxes in India if the proceeds of the issuance of the Notes are used for the purposes of business carried on by the Co-Issuers outside India. However, should the proceeds be used for the purposes of the business of the Co-Issuers in India, non-resident investors would be liable to pay tax on the interest.

The extant relaxation provided in the form of lower tax withholding on interest income on such Notes issued on or after July 1, 2023 and which are listed only on a recognized stock exchange located in an International Financial Services Centre, as per the provisions of Section 194LC of the Income-tax Act, 1961, may be amended and/or withdrawn, which would entail additional tax implications.

All payments of, or in respect of, the Notes will be made free and clear of and without withholding any taxes within India unless it is required by law, in which case, the Co-Issuers will pay additional amounts as may be necessary in order that the net amount received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes

in the absence of the withholding, deduction although this is subject to certain exceptions (“**Tax Additional Amounts**”). However, the Co-Issuers will be entitled to invoke early redemption of the Notes if there is an increase in the Tax Additional Amounts payable by the Co-Issuers pursuant to change in any tax benefit under a tax statute, regulation, official administrative guidance or tax treaty, post the issuance date. Please refer to the “*Description of the Notes—Redemption for Taxation Reasons*” section for detailed information on the redemption of the Notes due to taxation reasons.

- Any gains arising to a non-resident investor from the disposal of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to tax in India from a disposal of the Notes held as a capital asset, provided the Notes are regarded as being situated outside India. There can be no assurance that the Indian tax authorities will not treat the Notes as being situated in India, particularly since the Co-Issuers are incorporated in, and are tax residents in, India. Any gains arising to the Noteholders from their disposal might be subject to significant taxes in India if the Notes are determined by the Indian tax authorities to be situated in India.

The current capital gains exemptions for disposition of notes listed on a recognized stock exchange located in an International Financial Services Centre under Section 47(viiab) of the Income-tax Act, 1961 may be adversely amended, withdrawn and/or subject to new restrictions, which would entail tax implications. Please refer to the “Taxation” section for detailed information on the tax treatment of disposal of Notes.

Risks Relating to the Notes, the Guarantees and the Collateral

The ability of the Co-Issuers to generate cash depends on many factors, and they may not be able to generate sufficient cash required to service the Notes.

If each Co-Issuer cannot generate sufficient cash to meet its debt service obligations or fund its other business needs, it may, among other things, need to refinance all or a portion of its debt, including the Notes, obtain additional financing, delay capital expenditures and/or sell assets. The Co-Issuers cannot assure you that they will be able to generate sufficient cash through any of the foregoing. If a Co-Issuer is not able to refinance any of its debt, obtain additional financing and/or sell assets on commercially favorable terms or at all, it may not be able to satisfy its obligations with respect to its debt, including the Notes. If this were to occur, holders of the relevant debt would be able to declare the full amount of such debt due and payable and the assets of such Co-Issuer may not be sufficient to pay such amounts.

The Co-Issuers will be subject to the restrictive provisions contained in the Indenture, including restrictions on the incurrence of indebtedness (including issuance of guarantees and creation of security except as permitted under the Indenture)

The Co-Issuers, on a combined basis, have substantial amount of debt, which could have a material adverse effect on the Co-Issuers’ business, financial condition and results of operations.

As at December 31, 2023, the Co-Issuers had INR 47,719 million of adjusted borrowings. The Co-Issuers’ expected high level of indebtedness after giving effect to the issuance of the Notes and application of the proceeds therefrom could have important consequences and significant adverse effects on its businesses, including the following:

- the Co-Issuers’, ability to satisfy its obligations under the Notes and other debt, may be limited;
- the Co-Issuers’ vulnerability to adverse general economic and industry conditions may be increased;
- the Co-Issuers’ high level of indebtedness could limit, along with the financial and other restrictive covenants of its indebtedness, its ability to borrow additional funds (including issuance of guarantees and creation of security except as permitted under the Indenture); and

- increase the cost of additional financing.

The Co-Issuers cannot assure investors that these factors will not have a material adverse effect on the Co-Issuers' ability to operate its respective businesses in future periods.

Subject to the restrictions in the Indenture, the Co-Issuers may be able to incur additional debt and create security in the future. Certain types of indebtedness permitted under the Indenture may rank equally in right of payment with the Notes and may share the security created for the benefit of the Holders, and could result in less cash available to make payments on the Notes. To the extent new debt is added to the Co-Issuers' current debt levels, the Co-Issuers' leverage related risks, including the applicable Co-Issuer's possible inability to fulfill its payment obligation under the Notes issued by it, would increase.

The Co-Issuers have substantial indebtedness and are subject to restrictive and other covenants under their debt financing arrangements. The issue of Notes may cause an event of default under the terms of existing debt documentation of the Co-Issuers until such existing debt is prepaid.

The Co-Issuers have substantial indebtedness outstanding. For details, see “*Description of Other Indebtedness*”. The Co-Issuers' ability to meet their payment obligations under their outstanding debt depends on their ability to generate significant cash flow. This, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors as well as other factors that are beyond their control.

Additionally, our financing arrangements contain restrictive covenants that require us to obtain the lenders' prior written consent for carrying out certain actions, including:

- raising capital or debt;
- changing our constitution and amending our articles and memorandum of association;
- changing our capital structure and shareholding pattern;
- creating any encumbrance on the secured assets provided as security to the lenders of the applicable Co-Issuer;
- conducting a merger, consolidation, reorganization or amalgamation by the applicable Co-Issuer;
- making a substantial change in our management structure or nature of business;
- opening of bank accounts;
- undertaking guarantee obligations or selling, assigning, mortgaging or disposing of any assets; and
- prepaying any outstanding borrowings.

The Co-Issuers cannot assure investors that these factors will not have a material adverse effect on the Co-Issuers' ability to operate its respective businesses in future periods.

The terms of the existing borrowings and other working capital facilities availed by the Co-Issuers prohibit us from incurring new debt and taking other related actions. As a result, in order to issue and use the proceeds of the Notes and provide Guarantees, and taking certain other actions, each Co-Issuer will require consents from the relevant lenders.

In relation to the indebtedness proposed to be prepaid using the proceeds of the Notes, the Co-Issuers have sent conditional notices of prepayment to the relevant working capital lenders and will send conditional notices to the term loan lender on or around the date of this Offering Memorandum informing them about

the proposed issue of Notes and consequent prepayment. For redeeming the 2021 NCDs, the relevant Co-Issuers propose to send a notice of redemption on or around the date of this Offering Memorandum to Continuum Energy Levanter Pte. Limited, requiring Continuum Energy Levanter Pte. Limited to acknowledge the terms on which such redemption is proposed. There can be no assurance that such lenders will approve or not object to such prepayment or redemption. If such consents are not obtained, or the consents, if any obtained, have not been validly provided by such lenders, it may result in a potential event of default under such Co-Issuers' existing debt documentation, until the existing debt is prepaid.

With respect to the working capital facilities which will continue after the issue of Notes, the Co-Issuers propose to either prepay the amounts drawn down under some of these facilities, or provide cash collateral to the lending banks for the credit limits which have been availed. The Notes will be effectively subordinated to any debt made available to such Co-Issuers to the extent of the cash serving as security (other than the Collateral) for such facilities. In bankruptcy, the lenders of such facilities would be entitled to the cash secured in their favour, which will be applied to the payment of those lenders' claim before the remaining proceeds, if any, are applied to the claims of the Holders. Each of the Co-Issuers cannot assure the Holders whether proceeds from any sale or liquidation of such assets which secure such facilities in priority, will be available to pay the applicable Co-Issuer's obligations under the Notes.

If any of the lenders do not agree to accept the prepayment of the indebtedness availed from such lenders or to incurring the Notes and Guarantees by a Co-Issuer, or if there is any failure to obtain requisite consents and comply with any condition or covenant under the applicable Co-Issuer's outstanding financing agreements or any new financing agreements that the Co-Issuer may enter into from time to time, this may lead to the lenders' declaration and enforcement of events of default which may result in actions including termination of any of that Co-Issuers' credit facilities, acceleration of amounts due under such facilities, exercise of step-in rights, invocation of security under such financial arrangements, as well as cross-defaults under certain of the Co-Issuers' other financing agreements and may also trigger an Event of Default under the Notes. In such case, the existing lenders may also enforce the security created for their respective indebtedness. Further, until such time as the existing indebtedness of the Co-Issuers is repaid, the security interest over the Collateral which currently secures such indebtedness will not be released and security in relation to the Notes may rank subordinate to such prior security interest, or may not be created.

Security over the Collateral will not be granted directly to the Holders.

Security over the Collateral for the obligations of the Co-Issuers under the Notes and the Indenture will not be granted directly to the Holders but will be granted only in favor of the Security Trustee. Holders will not have direct security and will not be entitled to take enforcement action in respect of the security for the Notes, except through the Security Trustee. Holders shall be required to instruct the Trustee in accordance with the terms of the Indenture for taking any enforcement action.

Security interest on Collateral of the Co-Issuers may be released, re-created and perfected prior to maturity of the Notes.

The Indenture allows us to release and re-create the security interest on the applicable Collateral by a Co-Issuer as per the terms and conditions under the Indenture, as more particularly described in the Description of the Notes under heading "*Description of the Notes — Brief Description of the Notes and the Guarantees — The Notes.*" Pursuant to such release of the security interest (and subsequent re-creation) as per the provisions of the Indenture, the security perfection timeline will start afresh, and the investors, during the time such security interest is re-created and perfected by the Co-Issuer, will not have any recourse. Therefore, the enforceability of such security interest may be subject to the security perfection laws affecting the enforcement of investors' rights generally and by effect of general principles of equity, regardless of whether enforceability is considered in a proceeding in equity or at law.

There are eight Co-Issuers of the Notes and each individual Co-Issuer will be liable as a primary obligor for only a portion of the aggregate principal amount of the Notes.

Unlike most note offerings where there is one issuer, these Notes are being offered by eight Co-Issuers. The Notes are being offered and sold as a single tranche of Notes by the Co-Issuers collectively and no individual notes are being issued by any individual Co-Issuer. Each individual Co-Issuer will be liable as a primary obligor for only a portion of the aggregate principal amount of the Notes and will pay interest with respect to such primary obligation. The obligations in respect of the Notes will be attributable on a several (and not a joint and several) basis to each Co-Issuer (acting as a primary obligor and not as a Guarantor). The principal amount of the Notes equals the aggregate primary obligations of the Co-Issuers which will be guaranteed by each of the other Co-Issuers. Failure of any Co-Issuer to pay interest (for which such Co-Issuer is acting as a primary obligor and not as a Guarantor) in respect of the Notes or to perform or comply with any one or more of its obligations under the Indenture may result in an Event of Default under the Notes.

In the event of any enforcement action, bankruptcy, liquidation, reorganization or other winding up of any individual Co-Issuer, individual enforcement proceedings will need to be instituted against such Co-Issuer. Accordingly, Holders can claim against each individual Co-Issuer as a primary obligor with respect to a portion of the aggregate principal amount of the Notes and as a Guarantor with respect to the remaining portion of the aggregate principal amount of the Notes.

The value of the Collateral may not be sufficient to repay the Notes in full.

The Notes are not guaranteed by the Parent or any other entity other than, as of the Guarantee Effective Date, the Co-Issuers. The Notes will be secured by the Collateral as described in “*Description of the Notes — Security — Collateral.*” While each Co-Issuer will be guaranteeing the debt servicing obligations of the other Co-Issuers, the obligations in respect of each Note will be attributable on a several (and not a joint and several) basis to each Co-Issuer in the same proportion as the principal amount of Notes that such Co-Issuer will issue as a primary obligor bears to the aggregate principal amount of Notes. Other than the pledge over the shares of the Co-Issuers, any security over Collateral created by a Co-Issuer will only secure the Notes issued by such Co-Issuer (to the extent of its obligations as a primary obligor and not as a Guarantor) and no security over Collateral (including pledge over the shares of the Co-Issuers) will secure any of its obligations under any Guarantee issued by such Co-Issuer. In the event one Co-Issuer defaults, it would lead to a default for the noteholders in respect of the other Co-Issuers. Further, liens over the Collateral (other than Exclusive Collateral) will be created for the benefit of the Notes Hedge Counterparties on a pari passu basis with the Holders, and in case of the WCF Collateral, the Holders and the Notes Hedge Counterparties will only have a second ranking charge on a pari passu basis, and the RCF Lenders will have a first ranking charge. Further, the RCF Lenders, the Notes Hedge Counterparties and the Holders will have a first ranking pari passu charge over the Restricted Debt Service Account.

The value of the Collateral in the event of liquidation will depend on many factors. In particular, the capital stock of the Co-Issuers pledged to secure the Notes (the “**Pledge Collateral**”) only has value to the extent that the assets of the applicable Co-Issuer (or the value of the Co-Issuer if sold as a going concern) are worth more than its liabilities (and, in a bankruptcy or liquidation of the applicable Co-Issuer, will only receive value after payment upon all such liabilities). By its nature, the Pledge Collateral may be illiquid and may have no readily ascertainable market value.

Upon the occurrence of an Event of Default under the Notes, the Security Trustee (acting for the benefit of the Trustee, Holders, the Notes Hedge Counterparties and the RCF Lenders) will be able to enforce the Collateral in accordance with the Collateral Documents and be subject to the Security Sharing Agreement. The proceeds received on enforcement of the Collateral will be applied in accordance with the priority agreed in the Security Sharing Agreement.

Depending upon the nature of security provided, such sale can be by way of private sale or through a court-assisted sale process. The exercise by the Security Trustee under the Notes of the powers and remedies conferred on it under the Collateral Documents or otherwise vested in it by Indian law, will be subject to general equitable principles regarding the enforcement of security, the general supervisory powers and discretion of the Indian courts in the context thereof and the obtaining of any necessary governmental or regulatory consents, approvals, authorizations or orders.

It is not unusual for court proceedings in India to continue for years. Disposition of cases may be further subject to various delays, including multiple levels of appellate adjudication. Resolution of any such enforcement could take a significant amount of time.

In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, or enforcement of the security created over the Collateral, the Co-Issuers cannot assure Holders that the proceeds from any sale or liquidation of the applicable Collateral will be sufficient to pay the applicable Co-Issuer's obligations under the Notes issued by it (to the extent of its obligations as a primary obligor and not as a Guarantor). Any claim for the difference between the amount, if any, realized by Holders from the sale of Collateral securing the Notes and the obligations under the Notes will rank equally in right of payment with all of the applicable Co-Issuer's other unsecured senior debt and unsubordinated obligations.

The enforcement of the security interest over the Collateral may not be solely at the discretion of the Holders and may be adverse to the interest of the non-consenting Holders.

The security over the Collateral (other than the Exclusive Collateral on which security is being created only for the Holders) is being created in favor of the Holders and the Notes Hedge Counterparties on a *pari passu* basis and the relevant Collateral (other than the Exclusive Collateral and certain Operating Accounts) will be shared with the RCF Lenders. In the future, additional creditors may be entitled to share in such security including on a *pari passu* basis, including hedge counterparties and RCF lenders. Each of the creditors (including the Holders, hedge counterparties and future lenders) which might have the benefit of the security over the Collateral (other than Exclusive Collateral) would have a right to enforce such security as per the terms of the underlying financing documents. In addition to the Holders, the Notes Hedge Counterparties and any future lenders will also have rights under the underlying financing documents and hedging agreements (as applicable) to give instructions to the Security Trustee acting on their behalf (which may, in certain cases, be the same entity as the Security Trustee) in relation to the Collateral. Although such future creditors of the Co-Issuers may execute deeds of accession to the Security Sharing Agreements to coordinate their actions in case of enforcement of security over the Collateral, each creditor may still be able to direct the Security Trustee to enforce the security over the Collateral (independent of the action proposed by the other creditors of the Co-Issuers). The Security Trustee may be acting in multiple capacities, including as a representative of the Holders, the Notes Hedge Counterparties, the RCF Lenders and the Trustee and security trustee for the other future lenders of the Co-Issuers and the hedge counterparties, and will be required to act in accordance with the directions given by such creditors as per the underlying finance documents. The other permitted creditors of the Co-Issuers have the ability to enforce the security over the Collateral (other than Exclusive Collateral) even if the Holders do not consent to such action. In such an event, the Holders shall be entitled to the proceeds of the enforcement of security over the Collateral in accordance with the terms of the Security Sharing Agreements.

Furthermore, the Security Trustee is required to take action to enforce the security interest over the Collateral in accordance with the instructions of the Trustee given under and in accordance with the Indenture. The ability of the Trustee (acting in accordance with instructions of the Holders of at least 25% in aggregate principal amount of outstanding Notes (subject to receiving indemnity and/or pre-funding and/or security to its satisfaction) provided pursuant to the terms of the Indenture) to enforce the security is restricted under the Indenture. If an Event of Default occurs and is continuing (except for certain Events of Default as specified under the Indenture) under the Notes, the Holders holding at least 25% of the aggregate outstanding principal amount of the Notes may decide whether to take any enforcement action and may thereafter, through the Trustee ((i) upon written request to the Trustee and (ii) subject to the Trustee receiving indemnity and/or pre-funding and/or security to its satisfaction) in accordance with the

Indenture, instruct the Security Trustee to take enforcement action against the security. By virtue of the instructions given to the Security Trustee described above, actions may be taken in respect of the security that may be adverse to other Holders who did not vote in favor of enforcement. In such event, the only remedy available to the Holders would be to sue for payment under the Notes.

The Obligations of each Co-Issuer under the Indenture and the Notes will not be secured on the Closing Date. The failure of the Co-Issuers to properly create, perfect and register the security interests in the Collateral securing the Notes could result in an Event of Default under the Notes, and could impair the ability of the Holders to seek repayment.

Each of the Co-Issuers will be obligated to create, perfect and register the applicable Collateral (other than pledge) securing the Notes within 180 days from release of such Collateral by the existing lender or 270 days from the Closing Date, whichever is earlier; and in case of pledge, within 90 days from release of security interest over the relevant Collateral by the existing lender or 120 days from the Closing Date, whichever is earlier and as more particularly described in “*Description of the Notes*”. Further in the case of TWHPPPL, RTPL, KWDPL and CTRPL, the creation and perfection of security over certain of their respective leasehold revenue land requires consents of certain Government Authorities, and as such, the relevant Co-Issuers will create the charge within 90 days of the receipt of such consents from the relevant Governmental Authority, which consents may never be obtained.

The creation, perfection and registration of the Collateral will be subject to various consents, approvals and authorizations from governmental authorities, power purchase agreements counterparties, project documents and release of applicable Collateral by existing lenders and such consents, approvals or authorizations may not be forthcoming. For example, a part of the project land of RTPL, TWHPPPL, KWDPL and CTRPL is revenue land obtained on lease from the government of Gujarat, and prior permission of the relevant government authority is required for creation of mortgage over such land. In the past, permission for creation of mortgage over such land has been provided by the governmental authority based on the condition that the lender (for whose benefit the mortgage is being created) will provide an undertaking in the required format prior to sanctioning the credit facility. A similar condition may be imposed by the government authority while providing permission for creation of mortgage to secure the Notes. There can be no assurance that the Security Trustee, the Trustee or the Holders shall be able to comply with such conditions.

The timeline for creation of Collateral in certain instances is linked to the receipt of the required consent, which consents may never be obtained. Specifically, for (i) TWHPPPL, security over certain immovable properties held by the Co-Issuer would be created only after receipt of approval from the local authority for the creation and perfection of security by way of mortgage on the revenue land, (ii) RTPL, security over certain immovable properties held by the Co-Issuer would be created only after receipt of approval from the local authority for the creation and perfection of security by way of mortgage on the revenue land, (iii) KWDPL, security over certain immovable properties held by the Co-Issuer would be created only after receipt of approval from the local authority for the creation and perfection of security by way of mortgage on the revenue land, and (iv) CTRPL, security over certain immovable properties held by the Co-Issuer would be created only after receipt of approval from the local authority for the creation and perfection of security by way of mortgage on the revenue land. Towards receipt of such consents, RTPL, TWHPPPL, KWDPL and CTRPL shall be required to make applications to the relevant government authority for including the Security Trustee as an approved security holder and for creation and perfection of the security in favor of the Security Trustee for securing the Notes. Such approvals may or may not be granted.

The Collateral Documents to be executed in relation to the Notes are proposed to be entered into or commercially reasonable steps are to be taken for the execution of such Collateral Documents no later than the respective time periods described in “*Description of the Notes — Security — Collateral.*” Until the Collateral Documents are entered into the Notes will be unsecured and will not have the benefit of the security interest over the Collateral. In certain cases other lenders of the Co-Issuers may already have the benefit of security created over the Collateral as at the Closing Date. If any of the Co-Issuers fails to

create, perfect and register the applicable Collateral and within the specified time period, an Event of Default will occur under the “*Description of the Notes*” and the Trustee (at the written direction of Holders of at least 25% in aggregate principal amount of the Notes then outstanding (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction)) may accelerate the Notes and the Security Trustee may enforce the security interest over any Collateral (in accordance with the instructions of the Trustee given under and in accordance with the Indenture) for which a security interest has been perfected, pursuant to such acceleration. In such circumstances, the applicable Co-Issuer may not have sufficient resources to repay the Notes, in full or at all. Any claim of the Security Trustee in a bankruptcy or similar proceeding would be unsecured to the extent that the applicable Co-Issuer has failed to create, perfect and register any Collateral securing the Notes, which could limit any recovery the Holders receive in any such proceeding. As at December 31, 2023, the Restricted Group 2 had INR 47,719 million of secured borrowings and INR 408 million of secured, subordinated borrowings from related parties. To the extent that any of the Co-Issuers’ secured indebtedness remains outstanding after the Closing Date, the creditors of such secured indebtedness will be effectively senior to the obligations due under the Notes, until security over the Notes is created.

Further, the working capital lenders will have a first ranking charge over the WCF Collateral and the Notes will be secured by a second ranking *pari passu* charge over such assets. The RCF Lenders, the Notes Hedge Counterparties and the Holders will have a first ranking *pari passu* charge over the Restricted Debt Service Account. The working capital lenders will have a second ranking security interest over the Common Collateral (other than the Exclusive Collateral and certain Operating Accounts) and the Notes will be secured by the Common Collateral (other than the Exclusive Collateral on which security is being created only for the Holders) on a first ranking *pari passu* basis for the benefit of the Holders and Notes Hedge Counterparties in favor of the Security Trustee acting as the security trustee on behalf of and for the benefit of the Holders, Trustee and the Notes Hedge Counterparties. The Notes will also be secured by an exclusive charge over the Exclusive Collateral for the benefit of the Holders. The Notes constitute direct, unconditional and unsubordinated obligations of the respective Co-Issuers in relation to the Notes issued by each of them, which will, within the respective time periods described in “*Description of the Notes — Security — Collateral,*” be secured pursuant to the Collateral Documents. The Notes will be effectively subordinated to any other secured indebtedness of the Co-Issuers which ranks *pari passu* with the Notes, to the extent of the value of the assets over which the Holders do not have security, securing that other indebtedness. In the event of a bankruptcy, liquidation, reorganization or other winding up of any of the Co-Issuers, such Co-Issuer’s assets that secure its senior secured indebtedness (other than the Notes) will be available to pay obligations on the Notes only after all senior secured indebtedness, together with accrued interest, has been repaid. If any of the Co-Issuers is unable to repay its secured indebtedness, the lenders could foreclose on substantially all of its assets which serve as collateral. In this event, the senior secured lenders would be entitled to be repaid in full from the proceeds of the liquidation of those assets which serve as collateral before those assets would be available for distribution to other creditors, including the Holders. The Holders will participate in the proceeds of the liquidation of the remaining assets of such Co-Issuer, ratably with holders of its secured indebtedness that is deemed to be of the same class as the Notes.

On the Closing Date, the Notes will not be guaranteed by any of the Guarantors and, accordingly, the Notes will be structurally subordinated to the liabilities of the Co-Issuers.

The Notes will not be guaranteed by the Guarantors on the Closing Date. Each of the Guarantor is required to notify the effectiveness of the Guarantees to be provided by it no later than 90 days from the Closing Date. The Notes will be effectively subordinated to any secured obligations of the Co-Issuers to the extent of the value of the collateral securing such indebtedness and structurally subordinated to the existing and future obligations of the Co-Issuers to general creditors and liabilities arising in the ordinary course of business or otherwise, which means that such creditors generally will be paid from the relevant Co-Issuers’ assets before holders of the Notes would have any claims to those assets.

With respect to creation and perfection of the security interest over certain lands of the Co-Issuers as security for the Notes, the consent of the owner of the land may not be received or may be subject to onerous conditions.

In case of certain lands used by Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited, consent of the local revenue authorities is required for the creation and perfection of mortgage on such land. In case the local revenue authorities decline the consent request for the creation and perfection of a mortgage on such lands by Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited for securing the Notes, the Notes will not be secured by a mortgage over these lands. Further, in the past, when seeking consent for creation of mortgage on such lands, certain onerous conditions have been imposed in the consent which *inter alia* have included the lender of the debt to the relevant Co-Issuer providing an undertaking for payment of all dues in connection with the land to the local government, a first right of the local government to recover all dues before permitting the lender to appropriate any recoveries made pursuant to any enforcement of the mortgage, etc. Therefore, even if the consent is obtained from the local government, such consent could impose onerous conditions. There can be no assurance that the Security Trustee in relation to the Notes shall be able to comply with such conditions. Such conditions could also affect or impact any recoveries made by the Security Trustee on the enforcement of the mortgage in case of a default in the repayment of the Onshore Debt. Towards receipt of such consents, Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited shall be required to make applications to the relevant Government Authority for including the Security Trustee for the Holders and Notes Hedge Counterparties as an approved security holder and for creation and perfection of the security in favor of the Security Trustee for securing the Notes. Such approvals may or may not be granted.

The Co-Issuers and CGE IPL have not applied for and received no-objection certificate from an AD Bank, and have not taken requisite corporate approvals including approval of the shareholders, for creation of Liens over the Collateral and the issue of Guarantees. On enforcement of pledge, the transfer of shares of WIPL and KWDPL, two of the Co-Issuers, may be restricted by their articles of association.

Under the RBI regulations, approval of the designated AD Bank is required for creation of Lien over the Collateral and issue of Guarantees. The Co-Issuers propose to apply to the AD Bank for this consent after the Closing Date and prior to the creation of the Liens over the Collateral and issuance of the Guarantees. If this consent is delayed or not received, the Co-Issuers and CGE IPL may not be able to provide the Collateral or the Guarantees, as applicable, within the specified timelines or at all.

The Guarantors require approval of their shareholders by way of a special resolution under the Companies Act in order to issue the Guarantees. Similar approval is also required by CGE IPL from its shareholders in order to provide the pledge over the shares of the Co-Issuer as a part of the Collateral. Further, the Co-Issuers require approval of their board of directors on the final drafts of the documents to be executed in relation to provision of the Collateral, and the final drafts of the Security Sharing Agreement and Trust Retention Accounts Agreement. CGE IPL also requires the approval of its board of directors to create the pledge. As on the Closing Date, the Co-Issuers and CGE IPL have not obtained these approvals and even though Co-Issuers and CGE IPL will take commercially reasonable steps to obtain these approvals, there can be no assurance that these approvals will be obtained. In absence of these corporate approvals, CGE IPL and the Co-Issuers will not be able to execute the Collateral Documents, the Security Sharing Agreement and Trust Retention Accounts Agreement and issue Guarantees, as applicable.

As on the Closing Date, the respective articles of association of WIPL and KWDPL give uncontrolled and absolute discretion to their respective board of directors to decline or acknowledge any transfer of shares without giving any reasons for such refusal. Until such time as the articles of association of WIPL and KWDPL are amended to modify such provisions, this may restrict the transfer of shares of these Co-Issuers in case of the Notes are accelerated and pledge over shares of these Co-Issuers is enforced, and may in turn impact the proceeds which are recovered on enforcement of such Collateral.

The enforceability of the security granted for the benefit of the Holders will be subject to Indian law.

The Notes issued by the Co-Issuers are intended to have the benefit of security over certain assets of the Co-Issuers. Such assets may or may not include material contracts including project contracts including power purchase agreements depending upon the provisions of such contracts. Third-party consents, including consents from governmental and regulatory authorities, may be required for creation of such security, and the process for obtaining such consents and creating and perfecting security could take a significant amount of time from the offering date of the Notes, and the Notes will not have the benefit of such security during such time. Please also see “*Risk Factors — With respect to creation and perfection of the security interest over certain lands of the Co-Issuers as security for the Notes, the consent of the owner of the land may not be received or may be subject to onerous conditions.*”

Additionally, the laws of India may limit (i) the ability of the Co-Issuers to guarantee the Notes, and/or (ii) any obligations other than such entities’ direct obligations or the obligations of such entities’ subsidiaries and/or impose a time limit pursuant to which a claim must be made under a guarantee. These limitations arise under various provisions or principles of corporate and tax law which include provisions requiring a guarantor of Notes to receive adequate corporate benefit from the financing, financial assistance rules, rules governing preservation of share capital and fraudulent transfer principles. The courts of India have also laid down various judicial principles which govern invocation and release of guarantees. Accordingly, if the Trustee or the Holders were to enforce the Guarantees of the Notes, their claims may be limited. If these limitations were not observed, the security created and the Guarantees provided in relation to the Notes could be subject to legal challenge. Furthermore, although we believe that the security created and the Guarantees of the Notes are enforceable (subject to local law restrictions), a third party creditor may challenge the security and/or the Guarantees of the Notes and prevail in court. Any enforcement of the security or the Guarantees after an insolvency event of any of the security providers or the guarantors of the Notes will be subject to the insolvency and administrative laws of India, or the insolvency laws of the country where the center of main interests of guarantor of the Notes is situated.

If the Security Trustee were to foreclose upon secured assets of the Co-Issuers, there are certain project assets that the Security Trustee may not be able to effectively foreclose upon without the consent of third parties, such as governmental authorities. The Co-Issuers cannot assure investors that if upon such foreclosure, the Security Trustee will be able to obtain all of the third-party approvals necessary to assign, obtain or transfer ownership of all assets necessary to operate the projects. If the Security Trustee forecloses on the security, then, in connection therewith, where assignment and/or transfer to any project assets to a purchaser or new operator of the projects is proposed, such transfer may require additional governmental approvals or proceedings, which could result in delays. Further, any prospective buyer who acquires the assets that are sold following an enforcement of security will need to obtain requisite permits and consents in order to use the assets to generate electricity. Such buyer may also need to enter into material contracts, including power purchase agreements or other arrangements to sell electricity generated.

The security over certain Collateral may in certain circumstances be voidable.

The security interest over the Collateral securing the Notes may be voidable under insolvency, bankruptcy, fraudulent transfer or similar provisions of New York law and the applicable laws of other jurisdictions, if and to the extent applicable. In the case of the Collateral being voidable under such laws in New York, the relevant time period during which such Collateral is voidable could be within six months of the date of the creation of the charge, although under some circumstances, it would be voidable within longer

periods. If the security interest over the Collateral were to be voided for any reason, the Holders would have only an unsecured claim against the Co-Issuers. Under Indian law, the security interest over the Collateral granted by any of the Co-Issuers may be considered invalid if, in the event of insolvency, it is proved that such Co-Issuer had created a floating charge over the Collateral within twelve months immediately preceding the insolvency commencement date.

Enforcing the rights of the Holders under the Notes and/or the Collateral Documents across multiple jurisdictions and enforcing foreign court judgments on the Co-Issuers in India may prove difficult.

The Notes will be issued and secured by the Co-Issuers. The Co-Issuers are all incorporated in India. The Notes and the Indenture will be governed by New York law. The Collateral Documents will be governed by Indian law. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in New York, India and other jurisdictions (as applicable). Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of an investor's rights. The rights of the Holders under the Notes and the Collateral Documents will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that investors will be able to effectively enforce their rights in such complex multiple bankruptcy, insolvency or similar proceedings. The bankruptcy, insolvency, administrative and other laws of India may be materially different from, or be in conflict with, those with which Holders may be familiar, including in the areas of the rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect investors' ability to enforce their rights under the Notes and the Collateral Documents in the relevant jurisdictions or limit any amounts that they may receive.

Enforcement of security usually takes a long period of time in India and enforcement may be subject to delays and administrative requirements. The claims and remedies available under Indian law may not be as extensive as those available in other jurisdictions. While any judgment will be made under prevailing Indian laws and regulations, no assurance can be given that the Indian courts will protect the interests of Holders in the same manner or to the same extent as would courts in other countries. All of the Co-Issuers are incorporated under the laws of India. In addition, certain of the Co-Issuers' directors and substantially all of Continuum Group's key management personnel reside in India, and all or a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India. In India, recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Procedure Code, 1908 (the "**Civil Code**") on a statutory basis. For further details, see "*Enforceability of Civil Liabilities*".

Your ability to protect your rights through the U.S. federal courts may be limited.

Each of the Co-Issuers is incorporated in India. As of the date of this Offering Memorandum, all of the Co-Issuers' directors are non-residents of the United States and all or a majority of their assets will be located outside the United States. All of our assets are located in India. As a result, it may not be possible for investors to effect service of process within the United States upon the Co-Issuers or their respective directors, or to enforce any judgment obtained in U.S. courts predicated upon civil liability provisions of the U.S. securities laws. In addition, we cannot assure you that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in the jurisdictions of incorporation of the Co-Issuers. See "*Enforceability of Civil Liabilities*."

The Notes are not a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments and such instruments may be purchased with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The interests of the Co-Issuers' principal shareholder may conflict with investors' interests.

The Co-Issuers' principal shareholder's interest may in certain circumstances conflict with investors' interests as Holders and may have the consequence of increasing the financial risk of holding the Notes. For example, the Co-Issuers' principal shareholder could cause them to incur additional indebtedness as permitted under the Indenture. Incurring additional indebtedness would increase the applicable Co-Issuer's debt service obligations, which could materially adversely affect the value of investors' investment in the Notes.

The Co-Issuers may be unable to repurchase the Notes as required upon a Change of Control Triggering Event.

If a Change of Control Triggering Event occurs, then the Co-Issuers will be required to make an offer to repurchase all outstanding Notes at a price of 101.0% of their principal amount, plus accrued and unpaid interest and Additional Amounts, if any, to (but excluding) the applicable date of redemption. The Co-Issuers may be unable to do so because they might not have enough available funds at the time of any Change of Control Triggering Event to pay such price of the tendered outstanding Notes. Any future indebtedness of the Co-Issuers may limit their ability to repurchase the Notes upon a Change of Control Triggering Event.

Redemption of the Notes prior to maturity may be subject to compliance with applicable regulatory requirements, including the prior approval of the RBI or the Authorized Dealer Bank, as the case may be.

Any early redemption of the Notes (whether due to certain tax events or an Event of Default, each as described in “*Description of the Notes*”) may require the prior approval of the RBI or the authorized dealer bank (“**Authorized Dealer Bank**”). Compliance with any conditions specified in any such RBI or Authorized Dealer Bank approval will be required. The RBI and the Authorized Dealer Bank may not provide such approval in a timely manner or at all. Furthermore, any modification or waiver of the terms of the Notes which has the effect of modifying or waiving terms which are not permitted under the automatic route under the ECB Regulations for the issue of the Notes will require prior approval from RBI in accordance with the ECB Regulations, and such approval may not be forthcoming. Other modifications of the terms of the Notes will require the approval of the Authorized Dealer Bank.

The rights of the Holders to receive payments under the Notes is junior to any tax liabilities of the Co-Issuers that are preferred by law.

The Notes will rank subordinated to certain liabilities preferred by law, such as claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of each Co-Issuer’s business. In the event of bankruptcy, liquidation or winding up, the applicable Co-Issuer’s assets will be available to pay obligations on the Notes only after all of the tax liabilities and other liabilities which rank senior to the Notes have been paid. In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

Furthermore, under section 281 of the (Indian) Income Tax Act, 1961 (the “**IT Act**”), a charge or pledge created by a person over certain types of assets (including plant, machinery, shares and securities) shall be void as against any claim in respect of any tax or other sum payable by such person under any proceedings or claims under the IT Act which were pending at the time of creation of the charge or pledge, unless the permission of the relevant tax authorities is obtained prior to the creation of the charge or pledge. Similarly under the Central Goods and Services Tax Act, 2017 and under applicable State Goods and Services Tax Acts, a sale, mortgage, charge or any other mode of transfer of any of the properties (including shares and securities) by a person, after any amount has become due from it under the relevant legislation, with the intention of defrauding the government revenue, shall be void as against any claim in respect of any tax or other sum payable by such person, unless such charge or transfer was made for adequate consideration, in good faith and without notice of the pendency of such proceedings or, as the case may be, without notice of such tax or other sum payable by the said person; or with the previous permission of the relevant officer. Each Co-Issuer will apply for permission under section 281 of the IT Act, prior to execution of the Collateral Documents. If permission of relevant tax authorities is not received prior to the execution of the Collateral Documents in connection with the Notes the charge or transfer so created shall be void as against any claim in respect of any tax or other sum payable as a result of the completion of any proceedings which are either pending under the IT Act, the Central Goods and Services Tax Act, 2017, if applicable, and/or under the applicable State Goods and Services Tax Acts, if applicable, at the time of execution of the Collateral Documents or which have been completed but no notice has been served in respect of such proceedings. There can be no assurance that such permission from the relevant tax authorities will be received.

Remittance of funds outside India pursuant to indemnification by the Co-Issuers in relation to the Notes requires prior RBI approval.

Remittance of funds outside India by the Co-Issuers pursuant to indemnity clauses under the Indenture or any other agreements in relation to the Notes requires prior RBI approval under the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and the Co-Issuers can provide no assurance that they will be able to obtain such approval in a timely manner or at all.

Until such RBI approval is received, the Security Trustee may not be able to receive any payments pursuant to an indemnity claim against us under the Notes, the Indenture or any other agreements in relation to the Notes. The Security Trustee may refuse to take any such actions if it is not indemnified to its satisfaction. Accordingly, this may have an impact on when and if such actions will be taken by the Security Trustee on behalf of the holders of the Notes.

The Notes will initially be held in book entry form, and therefore investors must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through DTC and its participants, including Euroclear and Clearstream. Interests in the global note representing the Notes will trade in book entry form only, and Notes in definitive registered form will be issued in exchange for book entry interests only in very limited circumstances. Owners of book entry interests will not be considered owners or the Holders for purposes of the Indenture. The custodian for DTC will be the sole registered holder of the global note. Payments of principal, interest and other amounts owing on or in respect of the global note will be made to the paying agent who will make payments to DTC. Thereafter, these payments will be credited to accounts of participants (including Euroclear and Clearstream) that hold book entry interests in the Global Notes and credited by such participants to indirect participants. After payment to the custodian for DTC, the Co-Issuers will have no responsibility or liability for payment of interest, principal or other amounts to the owners of book entry interests. If you own a book entry interest, you must rely on the procedures of DTC, Euroclear and Clearstream, and if you are not a participant in DTC, Euroclear and Clearstream on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

Upon the occurrence of an Event of Default under the Indenture, unless and until definitive registered Notes are issued in respect of all book entry interests, if an investor owns a book entry interest, the investor will be restricted to acting through DTC, Euroclear and Clearstream. The procedures to be implemented through DTC, Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See “*Description of the Notes — Book-Entry, Delivery and Form.*”

Investment in the Notes may subject investors to foreign exchange risks.

The Notes are denominated and settled in U.S. dollars. If an investor measures its investment returns by reference to a currency other than U.S. dollars, an investment in the Notes entails foreign exchange related risks, including possible significant changes in the value of the U.S. dollar relative to the currency by reference to which an investor measures its investment returns, due to, among other things, economic, political and other factors over which the Co-Issuers have no control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss when the return on the Notes is translated into such currency. There may be tax consequences for investors as a result of any foreign exchange gains resulting from any investment in the Notes.

Moreover, the revenues and expenses of the Co-Issuers are, and the interest reserve created by the Co-Issuers for the purposes of the Notes will be, denominated in Indian Rupees. There is a possibility of significant changes in the exchange rate between the Rupee and U.S. dollars, which may cause the Rupee amount maintained in the interest reserves to be insufficient to satisfy the interest servicing obligations denominated in U.S. dollars.

While the Co-Issuers propose to hedge their foreign currency risk in relation to the Notes, there can be no assurance the Co-Issuers will have such foreign exchanges risks fully or partially hedged by the time the Notes are issued or during the period while the Notes are outstanding or that the hedge, once executed, will fully cover the amount of any refinancing risk at the maturity of the Notes.

The Notes are subject to risks relating to currency and foreign exchange hedging transactions.

The Notes are denominated in U.S. dollars and the Co-Issuers intend to utilize the proceeds of the issue of the Notes after converting it in rupees. The interest and principal payments on the Notes will be made in U.S. dollars after conversion of the said funds from rupees to U.S. dollars. As a result, the Co-Issuers are exposed to fluctuations in the U.S. dollar/rupee exchange rate and any weakening of the rupee against the U.S. dollar will result in a residual exposure of the Co-Issuers to currency and exchange rate fluctuations and a reduction in funds available for the Co-Issuers to meet their respective obligations under the Notes.

Prospective investors should be aware that the Co-Issuers intend, on or before the subscription of the Notes, to enter into hedging transactions with one or more hedging counterparties. Each hedging transaction will be documented and pursuant to customary ISDA documentation and hedging arrangements in place thereunder. While the hedging transactions are intended to ensure that the Co-Issuers have sufficient funds to pay interest payments under the Notes, in the case of extreme volatility and depreciation in the rupee, payments under the hedging transactions upon redemption or on maturity may not provide sufficient funds to enable the Co-Issuers to pay principal under the Notes. In such circumstances, even if the Co-Issuers have funds in rupee equivalent of the principal under the Notes, the Co-Issuers may not have the equivalent in U.S. dollars to repay the principal on the Notes, and thus, may result in occurrence of an Event of Default under the Notes.

The exchange rate between the U.S. dollar and the rupee may significantly fluctuate over time. Recently, exchange rates have been volatile and such volatility is also expected in the near future. Political, economic or stock exchange developments in India or globally could lead to significant and sudden fluctuations in the exchange rate between the rupee and the U.S. dollar (see “— *The Co-Issuers are exposed to the risks relating to the termination of the hedging transactions*”).

In the event of a hedging transaction being terminated, the relevant currency protection provided by the hedging transaction to the Co-Issuers will be lost and the currency exposure of the Co-Issuers will become unhedged as a result. This could result in a total or substantial loss of the investment made by the Holders in the Notes.

Prospective investors should ensure that they have considered and fully understand the significantly increased risks of investing in the Notes where payment of principal and interest may rely on the performance of derivative contracts such as the hedging transaction. In particular, prospective investors should be aware that the hedging transactions are likely to impact the risk profile of the Notes, including increasing the market price volatility of the Notes.

The Co-Issuers are exposed to the risks relating to the termination of the hedging transactions.

Holders should be aware that the termination of any hedging transaction may adversely affect the ability of the Co-Issuers to meet their obligations with respect to the Notes.

A hedging transaction will terminate early if either party to the hedging agreement designates an early termination date in respect of all or any hedging transaction or an early termination date otherwise occurs (or is deemed to have been designated), in any case, in accordance with the terms of such hedging agreement. Upon the termination of any hedging transaction, an amount may be payable from one party to the other in accordance with the terms of the hedging agreement in respect of such termination (such termination payment, an “**Early Termination Amount**”).

Therefore, if the rupee has appreciated against the U.S. dollar (when compared to the rate at the time the hedging transaction was entered into), any Early Termination Amount is likely to be due from the relevant Co-Issuer to the counterparty. If the U.S. dollar has appreciated against the rupee (when compared to the rate at the time the hedging transaction was entered into), any Early Termination Amount is likely to be due from the counterparty to the relevant Co-Issuer.

The impact of the early termination of the hedging transaction (and any corresponding Early Termination Amount) on the Holders will depend on the market conditions at the time of the designation of such early termination and it may also be affected by decisions taken by the Holders and/or the counterparty. In a number of circumstances, termination of a hedging transaction may lead to early redemption of the Notes and the Holders receiving less (possibly substantially less or zero) than the principal amount of the Notes.

If a hedging transaction terminates prior to the occurrence of an early redemption or an Event of Default under the Notes, such termination may adversely affect the ability of the relevant Co-Issuer to continue meeting its ongoing obligations in respect of the Notes. This may occur, for example, in situations where a hedging transaction has been terminated early and (i) the funds in rupee equivalent available with the relevant Co-Issuer are less than the interest payments due under the Notes; and/or (ii) the relevant Co-Issuer is the party required to pay an Early Termination Amount to the counterparty under the hedging agreement.

In the event of a hedging transaction being terminated, the relevant currency protection provided by the hedging transaction to the relevant Co-Issuer will be lost and the currency exposure of the relevant Co-Issuer will become unhedged as a result.

This could result in a total or substantial loss of the investment made by the Holders in the Notes.

The transferability of the Notes may be limited under applicable securities laws which may adversely affect their liquidity and value.

The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or any other jurisdiction and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or any other jurisdiction. The Notes are not being offered for sale in the United States except to “qualified institutional buyers” in accordance with Rule 144A. The Co-Issuers have not agreed to or otherwise undertaken to register the Notes with the U.S. Securities and Exchange Commission (including by way of an exchange offer). It is the obligation of holders of Notes to ensure that their offers and sales of the Notes within the United States and other countries comply with applicable securities laws.

In addition, the Notes can only be issued to and held by investors eligible under the ECB Regulations, being investors which are neither from a Restricted Jurisdiction nor are Restricted Overseas Persons.

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

The Co-Issuers expect the Notes to be publicly rated Ba2 by Moody’s and BB+ by Fitch at or after deal announcement. Prospective investors should not rely solely on the rating of the Notes and should make an independent decision, based on their own analysis and experience, whether to invest in the Notes. A credit rating is not a recommendation to buy, sell or hold the Notes. There can be no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn by the relevant rating agency if, in its judgment, circumstances in the future so warrant. If a rating initially assigned to the Notes is subsequently lowered, no person or entity is obliged to provide any additional support or credit enhancement with respect to the Notes, and the market value of the Notes is likely to be adversely affected.

There is no public market for the Notes.

The Notes will be a new issue of securities with no existing trading market. Application shall be made to the GSM segment of the India INX for the listing and trading of the Notes on the India INX. The Co-Issuers cannot make any assurances that the Notes will qualify for listing on the exchanges or that a liquid trading market will develop for the Notes. Though the Notes may be listed on an exchange, there

can be no assurance that an active market will develop for the Notes or as to the liquidity of, or the secondary market for, the Notes. If an active market does develop, future trading prices of the Notes will depend on many factors, including, among others, prevailing interest rates, liquidity in the market; the Co-Issuers' financial condition, performance and prospects, political and economic developments in India; and the market for securities similar to the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

An active trading market may not develop for the Notes.

We cannot assure you as to the liquidity of any market that may develop for the Notes, the ability of Holders of the Notes to sell them or the price at which the Holders of the Notes may be able to sell them. The liquidity for any market for the Notes will depend on the number of Holders of the Notes, prevailing interest rates, the market for similar securities and other factors, including general economic conditions and our financial condition, performance and prospects, as well as recommendations by securities analysts. In addition, Clifford Capital group entities are proposing to purchase up to US\$75 million of the Notes subject to receipt of final approvals. Any holder of a material proportion of the Notes will be able to exercise considerable voting power on its own. In addition, the existence of such significant holders may reduce the liquidity of the Notes in the secondary market. Historically, the market for non-investment grade debt, such as the Notes, has been subject to disruptions that have caused substantial price volatility. If a market for the Notes develops, such market would be subject to similar disruptions. As a result, an active trading market for the Notes might not develop or, if one does develop, it might not be maintained. If an active trading market does not develop or cannot be maintained, this could have a material adverse effect on the liquidity and the trading price of the Notes and the ability to sell the Notes at a particular time or at a favorable price.

The Notes will be effectively subordinated to any other secured obligations of the Co-Issuers to the extent of the assets (other than the Collateral) serving as security for such obligations.

Except with respect to the security created in respect of the Collateral securing the Notes of each Co-Issuer, the Notes will constitute unsubordinated and unsecured obligations of the applicable Co-Issuer and will rank pari passu in right of payment with all other existing and future unsubordinated and unsecured indebtedness of such Co-Issuer, and senior in right of payment to all subordinated indebtedness of the Co-Issuer, if any. However, the Notes will be effectively subordinated to any other secured obligations of each Co-Issuer to the extent of the assets (other than the relevant Collateral) serving as security for such secured obligations. In bankruptcy, the holder of a security interest with respect to any assets (other than the relevant Collateral) of the applicable Co-Issuer would be entitled to have the proceeds of such assets applied to the payment of such holder's claim before the remaining proceeds, if any, are applied to the claims of the Holders.

If the Co-Issuers are unable to comply with the restrictions and covenants under the Notes, or any debt agreements the Co-Issuers have entered into or will enter into in the future, there could be a default under the terms of the Notes or such other debt agreements, which could cause repayment of the relevant debt to be accelerated.

If we are unable to comply with the restrictions and covenants under the Notes, or any of our existing or future debt obligations, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, certain of our debt agreements contain, and our future debt agreements may contain, cross-acceleration provisions. As a result, a default by us under one debt agreement may cause the acceleration of repayment of not only such debt but also result in a default under our other debt agreements, including in relation to the Notes. If any of these events occur, we cannot assure investors that our assets and cash flows would

be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure investors that it would be on terms that are favorable or acceptable to us.

Restrictions imposed by the Indenture and the agreements governing our other current and future borrowings may contain covenants that limit the Co-Issuers' ability to take certain action.

The Indenture in respect of the Notes and our other current and future debt agreements may contain covenants imposing operating and financial restrictions on our business that limit our flexibility. For example, the Indenture with respect to the Notes restricts our ability to, among other things:

- incur or guarantee additional indebtedness other than the permitted indebtedness;
- declare or pay dividends or make other distributions on capital stock or purchase or redeem capital stock;
- make investments or have any subsidiaries other than permitted investments;
- issue or sell capital stock of the Co-Issuers;
- create liens other than the permitted liens;
- have any subsidiaries other than permitted investment; and
- merge, consolidate, or sell, assign, convey or transfer or otherwise dispose all or substantially all of the applicable Co-Issuers' properties or assets.

The operating and financial restrictions and covenants in these agreements might adversely affect the Co-Issuers' ability to finance their future operations and capital needs, engage in other business activities that may be in their interest and react to adverse market developments. These restrictions also may interfere with the Co-Issuers' ability to make payments on the Notes.

The redemption of the Notes prior to maturity may adversely affect investors' return on the Notes.

We have the right to redeem some or all of the Notes prior to maturity, as described under “*Description of the Notes — Optional Redemptions*”. We may redeem the Notes at times when prevailing interest rates may be relatively low. We may also redeem the Notes prior to maturity, in case there is a change in taxation law(s) or taxation policy(ies) in India in accordance with the terms of the Indenture. Accordingly, investors may not be able to reinvest the redemption proceeds in a comparable security and issuer or at an effective rate as high as that of the Notes.

The Notes are subject to selling restrictions and may be transferred only to a limited pool of investors.

The Notes are subject to selling restrictions and may be transferred only to a limited pool of investors. The Notes can only be issued to and held by investors eligible under the ECB Regulations, being investors which are neither from a Restricted Jurisdiction nor are Restricted Overseas Persons.

Notes issued by a Co-Issuer may be redeemed in full prior to maturity of the Notes and the security on collateral of such Co-Issuers may be released prior to maturity of the Notes.

The Indenture allows us to redeem some or all of the Notes, prior to maturity, issued by a Co-Issuer from the proceeds of sale of Capital Stock of such Co-Issuer in one transaction or a series of related transactions by CGE IPL provided compliance is ensured with the required conditions under the Indenture, as described under “*Description of the Notes — Brief Description of the Notes and the Guarantees — The Notes*”. Pursuant to such redemption, the obligations of a particular Co-Issuer under the Notes (for which it is

acting as primary obligor and not as Guarantor) will automatically be released in respect of such Co-Issuer. Accordingly, the investors may not have any recourse in the future to the Collateral or the Guarantee provided by the said Co-Issuer.

Gains arising to a non-resident investor from disposal of the Notes held as a capital asset may be subject to taxation in India.

Any gains arising to a non-resident investor from disposal of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to tax in India from a disposal of the Notes held as a capital asset, provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There can be no assurance that the Indian tax authorities will not treat the Notes as being situated in India, particularly since each Co-Issuer is incorporated in, and is a tax resident in, India. Any gains arising to the Holders of the Note from their disposal might be subject to significant taxes in India if the Notes are determined by the Indian tax authorities to be situated in India.

The Holders will not have any direct recourse to the other lenders of the Co-Issuers.

The security over the Collateral (other than Exclusive Collateral) is being created in favor of the Holders on a *pari passu* basis and may be shared with the Notes Hedge Counterparties. RCF Lenders shall also have the benefit of first ranking charge over the WCF Collateral and a benefit of second ranking charge over the Common Collateral (other than (i) Exclusive Collateral, (ii) the applicable Debt Service Reserve Accounts, (iii) the applicable Restricted Surplus Accounts and (iv) the applicable Restricted Debt Service Accounts). The working capital lenders, the Notes Hedge Counterparties and the Holders will have a first ranking *pari passu* charge over the Restricted Debt Service Account. The Co-Issuers will execute the Security Sharing Agreement, appointing the Security Trustee to hold the Liens over the Collateral for the benefit of the Holders, the Trustee, the Notes Hedge Counterparties and, where applicable, the RCF Lenders. The Security Sharing Agreement also provides for the process of enforcement of Liens over the Collateral and the distribution of enforcement proceeds. Each of the creditors (including the Holders, the Trustee, the Notes Hedge Counterparties and the RCF Lenders) which have the benefit of the security over the Collateral will have a right to enforce such security as per the terms of the underlying financing documents and can instruct the Security Trustee to enforce the Liens over the relevant Collateral.

The Co-Issuers will also execute a trust and retention accounts agreement with the account bank named therein, and the Security Trustee (acting for the benefit of the Holders, the Trustee the Notes Hedge Counterparties, and the RCF Lenders) for the establishment and operation of the trust and retention account. The relevant Operating Accounts are a part of the Collateral and will be charged for the benefit of the Holders the Notes Hedge Counterparties, and the RCF Lenders as per the ranking described in “*Description of Notes — Collateral.*”

The Holders and the Trustee are not a signatory to these agreements and the rights under these agreements will not be granted directly to the Holders but will be granted only in favor of the Security Trustee (acting on behalf of and for the benefit of the Trustee, the Notes Hedge Counterparties, the RCF Lenders and the Holders). As a consequence, the Holders will not have direct recourse and will not be entitled to take any action in respect of any breach of the obligations under these agreements, except through the Security Trustee (acting on behalf of and for the benefit of the Trustee, the Notes Hedge Counterparties, the RCF Lenders and the Holders).

There are interest rate risks on an investment in the Notes.

Investment in fixed rate instruments such as the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate instruments. The extent of a fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level

of prevailing interest rates. Increased rates of interest, which frequently accompany inflation, are likely to have a negative effect on the price of the Notes.

The Trustee and the Security Trustee may request that the holders of the Notes provide an indemnity and/or security and/or prefunding to their satisfaction.

Pursuant to the Indenture and the Security Sharing Agreement, the Trustee and the Security Trustee may (at their sole and absolute discretion), in certain circumstances, request the holders of the Notes provide an indemnity and/or security and/or prefunding to their satisfaction before they take any action and/or steps and/or institutes proceedings on behalf of the holders of the Notes. The Trustee and/or the Security Trustee shall not be obliged to take any such actions and/or steps and/or institute proceedings if not indemnified and/or secured and/or pre-funded to their satisfaction. Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such actions and/or steps can be taken and/or such proceedings can be instituted. The Trustee and/or the Security Trustee may not be able to take actions and/or steps and/or institute proceedings, notwithstanding the provision of an indemnity and/or security and/or pre-funding to them, in breach of the terms of the Indenture governing the Notes and the Security Sharing Agreement and in such circumstances or where there is uncertainty or dispute as such actions' and/or step's and/or proceedings' compliance with applicable laws or regulations. In such circumstances, to the extent permitted by any applicable agreements or applicable laws, it will be for the holders of the Notes to take such actions and/or steps and/or institute proceedings directly.

The Co-Issuers' ability to raise foreign capital may be constrained by Indian law.

The Co-Issuers are subject to exchange controls and laws that regulate borrowing in foreign currencies. The issuance of the Notes is subject to compliance with the ECB Regulations which impose certain restrictions. For instance, the Notes cannot be offered or sold, including by way of security, to any person from a Restricted Jurisdiction, or who is a Restricted Overseas Person (as defined under the ECB Regulations) which may adversely affect the liquidity of the Notes and the price at which they may be sold. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, the required approvals may not be granted to us without onerous conditions or at all. Limitations on raising foreign debt may adversely impact our business growth, financial condition, results of operations and cash flows.

Risks Relating to the Green Finance Instrument

There is no current market consensus on what constitutes a “green” or “sustainable” project.

There is no clearly defined definition (legal, regulatory or otherwise) of, or current market consensus on what precise attributes are required for a particular project to be defined as “green” or “sustainable” or an equivalently-labeled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. The SPO may not reflect the potential impact of all risks related to the structure, marketability, trading price or liquidity and other factors that may affect the price or value of the Notes. The SPO is not a recommendation to buy, sell or hold securities and is only current as of the date that the SPO was initially issued and is subject to certain disclaimers set out therein, and may be updated, suspended or withdrawn at any time. Currently, the providers of second-party opinions and certifications and validations are not subject to any regulatory regime or oversight. The SPO is for information purposes only and neither we nor the Initial Purchasers accept any form of liability for the substance of the SPO and/or any liability for loss arising from the use of the SPO and/or information provided in them. Therefore, the Eligible Green Projects may not meet the criteria and expectations of investors regarding environmental impact and sustainability performance. We may not meet or continue to meet, the investment requirements of certain environmentally focused investors with respect to the Notes, which may also have consequences for certain investors with portfolio mandates to invest in green assets. In addition, the Initial Purchasers have not undertaken, nor are responsible for, any assessment of

the eligibility criteria of the assets within the definition of Eligible Green Projects, any verification of whether the Eligible Green Projects meet such criteria, the monitoring of the use of proceeds from the offering of the Notes or the allocation of the proceeds to particular Eligible Green Projects. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Memorandum regarding the use of proceeds of the Notes.

In the event that any such Notes are listed or admitted to trading on any dedicated “green”, “environmental”, “sustainable” or other equivalently-labeled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Co-Issuers or any other person that such listing or admission satisfied, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any green projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Co-Issuers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

The Co-Issuers intend to allocate an amount equal to the net proceeds from the offering of the Notes to finance and/or refinance the Eligible Green Projects (as defined in the Green Finance Framework). Prospective investors should determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investor deems necessary. No assurance is or can be given to investors that any projects or uses the subject of, or related to, any green projects will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labeled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any green projects. See *“The recent order of the Supreme Court of India in 2021 directing the shifting of existing overhead transmission lines underground in certain environmentally protected areas might adversely impact the business and operation of certain Group entities.”* Nor can there be any assurance that such green projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Co-Issuers. Any such event or failure by the Co-Issuers will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any green projects as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Co-Issuers are not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended to finance green projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

USE OF PROCEEDS

We estimate receiving approximately U.S.\$650.0 million in proceeds from this offering.

The Co-Issuers intend to allocate an amount equal to the net proceeds from the offering of the Notes to finance and/or refinance the Eligible Green Projects (as defined in the Green Finance Framework). The Co-Issuers expect to use the net proceeds itself from the offering of the Notes in accordance with the ECB Regulations primarily to (i) redeem in full the non-convertible debenture issued by the Co-Issuers (other than CTRPL and KWDPL) and held by Continuum Energy Levanter Pte. Ltd.; (ii) repay in full the existing indebtedness of CTRPL and KWDPL (including the existing shareholder loans (in full or in part) but excluding the working capital loans); and (iii) other end-uses in compliance with the ECB Regulations.

GREEN FINANCE FRAMEWORK OVERVIEW

Introduction

Established in 2009, CGEL through its fully owned subsidiary, CGEIP, is an India-focused renewable energy group and one of the country's leading independent power producers.

This Green Finance Framework has been developed in alignment with the voluntary guidelines of the 2021 Green Bond Principles (“**GBP**”), administered by the International Capital Market Association (“**ICMA**”), and the 2023 Green Loan Principles (“**GLP**”), administered by the Loan Market Association (“**LMA**”), Asia Pacific Loan Market Association (“**APLMA**”) and Loan Syndications and Trading Association (“**LSTA**”) (together the “**Principles**”).

Use of proceeds

CGEL intends to allocate an amount equal to the net proceeds of any green finance instruments, in whole or in part, exclusively to new or existing projects that meet respective criteria defined below (“**Eligible Green Projects**”). Eligible Green Projects are assets, capital expenditures, and/or operational expenditures undertaken by Continuum that enable the transition towards low-carbon climate resilient growth. CGEL may own the Eligible Green Projects directly or indirectly through its subsidiaries.

Renewable Energy:

- Development, construction and operation of onshore and offshore wind farms and related support infrastructure.
- Development, construction and operation of solar energy and related support infrastructure.
- Development, construction and operation of wind-solar hybrid energy and related support infrastructure.
- Development, construction and operation of energy storage.

CGEL will apply negative screening and not knowingly be involved in financing activities that include involvement in fossil-fuel related activities.

Process for Project Evaluation and Selection

The evaluation and selection process ensures that the net proceeds raised from green finance instruments are allocated to projects that meet the criteria set out in the “Use of Proceeds” section. CGEL has established a Green Finance Committee (the “**Green Finance Committee**”) comprised of representatives from Sustainability, Finance and Project & Operations teams which will meet on an annual basis for the assessment of Eligible Green Projects.

Management of proceeds

CGEL will manage the allocation of an amount equivalent to the net proceeds of outstanding green finance instruments to Eligible Green Projects. All relevant information regarding the issuance of any green finance instrument and the allocation of its proceeds to Eligible Green Projects will be documented and monitored via CGEL's internal tracking systems (“**Green Finance Register**”).

All Eligible Green Projects must meet the eligibility criteria throughout the term of the green finance instrument. If an Eligible Green Project ceases to fulfill the eligibility criteria or exit the portfolio, CGEL will, on a best effort basis, substitute the project as soon as reasonably practicable.

Prior to full allocation, net proceeds will be held in line CGEL's general liquidity guidelines in cash, cash equivalents, and/or other liquid marketable instruments. Unallocated proceeds will not knowingly be placed in investments that include greenhouse gas intensive assets, inconsistent with the transition towards a low carbon economy.

Reporting

To enable the monitoring and provide insights into prioritised areas, CGEL will publish a Green Finance Report which will be publicly available on the Company's investor relations website at www.continuumenergy.in within one year from the issuance of any green finance instrument and update annually, until full allocation, and in case of material developments. The reporting will consist of (i) the "allocation reporting" and (ii) the "impact reporting."

The allocation report will contain information on, but not limited to, the total amount of outstanding green finance instruments, share of proceeds used for financing vs. refinancing and any shortfall of amount of assets unallocated.

The Impact Report will illustrate the estimated and observed environmental outcomes as a result of Eligible Green Projects to which net proceeds of green finance instruments have been allocated.

External review

CGEL has engaged an external verifier to review the Green Finance Framework. The independent Second Party Opinion ("SPO") on the framework's environmental credentials and its alignment with the Principles has been received by S&P Global Ratings. The independent SPO will be published on the CGEL's investor relations website at www.continuumenergy.in.

CGEL's Green Finance Framework and existing Eligible Green Projects have been rated as Dark Green by S&P Global Ratings.

In order to ensure sustained compliance of all issued green financing instruments with the methodology set out in this framework, CGEL will appoint an external verifier to provide a review on the allocation of the proceeds, on an annual basis until full allocation, starting one year after the first issuance under this framework.

For the avoidance of doubt, the Green Finance Framework and the SPO shall not be deemed to be incorporated into and/or form part of this Offering Memorandum.

CAPITALIZATION

The following table sets forth (i) our cash and bank balances and (ii) the capitalization of the Restricted Group 2, in each case, as of March 31, 2024:

- on an actual basis as derived from the Ind AS Audited Special Purpose Combined Financial Statements; and
- as adjusted to give effect to the issuance of the Notes offered hereby and the application of the proceeds as described under “*Use of Proceeds*” in the Offering Memorandum, assuming the Restricted Group 2’s outstanding indebtedness as described in footnote 2 in the table below have been redeemed.

You should read the following table together with “*Use of Proceeds*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” “*Description of the Notes*” in the Preliminary Offering Memorandum, “*Recent Developments*” in this Supplement and the Ind AS Audited Special Purpose Combined Financial Statements included elsewhere in this Supplement.

	As of March 31, 2024			
	Actual		As Adjusted	
	(INR in millions)	(U.S.\$ in millions) ⁽¹⁾	(INR in millions)	(U.S.\$ in millions) ⁽¹⁾
Cash and cash equivalents.	2,017	24.2	2,017	24.2
Bank balances (other than cash and cash equivalents).	2,088	25.0	2,088	25.0
Deposit with remaining maturity for more than 12 months.	43	0.5	43	0.5
Total	4,148	49.7	4,148	49.7
Indebtedness:				
Term loans from bank & financial institutions — principal and Working capital loan — principal and 8.75% non-convertible debentures issued to Continuum Energy Levanter Pte. Ltd. — principal (a)	45,629	547.3	— ⁽²⁾	—
8.75% non-convertible debentures issued to Continuum Energy Levanter Pte. Ltd. — interest & premium (b)	3,504	42.0	— ⁽²⁾	—
Term loans from bank & financial institutions — interest (c)	46	0.6	— ⁽²⁾	—
Working capital loan — interest (d)	2	0.0	— ⁽²⁾	—
Sub-total (e=a+b+c+d)	49,181	589.9	—	—
Notes Offered hereby (f)	—	—	54,193	650.0
Loans and dues from related parties (g)	44	0.5	—	—
Total indebtedness (h=d+e+f+g)	49,225	590.4	54,193	650.0
24,210,900 non-convertible debentures of INR 10/- each (i)	284	8.4	—	—
Liability component of Compulsory Convertible Debentures (j)	4,645	55.7	4,645	55.7

As of March 31, 2024

	Actual		As Adjusted	
	(INR in millions)	(U.S.\$ in millions) ⁽¹⁾	(INR in millions)	(U.S.\$ in millions) ⁽¹⁾
Liability component of Optionally Convertible Debentures (k)	2,565	30.8	1,565	18.8
Measured at FVTPL: Compulsory Convertible Debentures (l)	1,502	18.0	1,502	18.0
Total equity attributable to owners of the Group (m)	<u>3,313</u>	<u>39.7</u>	<u>3,313</u>	<u>39.7</u>
Capitalization (h+i+j+k+l+m)	<u>61,534</u>	<u>738.0</u>	<u>65,218</u>	<u>782.2</u>

Notes:

- (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 83.3739 per U.S.\$1.00, being the closing exchange rate published by the FBIL as of March 28, 2024.
- (2) Adjusted for (i) an intended repayment of Term loans from bank & financial institutions — principal and Working capital loan — principal and 8.75% non-convertible debentures issued to Continuum Energy Levanter Pte. Ltd. — principal amounting to INR 45,629 million (equivalent of US\$547.3 million); (ii) an intended repayment of 8.75% non-convertible debentures issued to Continuum Energy Levanter Pte. Ltd. — interest & premium amounting to INR 3,504 million (equivalent of US\$42.0 million); (iii) an intended repayment of Term loans from bank & financial institutions — interest amounting to INR 46 million (equivalent of US\$0.6 million); and (iv) an intended repayment of Working capital loan — interest amounting to INR 2 million.

Except for the foregoing, there has been no material adverse change in the Restricted Group 2's capitalization since March 31, 2024.

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

The following discussion should be read in conjunction with the Special Purpose Combined Financial Statements, included elsewhere in this Offering Memorandum. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in or implied by any of the forward-looking statements as a result of various factors, including those listed under "Risk Factors" and "Forward-Looking Statements."

*This Offering Memorandum includes the Restricted Group 2's audited special purpose combined financial statements as of and for the fiscal years ended March 31, 2021, 2022 and 2023 (the "**Indian GAAP Audited Special Purpose Combined Financial Statements**") as well as the audited special purpose combined financial statements for the fiscal year ended March 31, 2024 (the "**Ind AS Audited Special Purpose Combined Financial Statements**," together with the Indian GAAP Special Purpose Combined Financial Statements, the "**Audited Special Purpose Combined Financial Statements**"). With respect to assessment of the Restricted Group 2's financial performance for the fiscal year ended March 31, 2024 and 2023, investors should refer to the Ind AS Audited Special Purpose Combined Financial Statements in its entirety and should not refer to the Indian GAAP Audited Special Purpose Combined Financial Statements for the fiscal year ended March 31, 2023 and Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements (as defined below).*

*The special purpose combined Ind AS financial statements of the Restricted Group 2 for the fiscal year ended March 31, 2024 were prepared by Continuum Green Energy (India) Private Limited ("**Parent Company**") in accordance with "recognition and measurement principles of Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 (except Ind AS-33 on Earnings Per Share) and other accounting principles generally accepted in India and the Guidance Note on Combined and Carveout Financial Statements issued by the Institute of Chartered Accountants of India (ICAI) by the Parent Company in accordance with the Indian Accounting Standards as prescribed under section 133 of Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("**Ind AS**").*

*The special purpose combined financial statements of the Restricted Group 2 for the fiscal year ended March 31, 2023 were prepared by the Parent Company in accordance with the requirements of Accounting Standards notified under section 133 of Companies Act, 2013 and the Companies (Accounting Standards) Rules, 2021 (as amended) and other applicable requirements for the years ended on March 31, 2023 (hereinafter referred to as 'Indian GAAP'), taking into account the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India (the "**Guidance Note**") and the specifics to be considered in preparing special purpose combined financial statements. These financial statements have been prepared in accordance with the recognition, measurement and disclosure principles specified in Indian GAAP and audited in accordance with the standard of auditing issued by the Institute of Chartered Accountants of India.*

The special purpose combined financial statements of the Restricted Group 2 as for the fiscal year ended March 31, 2022 were prepared by the Parent Company in accordance with the requirements of Accounting Standards notified under section 133 of Companies Act, 2013 and the Companies (Accounting Standards) Rules, 2021 (as amended) Division I of Schedule III to the Companies Act, 2013 ('Schedule III') and other applicable requirements for the year ended March 31, 2022 (hereinafter referred to as 'Indian GAAP'), taking into account the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("the Guidance Note") and the specifics to be considered in preparing Special Purpose Combined Financial Statements. These financial statements have been prepared in accordance with the recognition, measurement and disclosure principles specified in Indian GAAP and audited in accordance with the standard of auditing issued by the Institute of Chartered Accountants of India.

The special purpose combined financial statements of the Restricted Group 2 as for the fiscal year ended March 31, 2021 were prepared by the Parent Company in accordance with the requirements of Accounting

Standards notified under section 133 of Companies Act, 2013 and the Companies (Accounting Standards) Rules, 2016, Division I of Schedule III to the Companies Act, 2013 ('Schedule III') and other applicable requirements for the year ended on March 31, 2021 (hereinafter referred to as 'Indian GAAP'). Taking into account the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("the Guidance Note") and the specifics to be considered in preparing Special Purpose Combined Financial Statements. These financial statements have been prepared in accordance with the recognition, measurement and disclosure principles specified in Indian GAAP and audited in accordance with the standard of auditing issued by the Institute of Chartered Accountants of India.

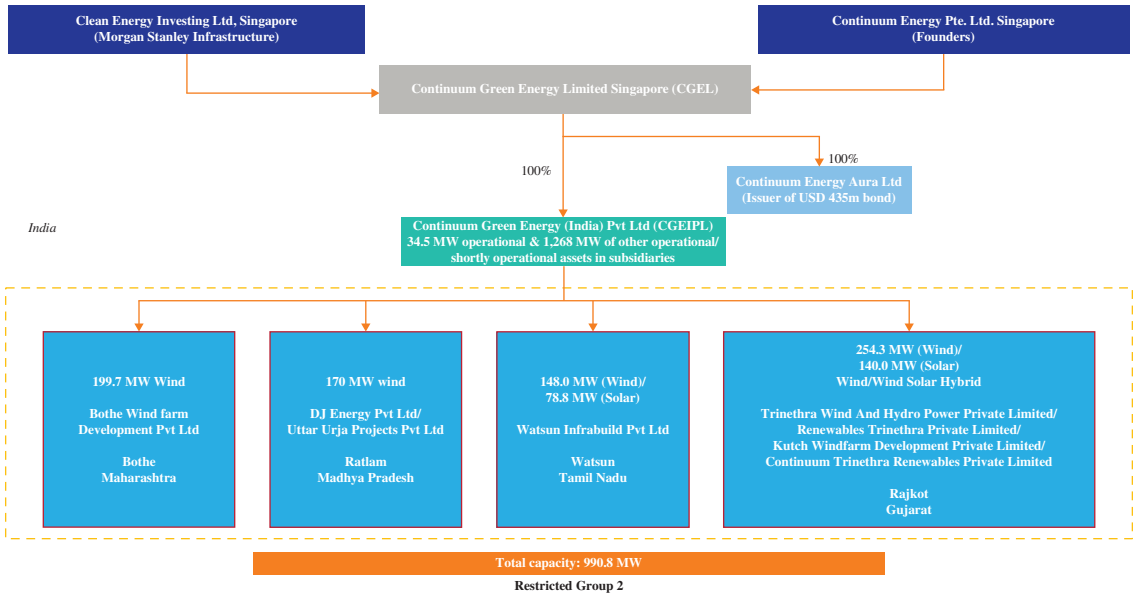
This Offering Memorandum also includes the Restricted Group 2's unaudited special purpose combined interim financial statements for the nine months ended December 31, 2023 (the "**Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements**"). The Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements have been prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act (the Act), 2013, read with the Companies (Accounting Standards) Rules, 2021, the Guidance Note on Combined and Carve-Out Financial Statements issued by the ICAI and other accounting principles accepted in India.

As we did not constitute a separate legal group of entities for the periods presented, the Special Purpose Combined Financial Statements are not necessarily indicative of our financial performance, financial position and cashflows that would have occurred if we had operated as a standalone group of entities during the periods presented, nor are they indicative of our future performance.

Overview

We own and operate two large wind farms and two large wind-solar co-located hybrid farms across four states in India, which we believe positions us well to take advantage of India's abundant wind and solar energy resources and the country's favorable regulatory framework for renewable energy. Our Bothe and Ratlam 1 wind farms are located in the states of Maharashtra and Madhya Pradesh, respectively. Our Periyapatti and Rajkot wind-solar co-located/WSH farms are located in the states of Tamil Nadu and Gujarat, respectively.

Our four project sites are owned and operated by eight Co-Issuers, namely Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited. The Continuum Group owns 100% of the Restricted Group 2 companies except for Watsun Infrabuild Private Limited, approximately 28% of which is held by our group captive C&I consumers.



As of December 31, 2023, our operational capacity was 990.8 MW, comprising 369.7 MW of wind generation capacity and 621.1 MW of wind-solar co-located/WSH generation capacity. Out of this, PPAs have been executed for 984.5 MW, with distribution utilities accounting for 363.4 MW of our capacity and with C&I consumers accounting for the remaining 621.1 MW.

From our Bothe and Ratlam 1 projects, we sell electricity under the feed-in-tariff PPAs to distribution utilities i.e. MSEDCL and MPPMCL, respectively and realize a tariff, fixed for the duration of the PPAs, of (i) INR 5.81 per kWh for 101.0 MW and INR 5.70 per kWh for 92.4 MW of electricity generated at the Bothe wind farm; and (ii) INR 5.92 per kWh for the 170 MW of electricity generated at the Ratlam 1 wind farm. We also receive GBI benefits of INR 0.50 per kWh up to a cumulative value of INR 10 million per MW for each of these projects in a maximum period of 10 years.

For our Rajkot and Periyapatti projects (with over 130 C&I consumers), we have varying tariffs under our PPAs. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity distribution utilities and are set lower than the then prevailing tariffs charged by the distribution utilities for black energy to these consumers. The net tariff realized under these PPAs varies with increase/decrease in tariffs charged by distribution utilities to such consumers and open access charges/losses payable to distribution utilities/transmission utilities. The net variation in tariffs charged by distribution utilities and open access charges/losses is usually shared as per agreed terms between the C&I consumer and the company.

The following table sets forth certain key operational data of our projects:

	Status	Location	Total Capacity (MW)	Commissioning date (FY)
Bothe	Operational	Maharashtra	199.7 (Wind) ⁽¹⁾	2015
Ratlam 1	Operational	Madhya Pradesh	170.0 (Wind)	2016
Periyapatti	Operational	Tamil Nadu	148.0 (Wind) ⁽²⁾ 78.8 (Solar)	2018-2021
Rajkot	Operational	Gujarat	254.3 (Wind) ⁽³⁾ 140.0 (Solar)	2019-2024
Total			990.8	

Notes:

- (1) PPAs are pending for 6.3 MW capacity.
- (2) Periyapatti wind 148 MW was commissioned in FY 2018 — FY 2019 and Periyapatti Solar 78.8 MW was commissioned in FY 2021.
- (3) Rajkot site include Rajkot I (101.2 MW), Rajkot IIA (25.2 MW), Rajkot IIB (28.0 MW) and Rajkot 3 (239.9 MW) with last 86.2 MW of the Rajkot 3 was commissioned in phases between Q4 FY 2023 and Q1 FY2024.

Factors Affecting Our Results of Operations

Impact of Weather and Seasonality

Weather conditions can have a significant effect on our power generating activities. The profitability of our wind and WSH energy projects are directly correlated with wind and solar conditions at its project sites. Variations in wind and solar conditions occur as a result of fluctuations in wind currents on a daily, monthly and seasonal basis and, over the long-term, as a result of more general climate changes. In particular, wind conditions are generally tied to the monsoon season in India and are impacted by the strength of each particular monsoon season. During the period March to September, which includes the monsoon season, we generate approximately 60% of our annual production. The performance of wind energy projects in different areas of India are correlated to a certain extent, as at times weather patterns

across the whole of India are likely to have an influence on wind patterns. Unlike wind resources which are concentrated in specific regions and sensitive to the monsoon season, solar power generation is viable across India throughout most of the year. The energy output performance of our solar plants is dependent in part on the amount of sunlight and hence may be impacted by shorter daylight hours in winters or cloud over during monsoons. As a result, our revenue is impacted by cloud cover during the monsoon season or shorter daylight hours in winters.

Operation of Our Projects

Our results of operations are materially influenced by the degree to which we are able to achieve maximum generation volumes through the operation of our projects. We strive to achieve growth by improving the availability and capacity of our projects while minimizing planned and unplanned project downtime. The number and length of planned outages, undertaken in order to perform necessary inspections and testing to comply with regulations and to permit us to carry out any maintenance activities, can impact operating results. When possible, we seek to schedule the timing of planned outages to coincide with periods of relatively low wind speeds at the relevant project. Likewise, unplanned outages can negatively affect our operating results, even if such outages may be covered by insurance.

While we currently outsource the operations and maintenance of our wind turbines to suppliers, we continue to build in-house O&M skills to oversee the operations and maintenance of our turbines and create insights through data analytics and detailed root cause analysis, a model which we believe is different from that generally adopted by our competitors. Our Parent has invested in a sophisticated AOMS, a software platform that enables us to monitor the performance of our wind turbines and solar modules over a large number of performance parameters and indicators. All our wind turbines, solar inverters and the dedicated substations are connected to AOMS which provides information every second, every day of the week. We have developed several algorithms and indices to proactively identify underperforming systems and the causes for such under-performance. AOMS analytics coupled with our forecast of wind speeds, solar irradiation and power generation have also enabled us to plan maintenance downtime during periods of low resource availability to minimize revenue loss. We have archived several terabytes of data from wind turbines and solar inverters on operating parameters increases every day. We rely on the archived data to perform predictive maintenance and root cause analysis.

As we own large wind farms and solar parks, we are able to negotiate favorable terms with turbine manufacturers, solar module suppliers, EPC contractors and other O&M contractors. Our O&M contracts typically include comprehensive O&M services, generally for a period of 10 to 20 years for wind projects and for a period of five to 10 years for solar projects with a renewal option over the operational life of the project (with free services in some cases for the first two to three years). Under these contracts, contractors undertake to ensure smooth operations of the turbines and solar panels, provide competent and skilled manpower, spares and consumables for comprehensive preventive and curative maintenance.

In several of our O&M contracts for our wind farms and in the O&M contract for our solar farm, we pay the O&M fee on per kWh of electricity generated and billed from the plant (subject to a base minimum fee per MW per year) thereby aligning our and the operator's interest in maximizing generation. Contractors provide maximum reactive consumption power guarantees to ensure reactive power imported from the power grid is not more than 4-5% of the active power exported from the grid over a specified 12-month period. If the reactive power guarantee is not met, the contractor is liable to reimburse the amount charged for the extra power imported up to a percentage of the O&M charges payable to the contractor under the various O&M contracts. The O&M contractor assures optimum operational performance of the turbines as well as a guaranteed performance commitment in the form of a minimum availability guarantee of 95% to 97% including seasonal availability guarantee, which assures the turbines' availability to generate electricity for a specified percentage of the time with liquidated damages calculated by way of revenue loss. Our O&M solar contracts cover performance ratio guarantees for up to eight years. For further details see "*Our Business — O&M*".

Significant Recent Growth

The following table sets forth the capacity of our projects as of March 31, 2021, 2022 and 2023 and December 31, 2022 and 2023:

	As of March 31,			As of December 31,	
	2021	2022	2023	2022	2023
	(Capacity MW)				
Operational projects	<u>722.9</u>	<u>750.9</u>	<u>943.2</u>	<u>904.6</u>	<u>990.8</u>

In FY 2021, FY 2022, FY 2023 and the nine months ended December 31, 2022 and December 31, 2023, we generated 1,353.2 GWh, 1,590.4 GWh, 1,674.6 GWh, 1,366.0 GWh and 1,620.9 GWh of power, respectively. Such increase in operating capacity and generation amount has led to an increase in our revenue from sale of electricity over the same period. As our business has grown, we have also increased our expenditures on operation and maintenance that are necessary to support this growth and support our operations.

Power Purchase Agreements

Our revenue is generated pursuant to PPAs. These PPAs enhance the security and visibility of our revenues and limit the impact of market price variability. All our generated power is sold to State Distribution utilities (MPPMCL and MSEDCL) and to C&I customers. While the PPAs with MPPMCL and MSEDCL reduce exposure to volatility in the market price for power, the predictability of our operating results and cash flows varies by project based on the negotiated terms of these agreements, in particular the tariffs. Our PPAs with MSEDCL and MPPMCL are structured with preferential FITs having a term of 13 to 25 years which provide downside protection since the tariffs are generally fixed for the duration of the PPA. Our PPAs with C&I consumers are generally for five to 20 years, at tariffs set at a level lower than their alternative variable cost of power purchase from distribution utilities and cater to only 50-60% of an individual consumer's demand of electricity, which ensures off-take security and higher visibility of our future financial performance. For further details see "*Our Business — PPA.*"

Capital Expenditure Costs

Demand for qualified labor and components in our industry has increased over the last few years. This has increased the costs of construction and maintenance of power generation projects. While we do not have under-construction or under-development projects in the Restricted Group 2, capital expenditures are necessary to maintain and improve the operating conditions of our projects and to meet regulatory and prudential operating standards. Future costs will be highly dependent on the cost of components and the availability of contractors that can perform the necessary work to maintain and improve our projects, as well as changes in regulations which could require us to make capital improvements to our projects.

Financial Policies

We follow a set of financial policies spanning across the complete spectrum of project lifecycle from planning and development to O&M. Our general financial policy consists of a disciplined project selection approach, under which we only construct projects that meet satisfactory return thresholds. We also monitor debt gearing, net debt and EBITDA levels. Further, we have a conservative dividend policy with a priority on reinvesting cash to fund our growth. In addition, our hedging policy provides for appropriate hedging instruments to be used in cases of ECB borrowings for long-term loans in relation to projects and limits foreign exchange exposure. In addition, in order to maintain liquidity, we generally obtain credit lines from multiple banks to reduce funding costs during construction, pursue an efficient capital structure with a focused refinancing strategy and build a cash reserve for sustaining liquidity and for other general corporate purposes.

Government Policies and Initiatives

We depend in part on government policies and initiatives that support clean energy and enhance the economic feasibility of developing clean energy projects. For several years, India has adopted policies and subsidies actively supporting clean energy. We receive an average tariff of INR 5.76 per unit for the 193.4 MW of electricity generated at the Bothe project, a tariff of INR 5.92 per unit for the 170 MW of electricity generated at the Ratlam 1 project, and our tariff for the Rajkot 1, 2A and 2B projects, Rajkot 3 and the Periyapatti wind-solar co-located hybrid farms are varied across our over 130 C&I customers. In addition, the GBI scheme, which provides an incremental incentive of INR 0.5/kWh capped at INR 10 million per MW, was reinstated in September 2013 for new wind energy projects and benefit all the wind capacity commissioned from April 1, 2012 until March 31, 2017. The GBI benefits are available for our Bothe and Ratlam 1 projects for a minimum period of four years and up to a maximum period of 10 years.

Subsequent to March 31, 2017, as per the policy of the Indian government, most states in India have shifted to models based on competitive bidding instead of preferential tariffs, for awarding PPAs. For further details regarding the regulatory framework governing the competitive bidding process for award of PPAs in India, see “*Regulation — National Tariff Policy*”.

These regulatory initiatives have increased demand for clean energy generally and therefore for power generated by our energy projects. Regulation also contributes to the revenue received for the power our projects generate. The support for clean energy has been strong in recent years, and the Indian Government has periodically reaffirmed its desire to sustain and strengthen that support. Additional regulatory requirements could increase demand for clean energy and power prices. For example, the aim of the Indian Government is for 50.0% of India’s energy requirements to be derived from renewable energy sources by 2030 and the RPO is one of the regulatory measures implemented to achieve of this goal. To this end, state distribution companies, open access consumers and captive consumers are obligated to purchase a certain percentage of their power from renewable sources under the RPO rules.

Special Purpose Combined Statement of Profit and Loss

The following is a brief description of the principal line items that are included in the Special Purpose Combined Statement of Profit and Loss.

Revenue from Operations

Our revenue from operations consists of the sale of electricity, generation-based incentive, sale of verified carbon units and revenue loss recovered.

Sale of electricity

Revenue from the sale of electricity is recognized on the basis of the number of units of power generated and supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the licensed distribution or transmission utilities and Indian Identified Entities or credit reports provided by discoms at the rates prevailing on the date of supply to grid as determined by the power purchase agreements entered into with such discoms/customers under group captive mechanism/Open access sale/third party power trader or as per the average power purchase cost (APPC) rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of Bothe’s unsigned PPA’s and the surplus power as per the rate prescribed by relevant state regulatory commission to State distribution utilities (“**State discoms**”).

Generation based incentive (GBI)

The GBI scheme, which provides an incremental incentive of INR 0.5/kWh capped at INR 10 million per MW, was reinstated in September 2013 for new wind energy projects and benefits all the wind capacity commissioned from April 1, 2012 until March 31, 2017. Revenue from generation-based incentives is recognized based on the number of units exported or if the eligibility criteria are met in accordance with the guidelines issued by the Indian Renewable Energy Development Agency Limited for GBI scheme. See “*Regulation — Generation Based Incentive Scheme.*”

Verified Carbon Units (VCUs)

Income from sale of verified carbon units is recognized on sale of eligible units. Any unsold VCUs which are granted are accrued at a nominal value.

Other Income

Other income includes interest income from bank deposits, tax refunds, unsecured loan to related parties and overdue trade receivable. Interest from customers on delayed payment is recognized only upon its reasonable certainty of receipt. It also includes provisions no longer required written back, insurance claims received, income arising due to liquidated damages and other miscellaneous income.

Total Expense

Total expense comprises operating and maintenance expenses, employee benefits expense and other expenses.

Operating and maintenance expenses

Operating and maintenance expenses generally include expenses for operating and maintaining wind turbines, solar plants and BOP. It also includes transmission, open access and other operating charges incurred or paid to regulatory authorities for grid charges, operating charges, DSM charges, activation energy charges and reactive energy charges in accordance with the terms of the PPAs.

Employee benefits expense

Employee benefit expenses primarily include salaries, wages and bonus, as well as payable, staff welfare expenses, contributions to provident fund and other funds, a provision for gratuity expenses and leave benefits.

Other expenses

Other expenses include rent, insurance expense, rates and taxes, traveling, lodging and boarding, legal and professional fees, repairs and maintenance plant and machinery, repairs and maintenance others, site related expenses, provision towards litigation and contingencies and loss on sale of fixed assets.

Depreciation and amortization expenses

Depreciation and amortization expenses primarily arise from the depreciation of our tangible assets including leasehold land, buildings, plant and equipment, furniture and fixtures, vehicles, office equipment and computer.

Finance cost

Finance cost comprises interest on working capital, term loans, non-convertible debentures (“**NCDs**”), compulsorily convertible debentures (“**CCDs**”), optionally convertible debentures (“**OCDs**”) or compulsory fully convertible debentures (“**CFCDs**”), as well as redemption premium on NCDs and other borrowing costs.

Current tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Restricted Group 2 operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax

Deferred tax includes deferred tax liability recognized on account of timing differences of depreciation and others. Deferred tax asset recognized on carry forward tax losses, unabsorbed depreciation loss and provision for employee benefits under the Indian Income Tax Act, 1961.

Results of Operations

The following table sets out select financial data derived from the Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements for the nine months ended December 31, 2022 and 2023 included elsewhere in this Offering Memorandum:

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	<u>7,913</u>	<u>9,798</u>
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, Indian Identified Entities 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 or 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
Tax expense				
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 from INR 785 million in FY 2022 to interest on CCDs/CFCDs from 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 Restricted Group 2 has 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:

	<u>As of March 31,</u>	
	<u>2021</u>	<u>2022</u>
	(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	<u>7,661</u>	<u>9,191</u>
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 Solar project (78.8 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 are derived from the Indian GAAP Unaudited Special Purpose Combined Interim Financial Statements included elsewhere in this Offering Memorandum:

	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 cashflow 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 flows 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 cashflow 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 (used in)/flow from 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	38.7

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 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.

Significant Accounting Policies

The Special Purpose Combined Financial Statements were prepared in accordance with the recognition, measurement and disclosure principles of Indian GAAP, except for disclosure requirement of AS-20 Earnings Per Share which requires management to make estimates, judgments and assumptions that affect the amounts reported in the Special Purpose Combined Financial Statements and accompanying notes. Our management considers the following accounting policies to be critical because they are important to our cash flows, financial condition and results of operations and require significant judgment and estimates on the part of management in their application.

Use of estimates

The preparation of Special Purpose Combined Financial Statements in conformity with generally accepted accounting principles in India under Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Restricted Group 2 and the revenue can be reliably measured. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of electricity

Revenue from the sale of electricity is recognized on the basis of the number of units of power generated and supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the licensed distribution or transmission utilities and Indian identified entities or credit reports provided by discoms at the rates prevailing on the date of supply to grid as determined by the power purchase agreements entered into with such discoms/customers under group captive mechanism/Open access sale/third party power trader or as per the average power purchase cost (APPC) rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of Bothe's unsigned PPA's and the surplus power as per the rate prescribed by relevant state regulatory commission to State discoms.

Unbilled revenue represents the revenue that Bothe recognizes at eligible rates for the arrangement where Bothe has all approvals in place except that PPA is pending to be signed between Bothe and State discom.

Accrued revenue represents the revenue that the Restricted Group 2 recognizes where the PPA is signed but invoiced to customer subsequently.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest earned on temporary investment of borrowed funds, to the extent eligible for adjustment to capital cost is adjusted in the cost of property, plant and equipment. Interest from customers on delayed payment is recognized only upon its reasonable certainty of receipt. Interest income is included under the head "other income" in the special purpose combined statement of profit and loss.

Insurance claims

Insurance claims are accounted after the same are approved by the insurance company.

Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Restricted Group 2 will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Generation based incentive

Generation Based Incentive (“**GBI**”) income is earned and recognized on the projects which sell electricity to licensed distribution utilities at tariffs determined by relevant State Electricity Regulatory Commissions (“**SERCs**”). GBI is paid at a fixed price of INR 0.50/kwh of electricity units sold subject to a cap of INR 10 million/MW of capacity installed for the electricity fed into the grid for a period not less than four years and a maximum of ten years.

Sale of Verified Carbon Units (“VCUs”)

Revenue from VCUs is recognized upon issuance and sale of VCUs. Any unsold VCUs which are granted to the Restricted Group 2 are accrued at a nominal value.

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on translation/settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The costs comprises of the purchase price, borrowings costs if capitalization criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the property, plant and equipment. Any subsequent expenses related to a property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in the statement of profit and loss when the asset is derecognized.

The Restricted Group 2 identifies and determines cost of each component/part of the asset separately, if it has a cost that is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining life.

Capital Work-In-Progress

Costs and direct expenses incurred for construction of assets or assets to be acquired and for assets not ready for use are disclosed under “Capital Work-in-Progress” in the Special Purpose Combined Financial Statements.

Depreciation on property, plant and equipment

The Restricted Group 2 provides depreciation on straight line basis and written down value basis on all assets on the basis of useful life estimated by the management. The Restricted Group 2 has used the following useful life to provide depreciation on its property plant and equipment.

Category of fixed assets	Method of Depreciation	Useful life
Leasehold land.	SLM	Over the lease term
Buildings	SLM	30 years
Building — other	WDV	3 years
Plant and equipment ⁽¹⁾	WDV	6 — 25 years
Furniture and fixtures	SLM	3 — 40 years
Vehicles	WDV	10 years
Office equipment	WDV	10 years
Computers	WDV	5 years
Computers	WDV	3 years

Note:

(1) Based on the technical estimate, the useful life of the plant and equipment are different than the useful life as indicated in Schedule II to the Companies Act, 2013.

Temporary structures are depreciated fully in the year in which they are capitalized.

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

Goodwill attributable to Indian identified entities

Goodwill attributable to Indian identified entities represents the difference between the cost of investment in the Indian identified entities, and CGE IPL’s share of net assets at the time of acquisition of share in the Indian identified entities.

Borrowing costs

Borrowing costs include interest and amortization of ancillary cost incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Impairment

The Restricted Group 2 assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Restricted Group 2 estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or the Restricted Group 2 of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Restricted Group 2 estimates the asset's or cash-generating unit's recoverable amount. Previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

Leases

Where the Restricted Group 2 is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Investments

Investments which are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at costs. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the special purpose combined financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged/credited to the special purpose combined statement of profit and loss..

Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where the Restricted Group 2 operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Restricted Group 2 has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss for the year when the contributions are due. The Restricted Group 2 has no obligation, other than the contribution payable to the provident fund.

The Restricted Group 2 operates only one defined benefit plan for its employees i.e. gratuity. The costs of providing this benefit are determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognized in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Restricted Group 2 measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Restricted Group 2 treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Restricted Group 2 presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Restricted Group 2 has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Provisions

A provision is recognized when the Restricted Group 2 has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Restricted Group 2 expects some or all of a provision to be reimbursed is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Cash and bank balances

Cash and cash equivalents comprise of cash at bank and on hand and short-term investments with an original maturity of three months or less.

Other bank balances

It includes deposits having remaining maturity of more than three months which can be readily convertible to cash with insignificant risk of changes in value.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Restricted Group 2 or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Restricted Group 2 does not recognize a contingent liability but discloses its existence in special purpose combined financial statements..

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 realized or intended to be sold or consumed in normal operating cycle; or
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after 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
- 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.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Restricted Group 2 has ascertained its operating cycle as twelve months for the purpose of current/non-current classification of assets and liabilities.

Measurement of EBITDA

As per the Guidance Note on the Schedule III to the Companies Act, 2013, the Restricted Group 2 has opted to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. EBITDA is calculated as profit before tax, less finance costs, exceptional items and depreciation expense.

Market Risk

General

Our activities expose us to a variety of financial risks: market risk, credit risk, liquidity risk and inflation risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our financial instruments comprise loans from banks and financial institutions, loans from our Parent and its affiliates, demand deposits, short-term bank deposits, trade and other receivables and trade and other payables.

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as foreign exchange risk and interest rate risk.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Special Purpose Combined Financial Statements are presented in Indian rupees. We generate revenues and incur costs in Indian rupees.

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. As we have no significant interest-bearing assets other than investment in bank deposits, our income and operating cash flows are substantially independent of changes in market interest rates. We consider that the impact of fair value interest rate risk on investment in bank deposits is not material as only excess funds post utilization gets invested into fixed deposits. A significant portion of our borrowings carry a fixed rate of interest; however, as these debts are carried at amortized cost, there is no fair value interest rate risk to us. Our interest rate risk arises from borrowings. Borrowings issued at variable rates expose us to cash flow interest rate risk.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Our credit risk arises from accounts receivable balances on sales to customers. Nearly all of our revenue is derived from sales to government corporations and highly rated C&I customers under the PPAs. See “*Our Business*” and “*Risk Factors — Our customers may not be able to fulfill their payment-obligations under the PPAs as a result of poor financial health, restructuring or other external events, which could have an adverse impact on our operations, cash flows and our ability to service our debt under our loan agreements*” for further information.

In addition, we maintain banking relationships with creditworthy banks and non-banking financial institutions which we review on an ongoing basis. When we enter into derivative financial instruments, the counterparty is generally a bank. Consequently, the credit risk on the derivatives and bank deposits is not considered material.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and maintaining adequate credit facilities. In respect of our existing operations, we fund our activities primarily through equity and long-term loans secured against each project. Our objective in relation to our existing operating business is to maintain sufficient funding to allow the projects to operate at an optimal level.

Inflation risk

Our results of operations have not been significantly impacted by inflation. We have experienced and may continue to experience general inflationary increase in fees paid to contractors, contributing in part to an increase in our O&M expenses. As our PPAs with utilities have fixed tariffs and our PPAs with C&I consumers are linked to tariff charged to consumer by the electricity distribution utilities, we may not be able to offset such higher costs fully through price increases, which could adversely affect our business, results of operations or financial condition.

RECENT DEVELOPMENTS

The Audited Special Purpose Combined Financial Statements were prepared in accordance with the Ind AS. The degree to which the financial information prepared in accordance with Indian GAAP and Ind AS will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP and Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Offering Memorandum should accordingly be limited. The Restricted Group 2 urges prospective investors to consult their own advisers regarding the differences between Indian GAAP and Ind AS and their impact on the Restricted Group 2's financial data.

In this Recent Developments section, financial information as of and for the fiscal year ended March 31, 2023 (“FY 2023 Ind AS Figures”) were prepared as per Ind AS and have been derived from the comparative information included in the Audited Special Purpose Combined Financial Statements. Financial information as of and for the fiscal year ended March 31, 2023 included elsewhere in the Offering Memorandum (“FY 2023 Indian GAAP Figures”) were prepared as per Indian GAAP. As the Group has adopted Ind AS, henceforth special purpose combined financial statements will be prepared in accordance with Ind AS and Indian GAAP numbers will not be available. For details regarding the reconciliation between the FY 2023 Ind AS Figures and the FY 2023 Indian GAAP Figures, see Note 40 to Audited Special Purpose Combined Financial Statements and provided in Summary Special Purpose Combined Financial Statements and Other Data for FY 2024 under Ind AS section in this Offering Memorandum.

Results of Operations of FY 2024 (as per Ind AS)

The following table sets out selected financial data derived from the Ind AS Audited Special Purpose Combined Financial Statements.

	Fiscal year ended March 31,		
	2023	2024	2024
	(INR in millions)		(US\$ in millions) ⁽¹⁾
Summary of Combined Statement of Profit and Loss (as per Ind AS)			
Income			
Revenue from operations	9,198	11,055	132.6
Other income	<u>1,614</u>	<u>1,445</u>	<u>17.3</u>
I. Total income	10,812	12,500	149.9
Expenses			
Operating and maintenance expenses	1,505	1,703	20.4
Employee benefits expense	171	238	2.9
Finance costs	5,895	7,245	86.9
Depreciation and amortisation expenses	2,051	2,310	27.7
Other expenses	<u>802</u>	<u>1,061</u>	<u>12.7</u>
II. Total expenses	10,424	12,557	150.6
III. Profit/(loss) before exceptional items and Tax (I-II)	388	(57)	(0.7)
IV. Exceptional Items	<u>—</u>	<u>264</u>	<u>3.2</u>

	Fiscal year ended March 31,		
	2023	2024	2024
	(INR in millions)		(US\$ in millions) ⁽¹⁾
V. Profit/(Loss) before tax (III-IV)	388	(321)	(3.9)
VI. Tax Expenses			
Current tax	—	—	—
Tax related to earlier years	2	5	0.1
Deferred tax	470	788	9.4
Total tax expenses	472	793	9.5
VII. (Loss) for the year (V-VI)	(84)	(1,114)	(13.4)
VIII. Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss:			
(i) Remeasurement of net defined benefit liability . .	0	(1)	(0.0)
(ii) Income tax relating to above	(0)	0	0.0
Other comprehensive income for the year, net of tax	0	(1)	(0.0)
IX. Total Comprehensive Income for the year (VII+VIII)	(84)	(1,115)	(13.4)

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 83.3739 per US\$1.00, being the closing exchange rate published by the FBIL as of March 28, 2024.

Revenue from operations

Revenue from operations increased by 20.2% from INR 9,198 million for the FY 2023 to INR 11,055 million for the FY 2024. The following table sets forth the breakdown of our revenue from operations for the indicated periods:

	As of March 31,	
	2023	2024
	(INR in millions, unless otherwise stated)	
Sale of electricity	8,861	10,672
Income from service concession arrangement	1	4
Income from international renewable energy certificate	—	23
Generation-based incentive	323	246
Sale of stores and spares	—	31
Revenue loss recovered	13	79
Total revenue from operations	9,198	11,055

	As of March 31,	
	2023	2024
	(INR in millions, unless otherwise stated)	
Installed capacity at beginning of period (MW)	750.9	943.2
Installed capacity at end of period (MW)	943.2	990.8
Generation (GWh)	1,674.6	1,960.1

Revenue from sale of electricity increased by 20.4% from INR 8,861 million for the FY 2023 to INR 10,672 million for the FY 2024, despite the lower generation for like to like capacity on account of lower wind speed, as a result of the Rajkot 3 Project becoming fully operational in Q1 FY 2024. 45.8MW of capacity wasn't operational for the full year, as it was commissioned in Q1 FY 2024.

GBI decreased by 23.9% from INR 323 million for the FY 2023 to INR 246 million for the FY 2024, 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 FY 2023 to INR 79 million for the FY 2024, 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 the sale of international renewable energy certificate of INR 23 million and sale of stores and spares of INR 31 million for the FY 2024.

Generation for the FY 2023 and FY 2024 was 1,674.6 GWh and 1,960.1 GWh, respectively, representing an increase of 17.0%.

Other income

Other income decreased by 10.5% from INR 1,614 million for the FY 2023 to INR 1,445 million for the FY 2024, primarily due to decreased interest income on overdue trade receivables by INR 462 million, a reversal of Sundry balance written back of INR 121 million. This was largely offset by higher interest income earned on bank deposit and interest income on loans to related parties amounting to INR 477 million.

Total expense (other than Depreciation and amortization expenses and finance cost)

Total expenses increased by 21.1% from INR 2,478 million for the FY 2023 to INR 3,002 million for the FY 2024, primarily due to solar O&M fees as well as interim operating and maintenance fees paid for WTGs in Rajkot 3 and other increase in open access charges due to commissioning of the Rajkot 3 project and inflationary increase in operating and maintenance fees payable to an O&M contractor and an increase in transmission charges in Tamil Nadu.

Finance costs

Finance costs increased by 22.9% from INR 5,895 million for the FY 2023 to INR 7,245 million for the FY 2024, primarily due to an increase in term loans in relation to the Rajkot 3 project and also post commissioning interest getting charged to P & L which was under construction during FY 2023 as well as interest on OCDs/CCDs and CFCDs accrued for the FY 2024. The increases were offset in part by lower interest on working capital.

Depreciation and amortization expense

Depreciation and amortization expense increased by 12.6% from INR 2,051 million for the FY 2023 to INR 2,310 million for the FY 2024, primarily due to an increase in property, plant and equipment and post the commissioning impact of the Rajkot 3 Project. As a result, depreciation is provided on full capacity of the Rajkot 3 project.

Exceptional Item

We had exceptional items of INR 264 million in FY 2024 as compared to nil in FY 2023. Such exceptional items were non-recurring in nature and were primarily due commitment charges paid towards short supply in Rajkot 3 project due to delayed in commissioning.

Profit/(loss) before tax

For the reasons discussed above, profit before tax decreased from a profit of INR 388 million for the FY 2023 to a loss of INR 321 million for the FY 2024.

Tax related to earlier years

Effective from April 1, 2019, Indian Identified Entities incorporated prior to this date forming part of 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. For the FY 2023, tax expense pertaining to prior period of INR 2 million and for the FY 2024 of INR 5 million was charged to the profit and loss account.

Deferred tax

Deferred tax liability is recognized during the FY 2024 for the timing difference of depreciation which is offset by creation of deferred tax asset on unabsorbed depreciation losses in statement of profit and loss. 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.

Loss after tax

As a result of the foregoing, our loss after tax increased from INR 84 million for the FY 2023 to INR 1,114 million for the FY 2024.

Total comprehensive income for the year

As a result of the foregoing, our loss for the year increased from a loss of INR 84 million for FY 2023 to a loss of INR 1,115 million for FY 2024.

Liquidity and Capital Resources

Overview

As of March 31, 2024, our cash and cash equivalents plus bank balances (other than cash and cash equivalents) were INR 4,105 million.

Cash Flows

	Fiscal year ended March 31,		
	2023	2024	2024
	(INR in millions)		(US\$ in millions) ⁽¹⁾
Summary of Combined Statement of Cash Flows			
(as per Ind AS)			
Net cash generated by operating activities	9,268	8,479	101.7
Net cash flow (used in) investing activities	(4,170)	(1,942)	(23.3)
Net cash flow (used in) from financing activities	(5,290)	(7,737)	(92.8)
Cash and cash equivalents at the beginning of the year . . .	<u>3,409</u>	<u>3,217</u>	<u>38.6</u>
Cash and cash equivalents at the end of the year	<u>3,217</u>	<u>2,017</u>	<u>24.2</u>

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 83.3739 per US\$1.00, being the closing exchange rate published by the FBIL as of March 28, 2024.

Net cash generated by operating activities

In FY 2023, our net cash from operating activities was INR 9,268 million. This net cash inflow was primarily attributable to a profit before tax of INR 388 million, which was adjusted for (i) depreciation and amortization expenses of INR 2,051 million, finance costs related to financial institutions and others of INR 501 million and finance costs related to related party of INR 5,394 million, which was offset by Sundry credit balances written back of INR 138 million and interest income of INR 1,325 million, and (ii) changes in working capital primarily including a decrease in trade receivables of INR 2,508 million and increase in trade and other payables of INR 63 million.

In FY 2024, our net cash from operating activities was INR 8,479 million. This net cash inflow was primarily attributable to a loss before tax of INR 321 million, which was adjusted for (i) depreciation and amortization expenses of INR 2,310 million, finance costs related to financial institutions and others of INR 1,088 million and finance costs related to related party of INR 6,157 million, which was offset by interest income of INR 1,341 million, and (ii) changes in working capital primarily including an increase in trade and other payables of INR 226 million and a decrease in trade receivables of INR 352 million, which was offset by an decrease in financial and other assets of INR 55 million.

Net cash flow (used in) investing activities

In FY 2023, our net cash used in investing activities of INR 4,170 million primarily included (i) INR 5,003 million in purchase of property, plant and equipment including capital advances, (ii) INR 987 million in loan given to related parties, which was offset by (i) INR 400 million in proceeds from redemption of optionally convertible redeemable preference shares, (ii) INR 200 million in proceeds from/(Investment in) bank deposits (net), (iii) INR 681 million in loan received back from related parties and (iv) INR 618 million in interest income.

In FY 2024, our net cash used in investing activities of INR 1,942 million primarily included (i) INR 387 million in purchase of property, plant and equipment including capital advances, (ii) INR 2,111 million in loan given to related parties, which was offset by (i) INR 21 million in proceeds from/(Investment in) bank deposits (net) and (ii) INR 63 million in loan received back from related parties and (iv) INR 484 million in interest income.

Net cash flow (used in) financing activities

In FY 2023, our net cash used in financing activities of INR 5,290 million was primarily attributable to (i) INR 2,284 million in repayment of non-convertible debentures, (ii) INR 2,654 million in repayment of loans from banks (iii) INR 2,035 million in loan taken/(Repayment) for Working capital and (iv) INR 4,929 million in finance costs paid to related party which includes INR 3,760 million towards interest and premium for 8.75% non-convertible debentures issued to Continuum Energy Levander Pte. Ltd. — interest & premium and INR 959 million finance cost paid to financial institutions, which was offset by (i) INR 6,170 million in loans taken from financial institutions (ii) INR 474 million in proceeds from issue of Optionally Convertible Debentures and (iii) INR 1,127 million in loans taken from related party.

In FY 2024, our net cash used in financing activities of INR 7,737 million was primarily attributable to (i) INR 3,300 million in repayment of non-convertible debentures, (ii) INR 4,079 million in finance costs paid to related party which includes INR 3,719 million towards interest and premium for 8.75% non-convertible debentures issued to Continuum Energy Levander Pte. Ltd. — interest & premium and INR 1,107 million finance cost paid to financial institutions, which was offset by (i) INR 382 million in loan taken/(Repayment) for Working capital and (i) INR 874 million in loans taken from financial institutions and (iii) INR 203 million in loans taken from related party.

Indebtedness

As of March 31, 2024 and March 31, 2023, we had adjusted borrowings of INR 45,629 million and INR 47,739 million, respectively. Adjusted borrowings comprise Term loans from bank & financial institutions — principal, Working capital loan from banks — principal and 8.75% Non convertible debentures issued to Continuum Energy Levander Pte. Ltd. — principal.

Contractual Obligations and Contingent Liabilities

As of March 31, 2024, capital and other commitments (excluding contingent liabilities) aggregated to INR 315 million. As of March 31, 2024, we had the following contractual obligations:

	Payment due by period as of March 31, 2024					
	Total	On Demand	Within one year	Between one and two years	Between two and five years	Over five years
	(INR in millions)					
Adjusted borrowings ⁽¹⁾	45,629	629	4,144	4,231	29,189	7,436
Trade payables ⁽²⁾	431	—	431	—	—	—
Other liabilities ⁽³⁾	623	—	500	—	—	123
Total	<u>46,683</u>	<u>629</u>	<u>5,075</u>	<u>4,231</u>	<u>29,189</u>	<u>7,559</u>

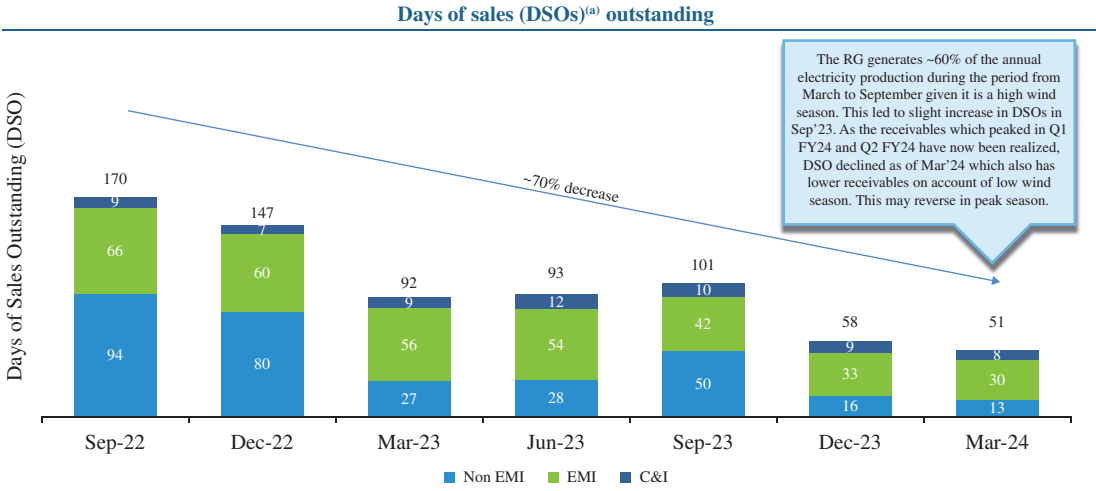
Notes:

- (1) Adjusted borrowings comprises Term loans from bank & financial institutions — principal, Working capital loan from banks — principal and 8.75% non-convertible debentures issued to Continuum Energy Levander Pte. Ltd. — principal.
- (2) Trade payables includes total outstanding dues of micro and small enterprises and total outstanding dues of other than micro and small enterprises.
- (3) Other liabilities include other financial liabilities and other non current liabilities from non-current liabilities and other financial liabilities and other current liabilities from current liabilities.

Other Business Developments

As of March 31, 2024, our overall receivable cycle for the portfolio has reduced to 51 days and is expected to improve after payment of all monthly instalments by MPPMCL. Of the 51 days, 30 days of DSOs were represented by the receivables due from MPPMCL for the 20 monthly instalments remaining to be paid as of March 31, 2024. DSOs as of March 31, 2024 have been calculated using financial numbers prepared under Ind AS and DSOs up to December 31, 2023 have been calculated using financial numbers prepared under Indian GAAP.

Declining trend in DSOs^(a) driven by company’s robust customer mix and introduction of Late Payment Surcharge Scheme Within C&I consumers (621.1MW of RG2), DSOs stand at less than 15 days



DESCRIPTION OF THE CO-ISSUERS

The Restricted Group 2 consists of the Co-Issuers, each of which is a wholly owned subsidiary of CGE IPL, except for Watsun Infrabuild Private Limited which is 72% owned by CGE IPL and 28% owned by over 40 C&I consumers under the group captive structure.

The issue of the Notes by the Co-Issuers was authorized by written resolutions of the board of directors of each Co-Issuers on May 27, 2024. For description of the board of directors of the Co-Issuers, please see “*Management — Boards of Directors of the Restricted Group 2.*”

Bothe Windfarm Development Private Limited

Bothe Windfarm Development Private Limited was incorporated in the Republic of India on June 1, 2011 and has its registered office at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai 400076. It owns and operates the 199.7 MW Bothe project.

DJ Energy Private Limited

DJ Energy Private Limited was incorporated in the Republic of India on July 14, 2008 and has its registered office at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai 400076. It owns and operates 94 MW of the Ratlam 1 project.

Uttar Urja Projects Private Limited

Uttar Urja Projects Private Limited was incorporated in the Republic of India on June 4, 2008 and has its registered office at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai. It owns and operates 76 MW of the Ratlam 1 project.

Watsun Infrabuild Private Limited

Watsun Infrabuild Private Limited was incorporated in the Republic of India on June 2, 2010 and has its registered office at Office no. 4, First Floor, City Centre, Opposite Mandavi Octroi, Commerce College Road, Bhuj Kachchh 370001, Gujarat. It owns and operates the 226.8 MW Periyapatti project.

Trinethra Wind and Hydro Power Private Limited

Trinethra Wind and Hydro Power Private Limited was incorporated in the Republic of India on January 17, 2008 and has its registered office at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai 400076. It owns and operates the 101.2 MW Rajkot 1 project.

Renewables Trinethra Private Limited

Renewables Trinethra Private Limited was incorporated in the Republic of India on June 13, 2019 and has its registered office at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai 400076. It owns and operates the 25.2 MW Rajkot 2A project.

Kutch Windfarm Development Private Limited

Kutch Windfarm Development Private Limited was incorporated in the Republic of India on October 24, 2018 and has its registered office at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai 400076. It owns and operates the 28.0 MW Rajkot 2B project.

Continuum Trinethra Renewables Private Limited

Continuum Trinethra Renewables Private Limited was incorporated in the Republic of India on July 17, 2020 and has its registered office at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai 400076. It owns and operates the 239.9 MW Rajkot 3 project.

INDUSTRY OVERVIEW

The information under this section has been derived and extracted from the industry report titled “India Renewable Energy Market” prepared by CRISIL Research in an “as is where is basis”. The third party and industry related information in this report has not been independently verified by us, the Initial Purchasers, the Trustee, the Security Agent or any of their respective affiliates or advisers. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Offering Memorandum. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. The information in this section must be read in conjunction with “Risk Factors” and “Our Business” sections of this Offering Memorandum.

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1. An overview of India’s power market

1.1 Organised operating and regulatory structure of the power market in India

Electricity is a concurrent subject in India with the **Ministry of Power**, Government of India (GoI), mainly being responsible for creating the overall policy framework for the power sector in the country. All state-level policies and issues come under the purview of the respective state governments.

All states and union territories have set up **electricity regulatory commissions (SERCs)** to regulate and determine tariffs for generation, transmission as well as distribution companies (discoms). The **Central Electricity Regulatory Commission (CERC)** fulfils this responsibility for inter-state generation and transmission and also for central power utilities. The **Appellate Tribunal for Electricity (APTEL)** was established to hear appeals against the orders of adjudicating authorities (SERCs, JERC and CERC).

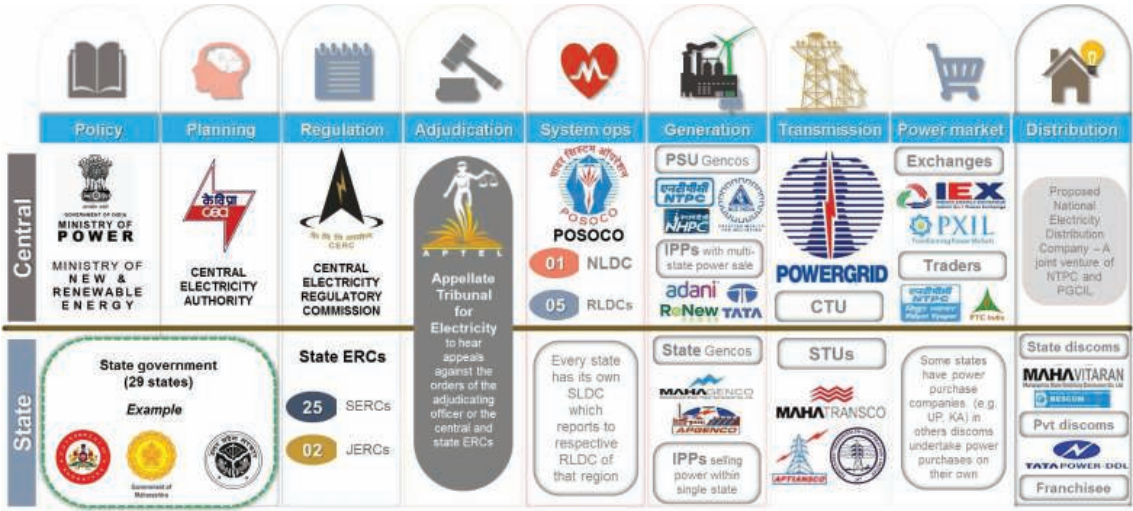
Grid Controller of India Ltd (formerly Power System Operation Corporation Ltd) manages the national and regional grid through the National Load Despatch Center (NLDC) and its five-regional load-despatch centers (RLDCs). These entities operate in unison to ensure the integrated operation of the grid in a reliable, efficient and secure manner. While the NLDC controls the load flow within the country, the RLDCs and state load despatch centers (SLDCs) are responsible for ensuring the integrated operation of the power system in the concerned regions and states.

Central Transmission Utility of India Limited (CTUIL), 100% subsidiary of Power Grid Corporation of India Limited (PGCIL), is notified as the Central Transmission Utility (CTU) and is responsible to undertake transmission of electricity through the inter-state transmission system (ISTS) and other functions as per the provisions of Electricity Act 2003. The National Committee on Transmission (NCT) is responsible for planning and examining the proposals of ISTS scheme for approval. The state transmission utilities (STUs) are tasked with the development of the intra-state transmission system. The transmission lines are operated in accordance with regulations/standards of Central Electricity Authority (CEA)/CERC/SERCs.

Power exchanges set up for trading of power and deepening markets are a distinct licensed activity (from generation, transmission and distribution) as recognised by the Electricity Act 2003. Power trading was introduced to meet the short-term requirement of electricity and to ensure optimum utilisation of power resources across regions, given demand-supply mismatches. **Several traders**, both Central government and the private sector, have established their presence; a few states have companies (e.g., Gujarat, Uttar Pradesh, Karnataka and Madhya Pradesh) to procure power on behalf of their state discoms.

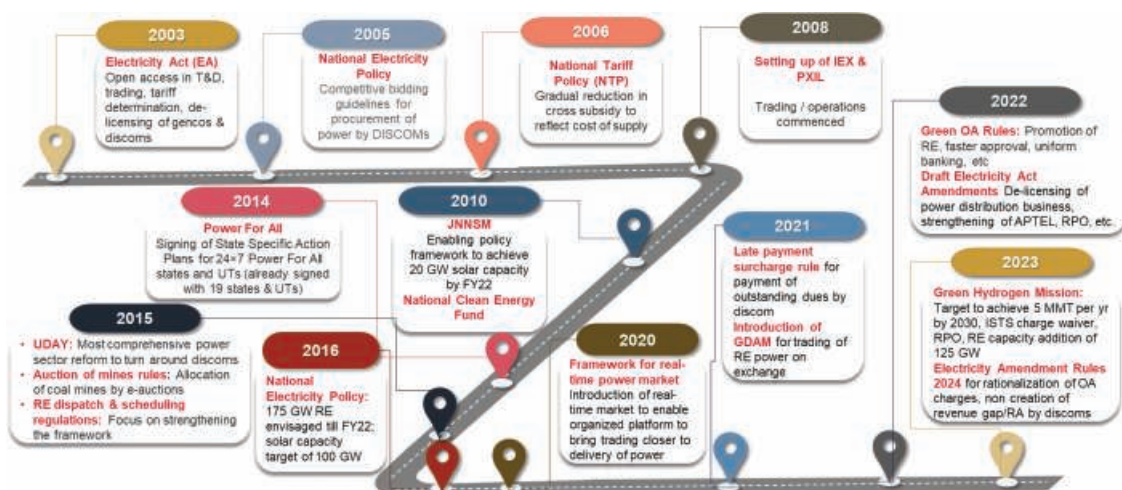
The power distribution system is the last leg of the electricity value chain. The main function of the power distribution system is to provide power to the premises of individual consumers. Responsibility for distribution and supply of power to end-consumers rests with the states. The power distribution segment in India is largely dominated by the state government-owned distribution companies, although a few private entities are also present in the sector to serve end-consumers. Further, open access allows large consumers to procure power through traders, exchanges or via captive/group captive generation.

Figure 1: Structured planning and regulatory processes ensure coordination between various Central and state government agencies



Source: CRISIL Analysis

Figure 2: Electricity Act 2003 and subsequent policies aided a stable regulatory framework that promoted competition and market development



Source: CRISIL Analysis

The Central government enacted the Electricity Act, 2003, to promote competition and efficiency in the power sector against the backdrop of the ongoing economic reforms in other key sectors of the economy. The Act replaced the three existing legislations governing the power sector, namely Electricity Act, 1910; Electricity (Supply) Act, 1948; and the Electricity Regulatory Commissions Act, 1998 (ERC, 1998). Prior to the Electricity Act, 2003, the electricity industry recognised generation, transmission and supply as principal activities under ‘electricity supply’. Enactment of the Electricity Act in June 2003 led to significant structural changes in the power sector, such as:

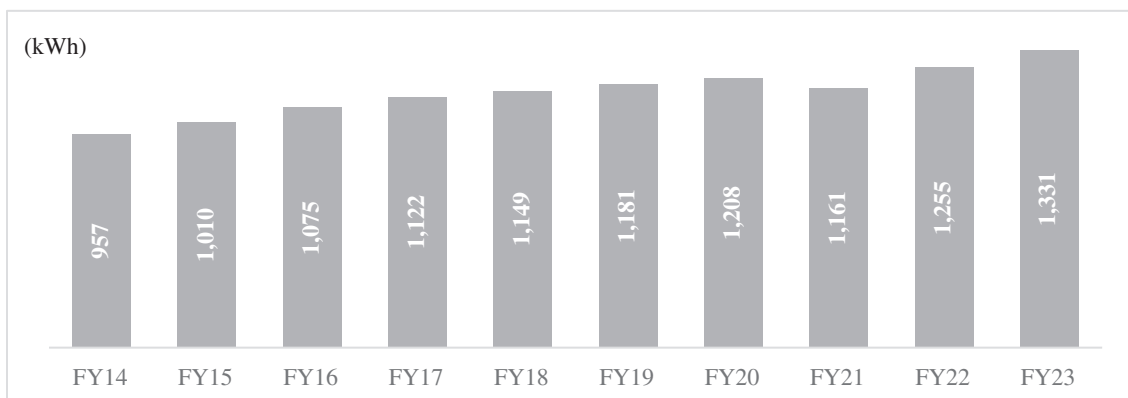
- (a) Shift from a single buyer to multi-buyer model
- (b) Delicensing of generation
- (c) Open access in transmission and distribution
- (d) Identification of trading as a distinct activity
- (e) Re-organisation of the erstwhile state electricity boards (SEBs)

Following the Electricity Act, 2003, several policies evolved including National Electricity Policy, National Electricity Plan and National Tariff Policy to address issues related to tariff structures (including cross-subsidisation), power procurement through the competitive bidding route, thrust on renewable energy (RE) and promotion of open access/captive/group captive consumption as well as development of development of short-term electricity market.

1.2 Per-capita electricity consumption remains significantly lower than the world, implying strong growth potential

Led by growth in energy requirement, India's per-capita electricity consumption has been continuously rising over years, from 957 kWh in fiscal 2014 to 1,331 kWh in fiscal 2023 (as per CEA's provisional data), an increase of 3.7% CAGR over 10 years.

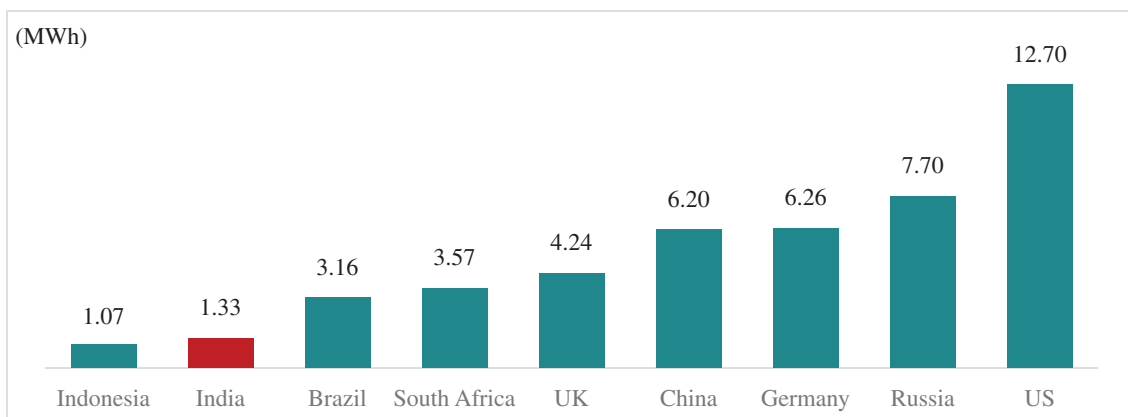
Figure 3: Per capita electricity consumption trends in India



Source: CEA, CRISIL Analysis

Despite this healthy increase, the per-capita electricity consumption remains significantly lower than other major as well as developing economies. Developing countries, such as Brazil, Malaysia and China, have significantly higher per-capita electricity consumption than India.

Figure 4: Per-capita electricity consumption across countries in 2022

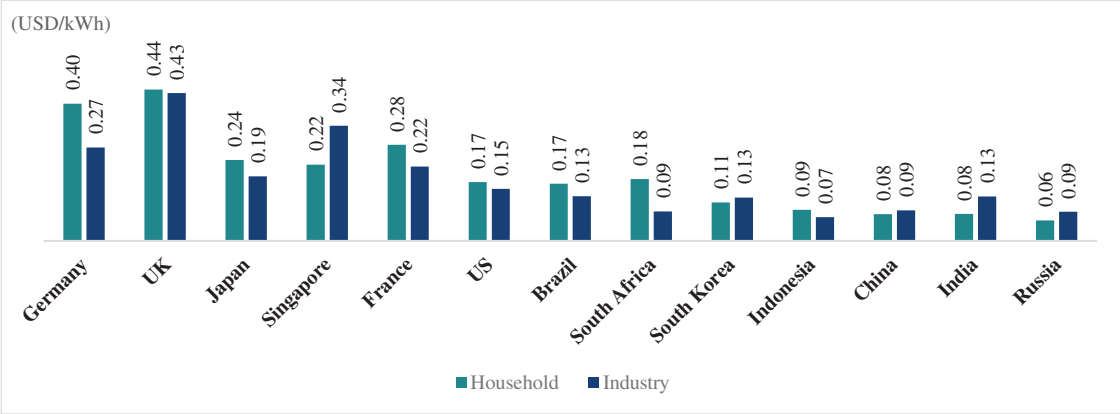


Source: World Bank, CRISIL Analysis

India is still a developing economy and electricity expenditure constitutes a small percentage of the total household expenditure. Healthy economic growth is expected to increase per-capita income, in turn, resulting in higher disposable income available to spend on electricity. Also, the rise in income would improve the general standard of living, which, in turn, would further propel demand for electricity.

The chart below shows the price of electricity for households and industries across key economies. The prices include distribution and energy cost, various environmental and fuel cost charges and taxes. The world average price is 0.155 USD per kWh for household users and 0.151 USD per kWh for industries as of December 2023. The electricity prices in EU have lowered from 2022 levels but are still comparatively higher due to increase in energy taxes, discontinuation of energy price support measures. Industrial tariffs in India are competitive than developed countries but are still more than that of China, Indonesia, Russia, South Africa.

Figure 5: Industrial and household electricity tariff across countries in 2023



Source: CRISIL Analysis

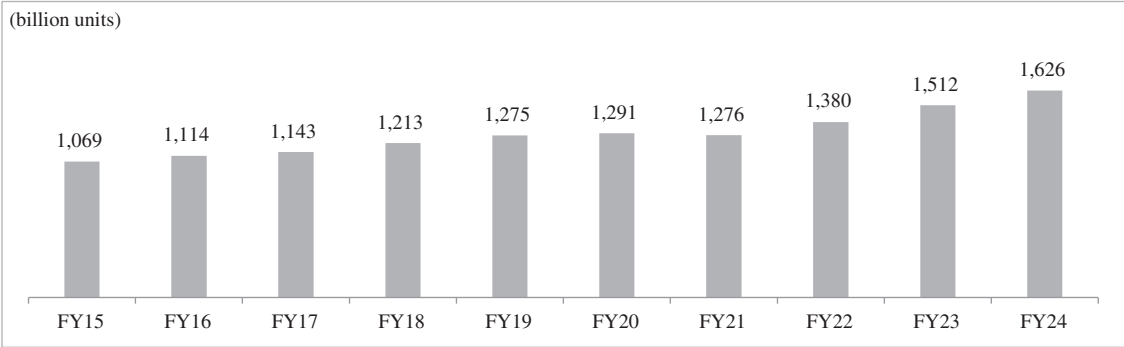
1.3 Energy requirement grew at 5% CAGR over fiscals 2015 to 2024; growth to remain healthy over the next decade

Over the past 10 years (fiscals 2015 to 2024), energy requirement grew at a 5.0% CAGR. This was driven by rising power availability, gradual improvement in electricity access, rapid urbanisation, 24x7 power supply, make in India initiative driven by production linked incentive (PLI) schemes in various sectors, increasing per-capita income, railway electrification and continued government support.

On the other hand, certain factors — reduction in Transmission and Distribution (T&D) loss, focus on energy efficiency and reduction in energy intensity in gross domestic product (GDP) mix with healthy growth in services sector — constrained growth in the energy requirement.

Energy-requirement growth had slowed down during COVID times, due to a slowdown in economic growth as well as weak financial health of power distribution companies, which restricted off-take. In fiscal 2023 and 2024, the energy requirement increased by 9.6% and 7.6% y-o-y, respectively. This demand push is largely supported by high economic activity with a gradual pick-up in manufacturing activity, jump in agricultural activity, infrastructure spending by government along with erratic weather driven by climate changes.

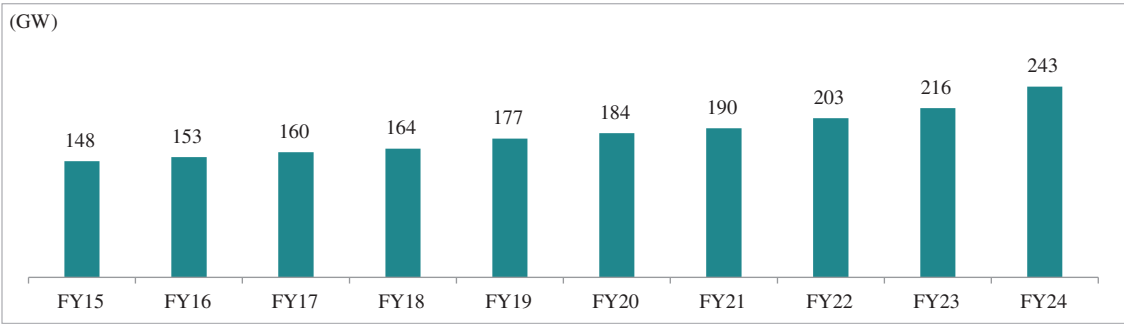
Figure 6: Historical Energy requirement trend in India



Source: CEA, CRISIL Analysis

Peak demand has managed to constantly rise over the past years even during COVID, which witnessed base demand falling into negative territory. Between fiscal 2015 and 2024, peak demand has grown from 148 GW to 243 GW leading to a growth of 5.7% CAGR. The constant rise in peak demand can be attributed to economic growth, seasonal vagaries, and an increasing daily average temperature that India has experienced over the last decade.

Figure 7: Historical trend of Peak demand requirement in India

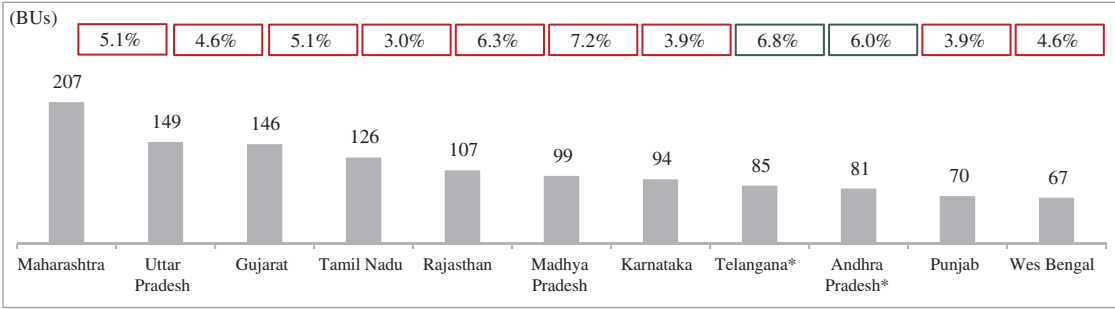


Source: CEA, CRISIL Analysis

1.4 Top five states accounted for 45% of total energy requirement in fiscal 2024, led by Maharashtra, Uttar Pradesh, and Gujarat

As of fiscal 2024, the top five states accounted for 45% of total energy requirement in the country, while the top 10 states accounted for over 72% of the requirement. States including Maharashtra, Uttar Pradesh, Gujarat, and Tamil Nadu led the pack in terms of total energy requirement, driven by high industrialization, urbanisation and better power availability.

Figure 8: Energy requirement in key states during fiscal 2024 & corresponding CAGR of last 10 years



Note: Numbers in above boxes represent CAGR growth over FY14 to FY24; * CAGR for Telangana and Andhra are for FY16 to FY24 as Telangana was formed in June 2014; Source: CEA

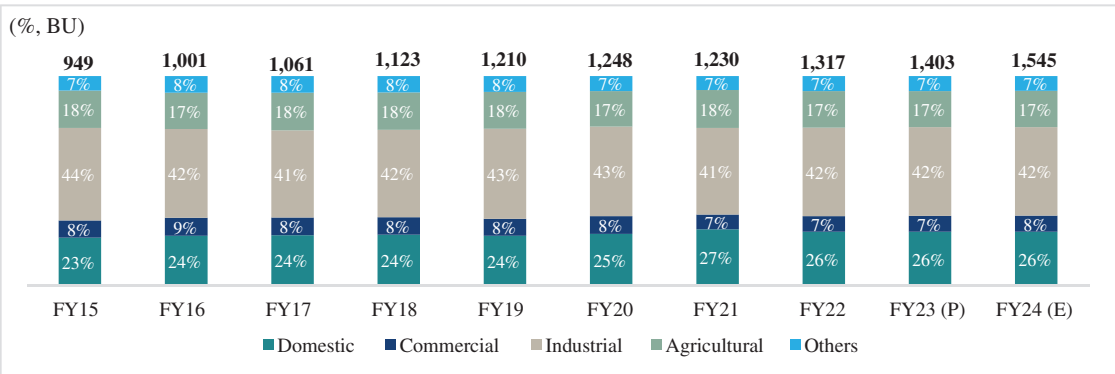
1.5 C&I segment accounts for ~50% of total energy sales; future growth to be led by strong thrust on manufacturing as well as rising urbanization

Industrial consumers are the largest consumers of electricity in absolute terms. Going forward, India’s economy is expected to continue to expand beyond fiscal 2022, with industrial activity gradually picking up over the medium term. Trickle-down effect of Aatmanirbhar Bharat relief package, government spending on infrastructure through the National Infrastructure Pipeline, commissioning of the dedicated freight corridors, expansion of the services industry, rapid urbanization, and increased farm income from agriculture-related reforms are key macroeconomic factors fostering the power demand. Significant policy initiatives such as PLI schemes and low corporate tax rates, among others have aided large scale manufacturing in India which will further boost power demand in the country.

In fact, several sectors including automobiles, mobile handsets and tablets, solar, lithium-ion batteries, food & beverages and defence are expected to witness fresh investments including foreign direct investments from global majors.

Further, railway electrification, rapid transition to EVs, increased urbanisation and Industrialisation, smart city projects, upcoming metro projects primary tailwinds providing impetus to power demand. A confluence of these factors is expected to drive energy sales to the commercial consumer segment.

Figure 9: Consumer segment-wise energy sales in India



P: Provisional; E: Estimated
Source: CERC, CRISIL Analysis

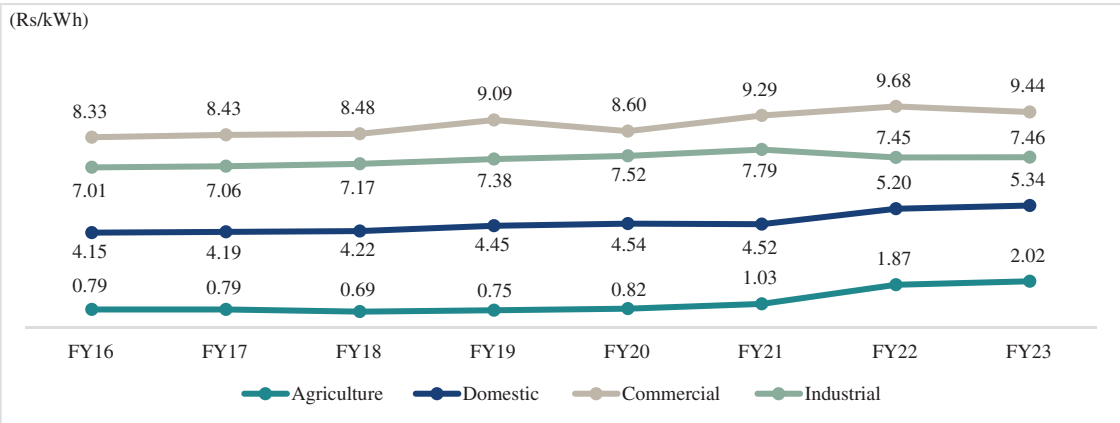
Growth in domestic and industrial consumption has been the key driver in the overall increase in energy demand. Between fiscals 2015 and 2023, domestic and industrial electricity consumption has grown at a CAGR of 6.6% and 4.5%, respectively, from ~217 BUs to ~362 BUs in domestic consumption and from ~418 BUs to ~595 BUs in industrial consumption. Growing population, expanding economy along with rising urbanization, industrialization government’s ‘Make in India’ initiative encouraging domestic manufacturing, PLI schemes, emergence of special economic zones and industrial parks and access to grid-based electricity to rural households have played key roles for such an increase in energy consumption. The demand in fiscal 2024 is expected to grow by 8.3% from fiscal 2022 due to increase in industrial production, mining activity, infrastructure development. The general Index of Industrial Production (IIP) has increased at a CAGR of 3.4% in the last two years from 148.8 (March 2022) to 159.2 (March 2024 — Provisional). This signifies that the growth in the production volume of industrial products picked up driven by favourable government policies.

The share of domestic consumption has increased from 22% in fiscal 2014 to 26% in fiscal 2023 in the total energy demand. This has increased due to the rising urbanisation rate, improvements in the standard of living, increase in air conditioning requirements to mitigate soaring temperatures and offering free units up to a certain level to some category/regions of India. Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya), which was launched by the GoI in September 2017, has helped achieve universal household electrification across the country. Under the scheme, 28.6 million households were electrified in the country. The scheme is completed and, in turn, drives electricity demand.

The programme also aims to ensure 24x7 power supply to separate agriculture and non-agriculture feeders, facilitating judicious fostering of supply to agricultural and non-agricultural consumers in rural areas and strengthening the sub-transmission and distribution infrastructure in rural areas, including metering of distribution transformers/feeders/consumers. It is also expected that electricity currently being supplied through back-up facilities, such as invertors and DGs, may move back to the grid with increased quality of supply.

Demand from Commercial sector grew at ~3.9% CAGR in ten years to fiscal 2023, due to rapid urbanization as more people migrate to urban centers seeking better opportunities, the need for commercial spaces, educational institutions, and healthcare facilities has increased, consequently driving up electricity consumption.

Figure 10: Category wise historical average billing rate at India level



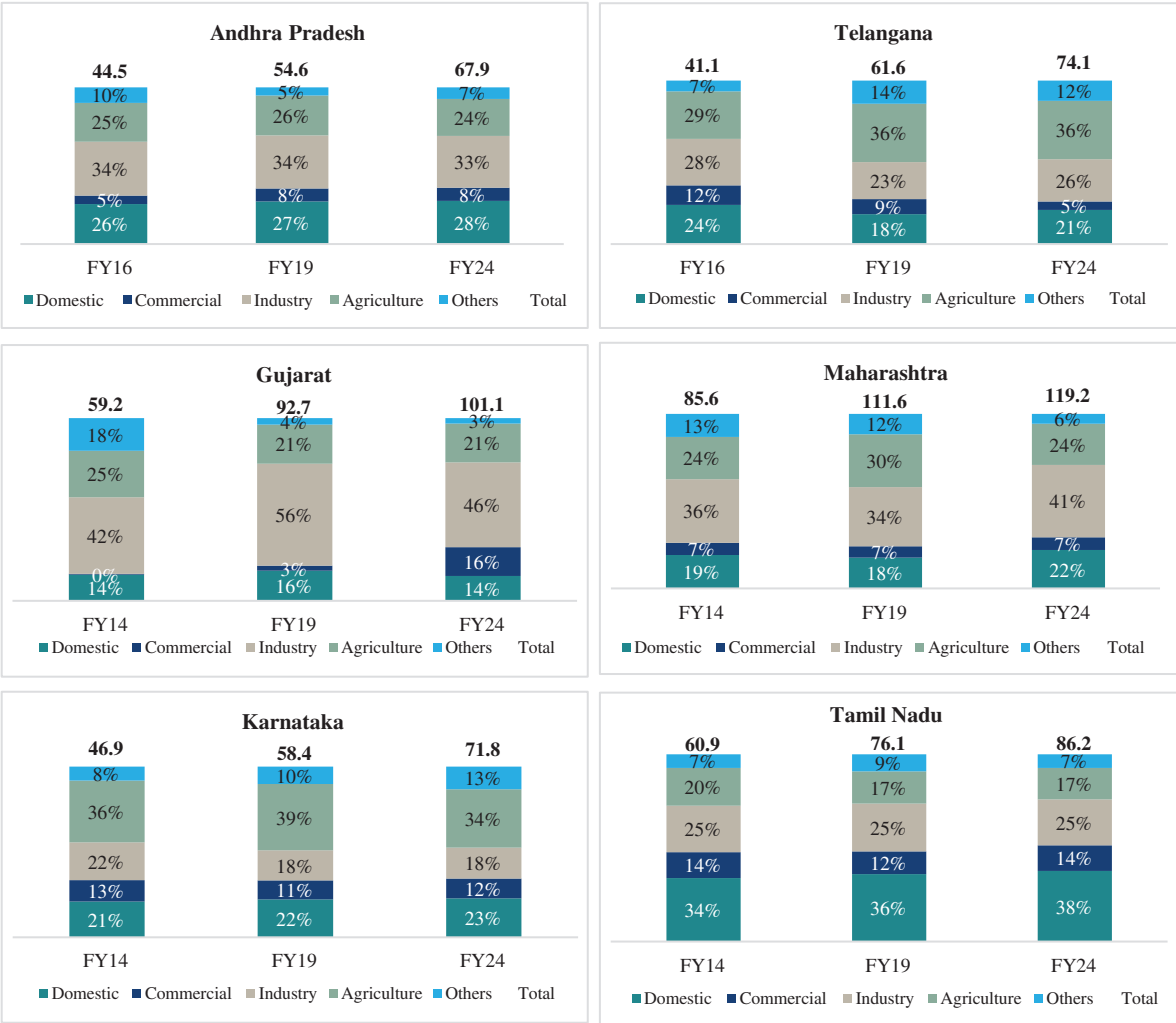
Source: PFC, NITI Ayog, CRISIL Analysis

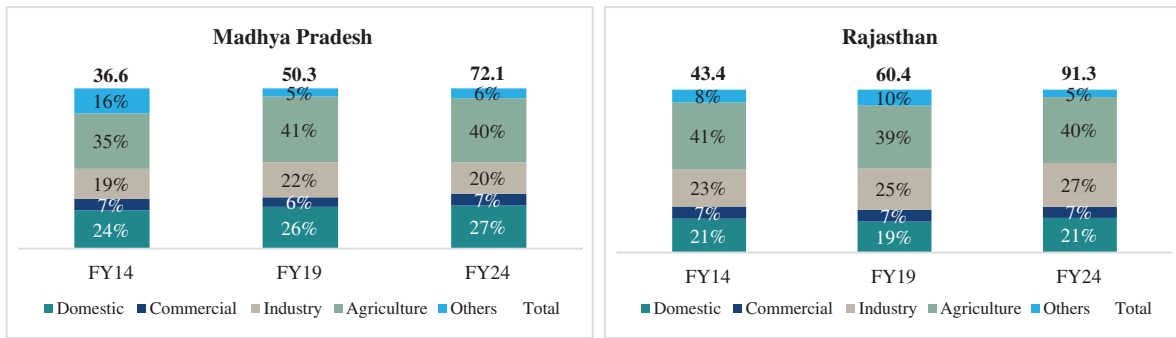
The consumer category wise average billing rate at India level demonstrates that the growth in agriculture tariff over the years has been insignificant as the rates are highly subsidized. The domestic tariff was in the range of Rs 4.2-4.5/kWh until fiscal 2021. The C&I tariff is fixed much higher than the average cost of supply to subsidise the agriculture tariffs and some categories of domestic consumers. However, the increase in domestic tariff has been witnessed after the launch of Revamped distribution sector scheme (RDSS) in fiscal 2022, which is aimed to reduce the ACS-ARR gap to zero by fiscal 2025 and to bring correction in retail tariffs across categories. Moreover, the National Tariff Policy 2016 also mandates that the power supply costs should gradually be reflected in tariffs, and limits cross-subsidies to no more than +/-20% of average cost of supply.

1.6 C&I sales as a percentage of total utility sale in most of the states have reduced y-o-y on account of increased open access consumption

The below chart shows the share of electricity consumption across each consumer category for leading states in the last 10 years. As per fiscal 2024 tariff orders, the average share of C&I consumption has been estimated at ~39% with Gujarat and Maharashtra leading at 62% and 49%, respectively. Some of the states such as Andhra Pradesh, Karnataka, Madhya Pradesh have registered a decline in percentage of C&I sales in total sale from discom (particularly in industrial consumption) over the years due to increase in open access sales.

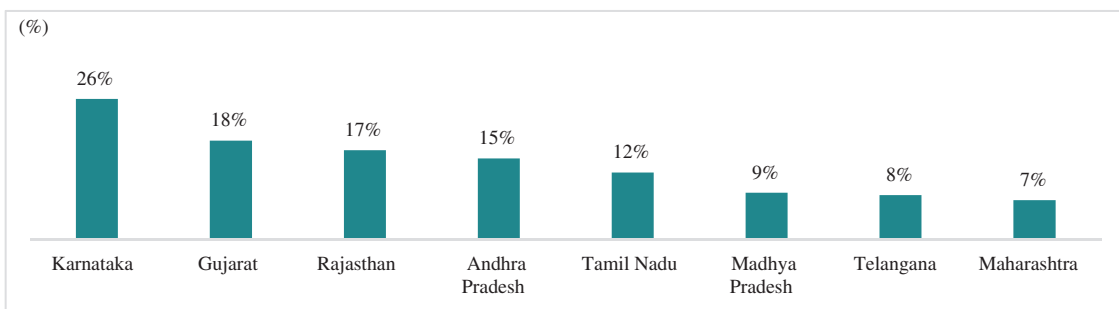
Figure 11: Consumer category wise energy sales by discoms in key states (BU)





Note: FY24 figures are estimated as per respective SERC approved discom's tariff orders;
 Source: State Tariff Orders, PFC Report on Performance of State Power Utilities, CRISIL Analysis

Figure 12: Share of captive consumption in total sales during FY22



Source: CEA, NITI Aayog, CRISIL Analysis

During the fiscal 2022, the proportion of captive consumption in most states of India ranged between 15% to 20%. The captive plants predominantly comprised coal-based facilities. However, post FY17, there has been a notable shift in consumer behavior towards adopting RE based projects for captive consumption due to several factors such as Renewable Purchase Obligation (RPO) compliance, the escalating cost of conventional fuels, the decreasing trend of RE tariffs, and the attractive incentives offered under open access regulations in some of the states.

By FY22, ~7 GW of RE capacity (solar and wind) had been installed under the captive mode, making a significant contribution of ~9% to the total installation of captive capacity. This trend indicates a growing recognition of the benefits and advantages associated with RE sources, as industries increasingly embrace sustainable practices and capitalize on the economic and environmental benefits of RE generation for their own consumption.

1.7 Consumer-wise tariffs indicate a sharp rise for C&I users over years to makeup the under recovery in tariffs of other users

The tariffs across categories have increased at a CAGR of ~3.8%- between fiscal 2014 and 2024, with domestic tariffs have increased at a rate of 6.1% followed by commercial and industrial tariffs at ~3.0% and 3.5%, respectively. Consequently, grid tariffs for agriculture are highly cross subsidised by C&I consumers. In fact, in fiscal 2024, the average cross-subsidisation levels (tariffs above average cost of supply) for commercial and industrial consumers as per the approved tariffs for different categories have remained high at ~116%. Thus, grid power is expected to remain costlier for C&I consumers with limited scope for tariff rationalization as inability of discoms to increase domestic and agriculture tariffs to put increased pressure on C&I tariffs.

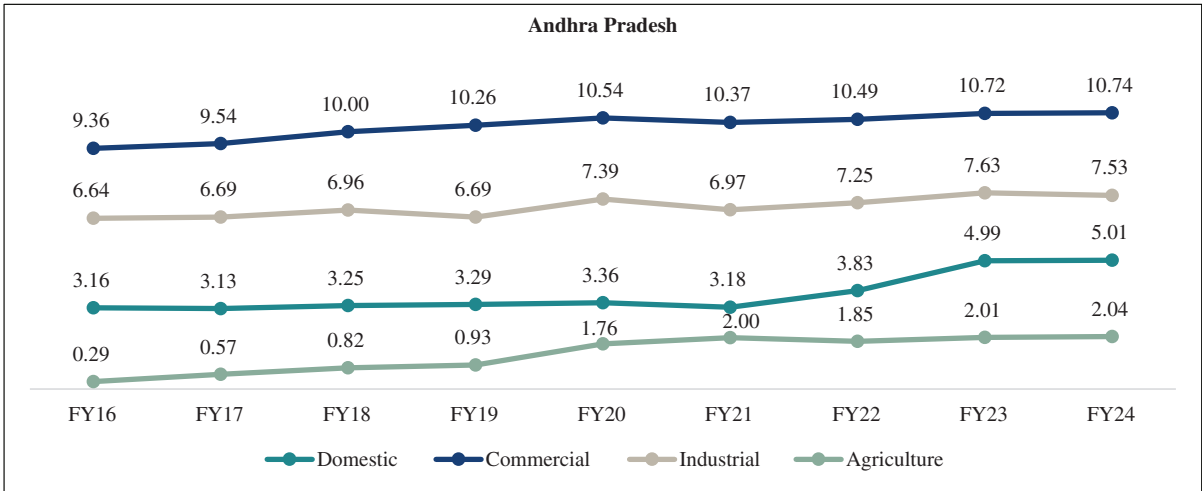
The increase in utility tariffs in India can be attributed to several factors that have collectively put pressure on the power generation and distribution sector. One of the key factors is the rising cost of coal, which is the primary source of fuel for thermal power plants in the country. As the demand for electricity continues to grow with rapid urbanization and industrialization, the increasing cost of coal has a direct impact on the overall generation cost, prompting power producers to pass on these expenses to consumers through higher tariffs.

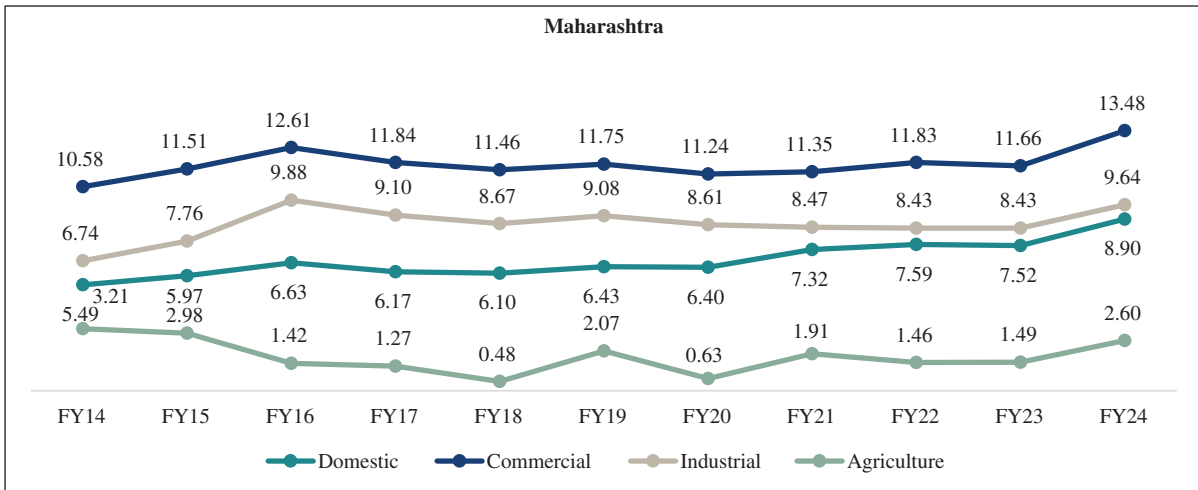
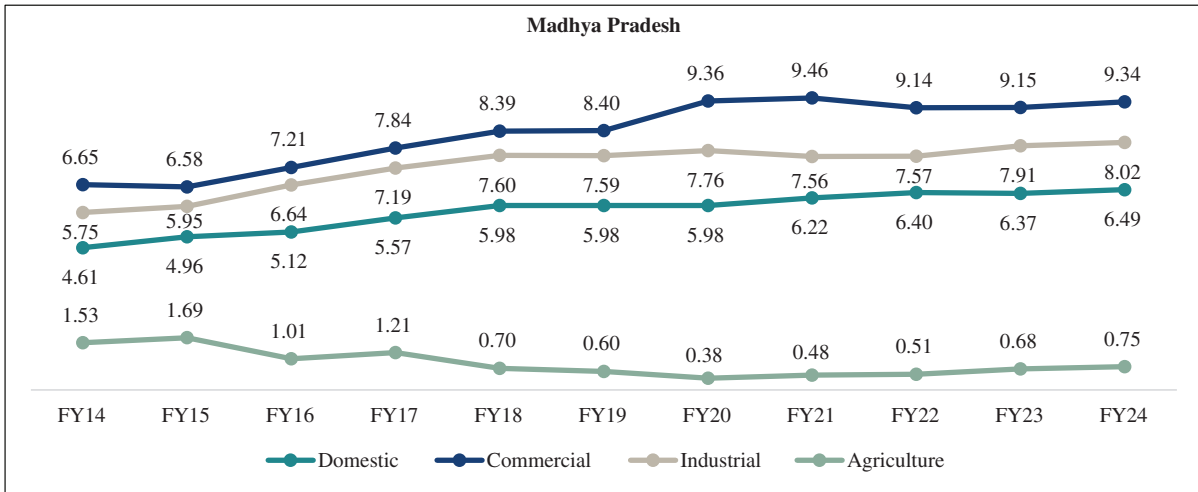
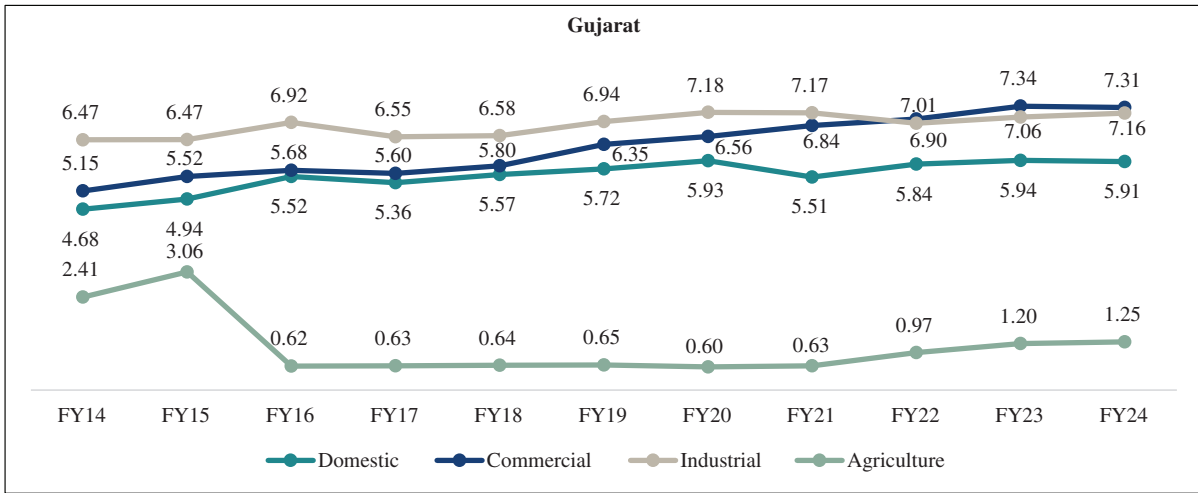
Another significant reason is the increasing penetration of RE sources, such as solar and wind, which has led to a decrease in the utilization of thermal power plants. As RE generation becomes more prevalent, the Plant Load Factor (PLFs) of thermal power plants decreases, making it economically challenging to cover the fixed costs of these plants. To offset this, utilities often need to depend on expensive balancing power to maintain grid stability, thereby contributing to higher generation costs and, in turn, elevated tariffs.

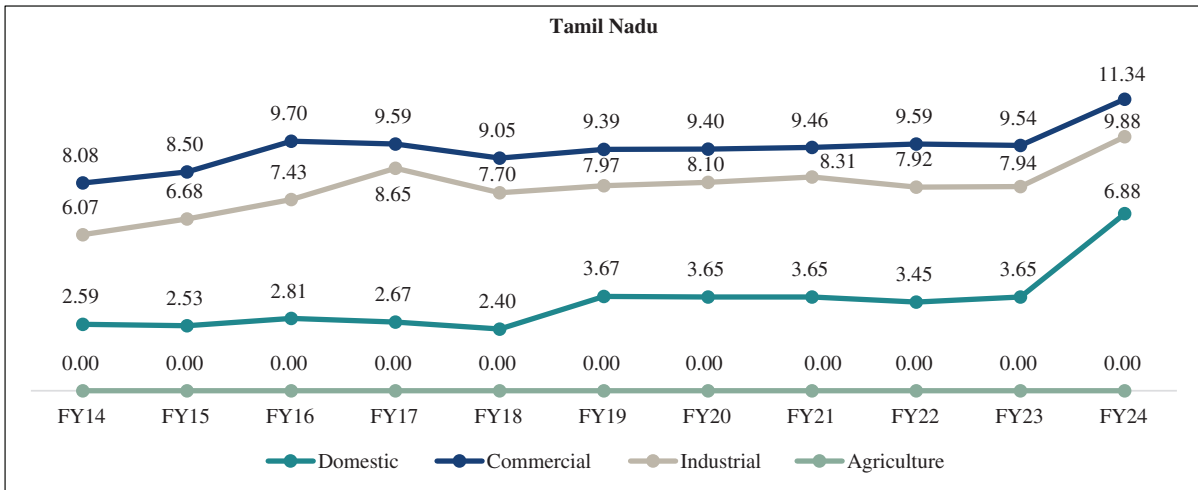
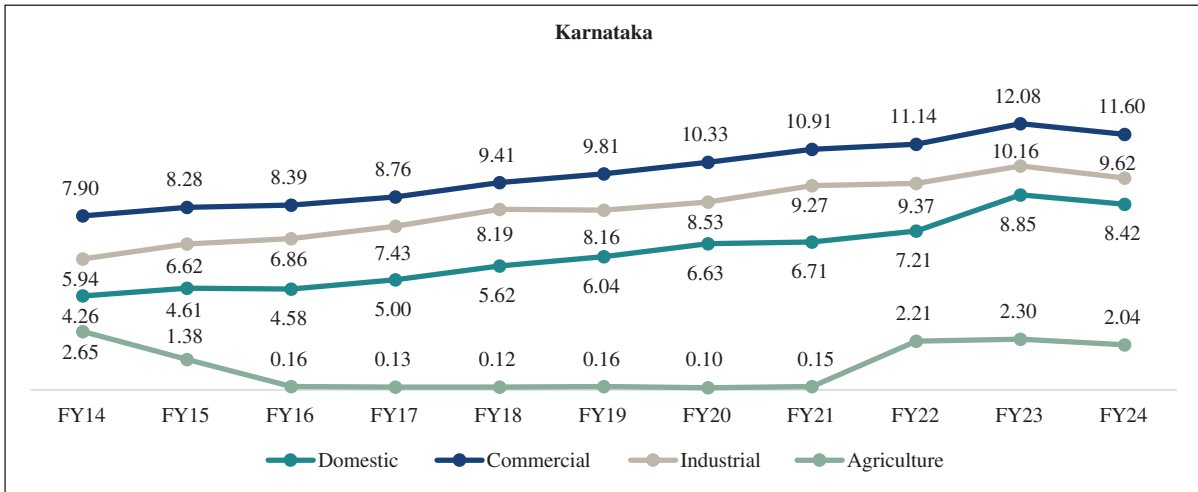
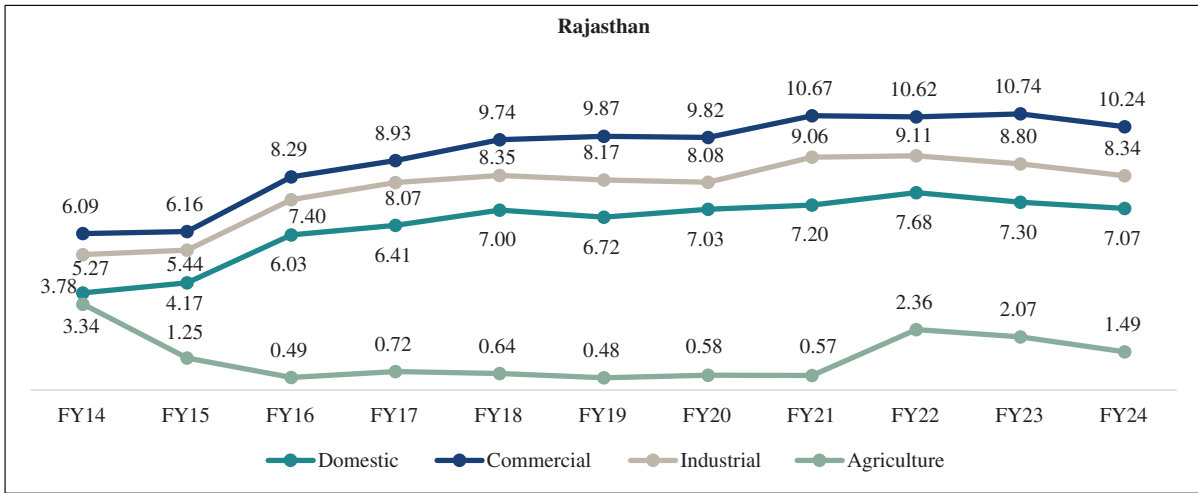
Furthermore, in India, electricity tariffs for certain consumer categories, particularly domestic and agricultural, are subsidized by charging higher tariffs to C&I consumers. The burden of cross subsidization falls on these C&I consumers, resulting in increased tariffs to maintain financial viability for the power utilities. Moreover, aging infrastructure and transmission losses also play a role in escalating tariffs. The costs of maintaining and upgrading power transmission and distribution networks are significant, and inefficiencies in the system lead to an increased financial burden on utilities, which are ultimately passed on to consumers.

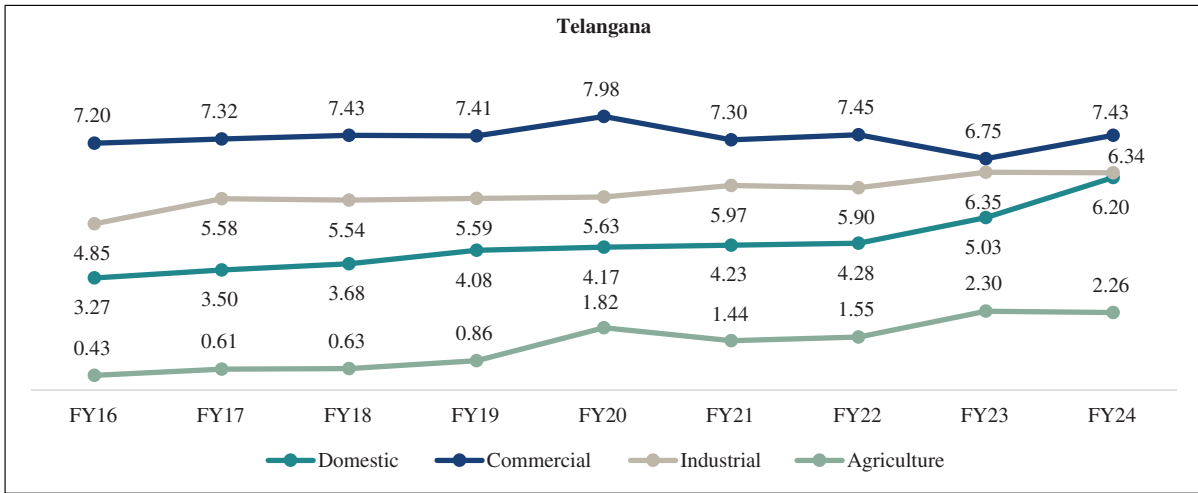
Multiple schemes and rules/regulations are being passed by GoI to ensure adequate correction in the retail tariffs such as RDSS scheme which require better financial practice by discom, timely recovery of increase in cost of power purchase cost and automatic pass through into the consumer tariff and recovery of regulatory assets and limit the creation of any further regulatory assets by SERC.

Figure 13: Snapshot of consumer category-wise average billing rates (Rs/kWh) across key states







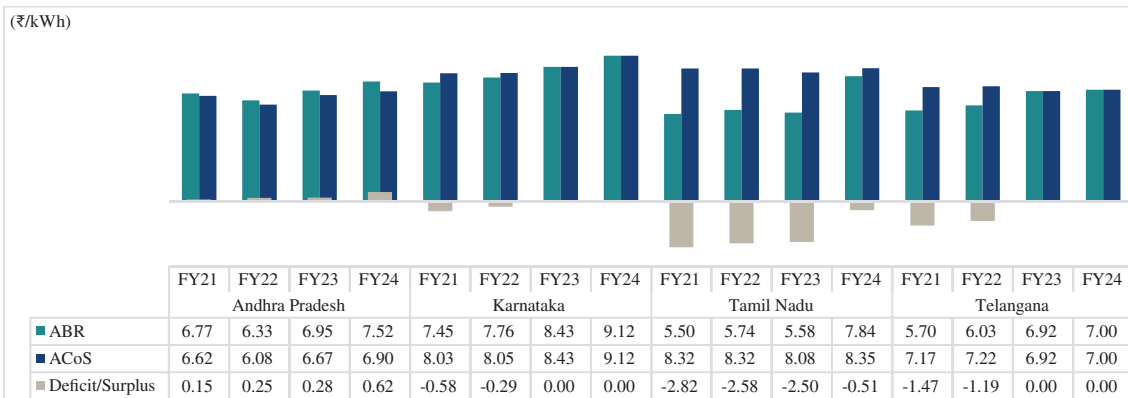


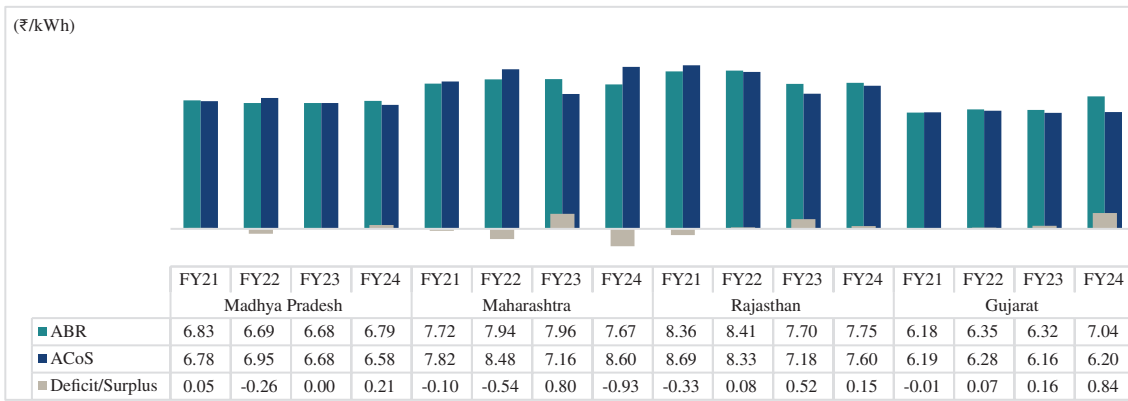
Note: FY24 figures are as per respective SERC approved discom's tariff orders;

Source: State Tariff Orders, PFC Report on Performance of State Power Utilities, CRISIL Analysis

The state-wise gross average billing rate (ABR) and average cost of supply (ACoS) for the last four fiscals is also shown in the below chart. It shows that the ABR has increased by 3.9% y-o-y whereas the ACoS has increased at a rate of ~1.8% over the last four years. The average gap between ABR and ACoS for these states has reduced from Rs -0.64/kWh to Rs +0.10/kWh from fiscal 2021 to fiscal 2024. The MoP also issued multiple rules and guidelines over the years to rationalize the tariffs and to ensure no creation of fresh regulatory assets by ensuring regular and timely revisions of tariffs. The draft electricity amendment rules, 2023 have also proposed to liquidate the regulatory assets within seven years of equal installments. These measures are expected to remove the gap by fiscal 2025 if taken rigorously by SERCs.

Figure 14: State wise ABR and ACoS for last four financial years





Source: State Tariff Orders, REC Report on key regulatory parameters of Power Utilities 2023, CRISIL Analysis

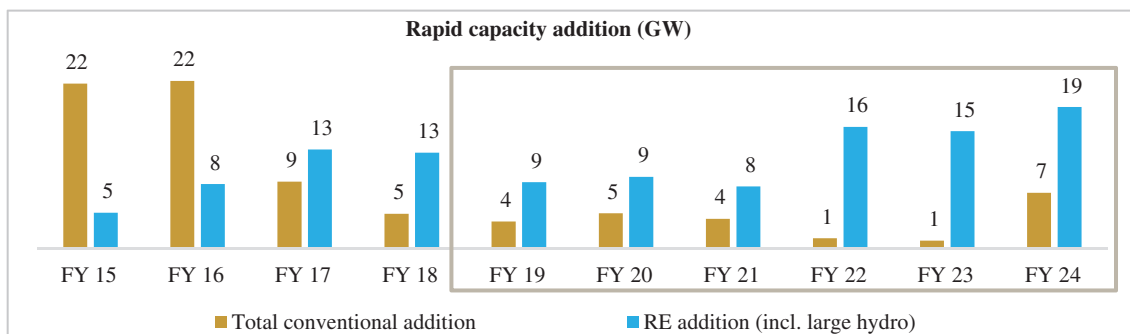
1.8 Capacity addition zoomed over the past decade, to be dominated by RE addition over the next decade

India witnessed robust growth in capacity addition over the past decade, led by delicensing of the power-generation business through the Electricity Act, 2003, followed by strong government thrust on RE through favourable policies and regulations.

In particular, between fiscals 2013 and 2016, conventional power capacity addition, particularly coal-based, rose at a break-neck speed with an addition of ~80 GW. Renewable energy made significant inroads in the subsequent period until fiscal 2024 with the addition of 102 GW between fiscal 2017-24.

As per CEA, about 15 GW of thermal capacity is expected to be commissioned in fiscal 2025 and the total thermal capacity of 26.8 GW is estimated to be added by fiscal 2030. Moreover, as on April 2024, a total of 157 GW of RE capacity is under various stages of development (89 GW under-construction and 67 GW is under-development stage) in the country which are expected to be completed by fiscal 2029.

Figure 15: Historical Thermal and RE capacity addition trend

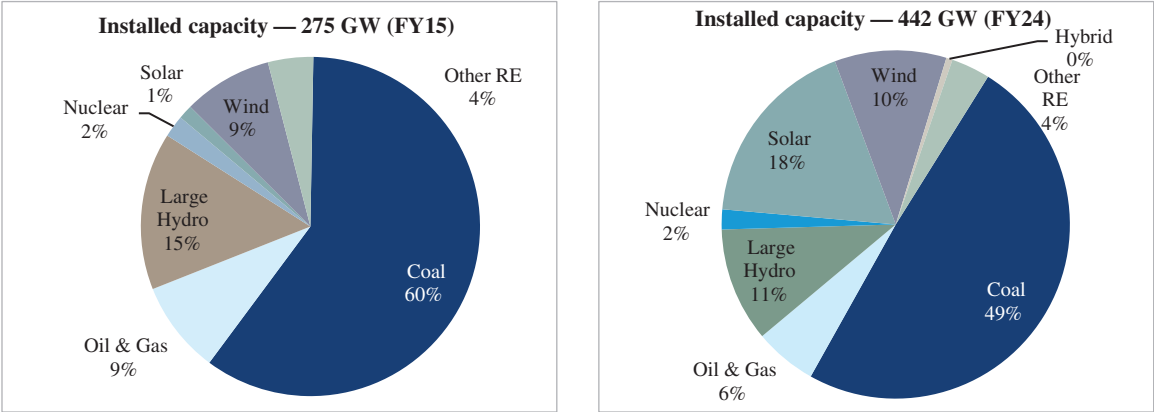


Source: CEA, CRISIL analysis

Growth in gas and hydro-power capacities, however, remained muted over years. Between fiscals 2015 and 2024, ~6.4 GW hydro and 3.26 GW gas-based capacities have been added, leading to a change in the overall composition of installed capacity mix.

The share of coal-based and large hydro capacity in the overall installed capacity has declined to 49% (from 60%) and 11% (from 15%), respectively, between fiscals 2015 and 2024. The share of RE (excl. large hydro) in the overall installed capacity increased to ~32% in fiscal 2024 from ~14% in fiscal 2015. With continued government support, falling tariffs and strong investor interest, the share of RE (mainly solar and wind) is expected to rise further.

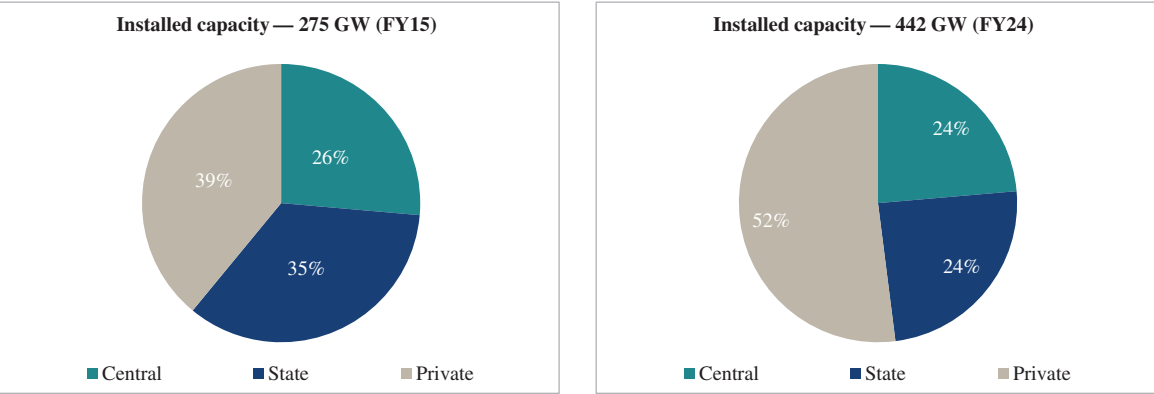
Figure 16: Fuel-wise breakup of generation capacity



Source: CEA, CRISIL analysis

The percentage share of capacity addition from the private sector has also been on the rise. The total installed capacity from the private sector increased to 52% of the total installed capacity as of March 2024, compared with 39% as of March 2015.

Figure 17: Ownership wise share of installed capacity



* FY24 data as on Feb 2024; Source: CEA, CRISIL analysis

Further, CRISIL expects 25-27 GW conventional capacity additions over the next five years (by fiscal 2029) to be coal-based, led by a large number of planned projects and the fact that coal remains the most widely available and competitive among the conventional sources of power. Nuclear power capacity additions of 6-7 GW are expected during the same period. Also, hydropower capacity additions are expected to rise to 8.5-9 GW with clean energy status expected to enhance government push for clearances and construction cycles. Renewable capacity additions are expected to nearly double to 220-230 GW over the next five years, of which 180-190 GW is expected to be commissioned under utility scale projects. Storage-based capacity, consisting of pumped hydro and battery energy storage systems (BESS), is likely to reach 29-30 GW.

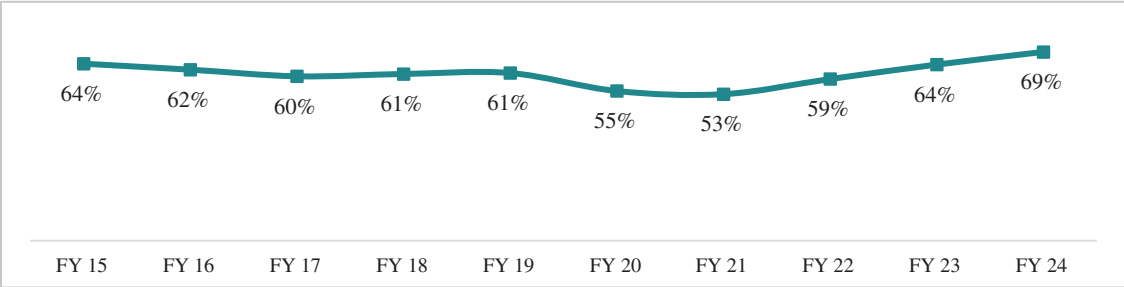
1.9 Growth in coal-based PLF of owing to rising electricity demand; RE PLFs improving led by ‘must-run’ status coupled with technology improvement

The existing coal-based power-generation capacities are not being fully utilised, due to a significant surge in capacity additions and demand not keeping pace. Additionally, the weak financial health of discoms also constrained the offtake. However, strong power demand recovery in fiscal 2023 and 2024 by 9.6% helped the PLF to recover to 69% in fiscal 2024. The PLF of coal-based plants has been consistently rising over the past three fiscals. This can be attributed to a rise in peak demand due to erratic seasonal changes along with robust industrial and manufacturing activities.

With demand expected to rise at a steady pace, decline in thermal additions as well as retirement of old capacities, coal-based plant PLFs are expected to gradually rise. However, the share of coal power in the overall generation mix in India is expected to further decline on the back of rising RE penetration.

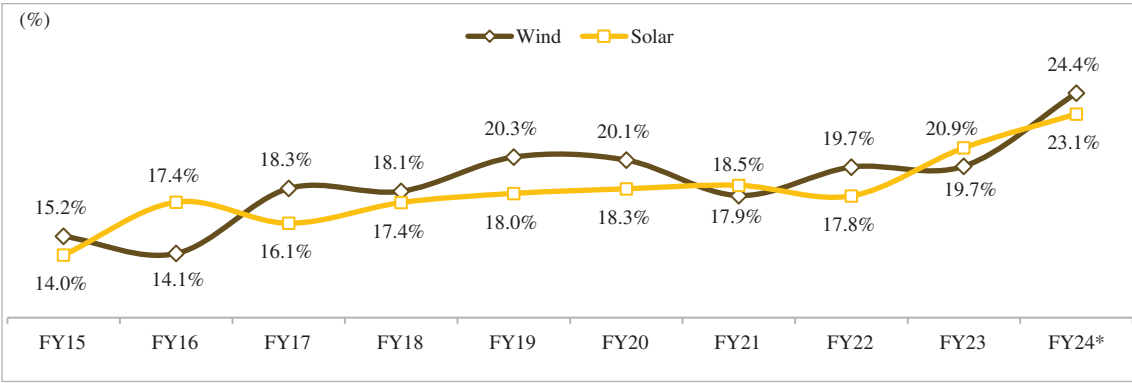
Large scale integration of RE projects require energy sources which can act as a base load and balance the grid stability and energy security. Hence, as per the government’s plan the dependence on coal-based generation is likely to continue and to cater the base load demand, the coal-based capacity addition would continue for the next 8-10 years till the time significant energy storage system gets deployed.

Figure 18: Historical PLF of coal-based power plants



Source: Ministry of Power; CRISIL Analysis

Figure 19: Historical average wind and solar power CUFs



* FY24 data as on Feb 2024; Source: CEA; CRISIL Analysis

RE projects (except biomass power plants) have been granted “must-run” status under the CERC (Indian Electricity Grid Code) Regulations, 2010. A must-run status ensures that solar and wind power plants are not backed down for reasons other than technical and grid-security concerns. This has helped RE projects, especially wind and solar, to maximise utilisation. The government has also included wind-solar hybrid, hydropower sources and other RE projects as must-run in the Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021. It also provides for compensation to the developer from the procurer in the event of curtailment of supply from such plants at the rate specified in the PPA.

Over the past five years, the average annual CUFs of solar and wind capacities have seen improvements, mainly driven by technological advancements, DC over-loading, improvement in inverter efficiencies for solar and increase in turbine size, hub heights, better tracking and weather forecasting technologies as well as improvement in O&M practices to reduce downtime for wind.

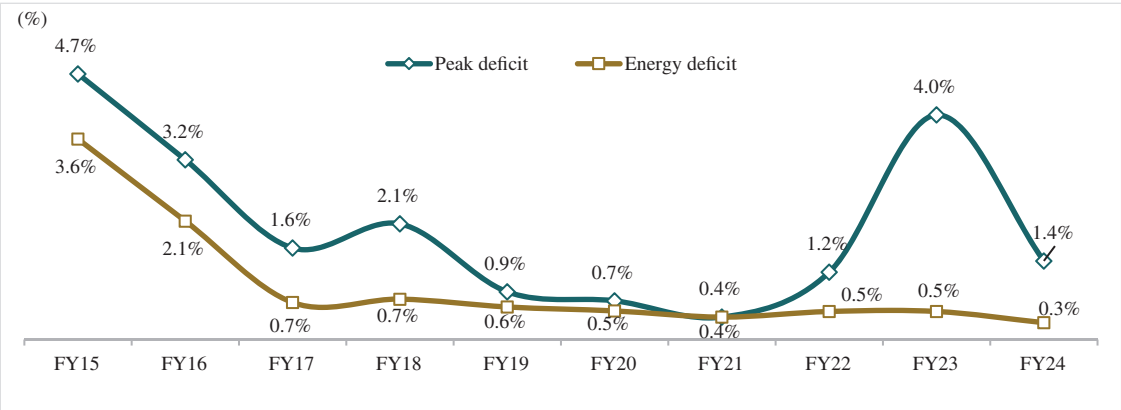
1.10 Assessment of power deficit/surplus

On the back of strong growth in installed capacity, growth in energy availability outpaced demand growth. As a result, the gap between demand and supply narrowed, both in terms of energy as well as peak demand in the country. Peak demand shortage fell sharply to 1.4% in fiscal 2024, from 4.7% in fiscal 2015, whereas the energy shortage fell to 0.3% from 3.6% during the same period.

Peak power demand has surged due to extreme weather conditions coupled with buoyant industrial and manufacturing activities. Between fiscal 2019 and 2023, peak demand has grown from 177 GW to 216 GW. In fiscal 2024, peak demand was 240 GW as seen in September 2023. The constant rise in peak demand can be attributed to economic growth, seasonal vagaries, and an increasing daily average temperature that India has experienced over the last decade. The generation has struggled to keep up with booming demand, which has led to an increase peak demand deficit to 1.4% for fiscal 2024 as compared to 4.0% in fiscal 2023.

It is expected that the base deficit to persist, though remaining negligible at 0.3-0.5% over the medium-term, as deficit is expected in under-penetrated areas due to weak distribution infrastructure, with underserved populations expected to gradually come onto the grid in the long term.

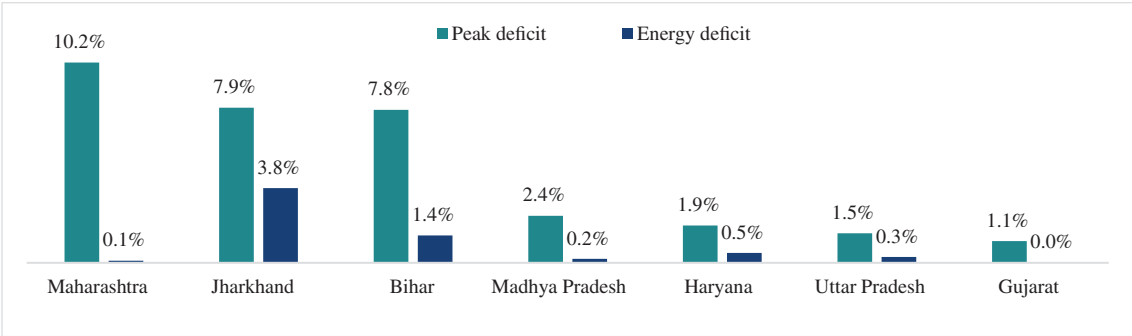
Figure 20: Energy and peak demand shortage trend during the past 10 years



Source: CEA; CRISIL analysis

In fiscal 2024, the energy deficit across states and union territories stood at 0.3%. States including Bihar, Maharashtra and Jharkhand have registered the highest peak deficit during fiscal 2024.

Figure 21: Top states in terms of peak demand deficit in fiscal 2024



Source: CEA; CRISIL analysis

In India, the electricity demand typically peaks during morning and evening hours, creating a demand deficit during that period. Addressing this demand deficit is important for maintaining grid stability and ensuring uninterrupted power supply. Wind energy with its distinctive generation patterns can help in meeting these peak demand deficit periods. Wind generation tends to be higher during evening and early morning hours when solar energy generation is minimal or non-existent, aligning well with the times when the electricity demand is at its peak.

This synchronicity between high wind generation and peak electricity demand can significantly enhance the utilisation and economic value of wind energy. The deployment of wind energy particularly during peak hours not only supports grid stability but also improves the financial viability of the project, ensuring high realisation.

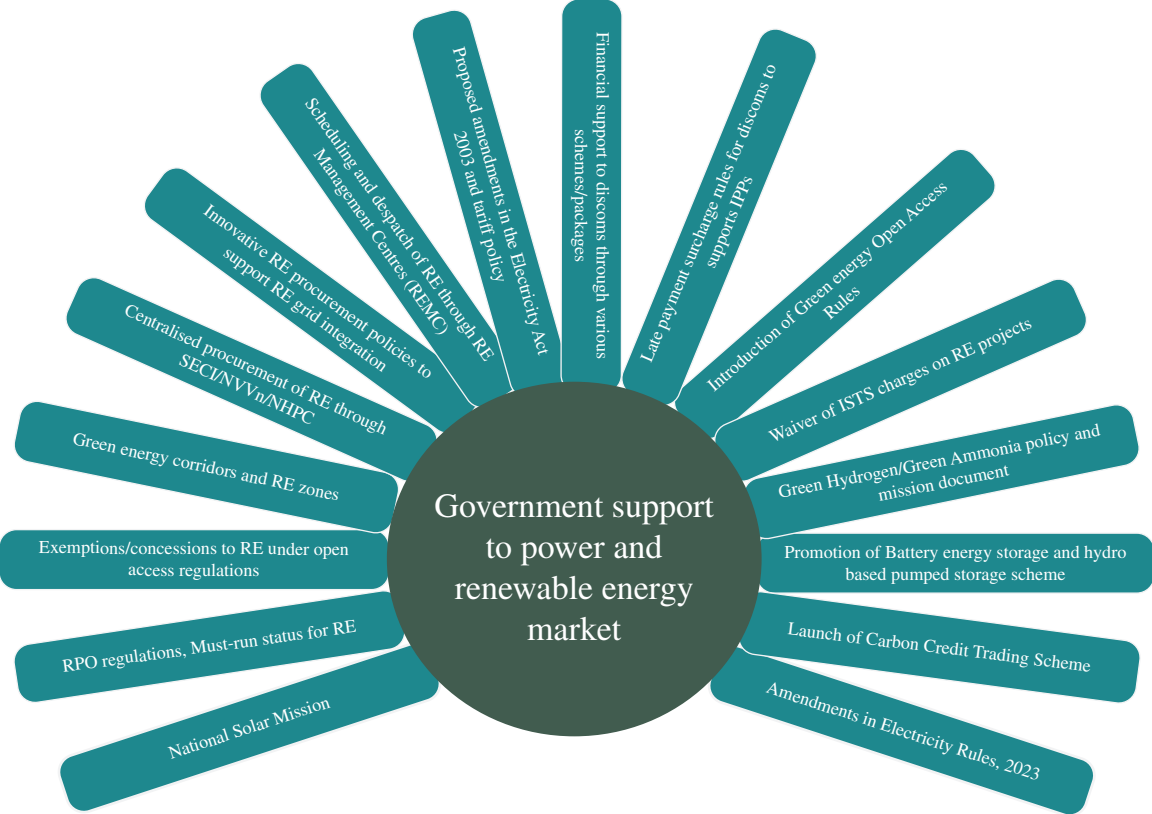
2. Government support — policy, regulatory and market — to power and RE markets

The GoI has extended significant support to boost RE through the launch of multiple programs, policies and incentives. The government is committed to drive growth in the sector by holistically promoting investments, proactively resolving industry issues and addressing policy concerns.

The Indian government at Conference of Paris (COP-26) has set a target to achieve net-zero emissions by 2070. This is supported by raising its non-fossil fuel-based energy capacity to 500 GW and 50% of its energy demand through renewables by 2030. India has also committed to reducing 1 billion tonnes of projected emissions and achieving carbon intensity reduction of 45% by 2030. The government’s efforts are underway to achieve them. This demonstrates the government’s commitment to increase the share of renewable energy in the electricity mix of the country. In fact, strong government support and robust growth potential is reflected through strong investor interest including global pension funds, sovereign wealth funds and PE firms.

The following section explains the key policies, regulations and initiatives undertaken by the GoI to support the power and renewable energy market.

Figure 22: Snapshot of government support to the power and renewable energy market in India



Source: CRISIL Analysis

2.1 National Solar Mission provided long-term clarity and helped offset risk

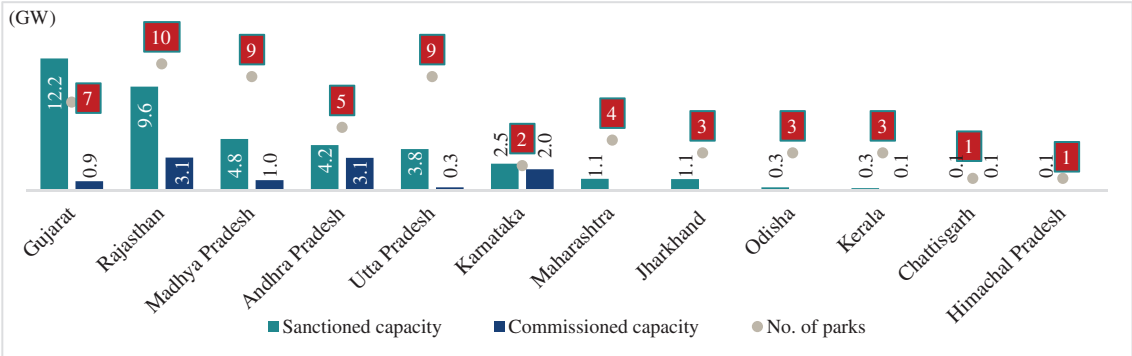
The GoI launched the ‘National Solar Mission’ (NSM) in January 2010 and set a target of 100 GW of solar power in India by 2022. This program clearly chalked out a plan for phase-wise awarding of projects under different routes such as bundling with coal-based power, state-based viability gap funding and CPSU scheme among others. This provided developers with long-term clarity in terms of capacity allocation across phases.

Also, centralised procurement through NTPC Vidyut Vyapar Nigam (NVVN) and Solar Energy Corporation of India (SECI) was adopted to offset the risk of power offtake and payment delays.

In addition, the GoI on March 22, 2017, sanctioned the implementation of a solar park scheme, initially for 20 GW and subsequently scaled up to 40 GW. This is aimed to provide developers plug and play projects with ready land, evacuation infrastructure and other ancillary needs and thereby reduce execution

risk and lead to timely installations. As of December 2023, GoI has sanctioned 58 solar parks with a combined capacity of 40 GW in 13 states. Over 10.5 GW projects have been commissioned within 20 solar parks.

Figure 23: Total capacity and no. of solar parks sanctioned and projects commissioned



2.2 Renewable purchase obligations (RPO) to support RE capacity additions; strict enforcement — a key monitorable

As per the Electricity Act, 2003, SERCs are required to fix the purchase of a minimum percentage of electricity from renewable energy sources out of total electricity consumption (excluding hydro) for obligated entities — discoms, open access consumers and captive power users — in the state. The RPO could be met by purchase of renewable energy or through purchase of renewable energy certificates (RECs). In the event of default by an obligated entity in any fiscal, SERCs may direct the obligated entity to pay a penalty or to deposit an amount determined by the relevant SERC, into a fund to be utilised for, among others, the purchase of RECs.

To promote the installation of solar power systems across various Indian states, the government amended the National Tariff Policy in fiscal 2016, proposing an increase in RPO target to 21.0% by fiscal 2022. Consequently, several states set RPO targets based on their respective RE potential.

The MoP in July 2022 had declared hydro power obligation (HPO) and energy storage obligation (ESO) trajectory till fiscal 2030 in addition to RPO. Later in October 2023, the MoP revised its RPO target from fiscal 2025 to 2030 and removed ESO from the RPO category. In this RPO notification, MoP added a category for distributed renewable energy which would be met only from the projects that are less than 10 MW.

Table 1: RPO targets by MoP notified in October 2023

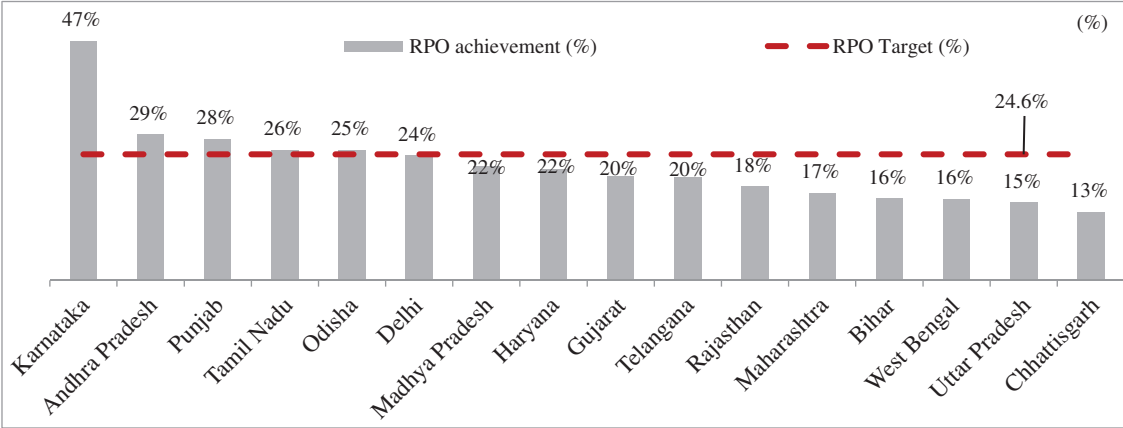
Category	FY25	FY26	FY27	FY28	FY29	FY30
Wind RPO	0.67%	1.45%	1.97%	2.45%	2.95%	3.48%
HPO	0.38%	1.22%	1.34%	1.42%	1.42%	1.33%
Distributed RE	1.50%	2.10%	2.70%	3.30%	3.90%	4.50%
Other RPO	27.35%	28.24%	29.94%	31.64%	33.10%	34.02%
Total	29.91%	33.01%	35.95%	38.81%	41.36%	43.33%

Source: Ministry of Power, CRISIL Consulting

Wind RPO component is for the new wind projects commissioned after March 31, 2024 and hydro component shall be met only by energy produced from Hydro Power Projects (including Pump Storage and Small Hydro Projects), commissioned after March 31, 2024. The older wind projects, all solar projects and other RE projects would come under “Other RPO” component.

While RPOs have helped drive RE capacity additions, lack of strict enforcement has resulted in non-uniform RPO compliance across states. Going forward, it is critical that strict enforcement across states is ensured by the respective SERCs. In fact, through amendments to the Electricity Act 2003, a National RE Policy is proposed, which will enable a support system to promote procurement of RE through RPO obligations and penalties for not complying with the same.

Figure 24: RPO compliance status across states for FY2023



Source: CEA, State discom tariff orders, CRISIL Analysis

To fulfill state RPO targets, as per respective trajectories, there has been increased tendering by states like Maharashtra, Gujarat, Uttar Pradesh, Madhya Pradesh, Punjab under their state schemes allocated over fiscals 2018-2023. In addition, any excess unit generated by the obligated entity, i.e., over and above its obligations, would be utilised by discoms to meet their solar RPO targets.

The overall RPO compliance in majority of the states has been more than 70% in fiscal 2023. This is mostly on account of the over-achievement of existing RPO targets by a few states such as Karnataka, Andhra Pradesh, Tamil Nadu, Punjab which have seen significant RE consumption. The hydro rich states such as Sikkim, Himachal Pradesh, Uttarakhand have registered over two times of the RPO target set by MoP for fiscal 2023.

Further, the Energy Conservation Act requires designated consumers to meet a minimum share of energy consumption from non-fossil sources. It also empowers the government to charge a penalty of up to Rs 10 lakh for non-compliance. Additionally, a penalty amounting to Rs 3.72/kWh (based on price of one metric ton of oil equivalent for fiscal 2020) for shortfall in RE consumption shall be payable by designated consumers from April 1, 2024 onwards.

The Central Government is also contemplating for renewable generation obligation (RGO) mandating thermal power generators to generate certain percentage of their additional capacity from renewable energy.

2.3 Renewable Energy Certificates (REC) to support RPO

The Ministry of Power has approved the amendments to the existing REC mechanism. Those RE generators will be eligible for issuance of REC whose tariff is neither determined under the provisions of the Act nor selling power through power exchanges/traders and has not availed any waiver/concession on open access charges. The registration of eligible entity for issuance of certificates will be valid for a period of 15 years from the data of commissioning of the project and 25 years for the existing RE project. The certificates issued will remain valid until they are redeemed. The certificates will be issued basis technology multiplier, and the price of certificate will be discovered through power exchanges/traders. The CERC will have a monitoring and surveillance mechanism to ensure that there is no hoarding of RECs.

The REC mechanism facilitates RPO compliance by obligated entities which include discoms, captive power plants & open access consumers. It is one of the simplest ways for small obligated entities, such as captive power plants/open access consumers to comply with RPO regulations and to those C&I consumers who are committed to 100% energy consumption from green sources.

Although REC certification rates have fallen from their peak in fiscal 2015, and unsold inventory increased to over 19 million in 2023. Until 2022 RECs were exchanged only in the power exchanges approved by CERC within the band of a floor price and a forbearance price determined by CERC. The ceiling price of a solar REC has fallen by over 90% since 2010-12 and the price of non-solar REC by over 30%. Only about 5% of total RE capacity is REC accredited as of December 2023. The prices have fallen from Rs 1000 per REC in April 2023 to below Rs 300 per REC in March 2024.

2.4 Must-run status for RE generation partly offsets operational risk

Power is scheduled on a day-ahead basis and the same is then dispatched by load dispatch centres under the merit order dispatch mechanism by prioritising the lowest-cost sources. Given the infirm nature of RE coupled with high RE tariffs, scheduling and dispatching RE would have been a challenge.

To address this issue, the Indian Electricity Grid Code, 2010, exempted RE from the merit order dispatch mechanism and scheduling regulations and provide (except biomass power plants with installed capacity of 10 MW and above) must-run status. This ensures offtake of RE sources and does not allow its curtailment unless it causes any grid stability issue.

However, the Grid Code does not provide for any remedy on the failure of a procurer to schedule power from must-run power plants apart from grid safety/technical constraints. Hence to resolve such issues the MoP notified Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021 which are applicable to all RE projects. RE projects including but not limited to wind, solar, wind-solar hybrid, hydropower sources, must be considered a must-run project as per the rules and the power from these projects must not be curtailed. The Rule provides monetary relief for any curtailment of the generation of must-run power plants by the procurer, regardless of whether it arises out of grid safety or technical constraints.

The must-run status has played a crucial role in partly offsetting operational risk and facilitating growth of the RE sector in India.

2.5 Green energy corridors and RE zones to enable smooth RE integration

To facilitate integration of RE projects and transmission of RE from RE-rich states to other parts of the country, India launched the Green Energy Corridor (GEC) project in 2013. The project is implemented by eight RE-rich states such as Tamil Nadu, Andhra Pradesh, Karnataka, Maharashtra, Gujarat, Madhya Pradesh, Rajasthan and Himachal Pradesh. GEC target of ~9,700 ckm of intra-state transmission lines by December 2020 has overshot the timeline both due to operational reasons and COVID related restrictions. Once commissioned, it will reduce the concentration risk of RE and help non-RE-rich states to benefit.

In addition to GEC Phase-I, the government approved GEC Phase-II in January 2022. The scheme will facilitate grid integration and power evacuation of 20 GW of RE power projects in seven states namely, Gujarat, Himachal Pradesh, Karnataka, Kerala, Rajasthan, Tamil Nadu and Uttar Pradesh. The transmission systems will be created over a period of five years between fiscals 2022 and 2026. Under Phase-II, MNRE has sanctioned implementation of 13 GW of RE Projects along with 12 GWh BESS in Ladakh in February 2024.

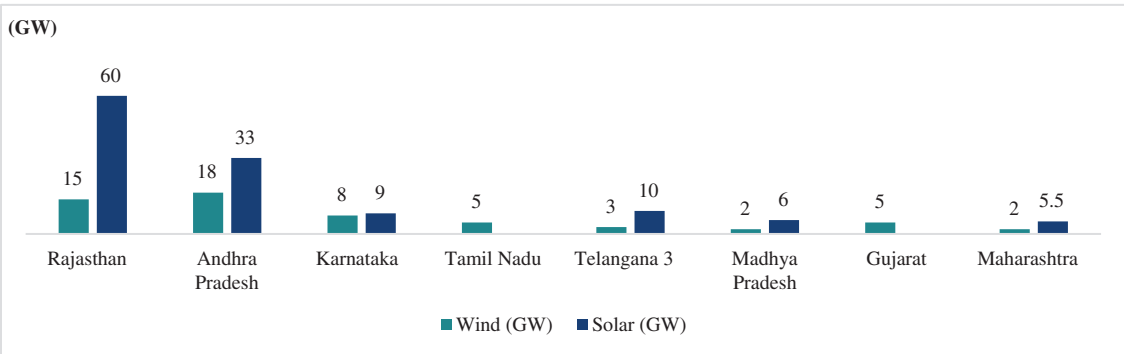
India has a target of 500 GW of non-fossil fuel capacity by 2030. For integration of additional wind and solar capacity by 2030, the estimated length of transmission line and sub-station capacity planned is around 50,890 ckm and 4,33,575 MVA, respectively. As per MoP, the investment required for the green

transmission is estimated to be around Rs. 2,440 billion. Out of this, Rs. 281 billion will be required for integration of offshore wind capacities while Rs. 2,160 billion will be required for new solar and wind (onshore) plants.

The next growth driver for ISTS projects is the Inter-State transmission system planned for evacuation and grid integration of 66.5 GW Renewable Energy Zone (REZ) spread across the states of Tamil Nadu, Andhra Pradesh, Karnataka, Gujarat, Maharashtra, Rajasthan, and Madhya Pradesh. PGCIL has also come out with a scheme for setting up grid infrastructure in identified REZ. Under this, key areas with concentration of existing/planned renewable energy projects have been identified in the Western and Southern regions of the country. Out of this, 8 GW of grid capacity will be added for wind projects in the Western region and 9 GW in the Southern region.

MNRE/SECI have identified REZs totaling 181.5 GW for likely benefits by the year 2030. These REZ’s are located in eight states as detailed below:

Figure 25: Potential RE zones identified by MNRE/SECI



Source: CEA: Transmission System for Integration of over 500 GW RE Capacity by 2030

Out of 181.5 GW RE capacity, 56 GW RE capacity is likely to be commissioned by March 2025, 62.1 GW RE capacity is likely to be commissioned by December 2027 and 63.4 GW RE capacity is likely to be commissioned by December 2030.

2.6 Centralised procurement of RE through SECI/NVVN/NHPC reduces risk

In September 2011, the GoI set up SECI as an implementation and facilitation institution dedicated to the solar energy sector and gradually included wind power as well. SECI along with the NVVN (power trading arm of NTPC) and NHPC act as intermediaries to procure power from RE developers under competitive bidding and supply it to various discoms under back-to-back power purchase and sale agreements.

PPAs with central counterparties significantly reduce counterparty risk as they are covered under a tripartite agreement between the central government, state government and SECI/NTPC/NHPC, providing payment security in case of default by discoms as they can recover dues from the Reserve Bank of India’s devolution to state governments. In fact, this was successfully used by SECI in 2020 in the case of significant payment delays from Andhra Pradesh. Later MoP in 2021 also invoked tripartite agreements with Jharkhand, Karnataka and Tamil Nadu to recover dues from the state government and pay directly to the power producer.

Other payment security mechanisms to de-risk RE project include letter of credit and payment security fund (PSF). These instruments have been further strengthened by the notification of the Late Payment Surcharge (LPS) Rules, 2022. LPS is levied on the payment outstanding by a discom to a generating company (genco) at the base rate (pegged to SBI’s marginal cost of lending rate). LPS is applicable for

the period of default at base rate for the first month of default and increased by 0.5% for every successive month of delay, subject to a maximum of 3% over base rate at any time.

As per PFC's 12th Annual Integrated Rating report for fiscal 2023, the trade payables to gencos and transcos reduced from Rs 2.89 lakh crore in fiscal 2022 to Rs 2.74 lakh crore in fiscal 2023, despite 24% increase in power purchase costs in fiscal 2023. The major driver for this trend has been LPS Rules, which converted legacy dues to EMI instalments. Through this mechanism, trade payables of almost Rs 48,000 crore were liquidated during fiscal 2023. The LPS rule helped bring down Days Payable of Discoms from 166 in fiscal 2022 to 126 in fiscal 2023.

Further, the presence of PSF backed by budgetary allocation to cover payment delays by discoms provides additional comfort to developers. Of late, SECI has had to dip into the PSF to ensure timely payments to IPPs owing to delay in payments from discoms (SECI's receivables rose sharply to 93 days in fiscal 2020 and reduced to 50-60 days in the last three fiscals). While this is positive, it could become challenging in the event of continued payment delays by discoms given the back-to-back nature of the contract.

Table 2: SECI — Key financial indicators signify strong balance sheet position

Particulars	Unit	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Operating income	Rs million	7,854	11,582	32,351	46,257	54,429	72,848	1,07,951
EBITDA	Rs million	722	891	1,786	2,087	2,271	3,153	3,778
PAT	Rs million	465	647	1,294	1,789	1,777	2,403	3,156
EBITDA margin	%	9.2	7.7	5.5	4.5	4.2	4.3	3.5
PAT margin	%	6.0	5.6	4.0	3.9	3.3	3.3	2.9
RoCE	%	26.0	25.2	40.2	37.2	30.9	22.2	18.0
Debt/ net-worth	Times	–	–	–	–	–	–	–
Debt/EBITDA	Times	–	–	–	–	–	–	–
Cash, cash equivalent	Rs million	10,880	16,015	16,741	17,620	15,915	25,219	21,332
Interest coverage ratio	Times	50	137	67	67	63	77	47
Trade receivables	Days	47	41	80	93	57	49	58
Trade payables	Days	59	80	46	36	31	23	15

Source: SECI annual reports, SECI credit rating reports

2.7 Innovative procurement policies to support grid integration of RE

To address the issue of intermittency, under-utilisation of transmission infrastructure and land, the government introduced procurement models to promote innovative technologies and encourage supply of dispatchable renewable energy. So far, the government has released such tenders for round-the-clock RE power (with prescribed monthly/annual CUF), RE to supply guaranteed peak power (with an energy storage component) and the relatively newer firm and dispatchable RE (FDRE). In addition, hybrids including wind and solar as well as bundling RE with thermal power have also been released.

A key feature across these tenders is the increase in the quantum of generation, which was required to be supplied and the peak power supply (PPS) tender for stipulating the power to be provided during peak hours. The PPS tender also mandated the use of storage, as that would be essential to supply power during peak hours. Similarly, under FDRE, the guidelines denotes that these tenders would provide assured peak power and RTC power at any hour of the day as per demand specified by the Discom.

The uptake of such tenders has increased and the shift from plain vanilla solar and wind tenders to hybrid, round-the-clock (RTC) tenders have been observed as discoms also demand more reliable and invariable power.

Going forward, such tenders are expected to become the norm rather than the currently prevalent plain vanilla wind and solar tenders. This is critical to 'firm' RE, reduce fixed cost burden of coal-based plants on discoms and help maintain grid stability. In fact, gradually, as witnessed in the global markets, India would transition to technology-neutral tenders/auctions with the choice of technology left to the IPP.

2.8 Renewable energy management centres (REMCs) for scheduling and dispatch of RE

REMCs are established to address issues of variability and intermittency of the renewable energy sources through the deployment of state-of-the-art monitoring, forecasting and scheduling system to help the grid operator effectively manage power system operations with economy, reliability and security. The REMCs are equipped with artificial intelligence based RE forecasting and scheduling tools and provide greater visualisation and enhanced situational awareness to the grid operators.

There are 13 REMCs co-located with the state load dispatch centres in the RE-rich states of Andhra Pradesh, Tamil Nadu, Karnataka, Maharashtra, Madhya Pradesh, Gujarat, Rajasthan and Telangana; and in regional load dispatch centres at Mumbai, Bengaluru and Delhi as well as one at the national load dispatch centre. Presently, these 13 REMCs are monitoring cumulative renewable energy capacity of ~110 GW (solar and wind).

2.9 Favourable budgetary announcements by government to further support RE deployment

The interim Budget 2024 announced an additional Rs 6 billion for SIGHT program under National Green Hydrogen Mission. The Viability gap funding (VGF) for offshore wind with an initial capacity of 1 GW was also proposed. The budgetary allocation of Rs 86.4 billion for solar power grid infrastructure. Moreover, the GoI announced PM Suryodaya Yojna. This scheme has a proposed outlay of Rs. 750 billion and aims to light up 10 million households by providing up to 300 units of free electricity every month. The scheme would provide a central financial assistance of Rs 30,000 per kW up to 2 kW and Rs. 18,000/- per kW for additional capacity up to 3 kW.

The Budget 2023 has allocated Rs 350 billion for priority capital investments towards green energy transition, net zero objectives and energy security. The VGF for development of 4,000 MWh BESS has been proposed. The GoI supports Rs 83 billion for construction of interstate transmission system for evacuation and grid integration of 13 GW RE from Ladakh. Further, the outlay of Rs. 197 billion for the Green Hydrogen Mission to facilitate transition of the economy to low carbon intensity.

The Budget 2022 had allocated an additional support of Rs 195 billion (Rs 45 billion was approved in April 2021) as production linked incentive for manufacturing of high efficiency solar modules, with priority to fully integrated manufacturing units.

2.10 Evolving state RE open access regulations help in adoption of green energy by C&I consumers

Consumers opting to procure power under open access are liable to pay various charges to transmission and distribution utilities to use their network to wheel power from the third-party supplier to the consumption point. Consumers opting to procure power under open access routes are liable to pay various charges to transmission and distribution utilities to use their network to wheel power from the third-party supplier to the consumption point. These charges include cross-subsidy surcharge, additional surcharge, transmission and wheeling charges and losses, connectivity charges, and LDC charges, among others. Further, cross-subsidy surcharge and additional surcharges are determined by respective state regulatory commissions to compensate distribution companies for loss of revenue on account of the shift of high paying C&I consumers. However, as per the National Tariff Policy 2016, cross-subsidy surcharge and additional surcharge should not be so onerous to eliminate competition through open access route.

Moreover, Cross Subsidy Surcharge (CSS) & Additional Surcharge (AS) are not applicable to captive/Group Captive sales and are applicable only to third party non-captive sales. CSS is capped at 20% of the ACoS rate to industries. Further, as per Green Open Access Rules, 2022 provide that AS will not be applicable to renewable energy if fixed charges are being paid by such consumers.

The expansion of the T&D networks, availability of more efficient systems to maintain grid stability, and increased operating efficiency of the utilities will free up network capacity to open access users. The increased operating efficiency and network availability would keep a rein on transmission and wheeling charges & losses.

Thus, the rationalization of cross-subsidy/additional surcharges and efficiency in grid operations would make open access routes more attractive for bulk consumers.

SERCs of different states have either exempted or provided concessions to RE projects from payment of various open access charges from time to time to promote the use of renewable energy among C&I consumers. For instance, Tamil Nadu and Rajasthan have provided 50% concession in the wheeling and transmission charges for renewable projects, Tamil Nadu has concessional cross-subsidy charges at 30% of conventional power. (For detailed state-wise benefits refer to 'Chapter 3'). Many states have reduced banking provisions for renewable energy projects from an annual energy banking settlement to monthly energy banking.

Despite the discontinuation of open access charges exemptions/incentives for new projects, it is important to note that these benefits will be applicable until their expiry for the old projects commissioned during the period when such benefits were introduced. However, the landed cost of open access projects without any exemptions/incentives could remain competitive as compared to utility tariff as the discom variable tariffs for C&I category are expected to continue to rise in future. There would be a sufficient margin between the levelized cost of RE and variable discom's C&I tariff to mitigate the risk of reducing/withdrawing the open access charges incentives. The savings will improve further if consumers opt for captive mode.

2.11 Growing prospects for open access sale

2.11.1 Introduction of green energy open access rules

The Electricity (Promoting renewable energy through green energy open access) rules, 2022 give consumers an option to draw green energy through open access whose contract demand is 100 kW or above and no limit for supply of power for captive consumers. It states that cross-subsidy surcharge should not be increased by more than 50% for a period of 12 year from the date of project commissioning and full waiver on additional surcharge if fixed charges being paid by the consumer. Banking is allowed on a monthly basis on payment of banking charges. The unutilised surplus banked energy would be lapsed at the end of each banking cycle and the RE generating station would get RECs to the extent of the lapsed banked energy. It also allows a consumer to purchase green energy by placing a requisition with their discom.

In addition, as per the rules, the electricity produced from offshore wind projects commissioned up to December 2032 will not attract additional surcharge for the energy supplied to open access consumer.

The rules provide long-term certainty of the open access charges for the stakeholders which will help in determining their returns from the project. Further, if an open access application is not approved within 15 days, it will be deemed approved. This will ensure timely execution of projects by minimizing any risk of cost escalations. The demand for green energy open access from C&I consumers is likely to increase after implementation of these rules. However, discom cooperation, regulatory proactiveness in timely tariff orders and green energy tariffs are a key monitorable.

2.11.2 ISTS charges waiver

The MoP has waived the ISTS charges for all the RE projects — solar, wind & BESS commissioned until June 2025. The ISTS charges waiver is applicable for 25 years for solar, wind, and pumped hydro storage projects (PSP) and for 12 years for BESS projects. The waiver for PSPs will be applicable to those Projects whose construction work would be awarded up to June 2025. The waiver was also applicable to the RE power traded on the power exchanges under Green Term Ahead Market (GTAM) and GDAM till June 2023.

Such a waiver would significantly reduce landed cost of tariff for consumers and promote the growth of open access projects connected to the ISTS network. The open access project developers would be able to sell power to multiple C&I consumers located predominantly in states like Maharashtra, Tamil Nadu, Gujarat. The ISTS waiver along with the introduction of green energy open access rules and launch of GDAM market may catalyze the growth of open access amongst C&I consumers.

Further, the waiver of ISTS charges applies to offshore wind energy projects for 25 years that are commissioned on or before December 31, 2032. Moreover, for Green Hydrogen/Green Ammonia production units utilizing RE (from projects commissioned after March 8, 2019), pumped storage, or BESS, or any combination of these technologies, the ISTS charges are waived for a period of 25 years from the project's commissioning date. This waiver is applicable to projects commissioned on or before December 31, 2030.

2.11.3 Captive/group captive policies

As per electricity Rules, 2005 a power plant could qualify as a captive generating plant (CGP) if the captive user holds at least 26% ownership. A group captive mode is where a developer develops a power plant for collective usage of many consumers. A power project is considered 'captive' if the consuming entity or entities consume at least 51% of the power generated and owns at least 26% of the equity.

As per the Rules, each captive user of a CGP has to consume electricity, on an annual basis, in proportion to its shareholding in the CGP entity, subject to a variation of +/-10%. As per Electricity (Amendment) Rules, 2023 notified in September 2023 has amended the provisions relating to CGPs. It has allowed the power consumption by a subsidiary company or the holding company of a captive user shall also be considered as captive consumption by the captive user. The amendment Rules also appointed CEA to verify the captive status of CGPs where the projects and its users are located across multiple states.

The Supreme Court judgement dated October 2023 also provided clarity relating to captive generation. It reaffirmed that the captive users must together hold 26% of ownership of the CGP and consume 51% of the aggregate electricity generated by CGP. It also mentioned that the minimum ownership requirement of 26% must be met and satisfied throughout the year and not at the end of the financial year. It also clarified the proportionality principle where the owner of every 1% shareholding in CGP should have minimum consumption of 1.96% with a variation of +/-10%.

As far as benefits for captive users are concerned, as per section 42(2) of the Electricity Act, 2003, captive power plants, set up by end-users for their consumption, are exempted from payment of cross-subsidy surcharge and the additional surcharges, otherwise would be applicable for open access consumers. Thus, the central government's policy support has played a role in promoting the captive/group captive model, especially for C&I consumers.

2.12 Amendments in Electricity Act, 2003 and Tariff Policy augur well for growth of RE sector

2.12.1 The Electricity Amendment bill, 2022

In February 2021, the government proposed to amend the Electricity Act, 2003 with the following major objectives:

- Giving choice to electricity consumers
- Mandatory appointment of a member with a law background in the Electricity Regulatory Commissions
- Strengthening the APTEL by increasing the number of members to clear long pending cases
- Mandatory compliance of RPO

Subsequently, in 2022, MoP issued the revised Electricity (Amendment) Bill, 2022 after factoring in new challenges in the sector such as payment security mechanisms, energy transition, contract enforcement, providing choice to consumers to promote competition, etc.

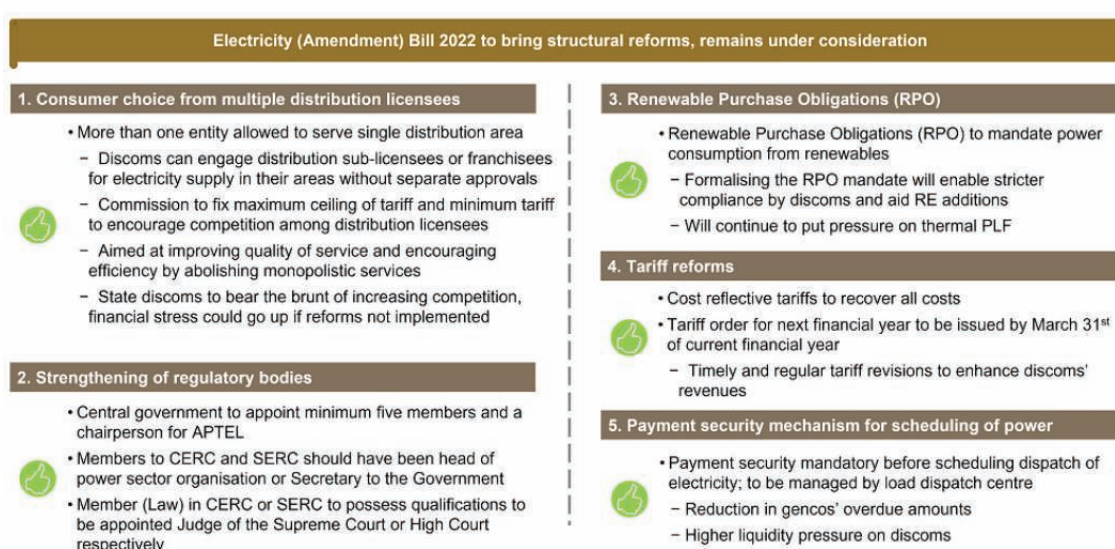
The principal act “the Electricity Act, 2003” allows operation of more than one distribution licensee in the same area using their own network. The proposed amendment through Electricity (Amendment) Bill, 2022 has proposed to remove this requirement. The bill also proposes that a network-owning distribution licensee should provide non-discriminatory access to its network to other Discoms. The power and associated costs from the existing power purchase agreements with the existing distribution licensee, as on the date of issuing license to another distribution licensee, shall be shared among all the distribution licensees in the area of supply as per such arrangements as may be specified by the State Commission.

In case of distribution of electricity in the same area of supply by two or more distribution licensees, the Appropriate Commission shall, for promoting competition among such distribution licensees, fix the maximum tariff ceiling and the minimum tariff for retail sale of electricity.

The bill also proposes to set up a cross-subsidy Balancing Fund upon the grant of multiple licenses for the same area. Any surplus with a Discom on account of cross-subsidy will be deposited into the fund to finance deficits in cross-subsidy for other discoms in the same area or any other area. The bill also provides for a payment security mechanism to ensure timely payment to generation companies by distribution licensees.

The move is expected to lead to competition and an improvement in the distribution services offered to electricity consumers.

Some of the proposed amendments in Electricity Act, 2003, include:



Source: Ministry of Power, CRISIL Analysis

2.12.2 The Electricity Amendment rules, 2022

- **Timely recovery of power purchase costs by distribution licensee:** The respective SERCs to specify a price adjustment formula for recovery of the costs arising due to various reasons. If the discom fails to calculate fuel and power purchase adjustment surcharge on time, the discom will lose the right to recover the costs for that surcharge.
- **Surcharge payable by Consumers seeking Open Access:** The surcharge determined by the SERC shall not exceed 20% of the ACoS.
- **Energy storage system:** It provides the Energy Storage Systems (ESS) to be considered as a part of the power system. The ESS can be utilised either as an independent energy storage system or network asset or in complementary with generation, transmission and distribution.
- **Implementation of uniform Renewable Energy Tariff for central pool:** The Implementing Agency shall compute the uniform renewable energy tariff for selling of electricity to end procurer by intermediary procurer on a monthly basis as per the methodology specified in Rules.

The uniform renewable energy Tariff shall be applicable only to power procured by the end procurers and shall not in any manner have any implication on the renewable energy tariff discovered under the respective tariff based competitive bidding process and payable to renewable energy generators by the intermediary procurer as per the Power Purchase Agreement.

Grid India in October 2023 has also approved the procedure for implementation of uniform renewable energy tariffs.

2.12.3 The Electricity (Late payment surcharge) rules, 2022

Enforcement of late payment surcharge against delay in payments by discoms or electricity trader to generators or by a user of transmission system to a transmission licensee is another positive measure proposed in the amendments. The rules provisioned for converting discoms' outstanding dues to these companies into equated monthly instalments (EMIs) for gradual liquidation of these dues.

The rule provides rates for late payment surcharge, payment security mechanism and process for adjustment of arrears. In case of non-payment of dues by discoms the short-term power supply to the defaulting discom would be regulated entirely as per LPS Rules. Continuing default after regulation of short-term power supply would result in regulation of long-term access and medium-term access by 10%, with progressive increase of 10% for each month of default. Also, the supply from genco's end would be reduced to 75%, and balance 25% power may be sold through power exchanges, upon non-maintenance and/or non-payment of outstanding dues by the Default Trigger Date. Further, continuance of such default shall entitle genco to sell its 100% power through power exchanges. Stricter implementation of the above is expected to deter distribution utilities from delaying payments to IPPs that are facing financial challenges due to non-payment of dues by discoms.

As per LPS Amendment Rules, the generators who were not offering declared but unrequisioned surplus capacity in the market will now not be eligible to claim capacity or fixed charges corresponding to that surplus quantum. Additionally, this surplus power cannot be offered for sale in the power exchange, at a price of more than 120% of energy charge plus applicable transmission charge. This is expected to utilise the surplus electricity through trading on power exchanges and increase availability of power to consumers.

The pending dues of generators, which were about Rs. 1.4 trillion in June 2022, came down to about Rs 500 billion by January 2024. As per MoP's Praapti portal the current dues as of March 2024 were about Rs. 540 billion.

2.12.4 Electricity amendment rules, 2024

The MoP issued the Electricity (Amendment) Rules, 2024 in January, with several reforms aimed at facilitating power transmission and open access and improving the financial viability of discoms. The provisions in the rules to rationalise the open access charges by introducing a different methodology for computing these charges. Further, it also aims to prevent the creation of revenue gaps/regulatory assets and provide time-bound liquidation of such assets. Some of the key highlights of the rules are:

Open access charges — The changes focus on calculating open access and wheeling charges in a manner such that the consumers availing for short-term open access or T-GNA using STU network, the charges shall not be more than 100% of the charges levied on long-term OA consumers or GNA using STU network. No additional surcharge shall be applicable to the extent of contract demand being maintained with the discom. In case the open access is availed more than the contract demand and no fixed charge or variable charge is being paid for additional quantum, in that case additional surcharge shall be paid which should not be more than per unit fixed cost of power purchase of the discom. Moreover, for a person availing GNA or open access, any additional surcharge should be eliminated within four years from the date of granting open access or GNA, if it is continued to be availed.

The reduced charges and limitations on additional surcharges provide cost advantages and greater transparency, enabling C&I consumers to make informed decisions based on their specific energy requirements and financial considerations for the long term. These changes can drive higher interest in open access among C&I consumers, leading to increased participation in the open access market.

Gap between approved ARR and estimated annual revenue from approved tariffs — The Rule emphasises that the approved tariff should be aligned with the approved annual revenue requirements, with a permissible gap of no more than 3% of the approved ARR, except in cases of natural calamities. Any existing gaps, along with carrying costs at the base rate of LPS, should be liquidated over a maximum of three equal yearly installments, commencing from the next financial year. It is expected to ensure cost reflective tariff and all the prudent costs are passed through into the tariff.

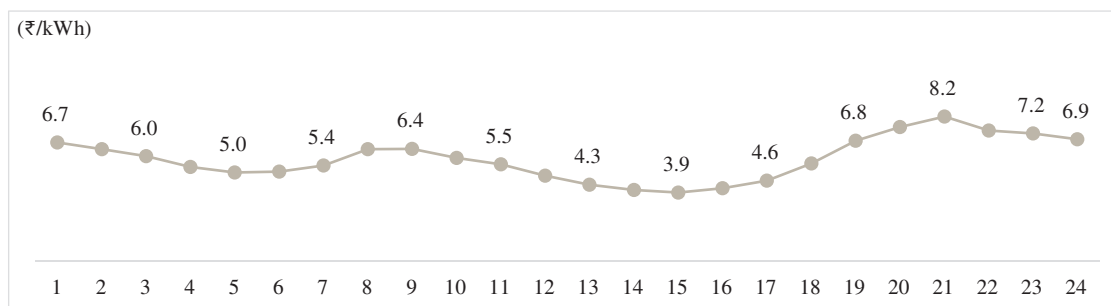
Establishment, operation and maintenance of dedicated transmission lines — The rule exempt gencos establishing captive generation plants or ESS from the necessity of obtaining a transmission license to establish, operate, or maintain a dedicated transmission line for grid connection. This exemption is applicable to consumers with a minimum load capacity of 25 MW for ISTS or 10 MW for InSTS.

2.12.5 Other Rules notified by the government over the period

- **Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021** — The Rules would be applicable to gencos and transcos. Timely recovery of the costs due to a change in law is crucial for maintaining the financial viability of the project. At present the pass through under change of law takes a lot of time, forcing the drying of the investment in the power sector. In order to ensure timely recovery of recurring/non-recurring costs arising due to change in law, the rule is expected to provide relief available to the affected party, irrespective of a specific change in law clause in the PPAs.
- **The Electricity (Rights of Consumers) rules, 2020** obligate distribution licensees to supply 24x7 power to all consumers. The discom to supply electricity on request made by any consumer. Consumers would get connection within 7 days in metro cities, 15-30 days in rural and other cities.
- **The Electricity (Rights of Consumers) amendment rules, 2021** give consumers of electricity right to set up renewable energy generation unit either by themselves or through third party service providers. The consumers can set up solar rooftop system up to 500 kW under net-metering and gross-metering for loads above 500 kW. This is expected to boost the open access transactions by corporate consumers.

- **The Electricity (Rights of Consumers) amendment rules, 2023** introduced Time of Day (ToD) Tariff mechanism wherein the tariff during solar hours of the day shall be 10%-20% less than the normal tariff, while the tariff during peak hours will be 10%-20% higher. This would be applicable for C&I consumers having maximum demand of 10 kW and above, from April 1, 2024 and for all other consumers except agricultural consumers, latest from April 1, 2025.

Figure 26: Hourly average Green Day ahead Market (GDAM) prices for FY2024



Source: IEX, CRISIL Analysis

As can be observed from the chart above, the average tariff during solar hours between 9am to 4pm was about 25-28% lower than the average tariff during non-solar hours in fiscal 2024.

- **The Electricity (Rights of Consumers) amendment rules, 2024** reduced the timeline for getting new electricity connections and simplified the process of setting up rooftop solar installations. The amendment has provided exemption for technical feasibility study up to 10 kW of rooftop solar system and the discom would undertake distribution system strengthening for RTS project capacity up to 5 kW.

2.13 Government continues to extend financial support to discoms through various schemes/packages and directives

Distribution being the most important link in the power sector value chain, sustainability of discoms is of great importance. Hence, the GoI extended support to state distribution utilities for capital investments (IPDS, DDUGJY) and financial sustainability (UDAY) through various schemes and initiatives. In July 2021, the GoI launched the RDSS with the objective of improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution Sector.

The government has also notified various rules and guidelines to support discoms. As per Electricity Rules, 2022, the government have provided a mechanism for automatic pass through of any variation in power purchase cost arising on account of the variation in fuel prices to the consumer tariff on a monthly basis for timely recovery of power purchase cost by discom. If the discom fails to calculate fuel and power purchase adjustment surcharge on time, the discom will lose the right to recover the costs for that surcharge. The MoP also issued directions related to ensuring regular revision of tariffs including true ups in timely manner so that creation of fresh regulatory asset does not arise and to have a mechanism for fuel and power purchase cost adjustment in place for automatic pass through of any variation in such costs.

As per PFC's 12th Annual Integrated Rating report for fiscal 2023, the AT&C losses improved to 15.4%, billing efficiency improved to 87% and collection efficiency at 97.3%. The days payable reduced from 163 days to 126 days and days receivable improved to 119 days from 142 days. Overall, the trend in financial performance improvement seen over the years is due to a lot of initiatives undertaken by the utilities and the reforms taken by centra and state governments.

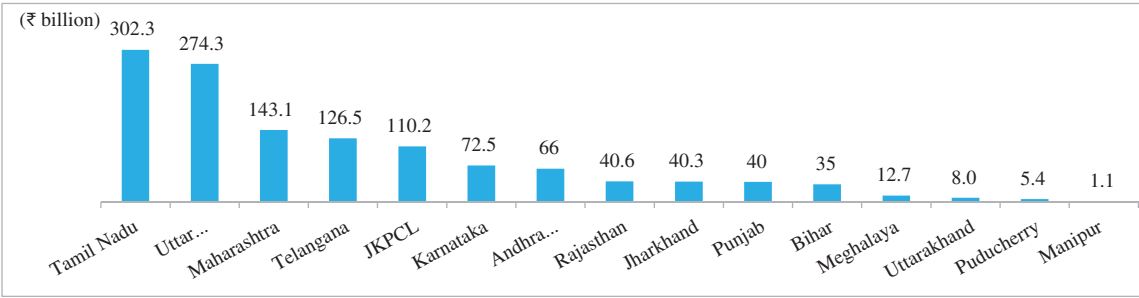
2.13.1 Integrated Power Development Scheme (IPDS)

IPDS was launched with the objectives of strengthening the sub-transmission and distribution network in urban areas, metering of distribution transformers/feeders/consumers in urban areas and IT enablement of the distribution sector. The component of IT enablement of the distribution sector and strengthening of the distribution network, approved by CCEA in June 2013 in the form of R-APDRP for 12th and 13th plans, have been subsumed under this scheme. The total cost of projects envisaged under this scheme during the 12th and 13th plans was ~Rs 700 billion.

2.13.2 Liquidity infusion scheme for discoms under Aatmanirbhar Bharat Abhiyaan

To address the problems faced by discoms due to the COVID-19 related lockdown, the GoI announced a liquidity package of Rs 900 billion for discoms to clear their pending dues towards power generators. Later, this amount was enhanced further to Rs 1,350 billion. Disbursal of the liquidity infusion package is linked to reform measures such as states’ undertaking to liquidate outstanding payments to discoms, installation of smart prepaid or prepaid meters in government departments, digital payment of electricity bills, timely payment of subsidies, and an action plan to be provided by states to bring down losses over the next 3-4 years. Against the sanctioned amount of Rs 1,355 billion worth of loans, Rs 1,037 billion has already been disbursed till January 2022.

Figure 27: Central government support to states under discom relief package



Source: Ministry of Power, PFC/REC

2.13.3 Revamped distribution sector scheme (RDSS)

RDSS is a reform-based and result-linked scheme for improving the quality and reliability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

In Union Budget 2022, the GoI announced the RDSS with an outlay of Rs 3.04 trillion, partly funded by the GoI to the tune of Rs 976 billion, aimed at improving the operational and more importantly financial parameters like ACS-ARR gap of discoms. The package, slated to be distributed over the next five years, will subsume other schemes (DDUJY and IPDS) under its ambit. As has been the case with the Aatmanirbhar Bharat discom liquidity package, PFC and REC will be the key nodal lenders for disbursal of funds to discoms. The GoI has laid down the guidelines and criteria for availing funding under the scheme, which aims to improve operational efficiency, distribution infrastructure, and governance and compliance standards of state discoms. The scheme’s primary objective is to reduce AT&C losses to 12-15% at pan-India levels and reduction of ACS-ARR gap to zero by fiscal 2025. As per the MoP’s guidelines, the tariff revision is one of the pre-conditions for release of funds under RDSS and no new Regulatory Assets have been created in the latest tariff determination cycle.

As of December 2023, out of the 52 discoms that submitted DPR for approval, the GoI have approved DPRs worth Rs 2.52 trillion, out of which Rs 1.30 trillion is sanctioned for smart meters and Rs 1.22 trillion for loss reduction.

2.13.4 Lending by PFC and REC to discoms

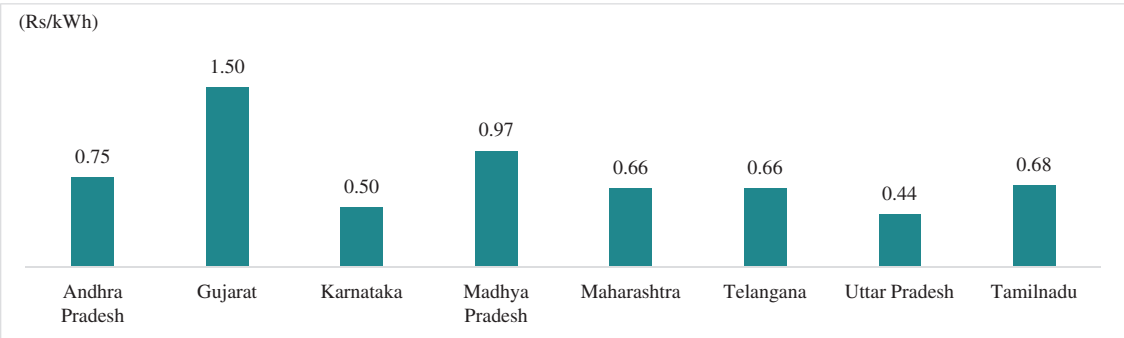
The MoP has directed PFC and REC to extend lending only after assessing the ability of the discoms to pay their loans. The assessment should be based on actual receipts rather than on an accrual basis. As per MoP’s directives the computation of income should not include any subsidy due but not paid, any regulatory income (unless it is passed through in tariff and recovered) and UDAY grants. Any power purchase dues to be deducted from the profits while determining the debt repayment ability. All such parameters to be considered to formulate a ratio for evaluation of discoms’ capability to pay their immediate liabilities against the loans before fresh loan proposals are processed.

In order to recover regulatory assets by discoms, the PFC and REC have developed a policy for funding against regulatory assets of discoms. The funding would be available only 50% against the regulatory assets recognized by the respective SERCs in previous three years’ tariff orders and recovery schedule included in the tariff order. It must include a time bound recovery plan of the regulatory asset by SERC and plan for recovery of carrying cost of the regulatory assets by SERC.

2.14 Option for green tariff under green open access rules

In line with the rules, the MoP directed SERCs to take necessary measures for the determination of green tariffs and clarified that the green tariff should not exceed the average power purchase cost of RE, including a surcharge equivalent to 20% of the average cost of supply, along with a margin of 25 paise. So far, the states like Andhra Pradesh, Karnataka, Gujarat, Maharashtra, Uttar Pradesh, Telangana have notified green tariffs for their states and only a few states have either implemented or issued draft green open access rules such as Karnataka, Punjab, Gujarat, Maharashtra, Madhya Pradesh, Telangana, West Bengal, Haryana.

Figure 28: Prevailing green tariff premium in key states



Source: State Tariff Orders

2.15 PLI scheme for domestic solar module manufacturing

India’s cumulative module manufacturing nameplate capacity has reached over 60 GW as of December 2023 and the cumulative cell manufacturing capacity is about 5.8 GW. The difference in the manufacturing capacities of solar cell and module is partly due to the lack of vertical integration of domestic solar fabs.

In November 2020, the GoI introduced the PLI scheme for manufacturing high-efficiency solar PV modules with a financial outlay of Rs 45 billion. It later enhanced the outlay by Rs 195 billion under the Union Budget for fiscal 2023. A total of 51.6 GW of module manufacturing tenders have been issued in two tranches. Considering the two tranches together, the total domestic solar PV module manufacturing capacity allocated under the PLI Scheme is 48,337 MW, with a cumulative support of more than Rs. 185 billion. As per the government estimates, manufacturing capacity totaling 7.4 GW is expected to become operational by October 2024, 16.8 GW by April 2025 and the balance 15.4 GW by April 2026.

CRISIL Consulting expects module manufacturing capacity to reach 110-120 GW by fiscal 2029 with ~30% of the capacity to be fully integrated and integrated units to come only post fiscal 2025. Gujarat will be at the epicenter of additions with ~55-60% additions in the next five fiscals.

2.16 Government notified Green Hydrogen/Green Ammonia policy — a step towards National Hydrogen Mission

The GoI launched the National Green Hydrogen Mission (NGHM) in August 2021 to reduce carbon emission by scaling up green hydrogen production and its utilisation. Under the ambit of NHM, the government has notified green hydrogen/green ammonia policy in February 2022.

The policy is aimed at producing 5 million metric tonne per annum of green hydrogen by 2030. This could require ~250 BUs of green power, translating into RE capacity of about 125 GW.

The policy focuses on providing easy access to and reducing the cost of RE, which currently accounts for ~60% of green hydrogen production. The proposed waiver of ISTS charges is estimated to bring down green hydrogen production cost by 5-7% assuming RE is sourced through third party open access. Additionally, such a waiver will support the setting up of RE capacity in resource rich regions, further reducing costs. The government has proposed to set up manufacturing zones to scale up green hydrogen manufacturing and storage facilities at ports, and aggregate demand from different sectors through designated agencies. In this context, coordinated planning with appropriate technology choices would be critical to ensuring effective RE capacity utilisation.

The Mission will have wide ranging benefits-creation of export opportunities for Green Hydrogen and its derivatives; Decarbonisation of industrial, mobility and energy sectors; reduction in dependence on imported fossil fuels and feedstock; development of indigenous manufacturing capabilities; creation of employment opportunities; and development of cutting-edge technologies.

The initial outlay for the Mission is Rs. 197.4 billion, including an outlay of Rs. 175 billion for the Strategic Interventions for Green Hydrogen Transition Programme (SIGHT) programme, Rs. 14.7 billion for pilot projects, Rs. 4 billion for R&D, and Rs. 3.88 billion towards other Mission components. Under the SIGHT, two distinct financial incentive mechanisms have been proposed, one is targeting domestic manufacturing of electrolyzers and the other for production of Green Hydrogen. The Mission will also support pilot projects in emerging end-use sectors and production pathways.

Under component-I of SIGHT program the objective is to maximise electrolyser manufacturing capacity for which the scheme outlay of Rs. 44.4 billion has been allocated. A total of 1500 MW per annum has been awarded to 8 companies. The base incentive of Rs. 4,440/kW start from 1st year and reduce up to 1,480/kW in the 5th year.

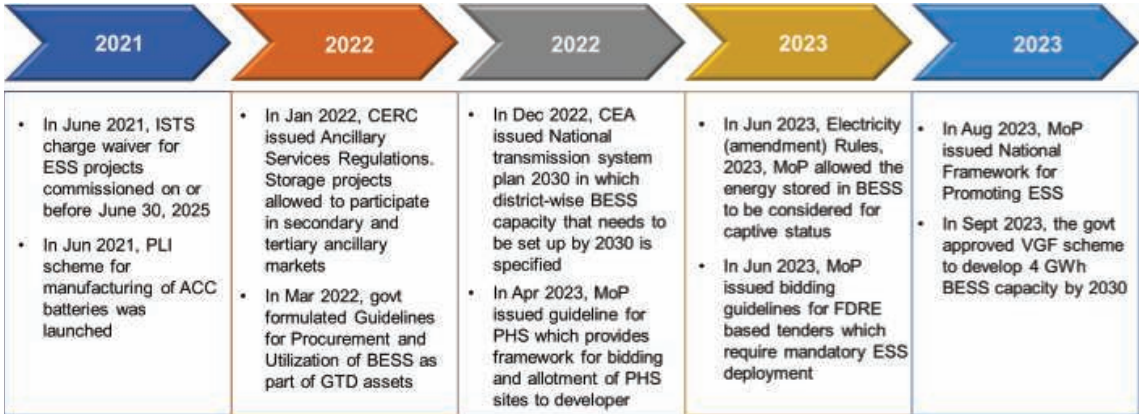
Under component-II, the total capacity of 4.5 lakh metric tonnes per annum of green hydrogen has been awarded to 10 companies. The incentive is available for the period of three years from production with rates of Rs 50/kg of green hydrogen in the first year, Rs 40/kg in the second and Rs 30/kg during the third year.

Overall, the Green Hydrogen Policy is a major step forward for the clean energy transition in India. The policy is expected to have a significant impact on the future renewable capacity addition in India and will help to make India a prominent player in the green hydrogen sector.

In March 2024, MNRE issued scheme guidelines for setting up Hydrogen Hubs in India under the NGHM. One of the objectives of the scheme is to identify and develop regions capable of supporting large-scale production and/or utilization of hydrogen as Green Hydrogen Hubs., It is planned to set up at least two such green hydrogen hubs by fiscal 20226 with central financial support of Rs. 2 billion. The hydrogen hub should have a planned/announced capacity of at least 100,000 MTPA. Higher production capacity would be given priority.

2.17 Government’s thrust to promote energy storage through BESS and pumped hydro storage for grid security

Over the last 2-3 years, the government has taken several initiatives to promote energy storage through standardisation of the policy and regulatory framework by issuing guidelines, regulations, changes in bidding mechanisms, etc. The summary of key policy measures is listed below.



Regarding hydro based PSPs, the MoP has issued guidelines in April 2023 to regulate and promote development of PSP in India. The guideline highlights methods for allotment of projects on nomination basis where states can directly award projects to these entities. While this can expedite development, it may also lead to project delays. Another method is the competitive bidding process. This method is advantageous for private developers as it introduces competition. However, the provision that grants the home state the right of first refusal for 80% of the project capacity could be detrimental to the interests of private developers.

Several provisions are proposed to facilitate the allocation and development of PSPs. No upfront premium is required to pay for project allocation. Appropriate commissions are mandated to ensure that ancillary services are monetized, and they will determine peak and off-peak tariffs. This will provide assurance of revenue realization and improve off-take chances. PSPs will be allowed to participate in all market segments, including the high-price segment of the day-ahead market, thereby expanding the market available for sale. Developers will have the freedom to utilize surplus capacity for optimization purposes.

To ensure financial viability, the GoI may notify a benchmark cost, and only PSPs with a levelized cost within the benchmark cost may be considered for development. While this measure intends to maintain cost control, it may pose challenges to the interests of developers. However, financial institutions such as PFC, REC, and IREDA are expected to treat PSPs at par with other RE projects and provide long-term loans with tenures of 20 to 25 years, with a debt-equity ratio of 80:20. This availability of loans at competitive rates will support the financial aspects of PSP development.

To encourage PSP development, certain tax and duty incentives are provided. States may reimburse State Goods and Services Tax (SGST) on hydropower project components, provide exemptions in stamp duty and registration fees for land, and offer land on an annual lease rent basis. Furthermore, PSPs will be exempt from ISTS charges.

In addition, the PSP will be exempted from free electricity obligation, doing away with the need for environmental impact assessment studies and public hearings if such projects are built in existing dams or areas away from the main river water (off-the-river). The guidelines also mandated using green finance like sovereign bonds or concessional climate finance for funding such projects.

CEA has also established a Single Window Clearance Cell for approval of PSP projects. It has nominated the officers from Central Water Commission and Geological Survey of India for fast-tracking the clearance

of design aspects and geological aspects of DPR, respectively. The timeline for concurrence of DPR has been reduced from 90 days to 50 days for PSPs awarded under section 63 of Electricity Act, 2003, part of integrated RE project and being developed as captive plants or merchant plants. The timeline for concurrence of DPR of other PSPs has been reduced from 125 days to 90 days.

National Framework for promoting Energy Storage Systems

In August 2023, MoP published the National Framework for promoting Energy Storage Systems. The framework reaffirms various policies and provisions that have encouraged the planning and installation of ESS in the country. Additionally, it proposes various incentives to further encourage the development of ESS. The comprehensive framework is an important step towards developing the ESS and will facilitate a conducive ecosystem for its development. The policy proposes measures to ensure adequate storage capacity to supply reliable power. New RE projects (excluding Hydro Projects) with an installed capacity of over 5 MW may be mandated to install ESS (of at least 1 hour storage) for minimum 5% of the RE capacity. Further Hydro Projects may be encouraged to have minimum pondage capacity to manage variability and peak demand.

VGF scheme for development of 4,000 MWh of BESS capacity

In September 2023, the government approved the VGF scheme for development of 4,000 MWh of BESS capacity by fiscal 2031. An initial outlay of Rs. 94 billion including budgetary support of Rs. 37,6 billion has been provided under the scheme. The VGF would be provided from fiscal 2024-26 and will be capped at 40% of the capital cost. Prior to VGF scheme, the Ministry of Heavy Industries in June 2021 launched a PLI scheme for Advance Chemistry Cell battery storage of 50 GWh capacity with an outlay of Rs. 181 billion, which includes more than 10 GWh grid-scale battery storage. As of December 2023, out of 50 GWh capacity, 30 GWh capacity has already been allotted through competitive bidding process.

2.18 India's carbon market development gains momentum

The carbon market started when India became a signatory to the Kyoto Protocol, which allows countries to earn carbon credits by reducing greenhouse gas emissions. RE generators in India were allowed to register their projects under the Clean Development Mechanism (CDM) to earn certified emission reduction credits (CERs). CERs can be traded on international platforms such as the European Union-Emissions Trading System (EU-ETS). CERs were briefly traded in India, but trading was stopped because the carbon derivatives market had not developed locally.

Further, India's participation in the CDM was hindered when EU has restricted the use of CERs from projects registered after 2012, unless the projects are located in Least Developed Countries. India is not a Least Developed Country, so this restriction has limited the market for CERs from Indian projects.

In December 2022, the GoI amended the Energy Conservation Act, 2001 to empower it to specify a carbon credit trading scheme. The amendment also provides that the designated consumers may be required to meet a proportion of their energy needs from non-fossil sources. The amendment also provides for a legal framework for the carbon market to incentivise emission reductions.

The MoP issued Carbon Credit Trading Scheme (CCTS) in June 2023 to establish a framework for the Indian carbon market. The scheme notified a steering committee will be set up involving several ministries and agencies to govern the carbon market and vet its rules. The steering committee will comprise 18 representatives from various ministries and government agencies, led by the Ministry of Power and the Ministry of Environment, Forest and Climate Change. The empowered committee will be responsible for providing guidance on issuance criteria, validity of issued emission reductions along with detailed application procedures for institutionalising the Indian carbon market, specific greenhouse gas emission targets for the obligated entities, guidelines regarding the trading of carbon credit certificates outside India, to issue carbon credit certificate.

Between 2010 and June 2023, India issued 298 million credits in the Voluntary Carbon Market, accounting for 17% of global supply. India is set to establish a carbon market with compliance, as well a voluntary market. The GoI has been working on a supportive regulatory framework in this regard. A well-developed carbon market supported by suitable regulations and policies could create tremendous opportunities in coming years.

2.19 Impact of these government policies and regulations on the C&I space

There were several positive developments in 2023 including declining module prices and ALMM waiver for projects commissioned by March 2024. Most of the states have adopted MoP's green open access rules with some minor deviations. This is important for the sector to adopt uniform implementation of open access rules across the states to ensure clarity for both consumer and developers. This standardisation would be able to address issues such as the lack of banking facilities in some states, different energy settlement mechanisms, eliminating barriers to participation.

Further, ISTS open access market is also expected to grow on the back of multiple drivers including a waiver from ISTS charges coupled with streamlined transmission connectivity approval process. The route offers scale and cost benefits particularly for larger consumers and those with distributed operations across multiple states. The complete waiver from ISTS charges is worth savings of about Rs 1.00-1.50/kWh. Ability to set up larger projects at a single location with lower land cost and higher radiation results in further cost savings of about Rs 0.30-0.50/kWh over intra-state projects. While consumers must bear incremental ISTS losses of about INR 0.15/kWh, the ISTS route is financially attractive across all states but only for projects commissioned by June 2026 (at least 75% ISTS charge waiver).

Moreover, the waiver of additional surcharge and cross subsidy surcharge is another driver for installation captive/group captive projects. However, some of the states have proposed/notified regulations to verify captive status of projects. This would incur additional financial burden till the verification of the captive status is completed. This exercise would be undertaken in each financial year. For instance, Karnataka has proposed that consumers submit a bank guarantee equivalent to annual additional surcharge and cross subsidy surcharge in advance every financial year. This will create additional compliance and increase working capital requirements for consumers and project developers.

There are various new charges other than the open access charges that have been introduced/proposed by many states on open access consumers. For example, in Gujarat, wheeling charges of Rs 0.05 per kWh on hybrid projects delivering multiple location. In Madhya Pradesh, the Harit Urja Tax has been introduced in a new renewable energy policy at the rate of Re 0.10 per kWh. In Telangana, the TSERC has proposed grid support charges Rs 25/kW/month. Karnataka has already levied grid support charges on open access power. These charges will further reduce the financial attractiveness of renewable power projects across consumer categories.

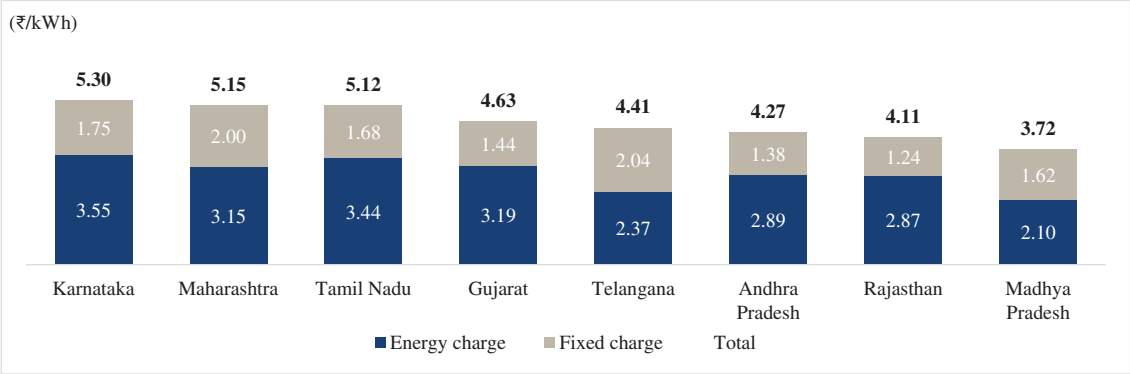
Despite some regulatory and policy hurdle C&I consumers have shown a strong interest in transitioning to RE in light of the dual benefits of savings and sustainability. Many large C&I consumers have internal green mandates and the transition to RE procurement enables them to meet these targets. RE power is highly competitive in the current scenario as compared to utility grid tariff. The open access market is now expanding and with the streamlining of the state and national level policies, led by green energy open access rules, sustainability initiatives/RE 100 targets of the corporate consumers, CRISIL Consulting expects 12-15 GW of additional open-access projects to be commissioned in the next four-five years. Developers could benefit from increased demand from C&I, however changes in government regulations or incentives would be key monitorables.

3. Competitiveness of RE tariff versus average power purchase cost of state discoms

3.1 APPC has grown at a rate of ~5.5% in the last 5 years; to rise further

With large-scale capacity additions of coal-based power, several states entered into PPAs over fiscals 2010-2016 to meet power requirement and bridge the deficit. As a result, coal dominates in the power procurement mix of discoms and their average power purchase cost mirrors the cost of coal-based power.

Figure 29: Average power purchase cost in key states for FY2024



Source: State discoms tariff orders, CRISIL Analysis

All India power purchase cost during fiscal 2023 was Rs. 5.49 per unit, a rise of 14.8% y-o-y. This rise in power purchase cost was driven by increase in imported coal volume, rise in prices of imported coal due to Russia-Ukraine war and surge in power exchange prices.

As can be observed from the chart above, the estimated APPC for fiscal 2024 as per the tariff order of major RE rich states varies between Rs 3.7-5.3 per unit. Variable cost is higher in case of plants located in South India such as Karnataka, Tamil Nadu, due to the distance from East India, where key coal bearing states are located, and higher dependence on imported coal. Also, total cost of coal-based power is Rs 4.4-5.6 per unit, factoring in the capital intensity on a per-MW basis and maintenance requirement of plants. These coal-based tariffs are further expected to increase with adoption of stricter environmental norms.

India is expected to add 26-27 GW of coal-based projects in the next 5-7 years and would be the dominant resource in overall energy mix. Hence, any increase in the coal-based tariffs would affect the average power purchase cost to discoms. The government has targeted to curb dependence on imported coal with gradual increase in production and supply of domestic coal. Any increase in operational, mining, transportation and administrative cost would increase coal prices.

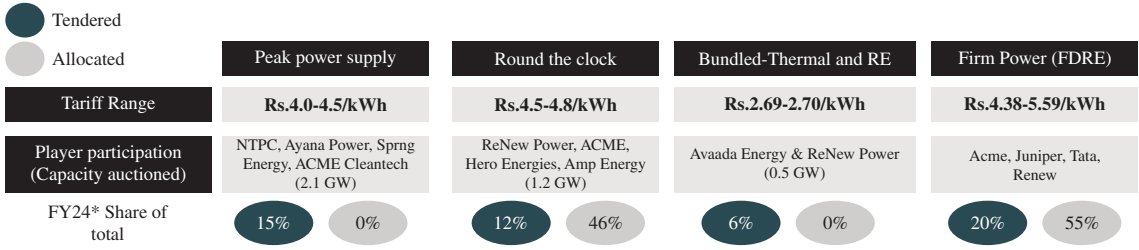
3.2 Firm RE to become more competitive over the medium term

The issue of intermittency in power generated from solar and wind sources is a key impediment in large-scale adoption of RE, especially when RE penetration is above 20%. Wind speed and solar irradiation intensity throughout the day varies, resulting in inconsistent power generation throughout the day. Without RTC supply of RE, discoms are forced to rely on conventional fossil fuel-based power, which is the biggest barrier to transition from fossil fuels.

Three new tender structures have been issued so far to solve the above aspects — assured peak power supply (PPS), RTC, and the relatively newer firm and dispatchable RE (FDRE). A key feature across these tenders is the increase in the quantum of generation, which was required to be supplied and the PPS tender for stipulating the power to be provided during peak hours. The PPS tender also mandated the use of

storage, as that would be essential to supply power during peak hours. The government has released four FDRE tenders of over 11 GW by SECI, SJVN, NTPC, NHPC.

Figure 30: Gradual shift away from plain vanilla, standalone solar and wind tenders towards firm RE supply



* FY24 as on December 2023; Source: SECI, CRISIL analysis

Discoms are reluctant to offtake plain vanilla solar and wind power due to its intermittent nature. Instead, they prefer to seek alternate solutions that offer more stable and firm power, such as wind-solar hybrid, RTC coupled with storage. However, it is worth noting that the tariffs discovered for new age tenders are on the higher side as compared to plain vanilla tenders. But instead of procuring conventional thermal power, discoms can purchase RTC of firm RE power which has a fixed tariff for entire PPA period unlike conventional tariffs which are dependent on variable cost of fuel.

Moreover, the newly introduced FDRE tender guidelines have a specific provision where the RE developer has to match the demand profile of the off-taker. In this way it will reduce the impact of intermittency of RE generation on the grid, help grid operator in scheduling of power based on its availability, provide peaking support during peak demand hours by integrating PSPs or BESS and can reduce dependence on power exchanges and associated volatility. The lowest tariff discovered in the FDRE tender is Rs. 4.38/kWh which is lower than that of many thermal plants and in fact below the APPC of many of the state utilities. The bid tariffs in the FDRE tenders are impacted by the tender conditions such as high availability requirement, supplying power during specific hours of the day, demand fulfilment ratio, etc. Hence, tenders with different conditions and complexities result in different tariffs.

These new age tenders can become an alternative sustainable firm source of power as compared to coal or gas based conventional sources. With the fall in BESS prices, the FDRE tender prices would become more competitive in the medium term.

3.2.1 Wind-solar hybrid (WSH) projects

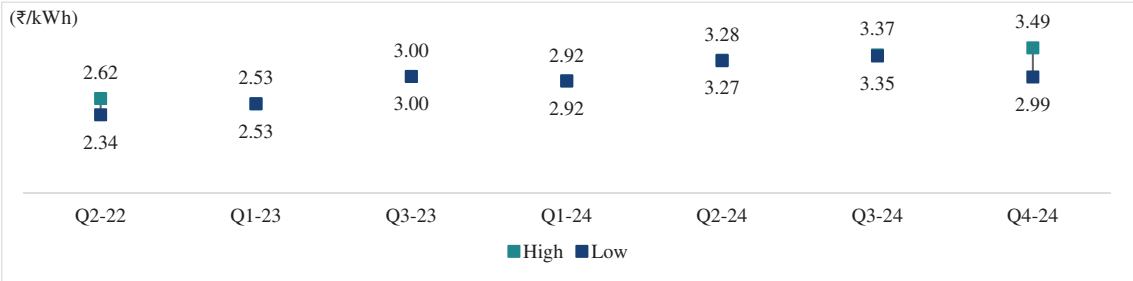
WSH projects have garnered significant interest in recent years, primarily driven by the increasing demand for reliable green power from both corporate consumers and discoms. MNRE also notified the national Wind-Solar Hybrid Policy in 2018 with an aim to reduce RE variability and improve grid stability. Additionally, various state including Gujarat, Andhra Pradesh, and Rajasthan have formulated their own WSH policies.

In August 2023, the MoP issued a tariff based competitive bidding guidelines for procurement of power from grid connected wind-solar hybrid projects. These guidelines are applicable to all upcoming wind-solar hybrid power projects of 10 MW and above capacity for intra-state transmission, and 50 MW and above for inter-state transmission, with or without energy storage. However, at least 33% of the total capacity must be from either wind or solar resources. The revised guidelines include revised bid capacity limits, revised timelines, restrictions on power procurement and penalties for delays.

Some of the key advantages of hybrid projects include improved land and transmission infrastructure utilisation, reduced generation variability and complimentary generation profiles. Standalone solar and

wind projects exhibit relatively low CUF. However, the amalgamation of these two technologies leads to a higher CUF, resulting in enhanced overall efficiency of the hybrid plant. Moreover, the cost of co-located solar and wind projects is lower compared to that of their respective standalone counterparts, making them economically attractive. Consequently, tenders conducted for such hybrid projects have yielded competitive tariffs, with prices ranging from Rs 2.5-3.5/kWh. These factors collectively contribute to the growing allure and widespread adoption of WSH projects.

Figure 31: Recent trend in competitively bid out wind-solar hybrid tariff



Source: Central & State bidding agencies, CRISIL analysis

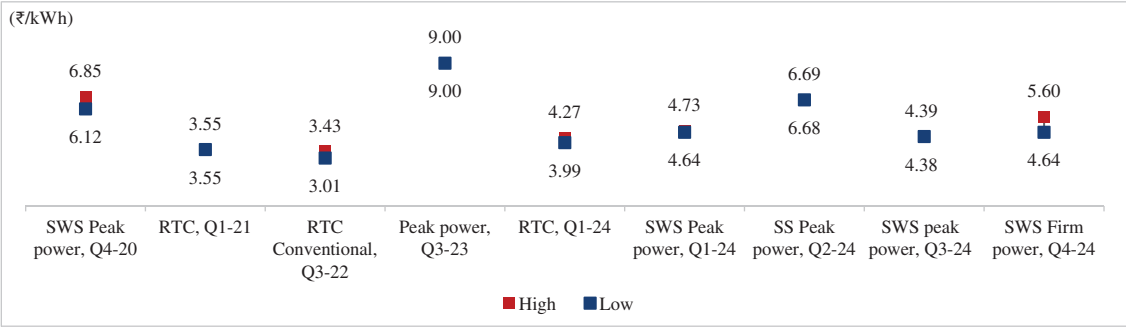
Hybrid projects also pose some challenges related to land constraints with most of the capacity required to be wind- based to meet minimum CUF condition. Optimising system size is also challenging as per wind and solar resources at each site and determining the appropriate storage capacity to avoid underutilization during high generation period.

3.2.2 Round-the-clock (RTC) projects

The primary challenge of solar and wind is its intermittent and uncertain nature, leading to an inability to consistently meet fluctuating electricity demand. To ensure grid stability, a balancing power is required to offset the fluctuations in renewable power supply, as off-takers prefer a stable flow of RE. This can be addressed by adopting a RTC procurement from VRE integrated with stable power from conventional sources like thermal, hydro, and/or energy storage systems. RTC power supply can meet off-taker’s demand through fixed demand procurement, slot-wise fixed demand procurement, or real-time demand procurement.

These kind of procurement options will increase the attractiveness of RE in India. In fact, of late, the government has been increasingly tendering out RE capacities with an aim to provide steady RE to discoms. More importantly, tariff discovered through such tenders has been more competitive at Rs 3.5-4.5/unit than conventional power. This, in turn, will make RTC RE more feasible and replace conventional fuel by catering to base load. Further, under the revised RE bundling scheme notified by GoI in November 2021, the discoms need not procure additional capacity for balancing RE, rather, they have the flexibility to procure RE power within the existing PPA.

Figure 32: Recent trend in competitively bid out RTC and peak power tariff



SWS: Solar Wind Storage; SS: Solar with Storage

Source: Central & State bidding agencies, CRISIL analysis

The high cost of energy storage technologies is expected to drop with rising scale and advancement in technology (battery price fell sharply to \$139/kWh in 2023 from \$732/kWh in 2013). In addition, various policy and regulatory measures, including incentives by the central government that are on the anvil, are expected to increase adoption of storage technologies in India.

RTC projects involve advanced automation and control systems that enable real-time adjustments to power generation and consumption based on demand fluctuations. While RTC projects hold promises in enhancing grid stability and optimizing energy use, their practical execution and effectiveness are yet to be seen on a large scale.

3.2.3 Large scale ESS tenders

As RE penetration scales up, ESS is expected to play a critical role. SECI issued its first 1200 MW RE+storage tender with guaranteed peak power supply of 6 hours per day which concluded in 2020. The two bidders, Greenko (900 MW at peak tariff of ~ Rs 6.12/kWh) with PSP and ReNew Power (300 MW at peak tariff of Rs 6.85/kWh) with BESS were awarded the project. The first FDRE tender of 1500 MW conducted by SJVN in November 2023 witnessed the lowest tariff of Rs 4.38/kWh.

Also, a few large-scale standalone ESS tenders were also issued by SECI, NTPC and Power Company of Karnataka Limited (PCKL) in fiscal 2023. In terms of ESS technology, SECI’s tender was for BESS, while PCKL’s tender was for PHS. However, NTPC’s tender was technology agnostic with the requirement of six hours of energy supply. JSW Energy won 500 MW in SECI’s tender and 300 MW in PCKL’s tender, whereas Greenko won the NTPC tender and 700 MW in PCKL tender.

A list of recently concluded storage tenders are mentioned below:

Table 3: Recently concluded storage tenders

Sr. No.	Tender name	Tender type	Capacity (MW/MWh)	Result date	Lowest bid	Equivalent estimated tariff (Rs/kWh)
1.	GUVNL	Standalone BESS	250 MW/500 MWh	Mar 2024	Rs 4.48 Lakh/MW/month	Rs 5.30/kWh
2.	RUVNL	Peak power supply	1200 MW (Auctioned only 600 MW)	Aug 2023	Rs 6.69/kWh	Rs 6.71/kWh
3.	PCKL	Standalone ESS	1000 MW /8000 MWh	Mar 2023	Rs 14.75 Mn	Rs 4.11/kWh
4.	NTPC Storage	Standalone ESS	500 MW/3000 MWh	Dec 2022	Rs 2.79 Mn/MWh/year	Rs 7.64/kWh
5.	SECI Rajasthan	Standalone ESS	500 MW/1000 MWh	Aug 2022	Rs 1.08 Mn/MWh/month	Rs 8.90/kWh
6.	KSEB Storage	Standalone ESS	10 MW/20 MWh	Jul 2022	Rs 1.13 Mn/MW/month	Rs 9.29/kWh

Source: SECI, Bidding agencies, CRISIL MI&A-Consulting

A confluence of these initiatives indicates the large potential and keen interest from project developers in the ESS segment. Moreover, the results of these tenders also indicate the commercial competitiveness of ESS and RE+ESS as compared to electricity sources.

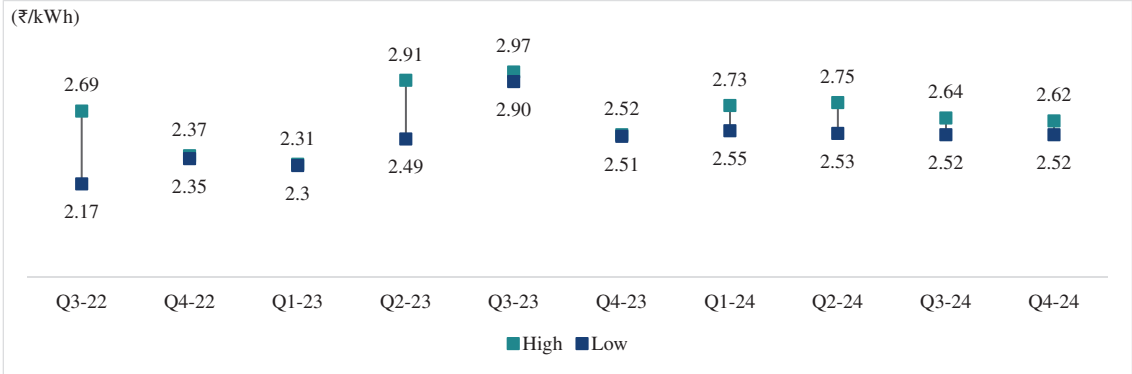
3.3 RE tariffs fell sharply led by falling capital cost, financing cost, improvement in technology

Over the last few years, RE tariffs have seen rapid decline making robust business case for the solar and wind projects. Many factors together have led to this sharp fall in tariffs including reduction in equipment cost, technological advancements leading to better efficiency/higher yield, policy and government support leading to reduced risks, reduction in financing costs with availability of both domestic and international sources, improvement in O&M practices. Further, bid tariffs are determined based on developers' analysis of location, counter-party risks, resource availability and other project-specific factors.

3.3.1 Solar tariff

There is a sharp uptick in tendering of solar capacity after the government set a 280 GW solar target for 2030. The graphic below shows how competitive tariff in India’s solar sector moved over the recent quarters.

Figure 33: Trend in recent solar bid tariff (Rs/kWh)



Source: Central & State bidding agencies, CRISIL Analysis

Between fiscals 2013 and 2023, bid tariff declined 11% annually. The fall in solar bid tariffs could be attributed to the following factors.

- 12.5% annual fall in module price over fiscals 2013-2023
- Increase in competition with the entry of foreign and domestic players
- Decline in financing cost owing to lower interest rate and longer tenure
- Rising economies of scale
- Technological innovations

The falling tariff has significantly improved the competitiveness of solar power against conventional sources such as gas and coal, which have, in fact, witnessed a rise in cost over the years due to a spike in landed cost of fuel.

However, global energy crisis, geopolitical tensions, and supply-side disruptions at key locations in China led to a reversal in module pricing, with prices climbing to USD 0.25 per watt-peak in fiscal 2023 for mono-crystalline technology. Moreover, module prices started to fall in fiscal 2024 owing to the ramp-up in the production of upstream components. Prices of modules fell to \$0.15-0.20 per watt-peak in fiscal 2024. The lowest tariff in fiscal 2024 has remained in the range of Rs 2.51-2.55/kWh.

Further, various players from the Indian solar component manufacturing industry filed additional duty petitions against imports. The key in this regard was a safeguard duty on solar import and further to applications invited from domestic companies for the same with a declining trajectory in duty rates. Later in April 2022, the Ministry of Finance imposed BCD of 25% and 40% on solar cells and modules, respectively.

The solar tariffs have bounced back and witnessed more than 25% increase. This increase can be attributed to increased project cost, implementation of BCD, requirement of installing modules from approved list of module manufacturers (ALMM) and domestic content requirement (DCR) as well as regulatory and policy risks. The lowest tariff of Rs. 1.99/kWh was discovered in December 2020 and after that it has increased by Rs 0.5-0.7/kWh (with the tariffs ranging from Rs 2.5-2.8/kWh).

The ALMM was held in abeyance for one financial year, i.e., fiscal 2024. The MNRE issued the order in March 2024 to reimpose ALMM from April 1, 2024. As per the order, the projects where the modules have been received at the site by March 31, 2024 and is unable to get commissioned by that day, would be examined separately. The projects set up their own capacity under open access or as captive by private parties would not come under ALMM regime.

Table 4: Safeguard and customs duty trajectory

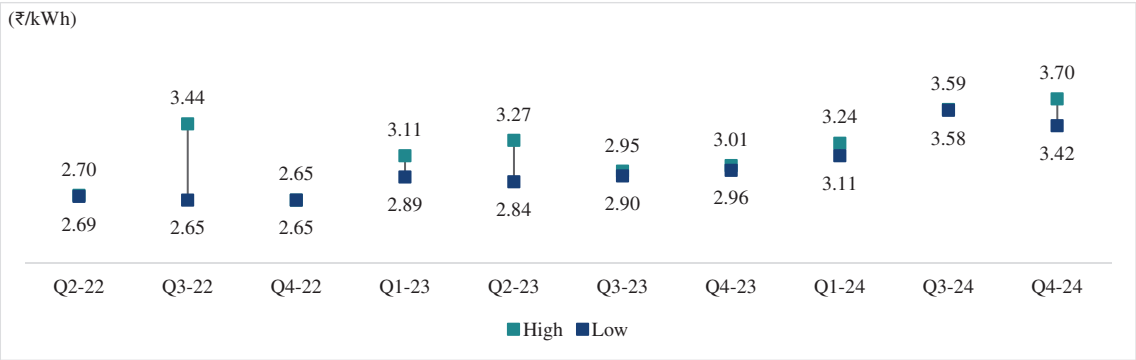
Year of imposition	July 30, 2018, to July 29, 2019	July 30, 2019, to January 29, 2020	January 30, 2020, to July 29, 2020	July 30, 2020, to January 29, 2021	January 30, 2021, to July 29, 2021	From April 1, 2022 (BCD)
Duty rate	25%	20%	15%	14.9%	14.5%	Module — 40% Cell — 25%

Source: CRISIL MI&A-Consulting

3.3.2 Wind tariff

Technological improvements such as increased hub height, improvement in blade designs with longer and lighter rotor blades which can withstand higher stress at increased heights, advanced resource tracking devices and control systems to optimize output, etc. led to an increase in PLFs, which has reduced the LCOE of wind power. Moreover, availability and access to low-cost financing has enabled the wind industry to offer a highly competitive tariff to the consumers.

Figure 34: Recent trend in competitively bid out wind tariff (Rs/kWh)



Source: Central & State bidding agencies, CRISIL Analysis

The weighted average discovered tariffs for allocated capacity of competitively bid projects for fiscal 2024 is Rs 3.4/kWh. The weighted average tariff of allocations in fiscal 2023, have averaged at Rs 3.0/kWh, providing an indication that developers are factoring in increased commodity costs and other execution related risks. The latest auctions held in Feb 2024 recorded a weighted average tariff of Rs 3.63/kWh. Removal of the tariff cap in March 2020 provided an opportunity to developers to factor-in the added execution challenges, leading to higher bid tariffs in successive auctions. Removal of e-reverse auction process also boosted bidder interest and activity in the wind sector. The move was to provide a mechanism to provide cost reflective tariffs for the segment, boosting viability for the segment.

However, in January 2023, the GoI scrapped the reverse auction process for wind projects in order to boost wind capacity addition. MNRE also issued bidding guidelines for wind-based projects in July 2023 with an option to the bidding agency/procurer to choose reverse auction for final selection of bidder. The move was to provide a mechanism to provide cost reflective tariffs for the segment, boosting viability for the segment. But MNRE has indicated that it is willing to bring back reverse auction bidding for wind capacity allocation. Currently, wind capacity is auctioned based on single stage, two envelope closed bidding process.

3.3.3 Outlook on RE tariffs over the next 5 years

i. Solar energy

Solar power prices are subject to the price of modules. Solar tariffs showed a rapid decline over fiscal 2016-2020, majorly due to declining module prices. Modules account for 57% of the cost of solar energy and these module prices are impacted by the commodities used to manufacture them. Steel is the key commodity used and accounts for a 33% share, followed by Polysilicon (28%), Aluminium (12%) and Copper (8%). Polysilicon prices have increased from ~9 USD/kg to ~38 USD/kg in Aug 2022 due to shortage of raw materials. Since June 2023, the polysilicon prices have dropped to 7-8 USD/kg.

The module prices of mono-PERC declined significantly to USD0.13/Wp in December 2023 due to high inventory levels coupled with subdued international demand. Falling component prices and easing supply chain pressure has resulted in falling capital costs to Rs 30-35 million per MW.

Costs are expected to remain at these levels or reduce marginally going forward. In the next five years the solar tariffs are expected to remain below Rs 3/kWh (between 2.7-3.0/kWh). The solar tariff would largely depend upon global supply chain scenarios, technology advancements (introduction of TopCon, HJT cells with high efficiency), domestic manufacturing capacity addition under PLI, infrastructure issues, land acquisition challenges, prices of commodities.

ii. Wind energy

Since wind prices are largely driven by commodity prices, they are expected to have an upward trajectory. Wind energy development cost is governed by Nacelle (34%) and BOS (21%). Steel is the major commodity with 31% share in overall wind energy development followed by cast iron (10%) and copper (4%). Renewable energy sources are expected to continue to be competitive compared to fossil fuels with improvement in technology, increased efficiency, and government support.

The rise in commodity prices led to a 14-20% increase in capital costs from Rs 66-67 million/MW in fiscal 2021 to Rs 74-76 million/MW from fiscal 2022 onwards. The capital cost remained stagnant in fiscal 2023 owing to further marginal rise in commodity prices, impacting project viability. However, with gradual cooling global and domestic commodity prices in fiscal 2025 is expected to fall 5-7% to Rs 65-75 million/MW. Currently the two most prevalent choices of turbines available in the market – 2 MW and 3 MW turbine with equipment and EPC. The EPC cost of a 3 MW WTG is about Rs. 75-80 million/MW. The prices are expected to continue to stay elevated coupled with on-ground execution challenges. However, key commodity prices are expected to stabilise.

The availability of type I wind sites in suitable locations is a cause for concern. There are other sites across states that would also be suitable for wind projects; however, they may be of lower wind density (Type 2 and 3 wind sites), may not have adequate linked grid infrastructure, or may have a paucity of contiguous land parcels. But due to lower availability of Type I wind sites in preferred locations along with congested transmission infrastructure has forced developers to move to type II wind sites. To avoid lower CUF at these sites developers are opting for high hub height wind turbines. Hence going forward, due to such reasons, the wind tariffs are expected to be in the range of Rs 3.4-3.7/kWh to factor in the added execution challenges.

3.4 Key steps taken to promote RE investments in India

3.4.1 Strong government support

As per International Renewable Energy Agency statistics 2023, India stands at 4th in global renewable energy installed capacity, 4th in wind power capacity and 5th in solar power capacity. GoI has undertaken several initiatives to promote renewable energy to meet 50% of its energy requirements from renewable energy by 2030. Several government reforms at national and state levels as discussed in detail in Chapter 2 have been implemented. Changes such as amendments in tariff-based bidding guidelines, introduction of new-age tenders, approval of solar parks, introduction of PLI schemes for manufacturing of solar modules, advance battery chemistry cell, electrolyser and hydrogen and its derivatives.

On transmission side, the GoI prepared plan for integration of 500 GW RE capacity by 2030 which include potential RE Zones in Rajasthan, Gujarat, Andhra Pradesh, Karnataka, Telangana, Maharashtra, RE park in Ladakh etc. The transmission plan also includes transmission system required for evacuation of 10 GW offshore wind located in Gujarat and Tamil Nadu.

Further, to improve the power distribution, the government launched the RDSS to help DISCOMs improve their operational efficiencies and financial sustainability by providing result-linked financial assistance to DISCOMs to strengthen supply infrastructure. As a result of reform measures taken under the scheme, AT&C losses have come down to 15.4% in fiscal 2023. The direct impact of this will be on reducing the ACS-ARR gap which will ultimately benefit end consumers for getting quality supply. The issue regarding timely payment to genscos by Discoms have been addressed with the implementation of Late payments surcharge rules to bring discipline in timely payment of dues.

Regarding open access, the MoP, Green Open Access Rules to remove barriers in availability and utilization of RE and to address the issues that have hindered the growth of open access for a long time. The rules reduced the open access limit from 1 MW to 100 kW, which paves the way for small consumers also to purchase RE and there is no limit for captive consumers.

3.4.2 Global investor interest to fund RE projects

Clean energy investments have witnessed significant growth in recent years, benefiting from various factors. Periods of robust economic expansion and fluctuating fossil fuel prices have played a crucial role in bolstering these investments. The volatility in fossil fuel prices has raised concerns about energy security, especially in the aftermath of Russia's invasion of Ukraine. These circumstances have further propelled the focus on clean energy alternatives.

With sharpening focus on climate change given India's global commitments, RE is expected to continue to receive continued support from the government. In this context, there will be a vigil over coal-based power, which emitted 0.978 tonne/MWh of CO₂ in fiscal 2023. This would increase the cost for coal-based power owing to levy of cess/tax and adversely impact its economics. The weighted average emission factor also increased to 0.823 tonne/MWh of CO₂ in fiscal 2023 due to increase in coal-based generation capacity.

Coal-based power is also facing severe financing constraints from Indian and foreign banks. This is led by associated financial and reputational risk in investing in coal-based projects. On the other hand, RE has been witnessing massive investment from a variety of global investors — private equity funds, foreign pension and sovereign wealth funds and multilateral agencies. Moreover, RE developers and financiers have been able to access foreign debt markets to raise capital at attractive rates to fund projects in India.

The Indian renewable energy sector has witnessed deals worth a total value of ~USD 68 billion between fiscal 2019-24. The share of M&A financing is 30% in the total deal value followed by equity and debt at 24% each and the remaining 26% includes bonds and JV deals. There were over 300 deals concluded between fiscal 2019-24, of which over 200 deals were of equity and M&A type, 65 deals were of debt and the remaining were bonds and JV deals.

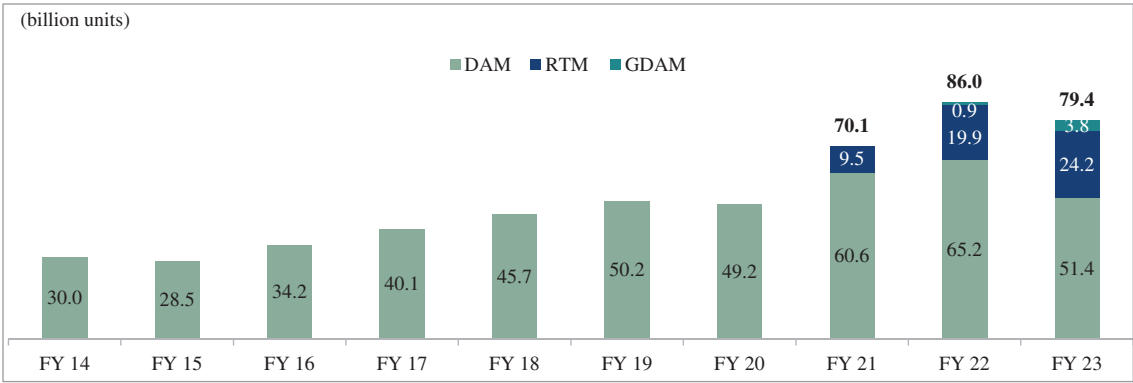
Apart from this all the leading renewable energy open access players have a healthy pipeline of projects with strong financial backing from investors. Several overseas firms are also vying to enter the Indian RE open access landscape through investment (equity/debt) or acquisition. ESG ratings of C&I consumers are gradually becoming a vital parameter to attract investors and clients.

Nevertheless, certain structural issues — payment delays by discoms, contract compliance, regulatory risks, and policy flip-flops by the government — will remain key monitorables for RE projects in India.

4. Open access market — a growing opportunity

As discussed in the first section, power demand, particularly from C&I consumer segments, is expected to witness steady growth led by rising urbanisation, increasing per capita income and strong government thrust on manufacturing through programmes/schemes including Make in India, PLI and Aatmanirbhar Bharat. Along with these, expected elevated tariffs in the C&I segment will transform the open access route for power sale into a strong growth opportunity for IPPs. Open access sales volume has logged a healthy CAGR of ~13% over the past 10 years.

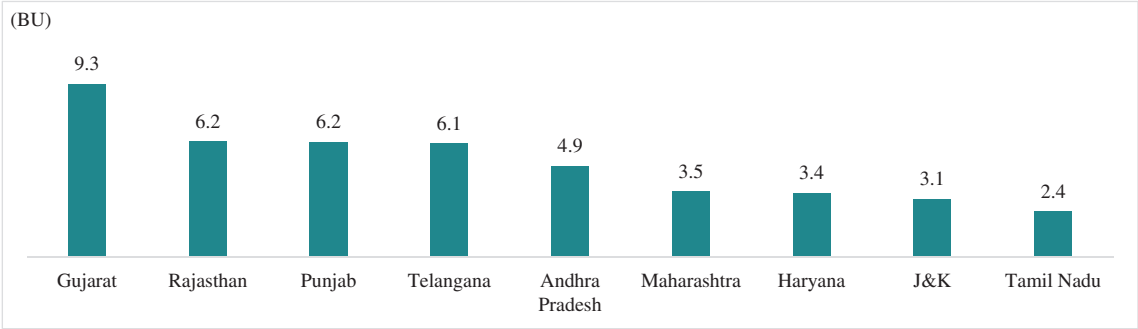
Figure 35: Total volume of Open access transactions (through power exchanges) over the last 10 years



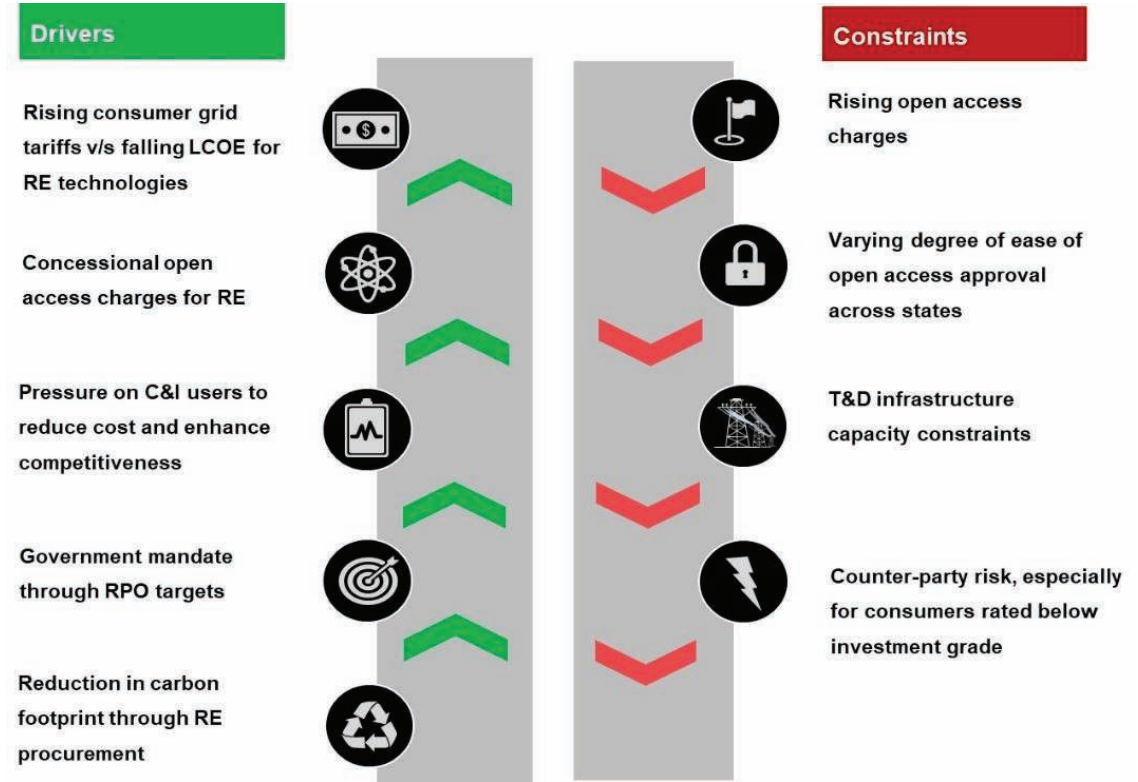
Source: CERC, CRISIL Analysis

Growth in open access sales has been led by encouraging policy directions, government mandates and favourable market dynamics. While open access is a right of consumers as per the Electricity Act, there is varying degree of ease with which approvals are accorded in different states. Thus, its share in total electricity consumption has remained range-bound at 8-10% over the same period. This also indicates the strong growth potential of the open access market. In addition, with relaxed eligibility criteria (contract demand >100 kW) as per the electricity rules for green energy open access will further boost the open access transactions.

Figure 36: Major buyers of electricity on power exchanges during FY23



Source: CERC, CRISIL Analysis

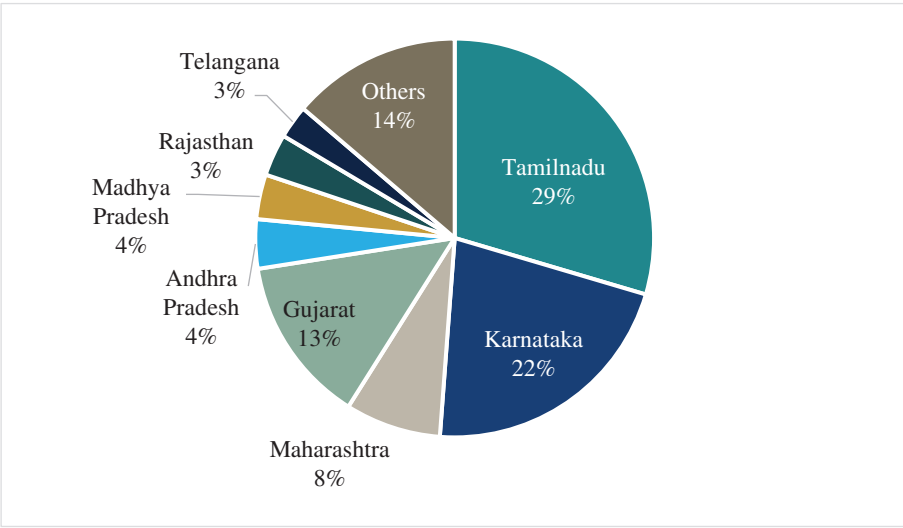


4.1 Five states in India accounts for ~75% of RE based C&I open access installations

The cumulative open access C&I capacity including solar rooftop installation is ~34 GW as of December 2023, of which solar and wind OA project accounts for ~23.6 GW. Among the renewable sources, solar holds the majority share at ~66% (including rooftop solar). This dominance is attributed to its advantages, such as higher accessibility, lower costs, wider availability of resources, shorter project gestation periods, and reduced construction and operational risks.

A significant portion of this capacity is concentrated in a few states such as Maharashtra, Tamil Nadu, Gujarat, and Karnataka, which together contribute about 70% of the total C&I RE open access capacity. These states are recognized for their high industrialization levels and, consequently, account for a larger proportion of C&I power consumption compared to other states.

Figure 37: Share of RE open access capacity across states as of Dec 2023



Source: CRISIL Analysis

The C&I consumers are exhibiting a growing preference for transitioning wind-solar hybrid and RTC energy sources. This inclination is primarily driven by the advantages of wind power supplying energy during peak hours and diversified output profile of different sources helping corporates in achieving higher renewable penetration. Furthermore, with the recent introduction of Electricity Amendment Rule, 2023 wherein the ToD tariff regime has been specified and a specific provision has been made to set the tariffs for solar hours at 20% lower than the normal tariffs. As a result, discoms may be reluctant in procuring standalone solar power at higher tariffs, as they would realize comparatively lesser revenue during the solar hours due to the lower tariffs imposed for solar energy consumption. Moreover, a noticeable trend is emerging as more states are shifting away from annual banking mechanisms towards monthly banking arrangements. In light of this, consumers are increasingly opting for the adoption of hybrid solutions, which offer distributed energy generation capabilities throughout the day.

4.2 Favourable economics of open access for C&I even though most of the states have discontinued the concessions on OA charges

High C&I grid tariff across states and falling RE generation cost augur well for the open access business model. However, most of the states have either discontinued or reduced the exemptions/concession on open access charges. Some states such as Gujarat, Rajasthan are providing some benefits for hybrid projects under their respective state policies to promote adoption of hybrid projects. However, the RE projects that were commissioned during the period when open access charges rebates/concessions were introduced under the open access regulations would continue to enjoy such benefits until its expiry. Any changes made to the open access charges incentives are usually implemented prospectively and are applicable to new projects which may affect the future open access transactions.

The table below summarises open access policies of major states:

Table 5: Summary of open access incentives for key states

State	Key parameters
Maharashtra	No waivers in charges; banking allowed for one month with 8% banking charges; no cap on volume of banked power
Gujarat	<i>Wind-solar hybrid</i> — 25% concession on CSS and additional surcharge for projects under third party sale if the consumer does not claim RE attributes for RPO compliance; Monthly banking allowed; permitted quantum of banked energy shall be at least 30% of total energy consumption from discom; banking charges at Rs. 1.5/kWh
Tamil Nadu	Transmission and wheeling concessional rate of 50%; 30% exemption on CSS for solar and 40% for wind; <i>For wind projects</i> — Banking period of 1 year commissioned before March 2018 under captive wheeling with banking charges at 14% of banked energy and banking period of 1 month for projects commissioned after March 2018 with no banking charges; unadjusted units to be settled at 75% of tariff decided by Commission
Madhya Pradesh	<ul style="list-style-type: none"> 50% waiver on wheeling charges for all RE projects (non-storage) for 5 years from COD; no waivers in transmission charges; cross-subsidy surcharge and additional surcharge waiver for all projects commissioned by November 2017; Full waiver on additional surcharge subject to payment of fixed charges; Increase in CSS for first 12 years limited to 50% of value fixed for the year of project approval Monthly banking allowed with banking charges at 5% of the banked energy, banking allowed up to 30% of monthly grid consumption; no compensation for unused banked power The state levies an additional development fee of INR 0.10/kWh on open access projects.
Andhra Pradesh	No waivers in wheeling and transmission charges; exemption from distribution losses for projects commissioned by March 2020; Banking not allowed Draft green OA regulation issued in Sept 2023; proposed banking charges of 8% and 12% during non-peak and peak hours, respectively; does not offer exemption on additional surcharge, cap on CSS increase or compensation for unused banked power.
Telangana	Under State solar policy 2015, for projects completed by March 2020, cross subsidy surcharge waived for 5 years from commissioning; transmission and wheeling charges waived for 10 years from COD for intra-state captive consumption; annual banking allowed for captive and third-party open access with banking charges of 2% delivered energy for solar projects

State	Key parameters
Karnataka	<ul style="list-style-type: none"> • 75% exemption on transmission/wheeling charges for RE projects not completed 10 years as of March 2018; no exemption on RE projects completed 10 years as of March 2018; • 75% exemption on transmission/wheeling charges for RE projects commissioned after March 2018 • 95% exemption on wheeling charges for Solar projects commissioned earlier to March 2017; no exemption for Solar Projects commissioned after March 2018 • No transmission/wheeling charges for DTL constructed by any OA consumer • No additional surcharge subject to payment of fixed cost • Banking charges at 8-10% of banked energy based on the drawal of energy during peak hours, REC issuance for unused banked power
Rajasthan	<p>As per RERC RE Tariff determination regulation, 2020, waiver of 75% in intrastate transmission and wheeling charges for RE with Storage projects installed before March 31, 2023. This waiver is applicable for 7 years from COD. (The exemptions are applicable for projects with individual plant capacity of maximum 25 MW and for the total capacity of 500 MW)</p> <p>Banking of 25% of the energy injected or 30% of monthly discom consumption, whichever is maximum, allowed on annual basis and only for captive consumption within state. Banking charges at 8% of banked energy; option for monthly banking for projects commissioned before Dec 2020</p>
Uttar Pradesh	<p>Exemption of 50% on wheeling/transmission charges on Intrastate sale of power to third party/captive use; 100% exemption on CSS; 100% banking allowed for entire useful life of Project or 25 years whichever is less; Banking charges at 6% of banked energy</p>

Source: State RE policies, open access regulations

In addition to incentives mentioned in the table above, as per section 42(2) of the Electricity Act 2003, the captive and group captive models used to avail open access exempt cross-subsidy and additional surcharges on such power sale across most states. This, in particular, offers significant savings potential for C&I users.

Many states either reduced or withdrew exemptions and concessions related to open access and annual banking provisions. Some of these changes may affect open access capacity additions in these states over the near term. However, these changes are expected to address concerns about uncertainty over short-term incentives and provide greater visibility for long-term cash-flow projections for open access based RE projects. In fact, it also reduces dependence of the RE based open access business model on government support and thrives on its inherent competitiveness. Moreover, there exists an arbitrage between landed cost of open access power (through the group captive model) and grid tariffs. This helps C&I consumers reduce costs and enhances competitiveness. At the same time, it also offers IPPs an opportunity to diversify their portfolio away from ailing discoms.

Further, several global IPPs and private equity, impact funds, multilateral agencies have recently invested in Indian renewable energy companies with strong focus on open access transactions in C&I segments. This clearly indicates growing interest of global players in open access in C&I market in India which is expected to grow at healthy pace over the medium term.

4.3 Open access offers IPPs an opportunity to diversify the portfolio away from ailing discoms

IPPs mostly sell power generated to state utilities either directly or through intermediaries such as SECI and NVVN. Given the high exposure to state utilities, which are mostly financially stressed, the working capital cycles of IPPs get significantly stretched owing to payment delays from utilities. This also hampers the ability of IPPs to make future investments.

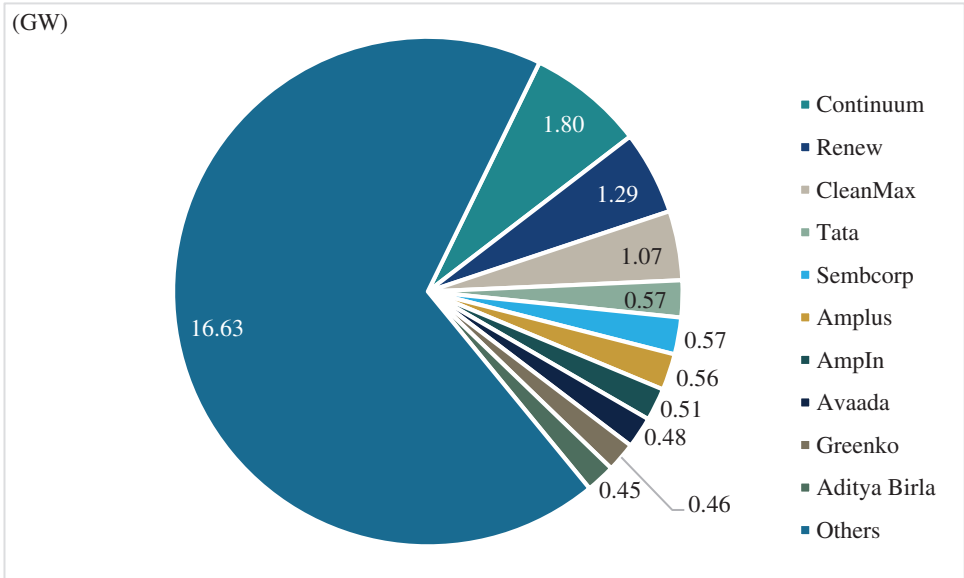
The open access market offers IPPs an opportunity to diversify their portfolio. There exist several high credit worthy consumers across the C&I consumer segments, which could be tapped for power sale through the open access route. Also, the presence of consumer segments across end use sectors further diversifies the portfolio. Given that several sectors are power intensive with many consumers having plants across multiple locations, open access also offers the requisite scale in many cases. More importantly, payments are timely for credit worthy consumers, which in turn protects the profitability of such projects.

Overall, a portfolio approach with a balanced mix of state utilities and open access projects bodes favorably.

4.3.1 Large scale utility players are also into C&I space to capture untapped potential

The demand for clean energy in the C&I segments is witnessing a remarkable surge, driven by falling tariffs and an increasing focus on sustainability initiatives. In response to this burgeoning demand, IPPs are stepping up to seize the opportunity. They are keen to build open access business to diversify offtake risk away from Discoms, improve financial returns (aggressive bidding for utility scale projects) and reduce lumpiness associated with utility scale projects (large project sizes, longer project development cycles). Hence, they are proactively tailoring their offerings to cater to the specific needs of C&I customers, providing them with custom-made RE solutions. Almost all major IPPs are looking to develop WSH projects because of strong consumer demand.

Figure 38: Share of leading project developers in C&I space as of December 2023



Source: CRISIL Analysis

The IPPs in the C&I RE space in India offering clean energy solutions to diverse verticals including manufacturing, aerospace & defence, automotive, FMCG, pharma, food processing, retail chains, educational institutes, hospitals & healthcare, office buildings, shopping malls, etc. Some of the major companies are as follows:

Table 6: Key players in C&I open access

Players	Brief description
AMPIIn Energy	Headquartered in India, have presence across key C&I consumer segment such as automobiles, FMCG, heavy industries, cement & steel, pharma & healthcare, data centres and govt. institutions. It has a portfolio of over 3 GW including about 1 GW of C&I open access capacity. It offers solar, wind, WSH, BESS and Energy Management solutions.
Amplus Solar	It is part of PETRONAS group, Malaysia and is headquartered in India. It offers RE solutions to C&I customers by setting up on-site and off-site solar projects. It has a portfolio of over 1.9 GW.
Avaada Energy	Headquartered in India. It has implemented C&I projects over 700 MW and are engaged with domestic and multi-national entities for open access.
CleanMax Solar	Headquartered in India, have presence across automotive, education, pharmaceuticals, FMCG, and IT. It has an operating portfolio of over 1.2 GW. It is backed by investors like Augment Infrastructure, a US- based fund manager, Danish Investment Fund and UK Climate Investments.
Cleantech	Headquartered in Singapore and operate across India and Southeast Asia focusing on long-term investments within the C&I customer segments. It has an overall capacity of over 750 MW under open access solar, wind, WSH and rooftop solar energy solutions.
Continuum Green Energy	Headquartered in India, with a focus on C&I consumer segment offering utility-scale wind and WSH projects. It has a portfolio of over 4 GW. It is backed by North Haven Infrastructure Partners, a US \$4 bn Global Infrastructure Investment Fund managed by Morgan Stanley Infrastructure Partners.
Fourth Partner Energy	Headquartered in India and operates in Bangladesh, Indonesia, Vietnam and Sri Lanka. Have a portfolio of over 1.4 GW. Offers solar, wind, hybrid, RTC and BESS solutions to C&I consumers.
Hero Future Energies	Offers behind the meter ESS, distributed and utility scale solar solutions to C&I consumers.
ReNew Power	ReNew Green Solutions is the B2B vertical of ReNew Power to provide customisable green energy solutions to C&I segment. It has a portfolio of over 1.65 GW.
Tata Power Solar	It offers utility scale as well as rooftop solar solutions to large corporates and small businesses.

Source: Company websites, Industry reports, CRISIL Analysis

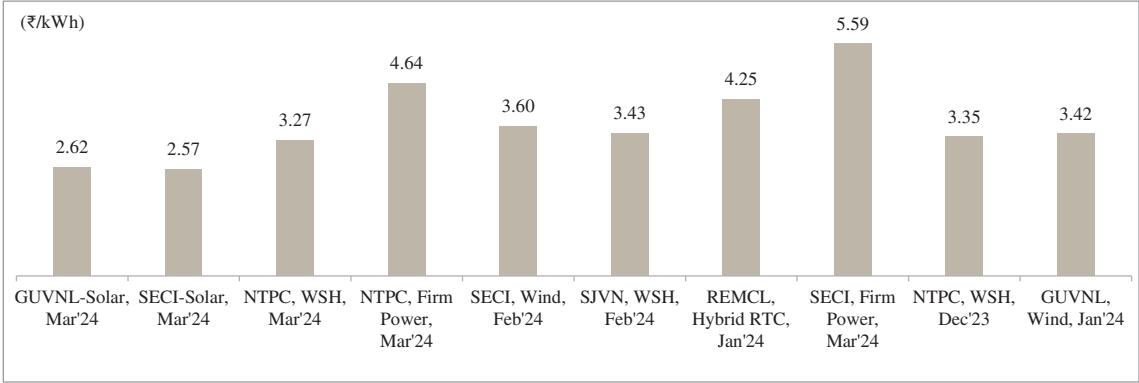
4.4 Sales to C&I consumers leading to higher realisations versus utility- scale projects

Plain vanilla utility scale project offers lower tariffs as compared to C&I projects due to aggressive bidding and reverse auctions. The tariffs of tenders such as wind-solar hybrid, firm power with storage, RTC power are relatively higher due to involvement of multiple technologies, different tender conditions which require specific monthly and annual CUFs, etc.

PPAs with credit worthy C&I consumers are more attractive than those with utilities, where tariff is discovered through auctions and is characterised by cut-throat competition which lowers tariff. On the other hand, tariff (net of regulatory charges) realised by IPPs through the open access route is benchmarked to C&I grid tariff, which is high in most states. As a result, cash surplus and returns are superior to utility-scale projects.

In addition, once the IPP bags a customer, there are several cross-selling opportunities that are available. For instance, the IPP could extend services such as peak shaving, energy audit, enhancing energy efficiency and setting up rooftop solar. Such value-added services could help provide further upside from a particular project.

Figure 39: Tariffs discovered in recent utility-scale projects

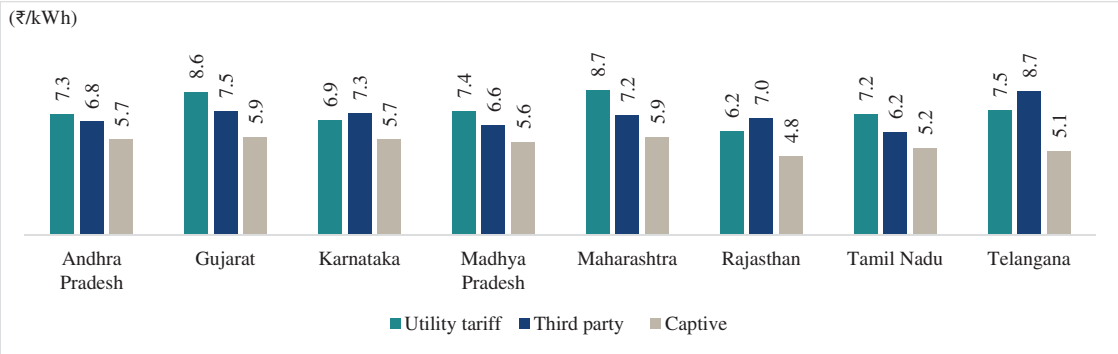


Source: SECI, SERCs, CRISIL Analysis

4.5 Landed cost of RE is at least 10-15% lower as compared to C&I grid tariff

The utility tariff for C&I consumers is significantly higher than other consumer categories and this trend is expected to continue in future. On the other hand, the landed RE tariff, which accounts for the levelized cost of RE projects and other open access charges to the consumers, has become increasingly competitive due to advancements in technology, higher CUF, lower cost of finance and supportive government policies and regulations for open access consumers. As demonstrated in the chart below, assuming a levelized tariff of Rs. 3.5/kWh for key states, the difference becomes evident, offering businesses a compelling incentive to opt for sustainable and cost-effective RE solutions. In fact, it can be inferred from the below chart that the open access tariffs are still more competitive than variable utility tariffs even after removal/reduction of incentives for open access charges in majority of the states.

Figure 40: Utility vs open access landed tariff for Industrial consumer for FY2024



Note: Base tariff of Rs 3.5/kWh is considered for industrial consumer connected with Discom at 33 kV. The open access charges are as per Tariff Orders for FY2024. The landed tariff includes prevailing exemptions/concessions applicable for OA charges.

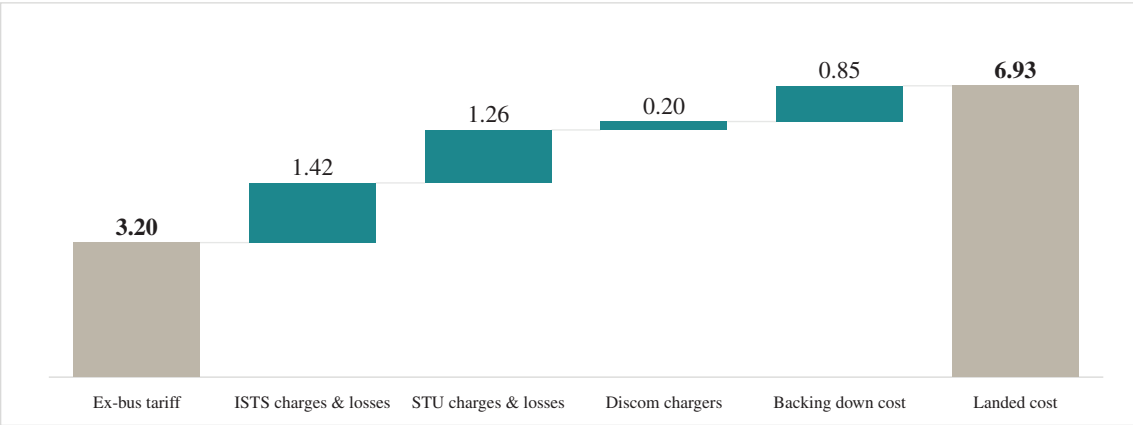
Source: SERC Tariff Orders, CRISIL Analysis

4.6 Outlook on cost of generation of multiple RE source vs cost of delivery

The tariffs for ISTS connected plain vanilla solar and wind projects were observed between Rs 2.5-2.6/kWh and Rs 3.0-3.5/kWh in 2023. Whereas the tariffs for WSH projects are in the range of Rs 2.9-3.3/kWh. Tariffs in Rajasthan, Maharashtra, Gujarat, Tamil Nadu and Karnataka are marginally lower than in other states due to availability of resources. The average CUF of solar projects can reach 25% or higher and for wind it could go up to 35% or higher in these regions.

While the ISTS connected ex-bus RE tariff for discoms appears attractive at Rs 2.5-3.5/kWh but the cost delivered to the discoms’ periphery is significantly higher. This is because several additional costs are incurred during transmission and distribution of RE power. These include ISTS losses, ISTS drawal charges, T&D losses, STU charges, distribution service charges.

Figure 41: Illustration of landed cost of RE to discoms (Rs/kWh)



Note: The ex-bus tariff of Rs 3.20/kWh is estimated for WSH project with 50% capacity of each source at a CUF of 25% for solar and 35% for wind. ISTS losses considered at 3.0%, State T&D losses considered at 15.5%, STU charges at Rs. 5500/MW/day. Backing down cost refers to fixed cost of thermal plants paid by the discoms for the backed down capacity.

Source: CRISIL Analysis

The delivered RE cost to discom can range from Rs. 7-8/kWh depending upon the ex-bus tariff and other costs which can vary from state to state. Similarly, the average levelised cost of a thermal plant is in the range of Rs 4-4.5/kWh which would also end up giving the landed cost of about Rs. 7.5-8/kWh. Hence, for discoms, the landed cost of conventional power is at par with RE despite lower ex-bus tariff and utilisation as compared to conventional source.

4.7 Voluntary adoption of RE gaining rapid traction by corporates to meet sustainability goals

Several large electricity-intensive industries exist in sectors such as steel, cement, chemicals, textiles, automobile, glass and other industrial products. While several large corporations – utilising open access power or captive generation from conventional fuels – are mandated to meet RPO targets, their voluntary compliance is gradually rising.

On a broader scale, one of the main drivers behind the increase in Indian corporate PPAs in RE is the predominant reliance on coal in the country's electricity grid, resulting in high tariffs. Moreover, RE sources are now widely accessible and affordable in India, particularly solar energy due to significant advancements. Now many corporates are entering into wind-solar hybrid with and without storage to maximise the use of RE throughout the day.

Additionally, given the growing significance of sustainability and climate consciousness, there is a focus on robust Environment, Social, and Governance (ESG) standards and forthcoming green taxonomies, which may also extend to unlisted companies.

Furthermore, GoI's decisive shift toward renewable energy, driven by ambitious climate targets set under the Paris Agreement, has led to the implementation of various green policies and regulations. These include the recent modifications to the open access and REC regime in 2022, creating an environment that encourages and incentivizes the adoption of green practices.

Procuring electricity through open access using RE not only helps reduce costs, but also cuts carbon footprint and aids in meeting sustainability goals. Several corporations are gradually setting out long-term goals for net zero carbon emissions for their own production and across their value chain, including suppliers, supply chain and distributors. In fact, the global list of RE 100 companies also features a few Indian companies.

Consequently, the number of corporate PPAs in the renewable energy sector has surged and is expected to continue with evolving policy, regulations and business models.

4.8 Strong investor interest to support growth in the open access market

Several developers focused on the open access market have managed to attract marquee global investors. Investor interest has not only been from a specific investor class but has been witnessed across investor categories. Global IPPs, PE funds, Impact funds as well as multi-lateral agencies — have extended financing to such developers. This clearly indicates the potential of the open access market in India.

With rising awareness about climate change, several corporates in India are voluntarily procuring RE with an objective to operate sustainably. This provides a further impetus to RE.

4.9 Evolving power sale options and innovative contracting mechanisms to further support open access sales

In a bid to help obligated entities meet RPO targets and offer an alternative to IPPs to sell green power, the CERC approved the GTAM. This was supported by stabilisation in RE technology, falling price and availability of sophisticated tools for forecasting and scheduling RE. The GTAM platform would also enable IPPs to sell ‘surplus’ RE and avoid any potential back-down or curtailment by discoms. Further, after the success of GTAM, the government has recently launched GDAM. These market segments will create additional sale avenues to the existing IPPs and encourage other merchant power plants to set up more RE capacity.

Going forward, a few innovative contracting mechanisms, i.e., forward contracts and derivatives as witnessed in global markets, are expected to gain policy and market support in India. One mechanism prevalent globally and is also gaining interest in India among C&I consumers is Virtual Power Purchase Agreement (VPPA) which is a contract for difference. In this mechanism, RE developers sell their power in wholesale market while transferring the green attributes of power to VPPA consumers. In return, consumer guarantees a fixed price (strike price) with positive and negative adjustments based on difference of open market price vs. strike price. The entire transaction is financial and would not require actual physical transfer of power from generator to consumer.

VPPAs are more flexible in their structure than physical PPAs as the corporate buyer and power producer do not have to be connected to the same electricity network. However, due to uncertainty around regulatory jurisdiction concerning new instruments — forward derivative contracts and futures in electricity, with VPPA being one of them, it impeded the implementation of the VPPA model. But in October 2021, the Supreme Court passed the order wherein CERC was granted authority over all physical delivery-based forward contracts, while the regulation of financial derivatives was entrusted to SEBI. Consequently, any VPPA will be subject to joint regulation by both CERC and SEBI.

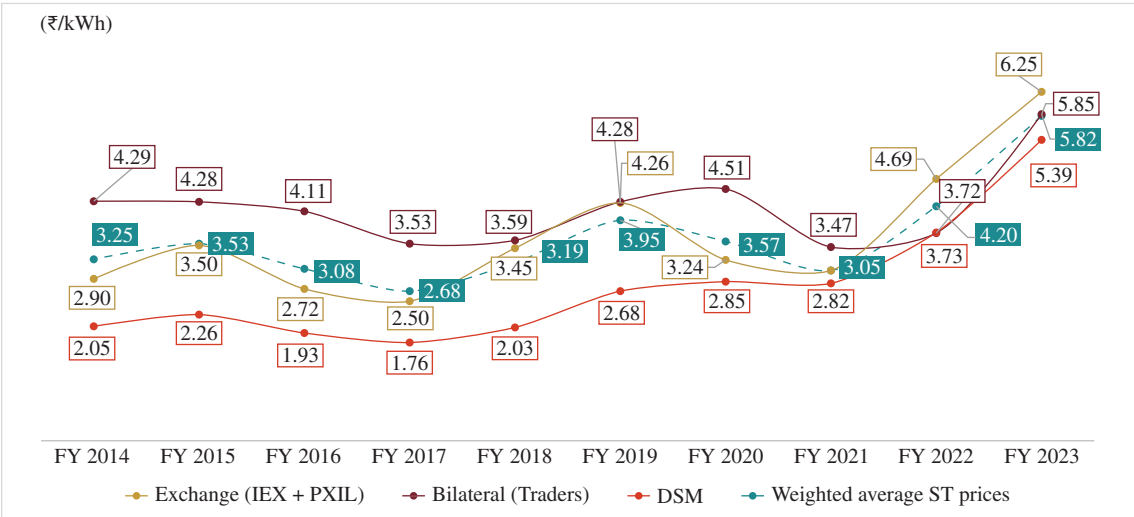
As a result, investors, power producers, and consumers could now explore the benefits of such innovative power purchase mechanisms, leading to potential advancements in the adoption of RE sources is expected to further boost demand for corporate PPAs through the open access route.

In September 2023, Cleantech Solar commercial operation of its VPPA. The solar project has been registered under the International REC (I-REC) mechanism, and the renewable attributes (I-RECs) from this project are being purchased by a leading FMCG company under a virtual PPA.

4.10 Merchant power price trends

The short-term market prices remained range-bound from Rs 3.05/kWh — 4.20/kWh between fiscal 2014 and 2022. Variations in short-term power prices have been led by change in demand-supply position of states (leading to peak deficit/surplus scenario on a daily/monthly basis). Over the past decade, the weighted average price of electricity transacted through traders has been higher than that through exchanges due to implicit counterparty risk and preference for GTAM. However, in fiscal 2022 and 2023, exchange prices were higher due to domestic and international factors such as increased demand, which has resulted in increased coal demand and procurement of imported coal at higher prices. Prices traded via DSM route play an important role in ensuring system balance and reliable grid operation and have majorly been at a discount to exchange prices.

Figure 42: Short-term market prices (FY14-23)



Source: CERC, CRISIL Analysis

4.10.1 Factors driving merchant prices going forward

The electricity demand is expected to grow at a CAGR of 5-6% by fiscal 2030. It is estimated that the share of coal would continue to dominate the energy mix. However, constrained conventional capacity additions will result in a reduction in untied up capacity available in the short-term market. But the phasing out of old, inefficient thermal capacities by state and central entities will result in a rise in short term demand. Further the RPO targets are estimated to boost spot market growth in the coming years.

Further, high growth potential of green electricity market products (G-DAM, GTAM, REC) and plans to expand into newer products like ancillary services and capacity markets derivatives, to increase liquidity in the power market resulting in higher participation. Other factors such as shifting towards short/medium-term PPAs by Discoms to lower cost of procurement, rising open access consumption, transmission system integration for 500 GW RE capacity are some of the additional factors that favour development of wholesale electricity market in India.

The merchant power prices are dependent on factors such as weather conditions, cost of fuel (coal and natural gas prices), RE integration, government policy and regulatory changes, transmission and distribution constraints, any market dynamics such as change in bidding mechanisms.

The prices are expected to increase owing to increase in coal-based prices with stricter emission norms, integration challenges of RE sources into the grid, adoption of firm power which would require installation of BESS which can lead to increase in RE tariffs.

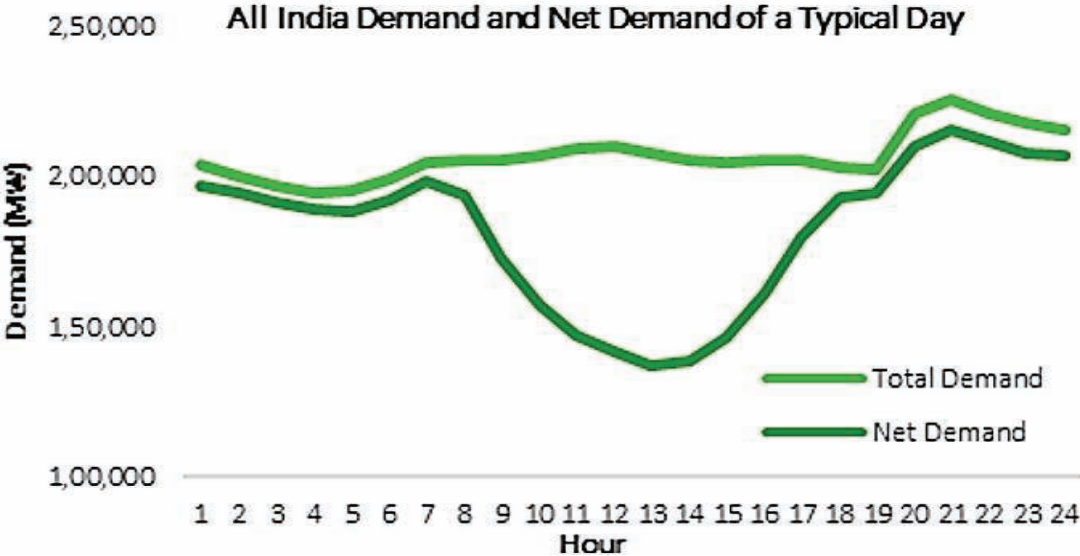
Coal based power generation dominated the power traded through exchanges with over 88% share of the total power traded in fiscal 2023 while the domestic coal supply was unable to meet the demand from the merchant power producers resulting in higher electricity power of the trade electricity. The PLF of coal-based plants has improved to 68-70% and is expected to remain in the range in the medium term. As a result, coal plants are expected to sell power at competitive rates covering their fixed and variable costs.

As far as G-DAM market is concerned, at present the key suppliers/sellers in power exchanges are the state utilities that have already achieved the RPO targets set by the respective regulatory authorities. There are a few private sector operators/developers that have recently started selling power in these market. However, their overall contribution/footprint remains limited till date. Owing to increased RPO targets by state utilities and increased RE procurement targets of the C&I players (under RE 100/sustainability targets), the overall demand for renewable energy in India is expected to grow multifield. This would result in increased RE procurement through various routes, especially through power exchanges as the market is increasingly becoming more liquid going forward owing to efficient and transparent price discovery mechanism in power exchanges.

Further, with the introduction of ToD tariff regime which comprises separate tariffs for peak hours, solar hours and normal hours is applicable from April 1, 2024, where the tariffs during the solar hours would be cheaper than normal hours. Solar generation creates a midday peak in supply, pushing down prices during those hours. The penetration of solar energy would be significantly higher than other RE sources during daytime leading to ramp down of net-load of non-RE generation as solar-energy generation fills in during the daylight hours as shown in Figure 43. The issue arises when the solar generation drops to zero during evening, which is mostly a peak-demand time.

Therefore, there is a need for market-based fast ramping technologies to deal with the anticipated steeper duck curve (due to gradual increase of solar energy penetration into the grid) to serve the power demand and balance the system. Here wind energy can address the challenge to reduce evening ramp-up rate. The wind generation peaks in the evening and thus reduces the duck curve impact on the grid.

Figure 43: All India typical demand curve



Source: CEA, CRISIL Analysis

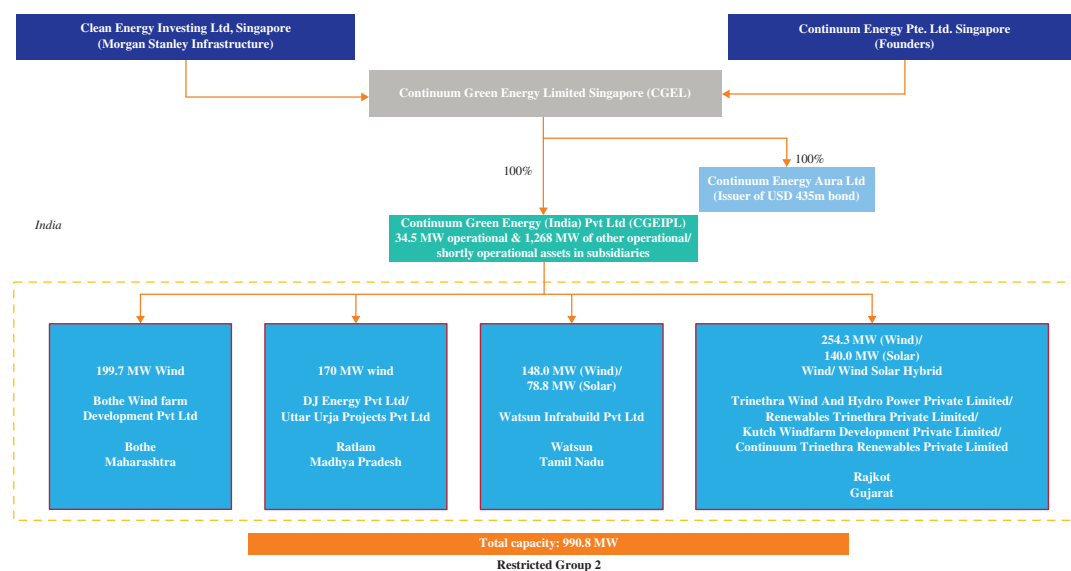
The wind energy generation coinciding with the demand peak in the evening can benefit as wind energy would become more valuable to meet the demand gap, potentially pushing up merchant prices during those hours resulting in high realisation thereby improving the financial viability of wind projects under ToD tariff regime. In GDAM market, the prices during solar hours to witness a discount to average GDAM prices on account of increased supply and ToD requirements. However, it is expected that in the long-term when a significant volume of BESS would be deployed in the system, the surplus solar energy during peak daylight hours would be used to charge such energy storage systems which is expected to create a balance between availability of solar energy during solar hours in power exchanges and demand.

OUR BUSINESS

Overview

We own and operate two large wind farms and two large wind-solar co-located hybrid farms across four states in India, which we believe positions us well to take advantage of India's abundant wind and solar energy resources and the country's favorable regulatory framework for renewable energy. Our Bothe and Ratlam 1 wind farms are located in the states of Maharashtra and Madhya Pradesh, respectively. Our Periyapatti and Rajkot wind-solar co-located/WSH farms are located in the states of Tamil Nadu and Gujarat, respectively.

Our four project sites are owned and operated by eight Co-Issuers, namely Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited. The Continuum Group owns 100% of the Restricted Group 2 companies except for Watsun Infrabuild Private Limited, approximately 28% of which is held by our group captive C&I consumers.



As of December 31, 2023, our operational capacity was 990.8 MW, comprising 369.7 MW of wind generation capacity and 621.1 MW of wind-solar co-located/WSH generation capacity. Out of this, PPAs have been executed for 984.5 MW, with distribution utilities accounting for 363.4 MW of our capacity and with C&I consumers accounting for the remaining 621.1 MW.

From our Bothe and Ratlam 1 projects, we sell electricity under the feed-in-tariff PPAs to distribution utilities i.e. MSEDCL and MPPMCL, respectively and realize a tariff, fixed for the duration of the PPAs, of (i) INR 5.81 per kWh for 101.0 MW and INR 5.70 per kWh for 92.4 MW of electricity generated at the Bothe wind farm; and (ii) INR 5.92 per kWh for the 170 MW of electricity generated at the Ratlam 1 wind farm. We also receive GBI benefits of INR 0.50 per kWh up to a cumulative value of INR 10 million per MW for each of these projects in a maximum period of 10 years.

For our Rajkot and Periyapatti projects (with over 130 C&I consumers), we have varying tariffs under our PPAs. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity distribution utilities and are set lower than the then prevailing tariffs charged by the distribution utilities for black energy to these consumers. The net tariff realized under these PPAs varies with increase/decrease in tariffs charged by distribution utilities to such consumers and open access charges/losses payable to distribution utilities/transmission utilities. The net variation in tariffs charged by distribution utilities and open access charges/losses is usually shared as per agreed terms between the C&I consumer and the company.

The following table sets forth certain key operational data of our projects:

	Status	Location	Total Capacity (MW)	Commissioning date (FY)
Bothe	Operational	Maharashtra	199.7 (Wind) ⁽¹⁾	2015
Ratlam 1	Operational	Madhya Pradesh	170.0 (Wind)	2016
Periyapatti	Operational	Tamil Nadu	148.0 (Wind) ⁽²⁾ 78.8 (Solar)	2018-2021
Rajkot	Operational	Gujarat	254.3 (Wind) ⁽³⁾ 140.0 (Solar)	2019-2024
Total			990.8	

Notes:

- (1) PPAs are pending for 6.3 MW capacity.
- (2) Periyapatti wind 148 MW was commissioned in FY 2018 — FY 2019 and Periyapatti Solar 78.8 MW was commissioned in FY 2021.
- (3) Rajkot site include Rajkot I (101.2 MW), Rajkot IIA (25.2 MW), Rajkot IIB (28.0 MW) and Rajkot 3 (239.9 MW) with last 86.2 MW of the Rajkot 3 was commissioned in phases between Q4 FY 2023 and Q1 FY2024.

Competitive Strengths

Attractive Industry Dynamics and Economics

India is the third largest electricity producer and consumer globally and is the fourth largest renewable market globally based on installed capacity as of end-2022, according to REN21 Renewables 2022 Global Status Report. The International Monetary Fund (“IMF”) has projected that India would be the fastest-growing economy in the world, despite considerable global challenges. In January 2024, the IMF released its latest World Economic Outlook update, projecting that the Indian economy will grow by 6.5% in FY 2024 and 2025. According to the agency, India’s prospects for FY 2024 are marked up on expected improvements to credit growth and, subsequently, investment and consumption, building on better-than-anticipated performance of the financial sector. Economic growth fueled by increasing urbanization, industrialization and penetration of technology is also resulting in increasing demand for electricity. Total electricity demand in India grew at a CAGR of 4.3% during the ten years ended FY 2023. The CEA in its National Electricity Plan dated May 2023 expects energy demand to grow at a CAGR of 6.67% to 1,908 billion kWh by FY 2027 and a CAGR of 5.33% to 2,474 billion kWh by FY 2032. Further, as per the CEA, the Indian market for renewable energy is anticipated to grow at a CAGR of 16.5% until FY 2027 and a CAGR of 12.1% until FY 2032 and to have a 35.0% and 44.0% contribution of renewable energy in the total energy demand at the end of those periods. This expected growth is supported by various government policies, rising environmental concerns, incentives, and tax benefits for solar panel installations.

The Indian power sector has traditionally been more dependent on conventional thermal fuel sources, such as coal and gas, than on renewable sources. Power consumption in India, a developing nation, has been increasing at a greater pace. However, India’s reliance on thermal sources has been adversely affected by persistent shortfalls in coal and gas supplies and water shortages, resulting in increased costs and uncertainty of supply from new thermal power generation capacity. There is an increasing focus on reducing the import of energy to India, relying on alternative sources of energy, and enhancement of domestic supply. Steep declines in solar panel prices over the last several years, improving efficiency of wind turbines and rising cost of coal-based power has resulted in more competitive wind and solar power tariffs and has increased the appeal of renewable energy. Wind power in India has already achieved grid parity in some wind rich states, such as Tamil Nadu, Karnataka, Gujarat, Maharashtra and Madhya Pradesh, when compared with newly built coal projects. The GoI has established its commitment to fight

climate change by presenting a five-point agenda while delivering the “National Statement” at the COP-26 conference in Glasgow, Scotland, which include (i) non-fossil fuel-based energy capacity of the country to reach 500 GW by 2030, (ii) 50% of the country’s energy requirements to be met using renewable energy sources by 2030, (iii) country to reduce the total projected carbon emission by one billion tons between now and the year 2030, (iv) carbon intensity of the economy to reduce by more than 45% by 2030, and (v) to achieve net zero emissions by 2070. India reaffirmed its commitment towards renewable energy at the COP-28 conference in Dubai. India has successfully reduced the emission intensity vis-à-vis its GDP by 33% between 2005 and 2019, thus achieving the initial Nationally Determined Contributions (“NDC”) target for 2030, 11 years ahead of the scheduled time. India has also achieved 40% of electric installed capacity through non-fossil fuel sources nine years ahead of the target for 2030. Between 2017 and 2023, India has added around 100 GW of installed electric capacity, of which around 80% is attributed to non-fossil fuel-based resources. India had since adjusted the NDC targets upwards, indicating further commitment to combat climate change.

Furthermore, the GoI is strengthening its efforts to develop renewable energy sources, with the promotion of wind and solar power being one of its key agendas with policies such as the National Solar Mission launched in January 2010, the National Wind-Solar Hybrid Policy issued in 2018, the Green Energy Corridor initiative, the National Tariff Policy 2016, the Late Payment Surcharge Rules 2022, Green Open Access Rules 2022, the Discoms Reform 3.0 program and several amendments to the Electricity Rules 2005. We believe these measures provide a favorable environment to own and operate wind and solar farms in India.

Carefully curated portfolio of projects

We have focused on conceptualization and building of projects with high efficiency and creating significant entry barriers with sustainable intrinsic value.

- Our projects in Periyapatti and Rajkot operate at amongst the highest PLFs compared to other projects in the respective states engaged in open access sales. Our Bothe project has had history of higher generation compared to other projects in the proximity to our project. Our Periyapatti and Rajkot projects are among the largest co-located Wind — Solar hybrid projects in their respective states which helps make our projects more attractive to C&I consumers and their attraction can be enhanced in future by adding electricity storage. In our Ratlam 1 and Bothe projects, since we own all of the wind turbines along with dedicated interconnection infrastructure, we have the ability to add solar and solar-storage hybrid capacity to enhance their attractiveness to the C&I consumers.
- Each of our projects is connected to extra high voltage connectivity, which ensures reliability of power, a key concern of most of the industrial consumers. There has been no history of curtailment in existing projects except in case of Periyapatti project, where high voltage green corridor completion was delayed from the utility end, but which was completed in March 2022. We have experienced no curtailment since June 2022. Higher voltage connectivity also helps absorb variability in nature of power generation for renewable sector.
- We focus on building and owning dedicated evacuation and interconnection facilities, which reduce dependence and reliance on third parties for operation and maintenance, as well as retaining the ability to implement upgrades, brownfield project expansions and conversions into wind-solar or wind-solar-storage hybrids. Since we control the balance of our plants, we retain the capability to replace the O&M contractors for the plants. As such, we are in a position to expand existing windfarms into WSH and later WSH storage projects. Since we own 100% of our wind turbines with no shared infrastructure with other wind turbine owners, we retain self-development capability for upgrading and augmenting of project capacity as technology evolves. Both Rajkot and Periyapatti were initially only wind projects and were subsequently converted into WSH/co located wind solar projects.

- In the C&I business, WSH projects provide up to approximately 3.7 times more value for consumers than standalone solar projects in terms of annual savings. Due to higher PLF, wind capacity provides approximately 2.2 times more MWh per MW of consumer load compared to solar. The grid access costs are payable per MW of connected load in most of the states, which results in approximately 30% lower charges per kWh for wind capacity compared to standalone solar capacity and approximately 50% lower charges per kWh for WSH capacity compared to standalone solar capacity. Further, due to the complimentary nature of generation for wind and solar projects, hybrid capacities offer lower fluctuation and better intra-day matching with demand curve of power, requiring fewer storage capacities for dispatchable supply. Approximately 62.7% of our Restricted Group 2 capacity are WSH projects. These WSH projects are expected to require lower storage capacity addition for future expansions once storage cost is economically attractive, retaining a significant future potential for cross-selling of products and services. At present, in most cases, we supply not more than 50% of our consumers' consumption requirement. With the addition of storage capacity and the removal of restrictions on contract demand through open access, we have the potential supply dispatchable power to the consumers as a premium service and can take the supply contract for arrangement of remaining electricity needs of the consumers through its own projects, third-party projects or power exchange solutions, thereby increasing our business revenue volume.
- Instead of focusing on large utility-scale low tariff auctioned projects, our strategic focus is on utility-scale C&I segment in states with (i) higher wind and solar resource availability, (ii) higher industrialization, and (iii) regulatory maturity to ensure stability in the business. In addition, we have successfully developed relationships with over 130 C&I consumers for 621.1 MW capacity out of the 990.8 MW Restricted Group 2 portfolio, with high repeat order business for new projects. We have also built a mechanism in which in case of any increase or decrease in grid discom tariff or open access charges, upside/downside is shared between the consumer and us. This creates a win-win approach where in case of any increase in grid tariff, additional benefit is passed on to the consumer in the form of higher savings compared to the grid discom tariff as well as to us in the form of higher net tariff.
- We have carefully selected projects to lock-in long term policy benefits to place us at substantial advantage compared to our competitors. See “— *Our Projects.*”

Diversified Portfolio of Clean Energy Assets

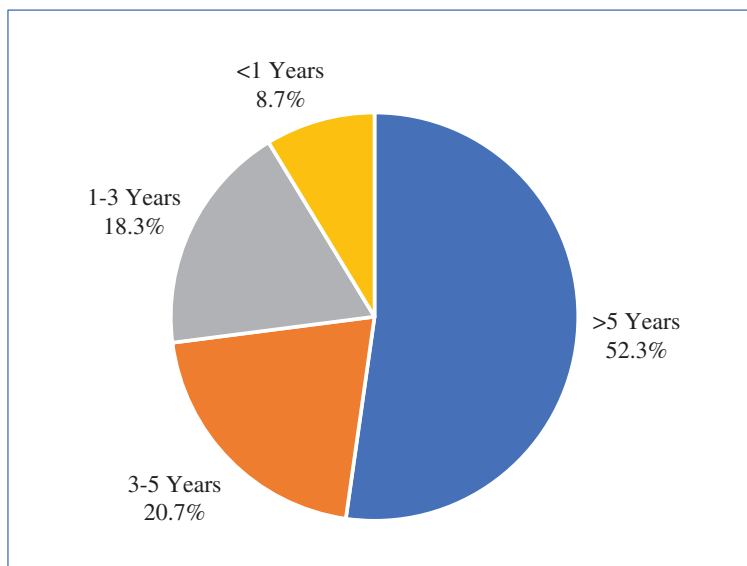
We own and operate two large wind farms and two large wind-solar co-located hybrid farms across four states in India, with a total portfolio of 990.8 MW of generation capacity. We mitigate our resource risks through our presence across wind-rich states in India. Our wind farm projects and WSH/wind-solar co-located hybrid projects are located in Maharashtra, Madhya Pradesh, Tamil Nadu and Gujarat which account for 20.2%, 17.2%, 22.8% and 39.8% of the project capacity respectively.

We purchase equipment from reputable turbine and solar module suppliers such as Inox Wind, Suzlon, Vestas, Siemens Gamesa, Adani Solar, Waaree Energies and GE.

Long and demonstrated track record of the operating assets

All projects are operational with an operating history of more than one year (except for the 86.2 MW of the Rajkot 3 WSH which was commissioned in phases between Q4 FY 2023 and Q1 FY2024) and have no construction risks or major capital expenditure requirements. As seen in the diagram below, the average life of the portfolio of assets is approximately 5 years and over 52% of the capacity has an operating history of over 5 years.

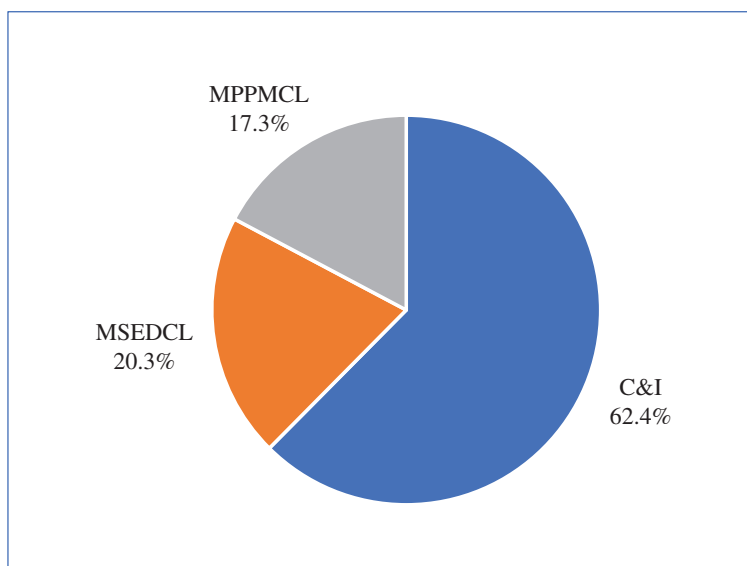
Long track record & experience in operating projects (by capacity)



Distinctive Business Model with Diversified Off-taker Mix and Earnings Visibility through Long-term PPAs

As seen in the diagram below, our diversified mix of PPAs are comprised of fixed tariffs (for the term of the PPAs) PPAs with MSEDCL distribution utility in Maharashtra and MPPMCL distribution utility in Madhya Pradesh and C&I tariff PPA with over 130 C&I consumers in Gujarat and Tamil Nadu, each accounting for 20.3%, 17.3% and 62.4% of the mix of PPAs.

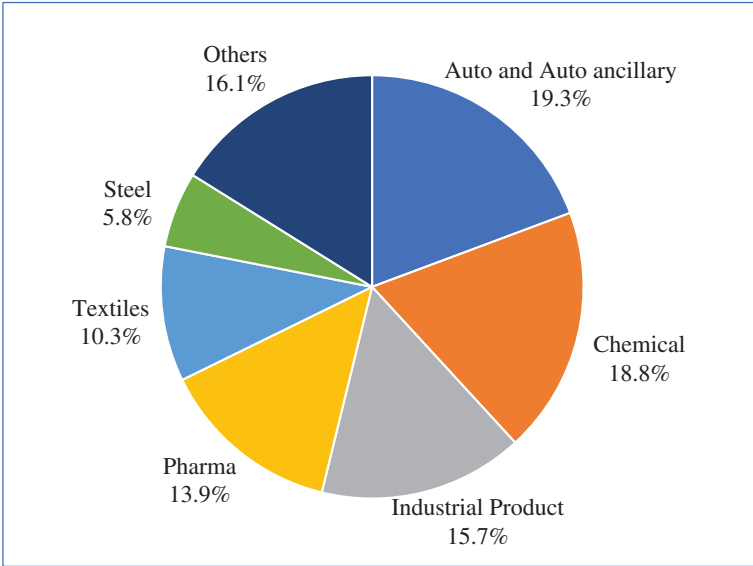
Off-takers mix (by capacity)



For FY 2023 and the nine months ended December 31, 2023, we generated 41.0% and 34.2% of our total revenue from the sale of electricity to state discom MPPMCL and MSEDCL, respectively. Additionally, the Bothe and Ratlam projects are eligible for GBI benefits from the GoI (paid by IREDA) which constituted 3.3% and 2.1% of our total revenue in FY 2023 and the nine months ended December 31, 2023, respectively. The PPAs with MSEDCL and MPPMCL are structured on the basis of fixed feed-in-tariffs (FITs) and have a term of 13 and 25 years respectively, which ensure off-take security and high visibility of our future financial performance.

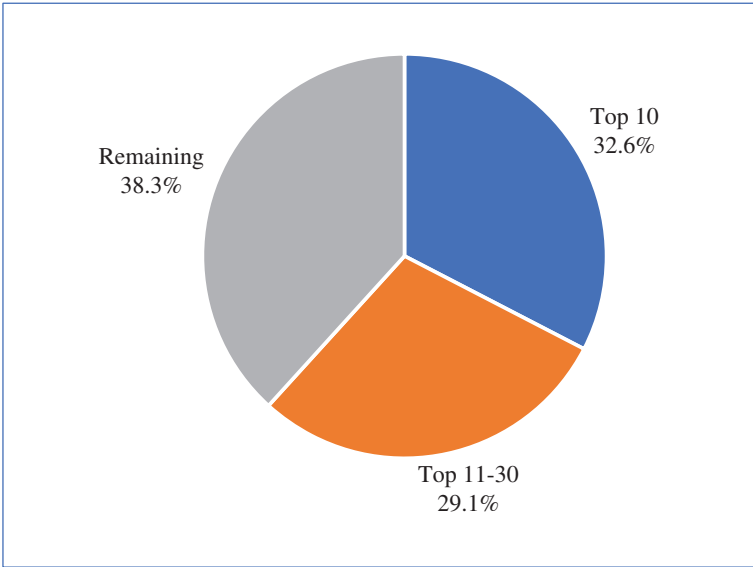
For FY 2023 and the nine months ended December 31, 2023, we generated 55.7% and 63.7% of our total revenue from the sale of electricity from our PPAs with C&I consumers, respectively. PPAs with C&I consumers are generally for five to 20 years, at tariffs set at a level lower than their alternative variable cost of power purchase from distribution utilities and cater to a portion of an individual consumer’s demand of electricity, which ensures off-take security and high visibility of our future financial performance. As seen in the diagram below, our C&I consumers for the Restricted Group 2 span a wide range of industries mitigating our offtake risk with no single industry accounting for more than 20% of our total sales to C&I consumers.

Off-taker industries (by capacity)



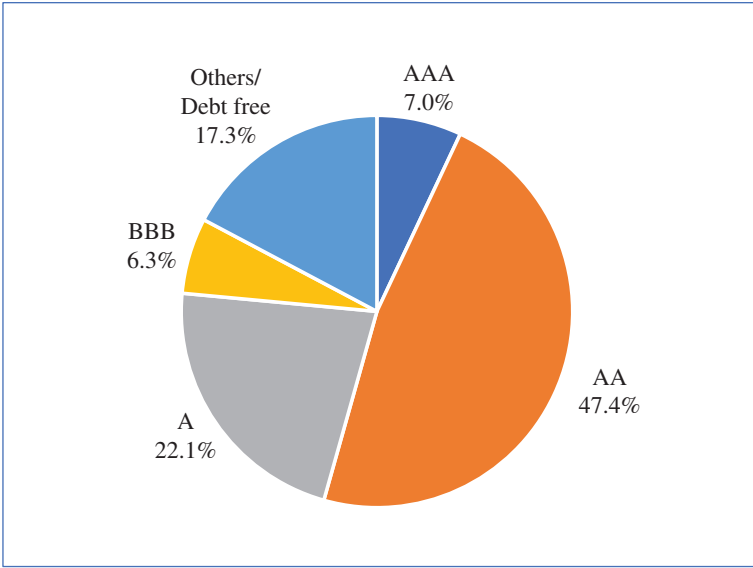
Further, in our C&I business, we face reduced customer concentration risk with no C&I consumer accounting for more than 5.5% of our C&I business and 3.5% of our overall business in terms of capacity.

Off-taker share (by capacity)



We have entered into PPAs with high quality C&I consumers — as seen in the diagram below, more than 75% of our consumers are rated ‘A’ or higher by independent, regulated credit rating agencies in India and all others are either unrated or rated investment grade or above (BBB-). Approximately 24% of our C&I sales are made to consumers that are part of multinational companies and 55% to companies belonging to marquee and large Indian industrial groups.

Off-taker credit ratings (by capacity)



The high quality and diversified customer base helps us achieve approximately 99.4% of offtake from the Restricted Group 2. Even during the lockdowns period from March to July 2020 in the wake of COVID-19, 94.4% of our total saleable generation from C&I projects was accounted for by consumption by our C&I consumers and the balance was sold to distribution utilities at predetermined tariffs.

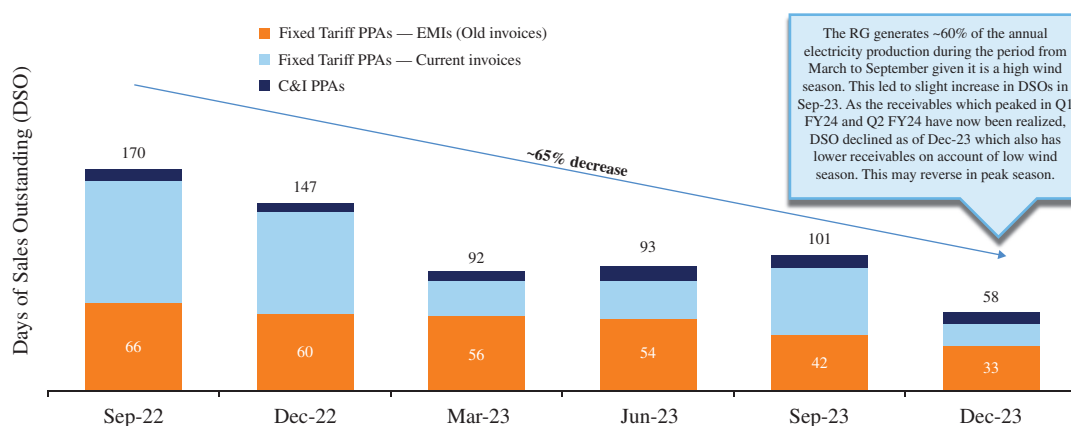
Industry Leading Receivables Position

We sell all of our electricity to MSEDCL, MPPMCL and over 130 C&I consumers. With our C&I consumers, our receivables are usually paid within 20 days or less. To utilities, we sell electricity from:

- 199.7 MW Bothe project to Maharashtra discom MSEDCL. All invoices raised till generation month of January 2024 have been cleared by MSEDCL till May 2024. The current receivable cycle (up to May 2024) for MSEDCL stands at three months from the invoicing date (i.e. one months from the due date). Enactment of LPS Rules ensures that the payments from MSEDCL are being collected at frequent intervals within three to four months of invoicing date along with LPS. LPS has been paid for invoices submitted till October 2023. Further, MSEDCL has also started remitting payments against generation from 6.3 MW (for which PPA has not been signed) as per provisional invoice being raised at a tariff of INR 3.50/kWh from October 10, 2022 pursuant to favorable interim Supreme Court Order. Payment against such invoices have been received till the generation month of February 2024. The matter is listed for final hearing/disposal in September 2024. The ongoing litigation with respect to signing of PPAs for 6.3 MW capacity and related details have been discussed subsequently. See “— Governmental, Legal and Arbitration Proceedings — Proceedings instituted by Bothe Windfarm Development Private Limited against MSEDCL”;
- 170.0 MW Ratlam 1 project to Madhya Pradesh discom MPPMCL. Pursuant to the LPS Rules, MPPMCL has opted to reschedule their dues till generation month of March 2022 along with LPS amount in 40 equal monthly instalments under the revised LPS Rules. We have already collected 22 instalments till May 2024. The current receivable (up to May 2024) stands at one month from the invoice submission date, with invoices till generation month of March 2024 and invoiced in April 2024 collected in May 2024.

Due to benefits of the LPS Rules in relation to projects selling power to discoms and with the increase in C&I capacity, our overall DSOs have reduced significantly. As of December 2023, our overall receivable cycle for the portfolio has reduced to 58 days and is expected to improve after payment of all monthly instalments by MPPMCL. Of the 58 days, 33 days of DSOs were represented by the receivables due from MPPMCL for the 23 monthly instalments remaining to be paid as of December 31, 2023.

The chart below shows our overall DSOs situation from September 2022 to December 2023.



Low Operating Risk with High Project Quality and Asset Management Approach

Our wind power and solar power projects are operational and require low levels of expenditure to operate and maintain them. For our windfarms, we have comprehensive O&M contracts for periods of 10 to 20 years (with free services in some cases for the first two to three years). The comprehensive O&M contracts include scope of repairs and replacement of minor/major components within the fee agreed for these contracts. These contracts generally provide for a warranty for a minimum period of two years from

the earlier of the date of commissioning or the date of supply, a power curve guarantee which assures reliability of performance of the wind turbines and a guaranteed operational performance commitment in the form of a minimum availability guarantee of 95% to 97% of the wind turbines' availability to generate electricity for a specified percentage of time with liquidated damages calculated by way of revenue loss. In addition, serial defect warranties, access to unfiltered turbine data, blade cleaning services and seasonal availability guarantees also help improve the performance.

We mitigate wind risks with our thorough site selection process. Our projects were selected after analyzing long-term wind data from multiple on-site wind masts to increase generation reliability. We conducted external and in-house micro-siting studies and layout planning to reduce wake effects and maximize generation at our project sites. For example, the Bothe wind farm was selected after relying on up to eight years of wind data from 11 on-site wind masts and the Ratlam 1 wind project was selected after relying on up to four years of wind data from five on-site wind masts. The Rajkot wind-solar co-located hybrid farm was selected after relying on up to three years of wind data from five on-site wind masts. The Periyapatti wind-solar co-located hybrid farm was selected after relying on up to seven years of wind data from 10 on-site wind masts.

Unlike companies that purchase wind turbines on a turnkey basis from wind turbine manufacturers where they control a portion of the turbines in a wind farm, our project companies own the entirety of our wind/solar farms (however, minority ownership of voting securities of Watsun Infrabuild Private Limited is held by our group captive C&I consumers) and have exclusive grid connections from them, giving us the flexibility to choose the wind turbine technology, partner with multiple suppliers and O&M contractors, manage our regulatory risks and maintain the flexibility to deploy the latest technology (including solar hybrid and electricity storage solutions) at our wind farms. Our experienced in-house team helps us deliver improved cost efficiencies and greater quality control over designing, sizing, engineering, developing, constructing and operating our wind and solar farms.

We use high quality electrical components to reduce our wind farm and solar park transmission loss and improve our turbine availability. For example, we have deployed rolled steel joist poles and galvanized square cross-sectional poles to ensure good mechanical strength of the turbines and extend their durability. We also installed the AL59 conductor instead of the ASCR model to ensure better internal grid connections and reduced line losses. To reduce downtime, we have deployed suspension type insulators and installed higher poles with bird guards.

We also maintain complete control over the evacuation infrastructure to minimize downtime. For example, we have deployed double circuit transmission lines to reduce downtime risks in case of mishaps, provided transfer buses in substations to help secure downtime in case of a system failure and optimized internal lines to achieve full utilization of feeder capacity and lower right of way concerns.






We operate our projects in tandem with equipment vendors and O&M contractors under long-term contracts. While the OEM equipment vendors are awarded full-service agreement for operating and maintaining the wind turbines and solar panels, we operate and maintain the balance of plant (“BoP”) in-house. We have strong partnerships with reputable O&M operators and suppliers such as Inox Wind, Suzlon, Vestas, Siemens Gamesa, Larsen & Toubro, Waaree Renewables, etc. As part of our O&M operations, we have a dedicated in-house team. The Continuum Group has well-defined asset management practices and has received ISO certification for Quality, Environment and Safety.

Our contracts for our solar projects include performance ratio guarantees for up to eight years, starting at 81.55% and a comprehensive O&M contract for 5-10 years.

In several of our O&M contracts for our wind farms and in the O&M contract for our solar park, instead of paying a fixed fee per year per MW of capacity, we pay the O&M fee on per kWh of electricity generated and billed from the plant (subject to a base minimum fee per MW per year) thereby aligning our and O&M contractor's interest in maximizing generation and reducing downtime.

Real time monitoring through AOMS solution

Since 2017, all of our operational wind and solar projects are monitored using real-time artificial intelligence based monitoring systems, providing continuous, real-time alerts, predictive maintenance requirements to our operations team. Our analytics solutions help to track the health of our equipment, trigger maintenance alerts, conduct detailed root cause analysis of alarms to enable us to better understand the equipment issues, create fault patterns and run probabilistic models to help us estimate on a real time basis the likelihood of faults. The solution is scalable to any wind turbine and solar module/invertor model.

 Data Centralization	 Clear Reporting	 Push O&M beyond SLA	 Performance Analytics	 Predictive Maintenance
Real time unrestricted data collection on per sec basis from Turbines, Balance of Plant, and Weather/Forecasting model	Generation of periodic reports and continuous monitoring of system KPIs	Continuous parallel monitoring of alarms & downtime, and thereby pushing the O&Ms to perform beyond SLA	Detailed analytics on system Health and Performance by assigning Risk & Performance scores	AI based comparative analysis of performance and alarms within the turbine pool, assist in detecting future issues

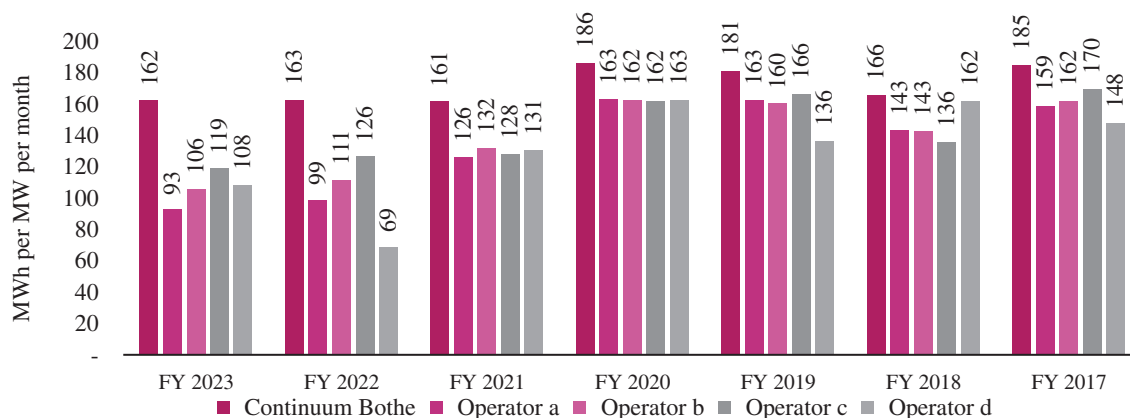
The Continuum Group’s Asset Operations Monitoring System (“**AOMS**”) collects more than 112 gigabytes of data every day and along with more than 90 terabytes of data already collected, continuously benchmarks the wind/solar equipment against other wind/solar equipment in the same wind/solar projects as well as across the Continuum Group’s fleet to identify deviation in performance of components and various indicators such as temperature, pressure, power curve performance, etc., raises alerts in case of deviations and suggests probable causes for such deviation for further investigation. This helps our operations teams, in many cases, to identify potential problems before an equipment failure occurs so that proactive actions can be taken to preserve equipment health, procure spare parts and schedule maintenance (predictive maintenance). Several times, these problems were not identified by our O&M contractors. Therefore, this system helps improve the quality of our operations and maintenance than if we relied solely on our O&M contractors. For example, on August 24, 2023 at our Bothe project, we observed that a choke coil of the VCS section for a WTG had reached 40 degrees higher than park average (136 against 96). The issue was notified to the OEM and corrective action was requested. The OEM team attended WTG on the same day and found that the VCS control cooling fan was damaged, so they replaced the same with new one. The temperature returned to normal thereafter. More than 3,431 intelligent predictive alerts (not identified by OEM operator) have been raised between April 2017 and December 2023 at our projects.

Our O&M team was able to resolve these issues quickly, helping us to avoid generation losses during peak wind season, reduce potential downtime and keep our machine availability high.

Under the terms of our O&M contracts and due to our complete ownership of our wind farms, we have the ability to switch between wind turbine suppliers and mitigate the risk of relying on one specific vendor. Vendors such as Vestas, Siemens Gamesa, Suzlon and Dalian Huarui Heavy Industry Group, among others, have the expertise to take over O&M operations at our wind farms where the wind turbines have been supplied by other turbine manufacturers.

We believe that all the above features as described will help us achieve superior performance as compared to our competitors. As an example, according to data obtained from the Maharashtra State Load Despatch Centre, the Bothe project achieves higher monthly generation per MW of installed capacity than our competitors for the period indicated in the chart below.

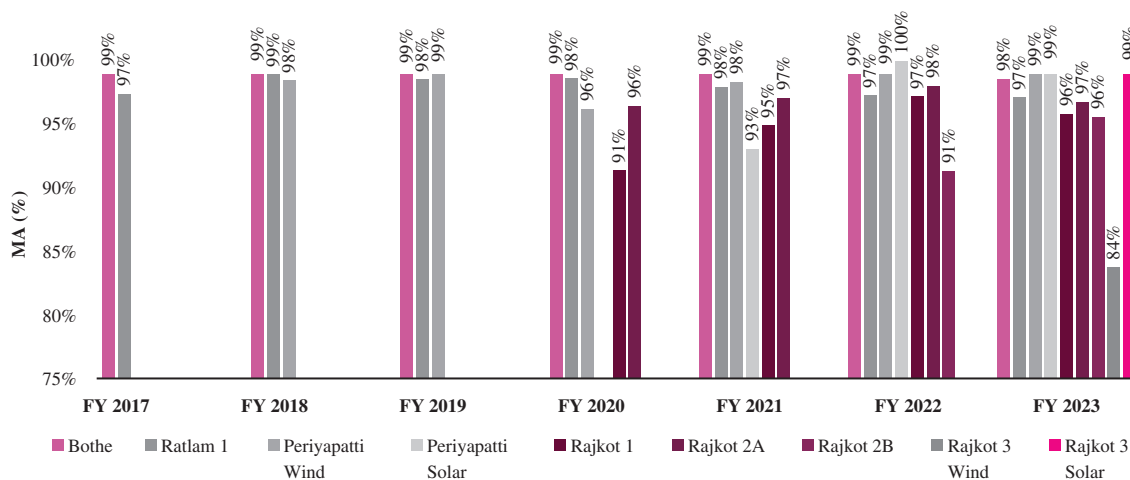
Our generation compared to our peers



Source: MSEDCL, Maharashtra SLDC

Some of the KPIs we track at our projects are machine availability, internal grid availability, external grid availability and Mean Time Between Inspections (“MTBI”). Higher MTBI indicates fewer needs for maintenance personnel to attend to turbines and indicate better turbine health and lower downtimes. Machine availability and internal grid availability are a function of quality of our own windfarms and quality of our maintenance. We believe we have achieved industry leading availabilities and MTBI as set out in the chart below for the periods indicated:

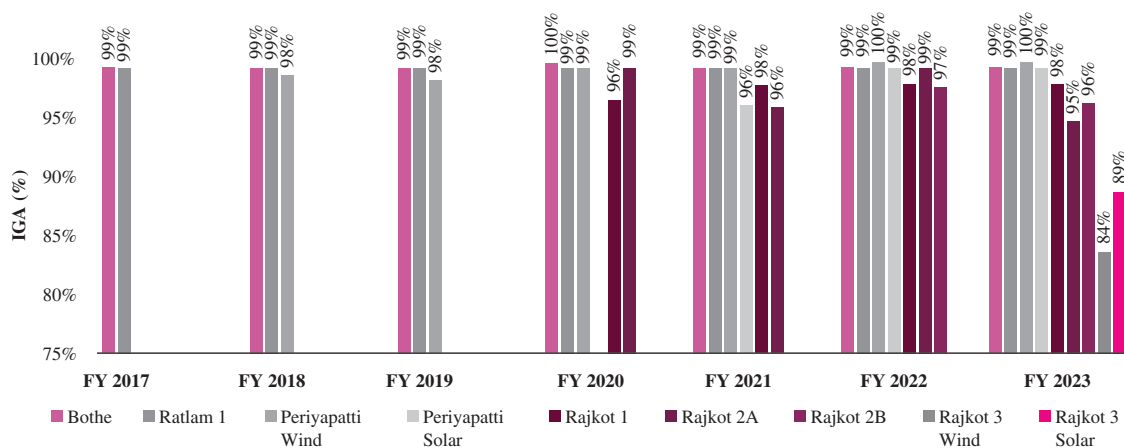
Machine Availability (%)



Notes:

- FY 2021: (i) availability at Periyapatti solar project and Rajkot 2A project was lower due to stabilization period as part of first year of operations; (ii) availability at Rajkot 1 project was lower because wind turbines were shutdown/operated in derated mode as a precaution after the fire incident in Vestas make wind turbine in July 2020 at Rajkot 1 project. Rectification works were undertaken on the wind turbines between September 2020 to February 2021.
- FY 2022: (i) availability at Rajkot 2B project was lower due to stabilization period post commissioning for Rajkot 2B project (ii) availability at Rajkot 3 project was lower as it was partly operational.
- FY 2023: (i) availability at Rajkot 1 project was lower due to implementation of software upgrade for 19 WTG; (ii) Rajkot 1, 2A & 2B project faced downtime due to reshuffling of internal transmission lines because of construction and addition of the Rajkot 3 project; (iii) Rajkot 1, 2A & 2B project wind turbines were down due to transformer failure and restoration was delayed due to crane availability; (iv) Rajkot 3 project was partly operational and under stabilization.

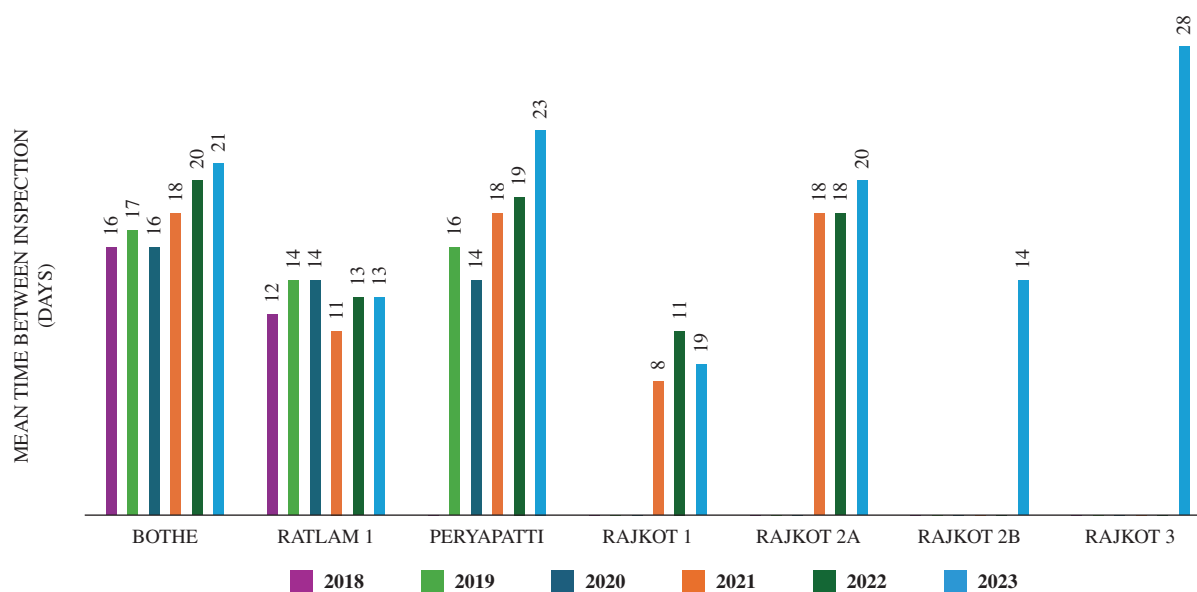
Internal grid Availability (%)



Note:

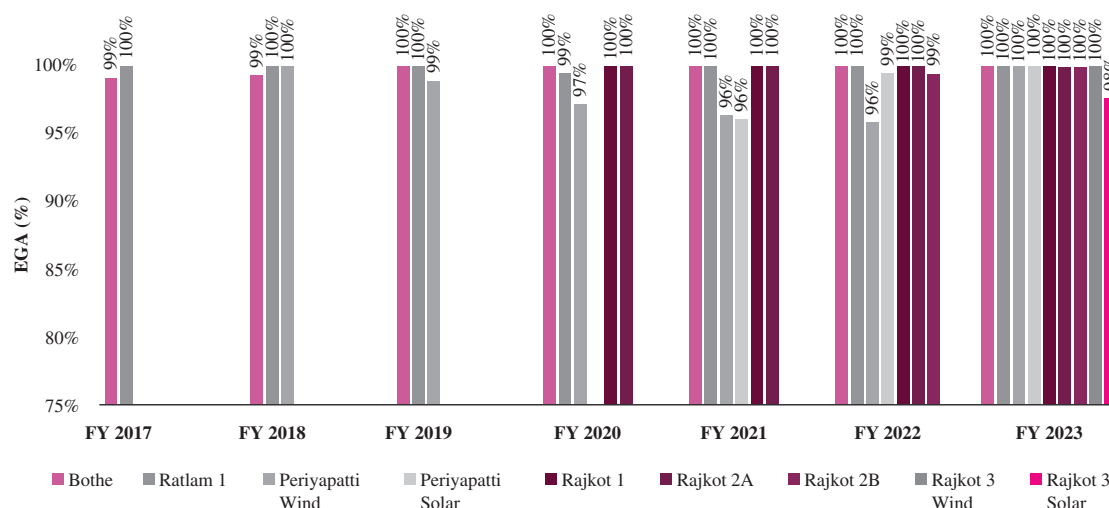
- FY 2023: (i) low Internal grid availability for Rajkot 1, 2A and 2B project on account of downtime due to reshuffling of internal lines because of construction of the Rajkot 3 project; (ii) Rajkot 3 project was partly operational and under stabilization.

Mean Time Between Inspections



The external grid availability is largely a function of the quality of electricity grid that our windfarms and solar park are connected to. We prefer to build windfarms or solar parks where we get extra high voltage connection to 220 kV grid substations which, in turn evacuate power at 400 kV or higher. Such grid substations are part of high capacity, trunk transmission routes of the electricity grid, have higher availability and can absorb the variability of renewable energy production. As a result of this extra high voltage connection, our windfarms in Bothe, Ratlam and Rajkot have not faced any curtailment of energy. We have faced some curtailment of energy at our Periyapatti windfarm because the 400 kV green corridor grid that we are connected to. The work on 400 kV green corridor was completed in March 2022 and we have not faced any curtailment since June 2022.

External Grid Availability



Notes:

1. FY 2021 and FY 2022: High voltage corridor completion for Periyapatti project was delayed by the utility. It was completed in March 2022 and has not faced curtailment since June 2022.
2. FY 2023: Rajkot 3 project was partly operational and under stabilization.

Our control over entire wind projects has resulted in consistent improvement in accuracy of generation forecasting which in turn has resulted in lower DSM charges and higher profitability. Further, the larger size of each wind project formed by combining multiple projects helps us gain higher allowable absolute deviation (which is a function of total installed capacity connected to a pooling substation) thereby resulting in more accurate forecasting and reduction of deviation costs. For example, Rajkot 1, 2A, 2B and Rajkot 3 are connected to the same project pooling sub-station and are considered as a single wind project owned by us and the forecasting is done for the entire project rather than for each individual project. Moreover, the lower actual deviation due to diversification within the sites due to wind/solar connecting to same sub-station (WSH) or large number/different types of equipment at the same site, longer wind resource data, higher equipment/grid availability and integration of AOMS and forecasting data helps in improving the accuracy of forecasting and thereby reduction in deviation costs.

Financial Profile Bolstered by Attractive Credit Metrics

We benefit from a robust balance sheet, which we leverage prudently to support our growth.

	As at and for the fiscal year ended March 31,			As at and for the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(INR in millions unless otherwise stated)				
Operational Capacity @ year/period end (MW)	722.9	750.9	943.2	904.6	990.8
Total assets	53,767	68,327	69,318	72,498	72,013
Total income	8,275	10,156	11,510	9,339	10,854
Revenue from operations.	7,661	9,191	9,749	7,913	9,798
Profit/(loss) before tax	(1,339)	233	646	1,349	988
EBITDA Adjusted ⁽¹⁾ (A)	6,449	7,989	8,771	7,310	8,066
FFO ⁽¹⁾ (B)	88	2,467	5,740	4,120	4,450
Adjusted borrowings ⁽³⁾ (C)	40,610	48,628	47,739	50,026	47,719
FFO to Adjusted borrowings (B/C) (%)	—	5%	12%	8%	9%

Notes:

(1) Reconciliation from profit/(loss) for the year/period to EBITDA, EBITDA Adjusted and FFO

	For the fiscal year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(INR in millions)			(INR in millions)	
Profit/(loss) for the year/period	(1,108)	(32)	(148)	492	205
Add: Share of profit/(loss) attributable to minority shareholder's fund	(30)	(40)	(65)	34	108
Add: Total tax expenses/(credit)	(201)	305	859	823	675
Add: Finance costs	5,773	5,625	5,897	4,377	5,007
Add: Depreciation and amortisation expense	1,788	1,847	2,052	1,490	1,801
EBITDA	6,222	7,705	8,595	7,216	7,796
Add/(less): adjustments					
Balance written back	(31)	—	—	—	—
Provision written back	—	—	(136)	(136)	—
Allocable common overheads	209	235	312	230	270
Provision towards litigation and contingencies	49	49	—	—	—
EBITDA Adjusted (A)	6,449	7,989	8,771	7,310	8,066
Interest expenditure ⁽²⁾ (B)	3,889	4,690	4,898	3,624	4,099
Income taxes refund/(paid) (net) (C1)	—	—	(42)	(22)	26
Direct Tax paid (net) (C2)	(20)	(23)	—	—	—
Aggregate of movement in working capital as per cashflow statement (D)	(2,452)	(809)	1,909	456	457
FFO (E) = (A-B+C1+C2+D)	88	2,467	5,740	4,120	4,450

(2) Reconciliation from finance cost to interest expenditure:

	For the fiscal year ended March 31,			For the nine months ended December 31,	
	2021	2022	2023	2022	2023
	(INR in millions)			(INR in millions)	
Finance cost	5,773	5,625	5,897	4,377	5,007
Less: Prepayment premium charges	(909)	—	—	—	—
Less: Interest on CCDs	(409)	(785)	—	—	—
Less: Interest on CCDs/CFCDs	—	—	(797)	(599)	(599)
Less: Interest on OCDs	—	—	—	—	(149)
Less: Interest on unsecured loan	(113)	—	—	—	—
Less: Other borrowing costs	(453)	(150)	(202)	(154)	(160)
Interest expenditure	3,889	4,690	4,898	3,624	4,099

(3) Reconciliation from Long Term Borrowings to Adjusted Borrowings

	As at fiscal year ended March 31,			As at December 31,	
	2021	2022	2023	2022	2023
	(INR in millions)			(INR in millions)	
Long-term borrowings (A)	40,428	44,571	45,261	46,207	43,266
Add: Current maturities of long-term borrowings (B)	558	2,372	3,366	3,290	3,883
Less: Indian rupee term loan from related parties (C)	93	355	893	219	166
Less: 10.50% Non-convertible debentures of INR 10/- each (D) . .	283	—	—	—	—
Less: Non-convertible debentures of INR 10/- each (E)	—	242	242	—	242
Add: Short term borrowings: working capital (secured) from banks (F)	—	2,282	247	748	978
Adjusted borrowings (A+B-C-D-E+F)	40,610	48,628	47,739	50,026	47,719

FFO and Adjusted borrowings disclosed here may not be comparable to other similarly titled measures of other companies because such measures are not uniformly defined. These measures have limitations as analytical tools. See “*EBITDA, Net Revenue, EBITDA Margin, EBITDA as a Percentage of Net Revenue, Capital Expenditure, Adjusted Borrowings and FFO.*”

Highly Experienced Management Team

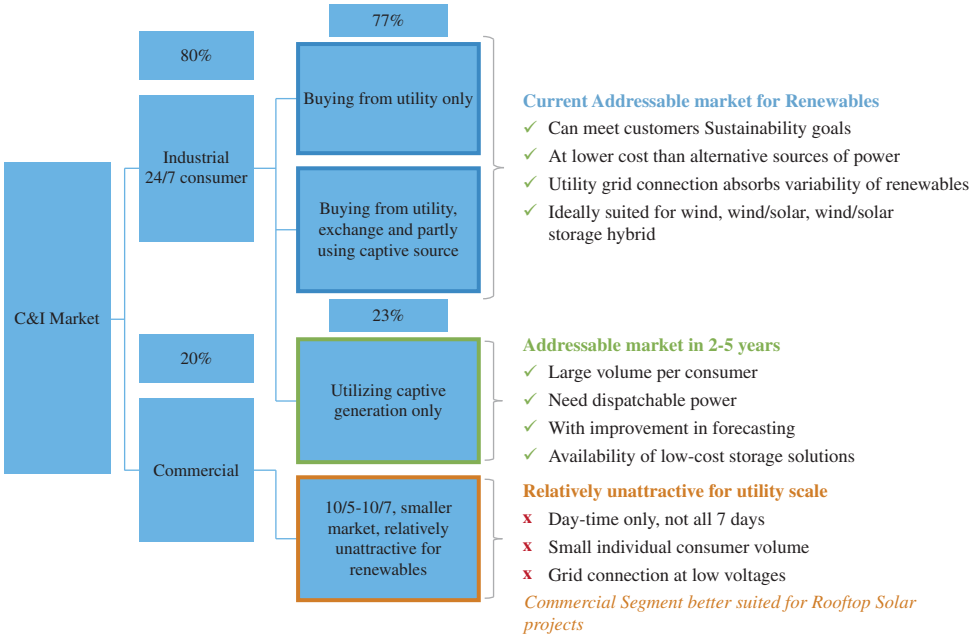
We are led by a management team with extensive experience in the renewable energy sector, in-depth understanding of managing projects and a proven track record of superior performance. The senior management team of Continuum, led by Mr. Arvind Bansal (Chief Executive Officer) and Mr. N.V. Venkataramanan (Chief Operating Officer), possess complementary skills and have extensive experience and knowledge of the electricity sector. We have an experienced Projects Team with expertise in developing and executing large scale projects with the help of a high quality Corporate Finance Team with demonstrated ability to raise finance for large projects. The experience of Continuum’s O&M Team lends significant expertise for the operation and maintenance of our projects. Additionally, our dedicated Regulatory & C&I Sales team have pioneered in building the unique inflation linked C&I business.

Business Strategy**Focus on sale of renewable energy to C&I consumers**

Our current strategy of selling renewable energy under open access centers around selling to industrial consumers. Industrial consumers constitute approximately 80% of the electrical consumption in the C&I segment, which in turn constitutes approximately 50% of total electricity consumption in India. Our industrial consumers usually consume electricity 24x7, unlike commercial consumers who consume during day time on some, and not necessarily all, days of the week. Since wind farms and solar farms are designed to produce energy all days of the year and wind farms produce energy at all times of the day, our target segment is industrial consumers. Those industrial consumers who buy part or all of their energy from the distribution utility have a grid connection to absorb the variability in the production of electricity by renewable sources and hence are a more suitable target market for us than those who produce all the energy they need captively without any connection to distribution utility grid. The latter category of consumers

is usually larger and present an attractive market in the future when the costs of electricity storage solution have reduced and the accuracy in forecasting the production of renewable energy has improved significantly.

We believe that the commercial consumer segment, unless they are 24x7 consumers of electricity, is more suitable for rooftop solar sources of energy.

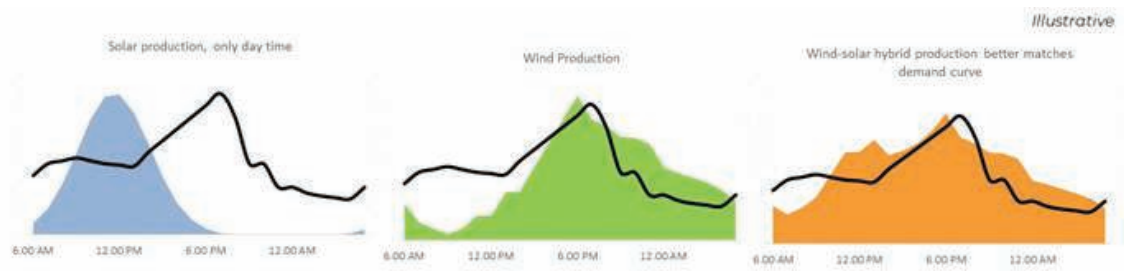


Attractiveness of wind energy and wind-solar hybrid energy

We plan to continue to add solar and solar-storage capacity to our existing wind projects over time and increase the value to our consumers as well as to ourselves. As WSH energy projects produce significantly higher amount of electricity per MW of installed capacity than wind projects and followed by solar projects, we intend to utilize our advantages of being able to convert our wind projects into WSH projects and increase the attractiveness of our wind-solar hybrid projects by adding electricity storage, once the same is economically viable. Any such capacity increase is be expected to be funded through equity injection or subordinated debt.

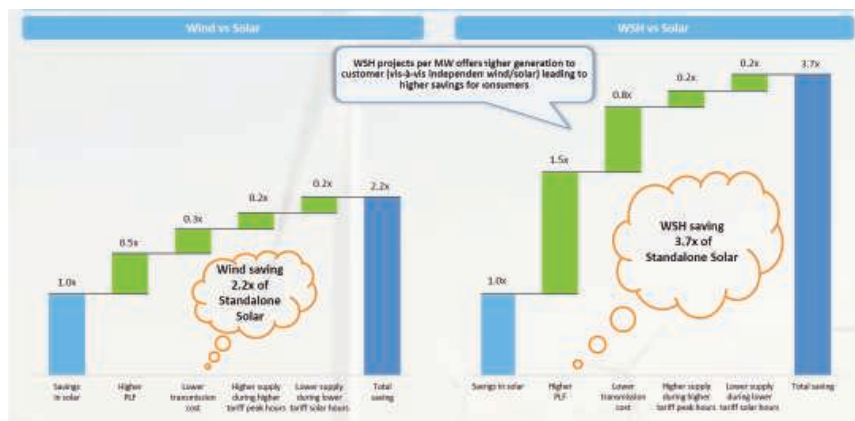
Discoms or inter-state grids are large capacity grids and can absorb large quantities of energy supply. However, a C&I consumer has a defined capacity of electrical connection to the utility grid (in turn a function of the size of its manufacturing facilities) which limits the amount of electricity that a consumer can purchase and consume at a given time. Since we generally price our green energy PPAs at an agreed discount per kWh to the variable cost of purchase of black electricity from the grid, an open access consumer benefits the most by purchasing electricity on open access from a source that provides higher amount of energy per MW (i.e, plant load factor or PLF) of grid connection than other sources. Such higher amount of renewable energy per MW of open access also enables a consumer to achieve their ESG goals (replacement of fossil power by renewable power) faster.

Unlike solar energy generation profile, the average wind energy generation profile matches more closely with the demand curve for electricity in Indian grid. In India, the peak demand for electricity occurs during morning hours (6 am to 10 am) and evening hours (6 pm to 10 pm) when solar projects produce nil to a small percentage of their overall output. Therefore, standalone solar provides lower value electricity to the grid compared to wind. WSH production better matches the demand curve.



Wind project provides 2.2 times more saving to a customer as compared to solar alone. This is largely on account of higher PLF or higher generation per MW of open access, generation available during peak hours and lower transmission cost per kWh. This saving increases to 3.7 times with WSH capacity which has even higher PLF, generation per MW of open access and lower transmission cost per kWh. The below chart illustrates a sample annual savings calculation for an industrial consumer.

Annual savings calculation for industrial consumer (at same delivered energy tariff) with connection to Gujarat Grid



Note:

- (1) Time of Day tariff as per amendment to Electricity (Rights of Consumers) Rules, 2020 dated June 14, 2023.

As a result, by purchasing the same MW of WSH energy on open access, the consumer makes a higher absolute amount of annual savings in its electricity costs compared to purchasing the same MW amount of standalone wind or solar energy on open access. Further, as several open access costs (such as transmission charges, for example) are payable on a per MW of open access basis, the per kWh cost of such open access costs is lower for purchase of WSH energy on open access than for wind energy followed by solar energy. In addition, WSH projects have lower transmission cost which is charged on the higher of the wind or solar AC capacity and lower capital expenditure on account of sharing of common infrastructure.

Our wind projects are designed to be able to add solar and solar-storage hybrid capacity because we own all the wind turbines in our project and have exclusive dedicated interconnection facilities (such as pooling substation and EHV transmission lines). For example, Periyapatti project capacity was increased from 148.0 MW wind to 226.8 MW WSH; similarly Rajkot 1, which is a 101.2 MW project, was expanded by adding 25.2 MW of wind capacity from Rajkot 2A and was further expanded with Rajkot 2B adding 28 MW of wind capacity and Rajkot 3 adding 239.9 MW of WSH capacity. Similarly, in our Bothe project, since we own all of the wind turbines along with dedicated interconnection infrastructure, we have the ability to add solar and solar-storage hybrid capacity, as discussed above, to enhance their attractiveness to the C&I consumers post expiry of MSEDCL PPA period which is expected to be between FY 2027 and FY 2028. We intend to utilize our capability of converting our wind energy projects into WSH energy projects to increase the attractiveness of our wind-solar hybrid projects.

Sustainable and Increasing Commercial and Industrial (C&I) Tariff

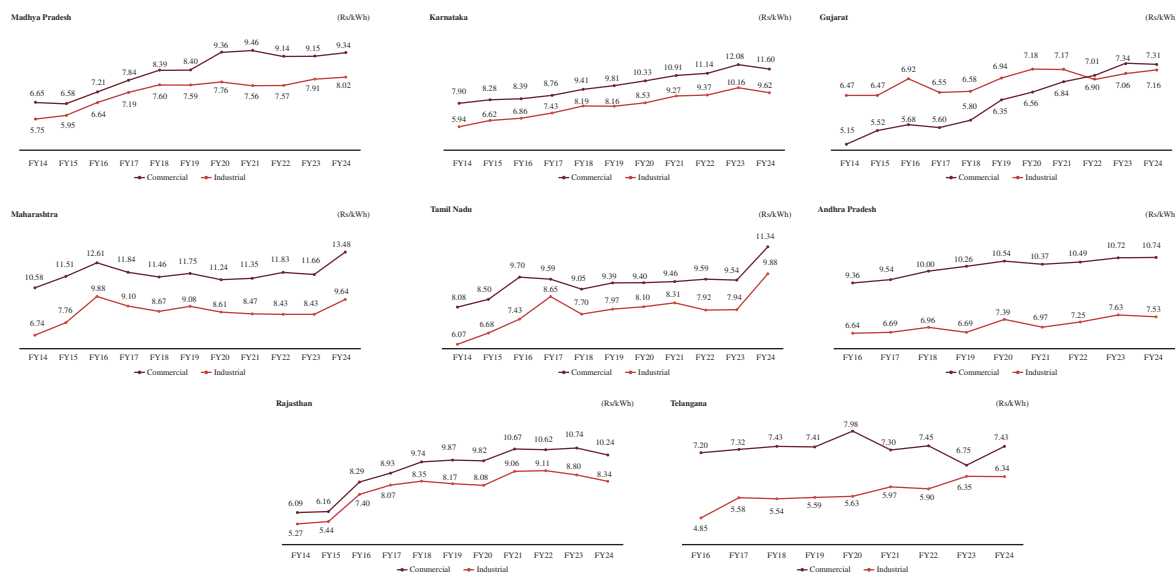
We intend to continue to focus on C&I consumers and take advantage of the increasing commercial and industrial tariff.

C&I consumers accounts for the largest share of the total electricity consumption in India (49.6% in FY 2022). Discom tariffs are expected to increase going forward providing sustained opportunity to service C&I consumers with renewable energy at lower than grid prices, on account of following reasons:

- inflation in the cost of coal which is the fuel for almost three-fourth of total electricity production;
- rising average power purchasing cost of utilities due to increasing cost of environmental compliance for thermal projects and cost of coal;
- higher transmission and distribution costs to provide 24x7 “Power to All”;
- higher per unit transmission and distribution cost on account of thrust for renewables which have lower plant load factors than base load thermal projects;
- higher fixed cost of backed-down thermal power due to increasing renewable penetration with must-run status;
- grid balancing and storage costs due to increasing share of renewable energy;
- several utilities making losses at current tariffs and new regulatory requirements for regulators to set cost compensatory tariffs without recovery gap;
- agriculture and residences continue to be cross-subsidized by higher commercial and industrial tariffs; and
- limited or no ability of distribution utilities to pass the increasing cost through tariff to agriculture and residential consumers leaving such costs to be almost entirely absorbed by commercial and industrial consumers who account for half of total consumption.

The factors cited above and the imperative to be financially viable will necessitate that the discoms rationalize their tariffs to meet costs. It is politically unpalatable to increase agricultural tariff (very low or nil) and residential tariffs and political parties regularly promise lower tariffs/free electricity. For example, in 2022 and 2023, residential consumers consuming less than 300 kWh/month were assured free electricity in states of Punjab, Delhi and Karnataka. As a result, tariffs charged C&I consumers are increased to offset the increase in costs of supply. Agricultural and residential consumers account for approximately 28% to 67% of consumption of electricity supplied by utilities:

The chart below sets out historical trend of increase in industrial tariff in various states.



Source: CRISIL

Note: The tariffs from FY20 to FY22 can not be validated due to absence of data

Further, we have witnessed increase in tariff from 1.5% to 15.0% in all key state where we are present and sell power to C&I consumers from December 2022 to December 2023.

Variable Tariff charged by Discoms to Industries	Gujarat	Tamil Nadu	Madhya Pradesh ⁽¹⁾	Maharashtra
As at December 31, 2022, INR/kWh	8.01	7.57	7.12	6.99
As at December 31, 2023, INR/kWh	8.84	7.74	7.23	8.22
% increase	10.4%	2.2%	1.5%	15.0%

Notes:

(1) We have considered rate for 132 kV.

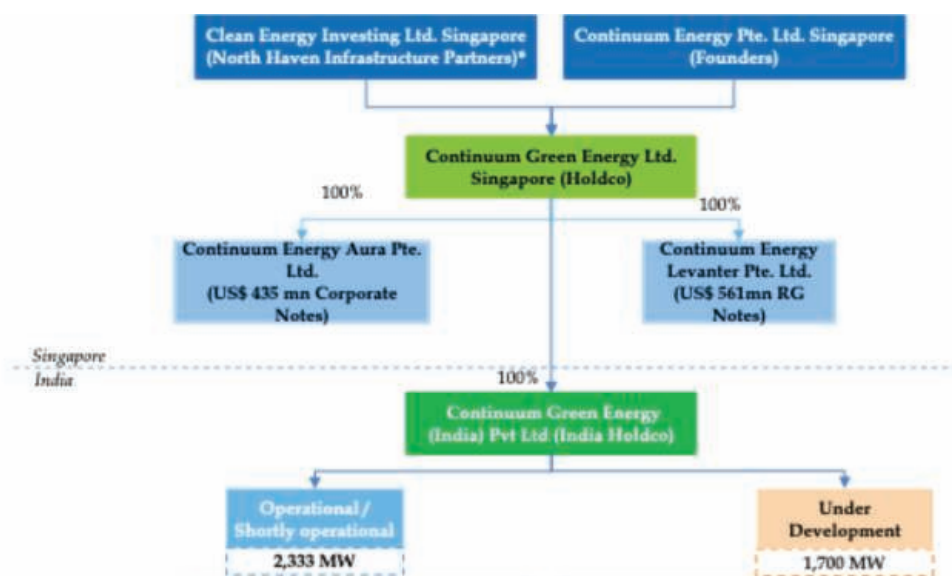
We believe that the tariffs for industrial consumers will increase at a faster pace than historical trends. In 2022, 23 out of 28 states signed up under the Discom Reforms 3.0 program and tariff increases undertaken by certain states in recent periods are as outlined below:

- March 2022: Telangana discom has announced 9-33% increase in tariff for industrial consumers.
- July 2022: Kerala discom has announced 6-10% increase in tariff for industrial consumers.
- September 2022: Tamil Nadu regulatory commission has made a one-time increase of 6% and further set increase in tariffs for industrial consumers at lower of 6% p.a. or consumer price inflation (CPI) index for the next 5 years.
- January 2023: Gujarat FAC charges increased from INR 2.60 per kWh to INR 2.85 per kWh.
- April 2023: Maharashtra regulator approved 18% hike in C&I tariff for FY 2024.
- June 2023: MP power management company decided to effect a 6.16% hike in tariff from June 24.

- July 2023: Tamil Nadu approved 2.18% tariff escalation for FY 2023-24 for both energy charges and fixed charges.
- July 2023: Gujarat FAC charges increased from INR 2.85 per kWh to INR 3.10 per kWh.
- October 2023: Gujarat FAC charges increased from INR 3.10 per kWh to INR 3.35 per kWh.

The Continuum Group

The Continuum Group is an independent power producer in India, led by a strong and focused management team with experience in identifying, developing and operating renewable energy projects in India. The Continuum Group is one of the largest suppliers of renewable energy to Commercial & Industrial (“C&I”) consumers in India with contracts with over 190 diversified, high credit quality industrial consumers for supply of green energy at a discount to the tariff that they would otherwise pay to distribution utilities for black energy. The Continuum Group was amongst the first developers to build large scale single location single owner wind and wind-solar hybrid (“WSH”) power projects. The Continuum Group has employed a “self-development” approach which has resulted in improved control over the project in terms of project design, project timelines and technology selection. The Continuum Group has developed strong in-house expertise for various aspects of developing and operating a renewable project, which is leveraged to achieve optimization at various stages of project life cycle. The Continuum Group largely self-develops, builds, owns, operates and maintains a portfolio of wind and WSH power projects that are large in size and can be complemented in the future with storage solutions to provide dispatchable electricity supply. The Continuum Group’s new development projects are all planned as WSH projects. As of December 31, 2023, the Continuum Group’s portfolio included an operational capacity and shortly operational capacity of 2.3 GW, comprising 678.7 MW wind capacity and 1,654.3 MW wind-solar co-located/hybrid generation capacity. In addition, the Continuum Group has multiple projects and expansion plans identified for near term construction, several of which are brownfield expansions of existing capacity catering to C&I consumers. The chart below shows the existing structure of the Continuum Group.



Our Parent, Continuum Green Energy Limited, Singapore, was founded by Continuum Energy Pte Ltd, Singapore in 2012 and is focused on establishing a large independent renewable energy producer business in India. In 2012, our majority shareholder CEIL, a fund entity of North Haven Infrastructure Partners managed by Morgan Stanley Infrastructure Partners, made a commitment to invest up to U.S.\$200 million of equity in our Parent, which was largely invested by early 2018. Our Parent meets its capital requirements primarily through investments from its shareholders and through the issuance of debt financing instruments. Our Parent’s subsidiaries meet their capital requirements through investments from our Parent, debt financing and operating surpluses. Our Parent’s Indian subsidiaries have current and past

borrowing relationships with State Bank of India (“SBI”), Power Finance Corporation (“PFC”), International Finance Corporation (“IFC”), Indian Renewable Energy Development Agency Limited (“IREDA”), India Infrastructure Finance Company Limited (“IIFCL”), India Infradebt Limited, L&T Finance Limited, PTC India Financial Services Limited, Central Bank of India, ICICI Bank Limited, IndusInd Bank Limited, HDFC Bank Limited, Olympus Capital Asia, Canada Pension Plan Investment Board (“CPPIB”), Ontario Municipal Employees’ Retirement System (“OMERS”), Pierfront Capital (“Pierfront”), Government of Singapore Investment Corporation (“GIC”), Ares SSG (“Ares SSG”) among others.

The offtake mix for the Continuum Group’s operational and shortly operational portfolio with a capacity of 2.3 GW exhibits a diversified dispersion among various stakeholders. A significant part of the mix, approximately 71.2%, is dedicated to servicing the C&I sector, reflecting the Continuum Group’s commitment to supporting businesses in their operations and sustainability goals. In addition, the energy supply is divided among various other off-takers such as MSEDCL (8.7%), MPPMCL (7.4%), SECI (6.5%), power exchange (5.5%) and Gujarat Urja Vikas Nigam Limited (0.7%).

Details of the Continuum Group’s projects are as follows:

	Status	Location	Capacity (MW)	Actual or expected commissioning date (FY)
Restricted Group 2				
Bothe ⁽¹⁾	Operational	Maharashtra	199.7 ⁽²⁾	2015
Ratlam 1 ⁽¹⁾	Operational	Madhya Pradesh	170.0	2016
Periyapatti ⁽¹⁾	Operational	Tamil Nadu	226.8	2018-2021
Rajkot ⁽¹⁾	Operational	Gujarat	394.3	2020-2024
Others				
Surajbari 1	Operational	Gujarat	16.5	2008
Surajbari 2	Operational	Gujarat	18.0	2013
Dayapar	Operational	Gujarat	126.0	2021-2024
Morjar 1	Operational	Gujarat	148.5	2023-2024
Ratlam 2	Shortly Operational	Madhya Pradesh	250.0	Q1 FY25
Dalavaipuram	Shortly Operational	Tamil Nadu	272.4	Q1 FY25
Bhavnagar	Shortly Operational	Gujarat	300.8	Q1 FY25
Kalvad 1	Shortly Operational	Gujarat	170.0	Q1 FY25
Total			2,293.0	

Notes:

(1) Bothe, Ratlam 1, Periyapatti and Rajkot projects comprise the Restricted Group 2 projects. Other projects are not planned to be included in the Restricted Group 2.

(2) PPAs are pending for 6.3 MW capacity.

Except for the Surajbari and the Dayapar projects, our Parent owns the entirety of our windfarm/solar park (however, Surajbari and Dayapar being the only exceptions wherein our Parent owns some of the turbines in the wind farm and not the entire windfarm; our Parent shares the windfarm with other developers. Surajbari was our Parent’s first project which it acquired from Vestas and in case of Dayapar, our Parent’s contract with OEM supplier included locations which were part of a larger windfarm) and have exclusive grid connections to evacuate power from them, which gives our Parent the flexibility to choose the wind turbine technology, partner with multiple suppliers and O&M contractors, manage our regulatory risks and maintain the flexibility to deploy the latest technology (including solar hybrid and electricity storage

solutions) at our Parent’s projects. The projects are developed on privately owned or leased land. Our Parent also exercises control over designing, planning, developing, constructing and operating its windfarm/solar park.

Our Parent’s operations are supported by our majority shareholder CEIL, a fund entity of North Haven Infrastructure Partners managed by Morgan Stanley Infrastructure Partners. CEIL has actively advised and assisted Continuum and its management team in developing a comprehensive business plan for Continuum, in order to take advantage of various opportunities including identifying potential improvements in the areas of personnel, facilities, technology and contracts, and simultaneously setting a timeline for asset growth, operational and performance milestones. We have a practice of frequent reporting and information dissemination to CEIL with Continuum meeting corporate governance standards of Morgan Stanley Infrastructure Partners. CEIL has invested a total of US\$198.0 million in our Parent’s operations as of December 31, 2023. On May 11, 2024, our Parent and its shareholders, CEPL and CEIL had entered into a share purchase and subscription agreement (the “**SPSA**”), pursuant to which, through a combination of concurrent actions: (a) acquisition of convertible preferred shares of our Parent from CEIL, (b) subscription of new shares by CEPL in our Parent and (c) conversion of the convertible preferred shares owned by CEIL and CEPL into ordinary shares of our Parent at the applicable conversion price derived pursuant to existing agreements between CEIL, CEPL and our Parent, CEPL and CEIL will, at closing of such transactions, hold 74% and 26% of the Parent’s ordinary share capital, respectively (the “**Transaction**”). The completion of the Transaction is subject to the satisfaction of various conditions precedent outlined in the SPSA. There can be no certainty or assurance as at the date of this Offering Memorandum that the Transaction will be completed. See “*Risk Factors — Risks Relating to Our Business — The interests of the Parent’s shareholders may conflict with your interests and the Parent’s shareholders could change*” and “*Risk Factors — Risks Relating to Our Business — The Parent’s major shareholders may sell a substantial portion or all the shares they own in the Parent.*”

Continuum Group’s Commitment to Environmental, Social and Governance (“ESG”) Standards

The Continuum Group has demonstrated a robust commitment to ESG standards. Its performance is underpinned by several benchmarks and targets:

- **Environmental Responsibility:** Since its inception until December 2023, the Continuum Group has successfully avoided approximately 11.8 million tons of CO₂ emissions across all its projects. The targets set by the Continuum Group include achieving Net Zero for scope 1 and scope 2 emissions by 2027, achieving Water Neutrality and Zero Landfill by 2025.
- **Community Engagement:** Embedded within the local communities, the Continuum Group has upgraded village infrastructure, conducted farmers’ welfare, and training programmes. The Continuum Group also focuses on health awareness training for village women. The Continuum Group actively focuses on the preservation of biodiversity with approximately 7,500 planted by the Continuum Group providing carbon sequestration.
- **Health and Safety:** The Continuum Group prioritises the safety of its workers, achieving about 16.5 million cumulative safe working man-hours from April 2016 until December 2023. The EHS process is consistently embedded in the workforce and reinforced through regular assessments and safety training.
- **Strong Governance and Certifications:** The Continuum Group’s corporate governance is strengthened by two committees – Apex Committee and ESG Steering Committee, further bolstering the ESG governance. We have been audited by a big four audit firm across all companies in the Continuum Group since 2013. In addition, all of the Continuum Group’s operational and under construction sites are ISO-certified (ISO 9001-2015 for Quality, ISO 14001-2015 for Environment, and ISO 45001-2018 for Safety).

This rigorous adherence to ESG standards reflects Continuum Group’s commitment to socially and environmentally responsible practices that ensure long-term sustainable growth for stakeholders.

Our Restricted Group 2 Projects

Details of our projects are as follows:

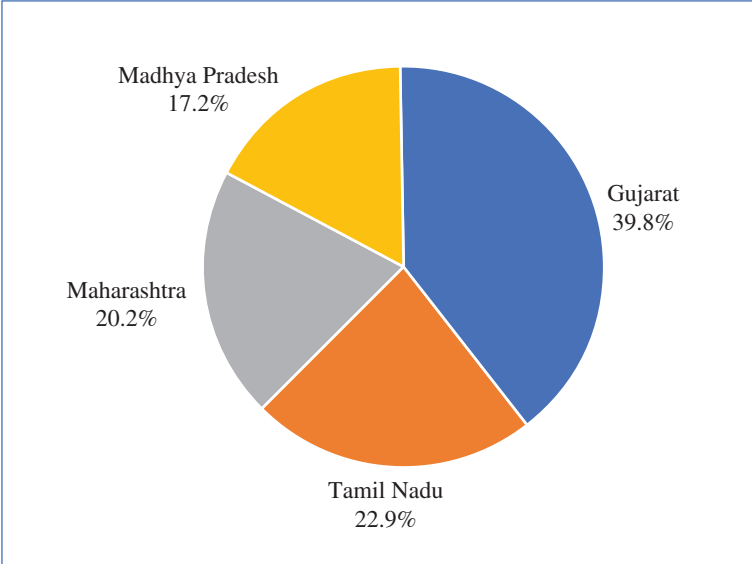
	Status	Location	Total Capacity (MW)	Commissioning date (FY)
Bothe	Operational	Maharashtra	199.7 (Wind) ⁽¹⁾	2015
Ratlam 1.	Operational	Madhya Pradesh	170.0 (Wind)	2016
Periyapatti	Operational	Tamil Nadu	148.0 (Wind) 78.8 (Solar) ⁽²⁾	2018-2021
Rajkot	Operational	Gujarat	254.3 (Wind) ⁽³⁾ 140.0 (Solar)	2020-2024
Total			990.8	

Notes:

- (1) PPAs are pending for 6.3 MW capacity.
- (2) Periyapatti wind 148 MW was commissioned in FY 2018-FY 2019 and Periyapatti Solar 78.8 MW was commissioned in FY 2021.
- (3) Rajkot site include Rajkot I (101.2 MW), Rajkot IIA (25.2 MW), Rajkot IIB (28.0 MW) and Rajkot (239.9 MW) with last 86.2 MW of the Rajkot 3 was commissioned in phases between Q4 FY 2023 and Q1 FY2024.

Our wind farm projects and WSH/wind-solar co-located hybrid projects are located in Maharashtra, Madhya Pradesh, Tamil Nadu and Gujarat which account for 20.2%, 17.2%, 22.8% and 39.8% of the project capacity respectively.

Presence across wind-rich states mitigates resource risk (by capacity)



Unlike companies that purchase wind turbines on a turnkey basis from wind turbine manufacturers where they own a portion of the turbines in a wind farm, our project companies own the entirety of our wind farms and have exclusive grid connections to evacuate power from them, which gives us the flexibility to choose the wind turbine technology, partner with multiple suppliers and O&M contractors, manage our regulatory risks and maintain the flexibility to deploy the latest technology (including solar hybrid and electricity storage solutions) at our wind farms. As a result, we believe that we demonstrate superior operating performance in comparison to our competitors. We have exercised, and intend to continue to exercise, control over designing, sizing, engineering, developing, constructing and operating our wind farms.

OEMs prefer to supply equipment to sites where the development is largely completed and compete aggressively for such projects. We seek quotations from the OEMs only when it reaches such a state and, hence, are able to obtain attractive commercial terms for capital expenditure.

The following table sets forth certain financial information for the years/periods indicated:

	For the fiscal year ended March 31,				For the nine months ended December 31,		
	2021	2022	2023	2023	2022	2023	2023
	(INR in millions)			(US\$ in millions) ⁽¹⁾	(INR in millions)		(US\$ in millions) ⁽¹⁾
Total income	8,275	10,156	11,510	138.5	9,339	10,854	130.6
EBITDA	6,222	7,705	8,595	103.4	7,216	7,796	93.8
Profit/(Loss) after tax . .	(1,138)	(72)	(213)	(2.6)	526	313	3.8

Note:

(1) Translations of Indian rupee amounts to U.S. dollars are provided solely for the convenience of the reader. translations for December 31, 2023 numbers were made at the exchange rate of 1 USD = 83.1164 INR as on December 29, 2023 published by Financial Benchmarks India Private Limited.

Our portfolio consists of wind energy projects located in the states of Maharashtra and Madhya Pradesh and wind-solar co-located hybrid projects located in the states of Tamil Nadu and Gujarat. We have a total installed capacity of 990.8 MW comprising of 369.7 MW of wind energy project and 621.1 MW of wind-solar co-located hybrid energy project. The following table sets forth a summary description of our projects as of December 31, 2023:

State	India subsidiary	Project	Installed Capacity	Commercial Operation Date	Off-take Arrangements		
					Off-taker	PPA Tenor	Tariff
							(Rs/kWh/unit)
Maharashtra . .	Bothe Windfarm Development Private Limited	Bothe	199.7 MW	December, 2014	MSEDCL	13 years	101 MW — INR 5.81 92.4 MW — INR 5.70
Madhya Pradesh . . .	DJ Energy Private Limited and Uttar Urja Projects Private Limited	Ratlam 1	170.0 MW	December, 2015	MPPMCL	25 years	170 MW — INR 5.92

State	India subsidiary	Project	Installed Capacity	Commercial Operation Date	Off-take Arrangements		
					Off-taker	PPA Tenor	Tariff (Rs/kWh/unit)
Tamil Nadu . . .	Watsun Infrabuild Private Limited	Periyapatti	148.0 MW (Wind) 78.8 MWp (Solar)	December 2017 for 54 MW and December 2018 for 94 MW Wind June 2020 for 78.8 MWp Solar	C&I Consumers	Generally 5-20 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Gujarat	Trinethra Wind and Hydro Power Private Limited Renewables Trinethra Private Limited Kutch Windfarm Development Private Limited Continuum Trinethra Renewables Private Limited	Rajkot	254.3 MW (Wind) 140.0 MWp (Solar)	December 2019 for 101.2 MW Wind, June 2020 for 25.2 MW Wind, March 2022 for 28 MW Wind, June 2023 for 99.9 MW Wind and 140.0 MWp Solar June 2023	C&I Consumers	Generally 5-25 years	Varying tariffs set lower than the industrial tariff charged to the Consumers by the distribution utilities
Total			990.8 MW				

Our projects enjoy some benefits under the state and central policies. Some of these policy benefits act as barrier to entry to new competition and gives us permanent advantage over our peers. Additionally, the lack of high wind speed sites, expensive land, higher equipment costs due to commodity inflation, higher construction and right of way costs are likely to make newer projects less competitive. Please see the table below for a summary of such policy benefits.

	Tamil Nadu (Periyapatti project)	Gujarat (Rajkot project)	Maharashtra (Bothe project)
Competitive position and exit barriers for customers	<ul style="list-style-type: none"> • One of the largest co-located Wind – Solar hybrid project in the state • One of the highest PLF among all renewable projects in the state • One of the few projects connected to 220 kV grid – lowest grid charges • No fiscal year electricity banking facility available to wind projects commissioned after March 2020 (Available for 148 MW project in Periyapatti) • Open access approval has been taken for a period of 20 years by the project company • Older projects in the state not connected to high voltage grids also have to pay an additional wheeling charge of INR 0.96 (FY2023) plus additional losses of up to 1.95%. So, consumers connected to high voltage grids prefer our project 	<ul style="list-style-type: none"> • Sustained advantage of approximately INR 2.00 per kWh or more on electricity generated for 25 years: <ul style="list-style-type: none"> o 50% waiver of cross subsidy surcharge and additional surcharge o Banking charge not greater than 2% • High PLF compared to most other open access renewable projects in the state • Project connected to 220 kV grid – no distribution/wheeling charges/losses • Ability to add storage 	<ul style="list-style-type: none"> • High PLF compared to most other open access renewable projects in the state • One of the few open access projects connected to dedicated 220 kV grid — ability to add solar/storage hybrid • High project design optimization ability due to existing high-capacity grid connection

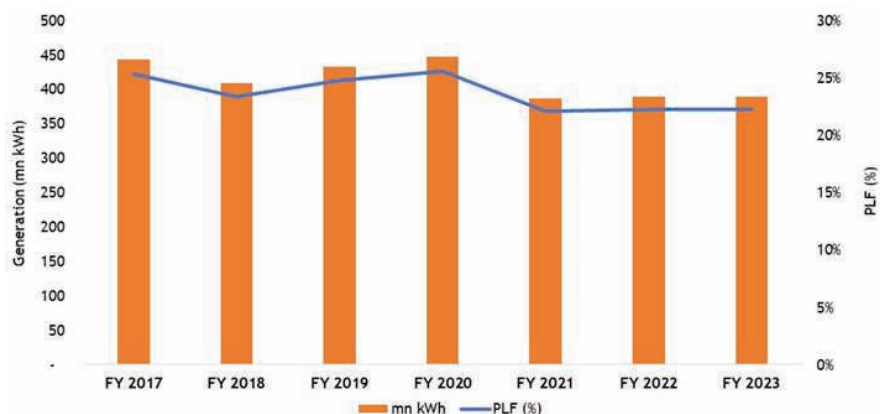
	Tamil Nadu (Periyapatti project)	Gujarat (Rajkot project)	Maharashtra (Bothe project)
Entry barriers for competition	<ul style="list-style-type: none"> • New projects commissioned after March 2020 are not eligible for fiscal year banking facility • Most other existing open access wind/ solar projects unable to hybridise • Expensive land and right of way to build new capacity 	<ul style="list-style-type: none"> • Above policy benefits only accrue to renewable energy projects which are commissioned by June 18, 2023. Fewer policy benefits for later projects • Banking charge for new wind and wind solar hybrid projects has been set at INR 1.50/kWh up to September 2024 and to be determined monthly or quarterly as per the details and information of the previous month or quarter, against banking charge of 2% (for monthly banking facility) in kind on total generated units applicable for wind projects commissioned before March 2023 and nil charge for WSH projects commissioned before June 2023 • Cross subsidy waiver for new WSH project is at 25% (if the renewable energy generator and consumer does not claim renewable attribute and allow distribution licensee to avail the same for renewable purchase obligations), compared to 50% for WSH projects commissioned before June 18, 2023 (without requirement to give up renewable attribute benefits to discom) 	<ul style="list-style-type: none"> • Remaining windy sites require larger turbines to achieve high PLF • Expensive land and right of way to build new capacity • Other existing open access projects unable to hybridise

	Tamil Nadu (Periyapatti project)	Gujarat (Rajkot project)	Maharashtra (Bothe project)
Policy Outlook	<ul style="list-style-type: none"> 100% cross subsidy surcharge and additional surcharge waiver for group captive projects as per Electricity Act — settled by recent Supreme Court Judgment of October 9, 2023 Policy advocacy support from industry as approximately 4,000 MW is captive/ group captive model Cross subsidy surcharge at 20% of average cost of supply (“ACoS”), which can increase only with increase in industrial tariff charged by discom 	<ul style="list-style-type: none"> 50% waiver in cross subsidy surcharge and low banking charge of 2% for 25 years No additional surcharge as per Electricity Amendment Rules dated January 10, 2024 to the extent of contract demand being maintained with the distribution licensee No other concession in wheeling or transmission charge Cross subsidy surcharge at 20% of ACoS, which can increase only with increase in industrial tariff charged by discom 	<ul style="list-style-type: none"> 100% cross subsidy surcharge and additional surcharge waiver for group captive projects as per Electricity Act No other concessions/ incentives in state policies Cross subsidy surcharge at 20% of ACoS which can increase only with increase in industrial tariff charged by discom

Bothe

Bothe wind farm is a wind energy project located in the Satara district of Maharashtra. As of December 31, 2023, Bothe wind farm had an operating capacity of 199.7 MW. The project is owned and operated by Bothe Windfarm Development Private Limited, which is a wholly owned subsidiary of CGE IPL and was commissioned in December 2014. The project was developed on land purchased or leased from private owners.

The generation history of the project on an annual basis since FY 2017 is as follows:



The Bothe project was selected after analyzing eight years of wind data from 11 wind masts having a height of 78 to 100 meters, and its equipment suppliers include Vestas and Suzlon. When built, the project was one of India’s largest single site wind farms developed by an independent power provider. It has two turbine makes connected to the same pooling station. In 2016, the Bothe project carried out aerodynamic upgrades by installing vortex generators and gurney flaps on its existing Vestas V100 wind turbine generators. For more details on our supplier arrangements, see “*Our Business — Suppliers.*”

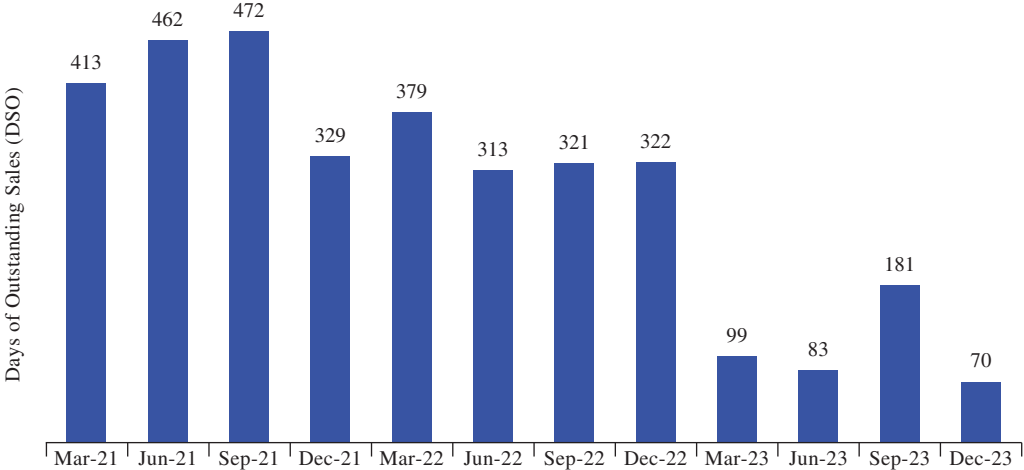
Bothe Windfarm Development Private Limited entered into energy purchase agreements with MSEDCL for a period of 13 years each from the date of commissioning of the project, for the sale and purchase of power generated by the project. We receive a tariff of INR 5.81 per kWh for 101.0 MW and INR 5.70 per kWh for 92.4 MW of electricity generated at the Bothe wind farm, fixed for the entire duration of the PPAs. Additionally, the project has also benefited from the GBI scheme promoted by the GoI. Under this scheme we receive INR 0.50 per unit from IREDA up to a total cap of INR 10 million per MW for a minimum period of four years, subject to a maximum time period of 10 years.

The table below sets forth certain details of our energy purchase agreements:

Capacity (MW)	Average start date	Tenure	FY 2023 tariff (per kWh)
Bothe wind farm — EPAs with MSEDCL			
101.0	FY 2014	13 years — until FY 2027	INR5.81
92.4	FY 2015	13 years — until FY 2028	INR5.70

We have entered into energy purchase agreements with MSEDCL for 193.4 MW of our capacity at the Bothe project and receive contracted tariffs under these agreements. For the balance 6.3 MW wind capacity (comprising three wind turbines of 2.1 MW capacity each) at the Bothe plant, we have not executed the energy purchase agreements with MSEDCL. MSEDCL has contested its obligation of entering into the PPAs for this capacity and in January 2020 we filed a petition with the Maharashtra Electricity Regulatory Commission (“**MERC**”) seeking directions to MSEDCL for, inter alia, entering into PPAs for this capacity and making payments for this capacity since the date of commissioning of this capacity. While the MERC upheld the view of MSEDCL, it ordered MSEDCL to pay for the electricity generated from this capacity and utilized by MSEDCL until March 31, 2017 at a price equal to the average power purchase cost (“**APPC**”) plus floor price of non-solar renewable energy certificates of MSEDCL and allowed MSEDCL determine whether it would execute PPAs on prospective basis at the tariff discovered in the most recent competitive bid. The APPC as well as the tariff discovered in the most recent competitive bid are significantly lower than the INR 5.70/kWh that we expected for the EPA. We appealed against the order and APTEL has granted a favorable order and directed MSEDCL to, among others, immediately sign the PPA with respect to the remaining 6.3 MW and pay tariff at APPC for the power supplied from the date of commissioning till application date for MEDA registration. In November 2022, MSEDCL has been granted an interim stay by the Supreme Court against the APTEL judgment. However, the Supreme Court has directed MSEDCL to, among others, pay for the electricity supplied to MSEDCL at the rate of INR 3.5/kWh and to deposit the differential amount with the Supreme Court on a bi-monthly basis. The matter is listed for final hearing/disposal in September 2024. For details of the litigation pertaining to signing of PPAs for 6.3 MW capacity, see “— *Governmental, Legal and Arbitration Proceedings*”

Days of sales outstanding (“DSOs”) with MSEDCL has been ranging between 83 to 150 days from FY 2019 to FY 2020; however, during COVID-19, the DSOs from MSEDCL extended to 472 days and subsequently dropped to 99 days as of March 31, 2023. DSOs increased to 181 days as of September 30, 2023 as a result of increase in receivables during high wind season and subsequently decreased to 70 days as of December 31, 2023. As a result of the implementation of the LPS Rules, the receivables situation from MSEDCL has significantly improved.



All invoices raised till generation month of December 2023 have been paid till date. The current receivable cycle (up to March 2024) for MSEDCL stands at four months from the invoicing date (i.e. two months from the due date). Payments from MSEDCL are being collected at frequent intervals within 3-4 months of invoicing date along with LPS at frequent intervals. As of the date of this Offering Memorandum, LPS has been paid for invoices submitted till October 2023.

Our O&M arrangements at the Bothe project include in-house expertise for balance of plant and long-term O&M contracts for WTGs for a period of 10 to 12 years with Vestas and Suzlon with renewal clause post expiry. We have entered into O&M agreements for services as well as parts and consumables for wind turbine generators with Vestas and Suzlon. We use our in-house resources as well as engage third party contractors for the remaining of plant maintenance including that of the electrical collection systems, roads and pooling substation and for providing safety and housekeeping services at our project sites. For more details on our O&M arrangements, see “*Our Business — O&M.*”

Under the terms of the connection agreement with Maharashtra State Electricity Transmission Company Limited (“MSETCL”) and Vestas Wind Technology (India) Private Limited, we have developed and continue to operate and maintain the evacuation infrastructure at our wind farm. Our evacuation infrastructure includes a dedicated 220/33 kV substation near the Kulakjai village and the sub-station is connected to the MSETCL’s 400 kV substation located at Lonand through a dedicated double circuit, 200 kV and 43-kilometer transmission line.

The Bothe project debt was initially financed by a consortium of lenders led by State Bank of India and refinanced by Power Finance Corporation and L&T Finance in 2017 and later refinanced by proceeds of the 2027 Notes. As at December 31, 2023, the loan outstanding against this facility was INR 8,262 million. We meet our working capital requirements through working capital loans from IndusInd Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

Ratlam 1

Ratlam 1 wind farm is a 170.0 MW greenfield wind power project located in the Ratlam and Mandsaur districts of Madhya Pradesh. As of December 31, 2023, Ratlam 1 wind farm had an operating capacity of 170.0 MW. The project is owned and operated by DJ Energy Private Limited (94 MW) and Uttar Urja Projects Private Limited (76 MW), which are wholly owned subsidiaries of CGE IPL and the project was commissioned in December 2015. The project was developed largely on government owned land for which right to use has been granted by Government of Madhya Pradesh and some parcels of land purchased from private owners.

The generation history of the project on annual basis since FY 2017 is as follows:



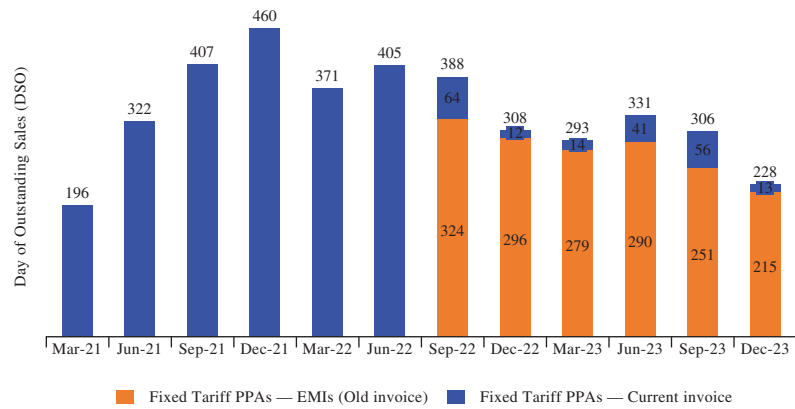
Ratlam 1 project was selected after analyzing approximately four years of wind data from five onsite wind masts having a height of 20 to 85 meters, and its equipment supplier is Inox Wind. Ratlam 1 has installed 85 Inox DF2000 wind turbines with a 100-meter rotor diameter and having a hub-height of 92 meter with LVRT capabilities. In FY 2019 and 2020, we have installed Booster Upgrades on the turbines including overpower integrator and yaw calibration — a self-optimizing solution correcting any yaw miss alignment. For more details on our supplier arrangements, see “Our Business — Suppliers.”

We have entered into two PPAs with MPPMCL for a period of 25 years from the date of commissioning of the project, for the sale and purchase of power generated by the project at an average tariff of INR 5.92 per unit. Additionally, the project has also benefitted from the GBI scheme promoted by IREDA. Under this scheme we receive INR 0.50 per kWh from IREDA up to a total cap of INR 10 million per MW for a minimum period of four years up to a maximum period of 10 years. Details of the PPAs are as follows:

Capacity (MW)	Average start date	Tenure	FY 2023 tariff
94.0 MW	FY 2016	25 years — until FY 2041	INR 5.92 per kWh
76.0 MW	FY 2016	25 years — until FY 2041	INR 5.92 per kWh

For more details on the PPAs with MPPMCL, see “Our Business — PPA.”

DSOs from MPPMCL has been ranging between 19 to 144 days from FY 2019 to FY 2020; During COVID-19, DSOs from MPPMCL had extended to 461 days and subsequently dropped to 293 days (15 days excluding EMI invoices DSO of 279 days) as of March 31, 2023. As a result of various measures including GoI’s liquidity package of INR 1.2 million and the implementation of the LPS Rules, receivables situation from MPPMCL has significantly improved. DSOs from MPPMCL further lowered to 228 days as of December 31, 2023.



MPPMCL has opted for EMI scheme as per LPS Rules and has converted receivable obligations from the generation month of May 2021 till March 2022 into 40 equal monthly installments to be paid from August 2022. Payments have been received on time for the months from August 2022 for the said installments. Till December 31, 2023, we have already collected 17 installments. As of December 31, 2023, 215 days of DSOs out of 228 days were represented by the receivables to be collected by way of 23 remaining monthly installments and 13 days of DSOs were represented by the current invoices. Currently, receivables from MPPMCL stands at just one month from the invoice submission date.

Our O&M arrangements at the Ratlam 1 project include in-house expertise, long-term contracts for a period of 12 years with Inox Wind for WTGs and other third-party contractors. For more details on our O&M arrangements, see “*Our Business — O&M.*”

Under the terms of the connection agreement with Madhya Pradesh Power Transmission Company Limited (“MPPTCL”), we have developed and continue to operate and maintain the evacuation infrastructure at our wind farm. Our evacuation infrastructure includes a dedicated double-circuit 220 kV 20-kilometer line from our dedicated 220/33 kV pooling substation at Bathkheda village to the MPPTCL’s 400 kV substation at Dalaoda, Madhya Pradesh, 33 kV transmission lines from individual turbines located in nearby villages to our pooling substation, access roads to the individual turbines and other related facilities.

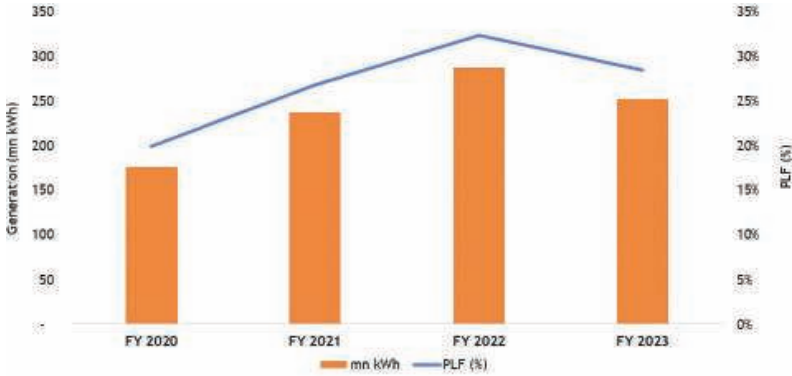
DJ Energy Private Limited and Uttar Urja Projects Private Limited entered into a common facilities agreement to jointly develop, operate and maintain the common facilities, including the 220 kV pooling substation, 220 kV and 33 kV transmission lines and SCADA infrastructure to facilitate power evacuation from the Ratlam 1 substation to the MPPTCL substation. The agreement will be valid until the conclusion of the operating life of the project. As part of their obligations under the agreement, both parties have agreed to develop, operate and maintain the common facilities; procure the required government approvals and permissions, as maybe required during the term of this agreement; engage the services of all necessary, skilled and experienced supervisors, engineers, designers and other personnel in setting up the common facilities and in performing its obligations under the agreement; comply with applicable laws and take steps to cause minimum damage to the environment and local communities; deploy its employees at the project site from time to time to maintain the common facilities; ensure that the common facilities are kept in good condition and free from any defect during the term of the agreement; and have marketable title and absolute ownership over the common facilities during the term of the agreement, except for any encumbrance created in favor of lenders. The agreement may be terminated by mutual agreement between the parties; or by a party if effective resolutions are passed or petitions are filed for winding up, bankruptcy or dissolution against the other party. In case of the latter, the terminating party has a right of first refusal over the other party’s assets forming part of the common facilities and is entitled to purchase all or part of such assets at the prevailing market price at the time of termination.

The Ratlam 1 project debt was initially financed by International Finance Corporation, Yes Bank Ltd and IIFCL. It was later refinanced by International Finance Corporation, Indian Infrastructure Finance Company Limited, L&T Finance, IREDA and India Infradebt Limited and subsequently refinanced by proceeds of the 2027 Notes. As at December 31, 2023, loan outstanding against this facility was INR 11,239 million. We meet our working capital requirements through working capital loans from IndusInd Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

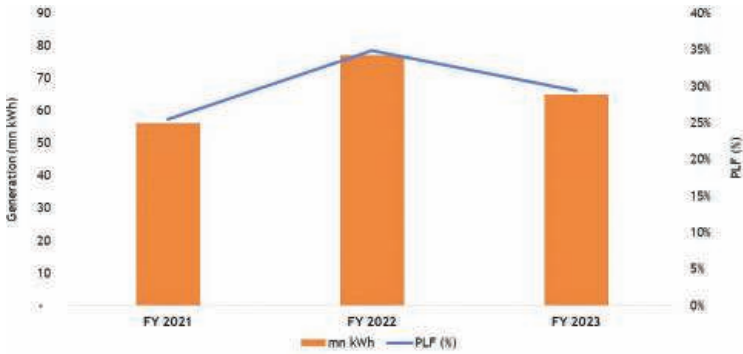
Rajkot

The Rajkot project comprise 394.3 MW wind-solar co-located hybrid power project located in Rajkot and Morbi districts of Gujarat. As of December 31, 2023, Rajkot had a total operating capacity of 394.3 MW. The project is owned and operated by Trinethra Wind and Hydro Power Private Limited (Rajkot 1), Renewables Trinethra Private Limited (Rajkot 2A), Kutch Windfarm Development Private Limited (Rajkot 2B) and Continuum Trinethra Renewables Private Limited (Rajkot 3), which are wholly owned subsidiaries of CGE IPL. The 101.2 W project owned and operated by Trinethra Wind and Hydro Power Private Limited was fully commissioned in December 2019, the 25.2 MW project housed under Renewables Trinethra Private Limited was fully commissioned in June 2020, the 28 MW project housed under Kutch Windfarm Development Private Limited was fully commissioned in March 2022 and 239.9 MW project housed under Continuum Trinethra Renewables Private Limited was fully commissioned in June 2023. The Rajkot 1, 2A and 2B projects and majority part of the Rajkot 3 project were developed on government owned land leased to these companies and the remaining part of the Rajkot 3 project was developed on the private leased land.

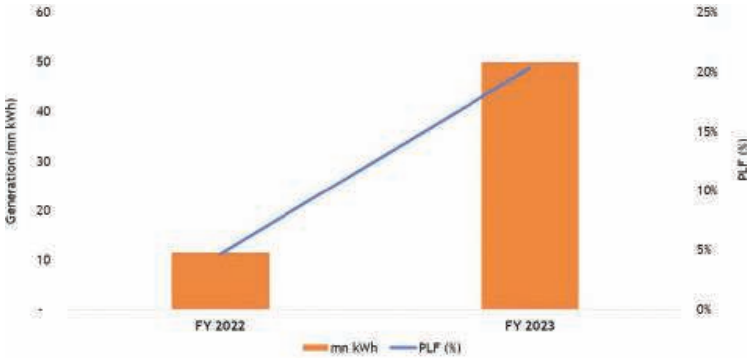
The annual generation history of the Rajkot 1 project is as follows:



The annual generation history of the Rajkot 2A project is as follows:



The annual generation history of the Rajkot 2B project is as follows:



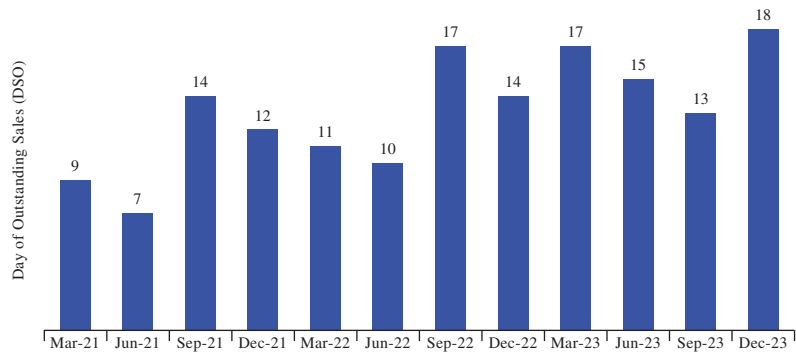
Rajkot 3 project was fully commissioned in Q1 FY24. Therefore, PLF on full year operation is expected to be measured from Q2 FY25 onwards.

Rajkot 1, 2A and 2B wind farms were selected after analyzing three years of wind data from five onsite wind masts having a height of 80 to 120 meters, and its equipment suppliers are Vestas, Siemens Gamesa and Inox. Rajkot 1 has installed 46 Vestas V120 wind turbines with a hub-height of 120 meters, Rajkot 2A has installed 12 Siemens Gamesa SG122 wind turbines with a hub-height of 127 meters and Rajkot 2B has installed 14 Inox make 2.0 MW wind turbines (model INOX/DF/2000 2.0-113) with a rotor diameter of 113 meters and a hub height of 92 meters. Rajkot 3 project site was selected after analyzing three years of wind data from five wind masts having a height of 80 to 120 meters, and its equipment suppliers are GE India and Waaree Solar. The project has installed 37 nos. of GE make 2.7 MW WTGs (model GE 2.7-132) with rotor diameter of 132 meters and hub height of 130 meters. Rajkot 3 has also installed Waaree make 540 Wp solar modules with Sineng 3.125 MW Inverters for entire 140.0 MW DC (100.0 MW AC) solar capacity. For more details on our supplier arrangements, see “Our Business — Suppliers.”

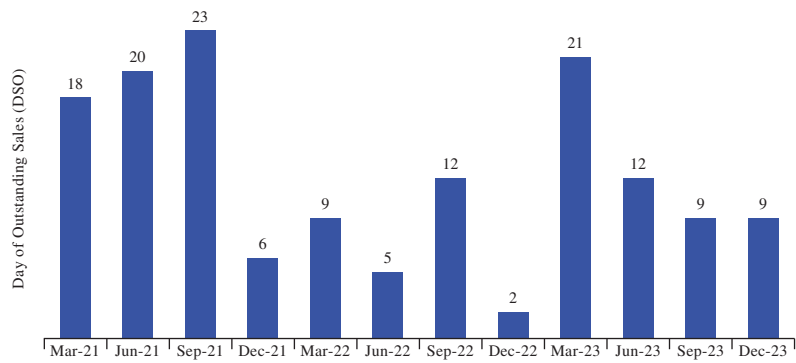
We have entered into PPAs with multiple C&I consumers for the sale and purchase of power generated by the project with a tenure ranging from five to 20 years from the date of first supply of power to the consumer. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity discoms and are set lower than the then prevailing tariffs charged by the discoms to these consumers for black energy. In order to sell electricity to these C&I consumers, we need to utilize the transmission and distribution electricity grids owned and operated by respective transmission and discoms. Such use, referred to as grant of “open access” to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalized by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and distribution grids (referred to as “open access losses” and charged in terms of percentage of electricity generated from our projects). These open access charges and losses, as per the rates/levels prevailing on the date of execution of the respective PPAs with C&I consumers are, in most cases, to the account of the project companies (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us. The net variation in tariffs charged by discoms and open access charges/losses is usually shared as per agreed terms between the consumer and the Company. For more details on the PPAs with C&I Consumers, see “Our Business — PPA.”

DSOs from C&I consumers has been ranging less than 20 days since March 2021, and even during COVID-19, the DSOs have remained at a similar level.

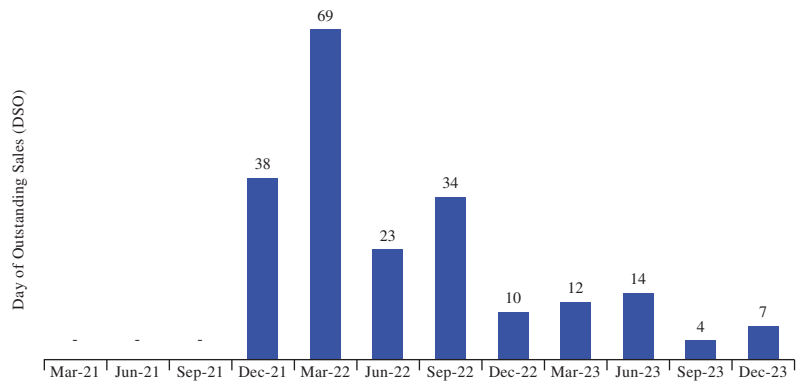
Rajkot 1



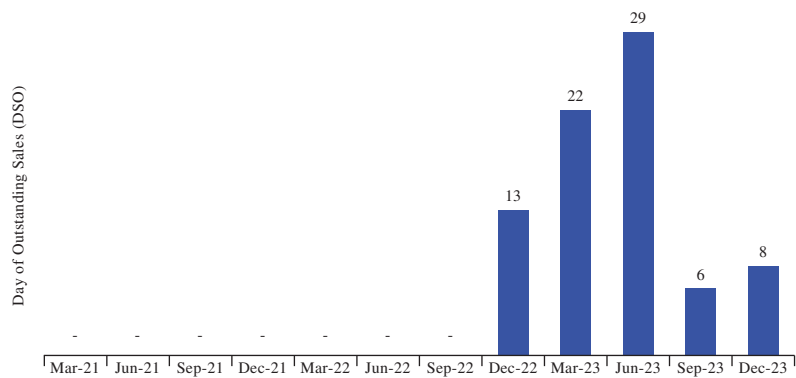
Rajkot 2A



Rajkot 2B



Rajkot 3



In FY 2020, we had insignificant amount of unsold energy and almost all the energy was sold to C&I consumers at the tariffs prevailing in the respective PPAs. In FY 2021, other than approximately 13% of energy sold to discoms (out of total billed units) during April to July 2020, when lockdowns prevailed due to COVID-19, almost all of the energy was sold to C&I consumers at the tariffs prevailing in the respective PPAs. We have been uninterruptedly selling power to C&I customers from FY 2021 onwards.

The consumers of Rajkot project have a minimum off-take and supply guarantee, respectively under the PPA ranging between 85% to 90%. We cater, in most cases, to only to 50% of the electricity demand of the C&I consumers. The C&I consumers represent a diversified range of industries. This diversity and our supply catering to only 50% to 60% of demand of the consumers provide higher certainty of off-take of power even amid economic ups and downs.

Our O&M arrangements at the Rajkot 1, 2A and 2B wind farms include in-house expertise, long-term contracts for a period of 15 years with Vestas, 10 years with Siemens Gamesa Renewables Power Private Limited and 20 years with Inox Wind, respectively. The O&M contracts with Vestas, Siemens Gamesa and Inox include the wind turbine as well as balance of plant including 220 kV pooling substation, 220 kV and 33 kV transmission lines and SCADA infrastructure. GE India Industrial Private Limited and Waaree Renewable Technologies Limited shall provide O&M services under long-term O&M contracts to Rajkot 3 — 17 years with GE and 5 years with Waaree Renewable Technologies Limited. We also have dedicated in-house teams that provide O&M services at various projects of the Continuum Group. The robust O&M services at our plants provide us access to unfiltered generation data to monitor real-time turbine performance, conduct predictive maintenance, and undertake detailed analyses that help us establish accountability over our suppliers. For more details on our O&M arrangements, see “*Our Business — O&M.*”

Under the terms of the connection agreement with Gujarat Electricity Transmission Company Limited (“GETCO”), we have developed and continue to operate and maintain the evacuation infrastructure at our wind farm. Our evacuation infrastructure includes a dedicated 220/33 kV pooling substation near the Virav village and the sub-station is connected to the GETCO’s 400 kV substation located at Hadala through a dedicated double circuit, 220 kV and 19-kilometer transmission line.

The Rajkot 1 and 2A projects were financed by Power Finance Corporation and later refinanced by proceeds of the 2027 Notes in FY 2021. As at December 31, 2023, loan outstanding against this facility was INR 7,941 million. We meet our working capital requirements through working capital loans from IndusInd Bank Limited. For more details on our project financings. For more details on our project financings, see “*Description of Other Indebtedness.*”

The Rajkot 2B project is financed by Power Finance Corporation. The amount sanctioned for the Rajkot 2B project was INR 1,153 million. As at December 31, 2023, loan outstanding against this facility was INR 1,057 million. We meet our working capital requirements through a working capital facility from ICICI Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

The Rajkot 3 project was financed by Power Finance Corporation. The amount sanctioned for Rajkot 3 project was INR 9,489 million. As at December 31, 2023, loan outstanding against this facility was INR 9,489 million. We meet our working capital requirements through a working capital facility from HDFC Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

Periyapatti

Periyapatti wind-solar co-located hybrid farm is a 148.0 MW wind power and 78.8 MWp solar power hybrid project located in the districts of Coimbatore and Tiruppur in Tamil Nadu. As of December 31, 2023, Periyapatti wind-solar hybrid farm had an operating capacity of 226.8 MW. The project is owned and operated by Watsun Infrabuild Private Limited. CGE IPL owns 72.3% voting equity in Watsun Infrabuild Private Limited and the rest is owned by over 40 C&I consumers of electricity from the project. This ownership of more than 26% voting equity by consumers entitles the project the status of Group

Captive generating plant. Under the Electricity Act, 2003 and the rules and policies made thereunder, electricity can be supplied to a group of consumers in a “group captive structure” with 100% waiver of the cross subsidy surcharge and additional surcharge for renewable projects. In order to take advantage of the structure, a group captive project must have the following characteristics:

- At least 26% of the voting equity of the project company (pro-rata to the generating capacity sold under group captive mechanism) must be owned by consumers of electricity; and
- At least 51% of net electricity generation must be consumed by such consumers in a financial year.

Consumption of energy from group captive projects that meet the above two criteria in any financial year are exempt from cross subsidy surcharges and additional surcharges.

We have entered into share purchase and shareholding agreements with the consumers, to ensure the compliance with the above two norms. The key terms of the agreements are as follows:

- (a) WIPL has a right to issue a notice to the relevant captive consumer(s), (a) to make changes in the shareholding of the captive consumers to ensure that the power plant is in compliance with the Electricity Act and rules enacted thereto; and (b) in the event of the shareholding of the captive consumers in aggregate exceeding 26%, it may direct all or some of the captive consumers to transfer such portion of their shareholding in WIPL to CGE IPL or its nominee to ensure that the aggregate shareholding of such captive customers is brought down to 26% of the share capital of WIPL.
- (b) The consumer has undertaken to subscribe to securities issued by WIPL, comply with every captive conditions notice served by WIPL and ensure that the status of the power plant remains as captive generating plant.
- (c) The consumer has undertaken to not to create any encumbrance on the share capital of WIPL, except as otherwise agreed in writing by CGE IPL and WIPL.
- (d) The consumer is not entitled to directly or indirectly transfer any of the equity shares of WIPL held by it without the prior written approval of WIPL and the CGE IPL, and any transfer of equity shares shall be made to those persons as are identified or approved by WIPL.
- (e) Upon termination of the PPA, promoters of WIPL will have a right to acquire the shares held by the consumer at the cost paid by the consumer for said shares.
- (f) The agreement may be terminated upon the happening any of the following events:
 - (i) by parties mutually consenting to terminate the same; and
 - (ii) with respect to the consumer, (a) upon termination of PPA; or (b) upon the consumer ceasing to be a shareholder of WIPL; or (c) upon breach of any covenants, undertakings and representations and warranties provided by the consumer under the agreement.

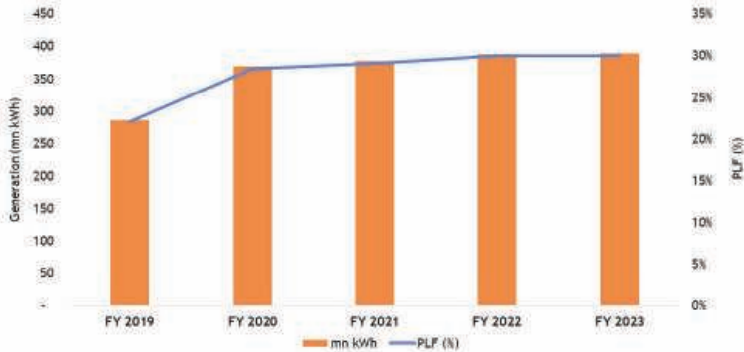
As per the National Tariff Policy 2016, wheeling charges and other terms and conditions for implementation of captive power projects should be determined in advance by the respective state electricity regulatory commission, duly ensuring that the charges are reasonable and fair.

In addition, as per the current regulations in Tamil Nadu, all wind capacity commissioned up to March 31, 2020 is entitled to banking facility wherein, electricity generated by such plant but not consumed by the consumers when generated can be banked with the distribution utility and withdrawn later for consumption by the consumers during the same financial year, subject to levy of a banking charge of 14% of the energy banked.

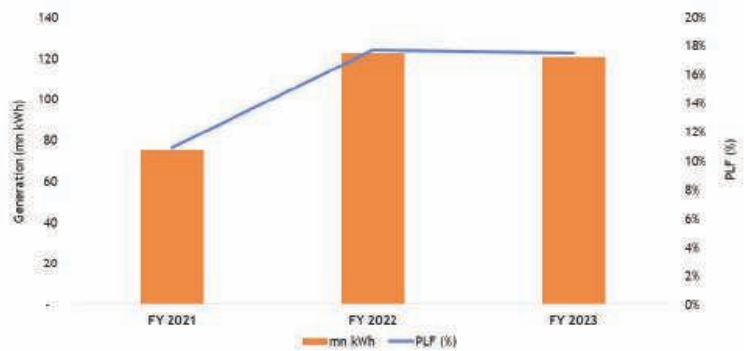
The 54 MW wind capacity was commissioned in December 2017, 94 MW wind capacity was commissioned in Dec 2018 and 78.8 MW solar capacity was commissioned in June 2020. The entire 148 MW enjoys banking facility for a fiscal year (April to March). Under such banking facility, energy produced by the project but not consumed by the open access consumer(s) can be banked with Tangedco and utilized later within the applicable banking period (subject to payment of banking charges and conditions under the regulations relating to banking).

The annual generation history of the 148 MW windfarm and solar project is as follows:

Periyapatti Wind



Periyapatti Solar



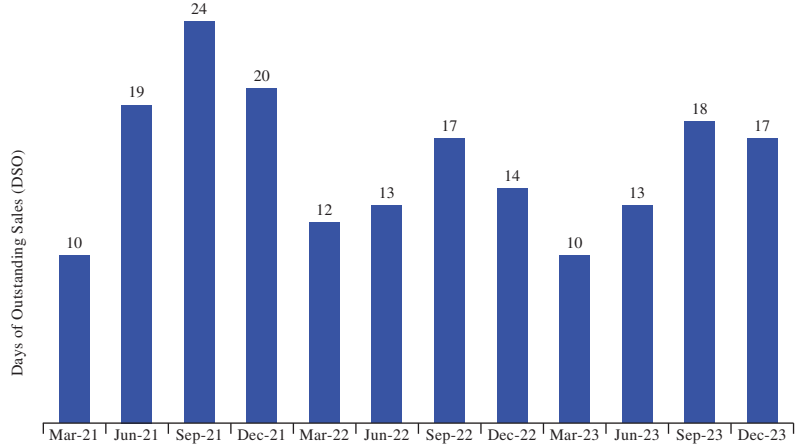
Periyapatti wind-solar hybrid farm was selected after relying on up to seven years of wind data from ten onsite wind masts having a height of 78 to 95 meters and its equipment supplier is Vestas. Periyapatti has installed (i) 60 Vestas V100 wind turbines with a hub-height of 95 meter and 14 Vestas V110 wind turbines with a hub-height of 95 meter for its wind power generation; and (ii) poly crystalline modules of Adani Solar make for its solar park. The wind turbines are pre equipped with aerodynamic upgrades and overpower integrator. For more details on our supplier arrangements, see “Our Business — Suppliers.”

We have entered into PPAs with multiple C&I Consumers (for sale on group captive basis) and one energy trading company (for sale of 10 MW capacity under non-group captive) for the sale and purchase of power generated by the project for a period ranging between five to 20 years. Tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity distribution utilities and are set lower than the then prevailing tariffs charged by the distribution utilities to these consumers. In order to sell electricity to these C&I consumers, we need to utilize the transmission and distribution electricity grids owned and operated by respective transmission and distribution utilities. Such use, referred to as ‘open access’ to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalized by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and

distribution grids (referred to as “open access losses” and charged in terms of % of electricity generated from our projects). These open access charges and losses, as per the rates/levels prevailing on the date of execution of the respective PPAs with C&I consumers are to the account of the project companies (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us. The net variation in tariffs charged by distribution utilities and open access charges/losses is to be shared as per agreed terms between the consumer and the company. For more details on the PPAs with C&I consumers, see “Our Business — PPA.”

In case of our solar project in Periyapatti, we faced a delay of approximately six months to date in obtaining group captive open access and wheeling permission from Tamil Nadu Generation and Distribution Corporation Limited (“Tangedco”) due to the review of the rules and expectation of revised rules to be promulgated by the electricity regulatory commission, which were announced in February 2021. As a result, we were unable to sell and bill electricity from this project to our group captive customers until the approval was granted. While we have been operating the project since July 2020, we received the said group captive open access and wheeling permission from Tangedco in February 2021 and commenced sales to our C&I consumers from March 2021.

DSOs with C&I consumers have been ranging from 10 days in March 2021, 24 days in September 2021 to 10 days in March 2023 and 17 days in December 31, 2023.



In addition, during COVID-19 lockdown period from March 2020 to July 2020, we did not face any adverse impact of the lockdown and have had 98.8% of the energy allocated to C&I consumers was offtaken by our consumers. Under the regulations in state of Tamil Nadu for open access project, any unsold energy from:

- (a) 148.0 MW wind project may be sold to the discom at 75% of the feed-in tariff for wind capacity determined by the regulatory commission for wind turbines commissioned in that same financial year. Therefore, for 44 MW capacity commissioned in FY 2018, the applicable rate is 75% of INR 4.16/kWh. In respect of balance capacity of 94 MW commissioned in FY 2019, the applicable rate is 75% of INR 2.86/kWh.
- (b) 78.8 MW Solar project may be sold to the discom at 75% of tariff discovered in a competitive auction for solar projects may be considered. Given that this project commissioned in FY 2021, the most recent discovered tariff is INR 2.37/kWh.

Our O&M arrangements at the Periyapatti wind-solar hybrid farm include in-house expertise and long-term O&M contracts for a period of 15 years with Vestas for wind turbines and for a period of 10 years with Larsen & Toubro for Solar Park. We also engage with third party contractors for providing manpower for maintenance of 230 kV pooling substation, 230 kV and 33 kV transmission lines and SCADA infrastructure, along with security/safety and housekeeping services at our project sites. For more details on our O&M arrangements, see “*Our Business — O&M.*”

Under the terms of the evacuation approval from Tamil Nadu Transmission Company Limited (“TANTRANSCO”) to Vestas, we have developed and continue to operate and maintain the evacuation infrastructure at our wind farm. Our evacuation infrastructure includes a dedicated 230/33 kV substation near the Poolavadi village and the sub-station is connected to the TANTRANSCO’s 400 kV substation located at Anaikadavu (part of green corridor) through a dedicated single circuit, 230 kV and 16.6 kilometer transmission line.

The Periyapatti project debt was initially financed by the State Bank of India, PTC India Financial Services Ltd. and IREDA and later refinanced by proceeds of the 2027 Notes in FY 2021. As at December 31, 2023, loan outstanding against this facility was INR 8,752 million. We meet our working capital requirements through working capital loans from IndusInd Bank Limited. For more details on our project financings, see “*Description of Other Indebtedness.*”

Our PPAs

For the various projects, we have entered in a fixed tariff PPAs with the distribution utilities and PPAs with C&I consumers based on C&I tariffs. The respective broad terms are described below:

- (a) For the Bothe project, Bothe Windfarm Development Private Limited has entered into energy purchase agreements with MSEDCL. Under the terms of the energy purchase agreements, we are required to develop, design, construct and operate the Bothe wind farm and supply power to MSEDCL for a period of 13 years from the date of commissioning of the project. The energy purchase agreements are renewable with mutual consent. We have agreed to supply all the energy generated at the Bothe project to MSEDCL (other than 6.3 MW for which matter is under consideration by Supreme Court. See “— *Governmental, Legal and Arbitration Proceedings*” for further details.) on an exclusive basis at tariffs of INR 5.81/kWh for 101.0 MW and INR 5.70/kWh for 92.4 MW as determined by MERC, fixed for entire duration of PPAs. In addition to constructing and maintaining the energy supply infrastructure from our wind farm to the MSEDCL substation, we are also responsible for the operation and maintenance of the project under each PPA. Events of default include failure or refusal by Bothe Windfarm Development Private Limited or MSEDCL to perform their material obligations under the PPA, and abandonment by MSEDCL of its interconnection facilities or discontinuance by MSEDCL of services under the PPA, in each case other than under an occurrence of force majeure. Other events of default include bankruptcy and insolvency.
- (b) For the Ratlam 1 project, DJ Energy Private Limited and Uttar Urja Projects Private Limited have each entered one PPA with MPPMCL in August 2014. Under the terms of the PPAs, we are required to develop, construct, operate and maintain the Ratlam 1 wind farm and supply power to MPPMCL for a period of 25 years from the date of commissioning of the project. The PPAs are renewable with mutual consent. We furnished a performance bank guarantee under the two PPAs to MPPMCL in order to adhere to the scheduled commission date, which was returned to us once Ratlam 1 was fully commissioned in December 2015. MPPMCL has undertaken to purchase all the energy generated at the Ratlam 1 wind farm at a tariff of INR 5.92/kWh as determined by the Madhya Pradesh Electricity Regulatory Commission, fixed for the entire duration of the PPAs. In addition to constructing and maintaining the energy supply infrastructure from our wind farm to the MPPMCL substation, we are also responsible for the operation and maintenance of the project under each PPA. Events of default include the failure of DJ Energy Private Limited or Uttar Urja Projects Private Limited to supply the contracted capacity of electricity to MPPMCL under the terms of the PPAs, and failure of MPPMCL

to purchase the entire wind power generated at the Ratlam 1 wind farm, in each case other than under an occurrence of force majeure. Other events of default include non-payment of electricity bills, bankruptcy and insolvency.

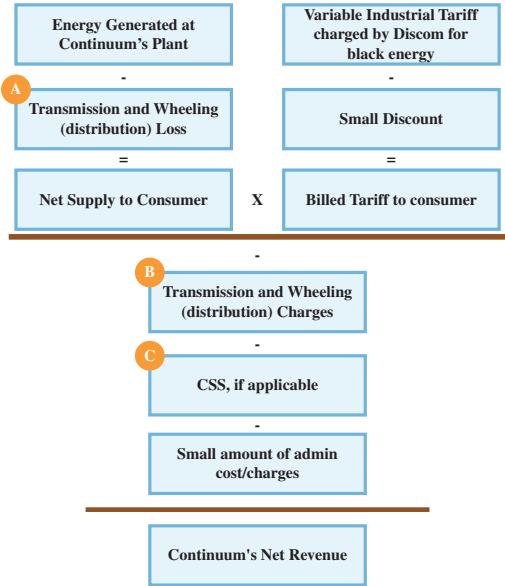
- (c) For the Periyapatti project, Watsun Infrabuild Private Limited has entered into power purchase agreement with over 40 C&I consumers for 216.8 MW under group captive scheme and with a power trader, R S Yarns and Power Private Limited, for 10 MW.
- (d) For the Rajkot projects, Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited have entered into power purchase agreement with over 95 C&I consumers for 154.4 MW.

The PPAs with C&I consumers provide for termination without cause by either party post expiry of lock-in period, but with termination notice of 3-6 months. Under the term of the PPAs, tariffs charged to individual C&I consumers are dependent on the tariff charged to them by the electricity distribution utilities and are set lower than the then prevailing tariffs charged by the distribution utilities to these consumers. In order for our Periyapatti and Rajkot projects to sell electricity to these C&I consumers, we need to utilize the transmission and distribution electricity grids owned and operated by respective transmission and distribution utilities. Such use, referred to as 'open access' to the electricity grid, is mandated by the Electricity Act 2003 subject to meeting the terms and conditions for open access finalized by the electricity regulatory commissions, payment of open access charges (charged in INR/kWh or INR/MW or INR/month or INR/day or similar monetary terms) and deduction from the electricity generated by our projects, of normative electrical losses in transmission and distribution grids (referred to as 'open access losses' and charged in terms of % of electricity generated from our projects). These open access charges and losses, as per the rates/levels prevailing on the date of execution of the respective PPAs with C&I consumers are to the account of the project companies (even though, at times, some of them may be payable by the consumers directly and debited from the tariff paid to us. The net variation in tariffs charged by distribution utilities and open access charges/losses is to be shared as per agreed terms between the consumer and the company.

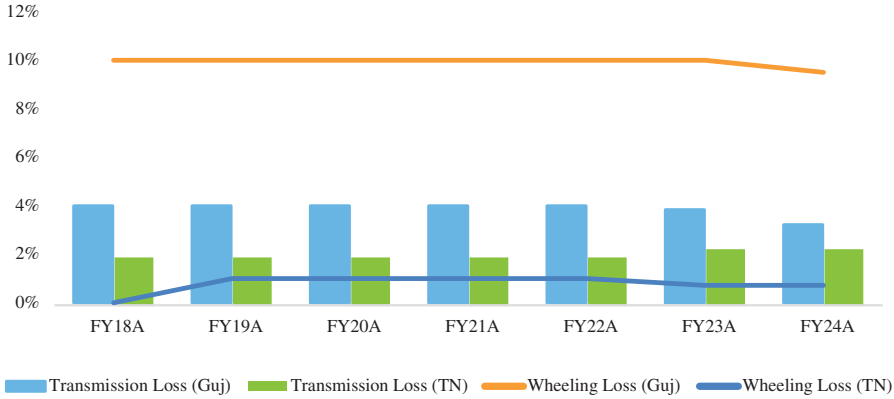
The consumers and respective company selling power to C&I consumers have a minimum off-take and supply guarantee, respectively under the PPA ranging between 85% to 90%. We cater, in most cases, up to only 50% to 60% of the electricity demand of the C&I consumers. The C&I consumers represent a diversified range of industries. This diversity and our supply catering to only 50% to 60% of demand of the consumers, provides higher certainty of off-take of power resulting from economic ups and downs.

The PPAs provide for termination upon default, occurrence of prolonged force majeure conditions and otherwise upon prior notice. Events of default include the failure of company to supply minimum guaranteed electricity to consumers under the terms of the PPAs for a continuous period of 30 days, and failure of consumer to offtake the minimum guaranteed electricity generated for a continuous period of 30 days, in each case other than under an occurrence of force majeure. Other events of default include bankruptcy and insolvency. We have also received security deposit/bank guarantee equivalent to one to 1.5 months of billing amount from several consumers.

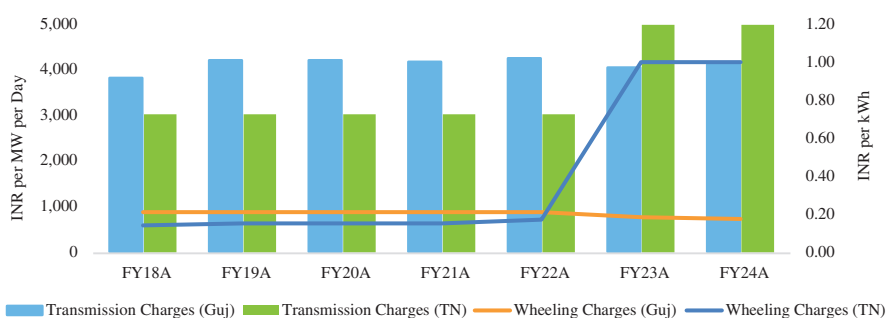
While the tariffs under the PPAs for Bothe project and Ratlam 1 project with distribution utilities are fixed for the term of the PPAs, the net revenue realization in Periyapatti and Rajkot projects under the PPAs with C&I consumers are as illustrated below:



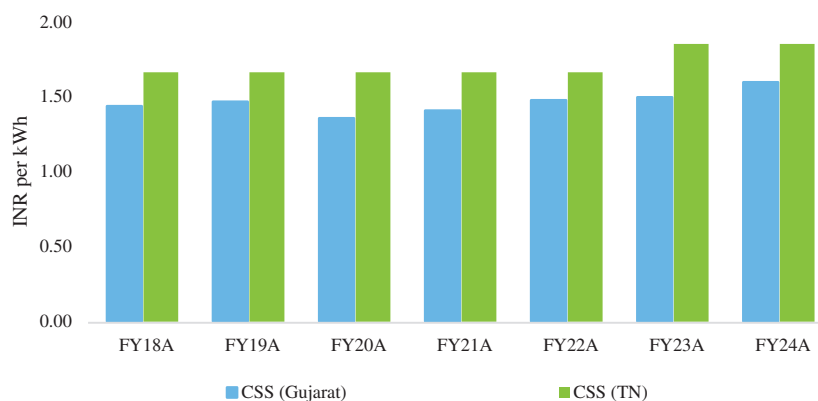
Transmission losses and wheeling (distribution) losses are determined and specified by the state electricity regulatory commissions based on the expected energy flowing through the network and the technical design of the network since transmission utility is a regulated business. Transmission losses incurred by us/our consumers are also identically incurred by the discoms while using the network of the transmission utilities. The historical figures below show low variability in transmission and wheeling losses.



Transmission and wheeling are regulated business and charges are determined by regulatory commission on basis of cost-based approach for capital expenditure incurred by the utilities or the operating expenditure as per the normative parameters prescribed by the regulatory commissions. Transmission charges incurred by us/our consumers are also identically incurred by the discoms while using the network of the transmission utilities. The historical figures below show low variability in transmission and wheeling charges.



Cross subsidy surcharge and additional surcharge are not applicable to captive/Group Captive sales and is applicable only to third party non-captive sales. In addition, as per electricity rules notified in December 2022 under the Electricity Act, 2003, cross subsidy surcharge applicable to a consumer is capped at 20% of the average cost of supply of the discom. This cap was earlier provided by the National Tariff Policy at 20% of the average billing rate charged by the respective distribution utility to industrial and commercial consumers, as the case may be. Since C&I billing rates are generally higher than average cost of supply of discoms, the cross subsidy surcharge prescribed in December 2022 will be lower than the cross subsidy surcharge earlier specified by the National Tariff Policy. Since cross subsidy surcharge is already at 20% of average billing rate, it is expected to decrease.



Additional surcharge is determined by each state regulatory commission based on “stranded capacity” i.e. capacity (normally thermal), where a fixed capacity charge is being paid by the utility to a power producer. Any material increase in this surcharge over time may be limited due to:

- growing total electricity demand at the utilities; and
- very limited thermal capacity being contracted for long term PPAs by such utilities.

Further, the GoI has notified Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 on June 6, 2022. As per these rules, the consumers with sanctioned load of 100 kW and above can procure power through green energy open access instead of threshold of 1 MW. It states that cross subsidy surcharge for green energy procurement should not be increased by more than 50% for a period of 12 year from the date of project commissioning and full waiver on additional surcharge for green energy procurement in case fixed charges are being paid. While some state electricity commissions have aligned their open access regulations with these rules, several others are in the process of aligning.

The rules provide long-term certainty to the open access charges for the stakeholders which will help in determining their returns from the projects. Further, if open access application is not approved within 15 days, it will be deemed approved and it also mentions establishment of central agency for routing of open access applications. This will ensure timely execution of projects by minimizing any risk of cost escalations.

As per the Electricity Act, there is 100% waiver on the cross subsidy surcharge and additional surcharge in the in Periyapatti project (216.8 MW out of 226.8 MW). The Rajkot projects in Gujarat enjoys 50% waiver on the cross subsidy surcharge and additional surcharge for 25 years period amounting to a waiver of greater than INR 1/kWh at current levels of these charges, which is not available for renewable energy projects commissioned after June 18, 2023.

Suppliers

Operating equipment for wind energy projects primarily consists of turbines. Turbine costs represent the majority of our investment costs. Our turbine supply strategy is largely based on developing strong relationships with leading turbine suppliers to secure our supply needs. We have purchased wind turbines from leading suppliers such as Vestas, Suzlon, Inox Wind, GE, and Siemens Gamesa. Full farm ownership allows us the flexibility to choose our equipment supplier, BOP equipment and O&M providers.

When we purchase turbines, we enter into supply, erection and commissioning and long-term O&M agreements with our suppliers. As part of these agreements, the manufacturer provides performance guarantees and warranties. Warranties in respect of turbines are typically for two years in duration from the earlier of the date of commissioning or the date of supply. Our contracts with suppliers typically include a power curve guarantee, which requires the manufacturer to pay liquidated damages if turbine output falls below the guaranteed power curve and an availability guarantee, which ensures the availability (or up-time) of the turbines for electrical production. All liquidated damages payable under these warranties are subject to aggregate maximum caps. Finally, we receive a standard warranty with respect to the workmanship and fitness for purpose of the turbine equipment.

Our turbines also include lifts and other climbing assistance equipment to make them staff-friendly.

Operating equipment for solar energy projects primarily consists of solar modules and invertors. Our solar modules comply with the strict industry quality standards and go through the quality control process under the supervision of our representatives and third-party consultants. The performance of our solar modules is further supported by warranties for 10-12 years. We have procured solar modules from Adani Solar and Waaree Similarly, our inverters are sourced from the suppliers who are willing to provide committed after-sales support, including product warranties for an initial period of five years. We generally enter into EPC contractual arrangements with prominent contractors such as Larsen & Toubro and Waaree for the solar park construction that define the general terms and conditions of our purchases, including warranties, performance ratio guarantees, product specifications, indemnities, delivery and other customary terms. We have also entered into long term operations and maintenance contract with Larsen & Toubro in relation to the Periyapatti solar park and with Waaree Renewable Technologies Limited in relation to Rajkot 3 solar park.

The following table shows details of suppliers and equipment for each of our projects.

<u>Project</u>	<u>Location</u> (State)	<u>Capacity</u> (MW)	<u>Equipment</u>	<u>Equipment Details</u>
Bothe.	Maharashtra	199.7	Vestas	40 x Vestas V100 2.0 MW at 95m hub height (upgraded with advanced aerodynamics)
			Suzlon	40 x Suzlon S97 2.1 MW at 90m hub height
			Suzlon	17 x Suzlon S97 2.1 MW at 80m hub height

Project	Location (State)	Capacity (MW)	Equipment	Equipment Details
Ratlam 1	Madhya Pradesh	170.0	Inox Wind	85 x Inox 100 2.0 MW at 92m hub height upgraded with a booster package
Periyapatti	Tamil Nadu	226.8	Vestas	60 x Vestas V100 2.0 MW at 95m hub height
			Vestas	14 x Vestas V110 2.0 MW at 95m hub height
			Adani Solar	Adani Solar Poly Crystalline modules for 78.8 MWp
Rajkot 1.	Gujarat	101.2	Vestas	46 x Vestas V120 2.2 MW at 120 m hub height
Rajkot 2A	Gujarat	25.2	Siemens Gamesa	12 x Siemens Gamesa SG122 2.1 MW at 127 m hub height
Rajkot 2B	Gujarat	28.0	Inox Wind	14 x Inox 2 MW DF2000_113_ at 92 m
Rajkot 3.	Gujarat	239.9	GE	37 x GE 132 2.7 MW at 130 m hub height
			Waaree Energies	Monocrystalline, Monofacial module for 140 MWp

Other important suppliers include the engineering and construction companies with whom we contract to perform civil engineering, electrical work and other infrastructure construction for our projects. We believe there are a sufficient number of capable engineering and construction companies available to meet our needs.

The following table shows details of the capacity amount purchased from each vendor for our Restricted Group 2 projects:

Vendor	Capacity (MW)	Percentage (%)
Vestas	329.2	33.2%
Inox Wind	198.0	20.0%
Waaree Solar	140.0	14.1%
Suzlon	119.7	12.1%
GE.	99.9	10.1%
Adani Solar	78.8	8.0%
Siemens Gamesa.	25.2	2.5%
Total	990.8	100.0

O&M contracts

Our turbine suppliers, Inox Wind, Suzlon, Vestas and Siemens Gamesa, GE and contractor Larsen & Toubro and Waaree for our solar project, provide O&M services under long-term O&M contracts. We also have dedicated in-house teams of 83 employees that provide O&M services at our projects. The robust O&M services at our plants provide us access to unfiltered generation data to monitor real-time turbine performance, conduct predictive maintenance, and undertake detailed analyses that help us establish accountability over our suppliers.

As we own large wind farms and solar parks, we are able to negotiate favorable terms with turbine manufacturers and other O&M contractors. Our O&M contracts typically include comprehensive O&M services, generally for a period of 10 to 20 years for wind projects and for a period of five to 10 years for solar projects (with free services in some cases for the first two to three years). Under these contracts, contractors undertake to ensure smooth operations of the turbines, provide competent and skilled manpower, spares and consumables for comprehensive preventive and curative maintenance.

In several of our O&M contracts for our wind farms and in the O&M contract for our solar farm, we pay the O&M fee on per kWh of electricity generated and billed from the plant (subject to a base minimum fee per MW per year) thereby aligning our and operator's interest in maximizing generation. Contractors provide maximum reactive consumption power guarantees over a specified 12-month period. If the reactive power guarantee is not met, the contractor is liable to reimburse the amount charged for the extra power imported along with a percentage of the O&M charges payable to the contractor under the various O&M contracts. The O&M contractor assures optimum operational performance of the turbines as well as a guaranteed performance commitment in the form of a minimum availability guarantee of 95% to 97% including seasonal availability guarantee, which assures the turbines' availability to generate electricity for a specified percentage of the time with liquidated damages calculated by way of revenue loss. In addition, serial defect warranties, access to unfiltered turbine data, blade cleaning services and seasonal availability guarantees also help improve the performance.

Our contracts for our solar projects include performance ratio guarantees for up to eight years, starting at 81.55% and a comprehensive O&M contract for five to 10 years.

While the turbine manufacturer and EPC solar contractor are on-site operating and maintaining the turbines and solar park, our in-house team manages BOP, pooling substations at wind farms and EVH lines and oversees the project, including managing turbine suppliers and ensuring compliance with state regulations.

Since 2017, our operational wind power plants and solar power plant are monitored using real-time, artificial intelligence based, state-of-the-art monitoring systems, providing continuous, real-time alerts and reports to our operations teams. Our analytics solutions help us track the health of our turbines, trigger maintenance alerts, conduct detailed root cause analysis of alarms to enable us to better understand the equipment issues, create fault patterns and run probabilistic models to help us estimate on a real time basis the likelihood of faults. Our AOMS for both wind and solar assets collects over 65 gigabytes of data every day and along with over 50 terra bytes of data already collected, continuously benchmarks the wind turbines against other wind turbines in the same wind farm as well as across our fleet to identify deviation in performance of components and various indicators such as temperature, pressure, power curve performance, etc., raises alerts in case of deviations and suggests probable causes for such deviation for further investigation. This helps our operations teams, in many cases, to identify potential problems before an equipment failure occurs so that proactive actions can be taken to preserve equipment health, procure spare parts and schedule maintenance. Several times, these problems are not identified by our O&M contractors and, therefore, this system helps improve the quality of our operations and maintenance than if we relied solely on our O&M contractors. More than 3,431 intelligent predictive alerts, not identified by OEM operators, have been raised since April 2017. The solution is scalable to different turbine models and solar power projects. For examples illustrating the benefits of such intelligent predictive alerts, see “— *Competitive Strengths — Real time monitoring through AOMS solution*” for examples illustrating the benefits of such intelligent predictive alerts.”

Environmental, Health and Safety Management

Under the terms of our agreements with offtakers, suppliers, O&M contractors, third-party vendors and financiers, both parties are required to ensure safety of our wind equipment, project site and staff.

All our projects have undergone an independent environmental and social impact assessment (“**ESIA**”) for both environmental and social issues that arise for each project, including engaging in dialogue with local stakeholders and communities to mitigate environmental and social impacts.

The risks and environmental impacts are deliberated by using objective tool of Aspect Impact Analysis. We run through aspect impact register, wherein the impact is identified and mitigated with some control measure, achieving reduction of impact. Water consumption, air emission, hazardous waste generation and noise generation risk factors are used in identifying environmental impacts. To ensure day to-day involvement of our people, we have established an integrated Management System IMS with quality, environment, health and safety.

Our Environmental Management Plan (“**EMP**”) covers assessment and monitoring procedures for relevant environmental factors such as noise, water, ecological environment, soil and soil contamination, air pollution, land use, as well as social factors including community engagement, local employment opportunities, laborer rights and welfare, occupational and community health and safety. The EMP informs the ESIA's undertaken for each project.

We are committed to practicing safe working methods to prevent occupational health and safety risks and adopt clean technologies to prevent pollution. Our aim is to achieve zero accidents at every project site. To achieve this, we have developed comprehensive Environmental, Health and Safety (“**EHS**”) processes which have been implemented across the organization, at every operational and project site. The EHS processes include detailed safety training with regular assessments and we have a dedicated safety team located at each project site to ensure a safe work environment. We also utilize lifts and other climbing assistance equipment in each turbine to make them staff-friendly. We are also a permanent and full-time member of the National Safety Council, set up by the Ministry of Labor, GoI. Under the terms of our agreements with offtakers, suppliers, O&M contractors, third-party vendors and financiers, we and our counterparties are required to ensure safety of our wind and solar equipment, project site and staff.

As majorly wind energy producer, we use considerably less water than what is used for traditional coal-based power generation. India is a water-stressed country. More than 88% of the water needed for industrial use is consumed by coal-based power plants. Wind energy is the only renewable source which does not consume high volumes of water. We have also taken to steps to save water:

- **Conserving rainwater through Continuous Contour Trenches:** In our Bothe site, we have dug trenches of approximately 18,000 feet in length, 3 feet in width and 2.5 feet deep around 24 WTGs, to act as speed breakers to stop the water from flowing downhill and increased percolation has raised the groundwater levels and improved the green cover and soil quality. The installation can conserve up to 3.9 million liters of rainwater.
- **Drip irrigation for Landscaping:** In Rajkot site, we installed drip irrigation facilities to water the plants and avoid water wastage and ensures regular watering of garden.

Apart from the fact that our wind farms naturally contribute to reduction of carbon emissions (over 10.5 million tons of CO₂ since commissioning of our windfarms) and save water that is otherwise used in production of electricity from coal-based power plants, we take specific actions to prevent damage to the environment, birds, animals, flora and fauna:

- We install bird guards on 33 kV electric line network to prevent bird fatalities as well as downtime of electrical lines;
- We paint turbine blade tips so that they can be identified by the incoming birds; and
- We conduct frequent monthly day/night monitoring of noise levels near our wind turbines.

Corporate Social Responsibility

We are committed to inclusive growth and local stakeholder involvement as a fundamental value. To this end, we:

- build and maintain roads and have the rainwater harvesting infrastructure at our sites;
- contribute to local schools in the form of school uniforms, books and furniture;
- create awareness programs regarding agriculture and nutrition security to educate the locals at the local panchayat office;
- encourage our employees to participate in different outreach programs;
- build water borewells and water storage tanks for mitigating water scarcity for local communities;
- donate farm equipment to local communities to improve farm productivity;
- provide health awareness training for village women;
- conduct community training programs through agriculturists on best practices in sowing, tilling, fertilizers, disease control and harvesting;
- upgrade village community centers; and
- set up health check-up and blood donation camps.

Employees

As of December 31, 2023, we employed approximately 190 people (excluding consultants). Most of our employees are graduates, post-graduates or technical professionals qualified with relevant engineering or technology degrees or diplomas. We consider our relations with our employees to be amicable. We have not experienced any labor disruptions in the past and do not have any other unionized employees.

Insurance

We believe our insurance is on terms generally carried by companies engaged in similar businesses in India. We maintain operation and transportation insurance, casualty insurance (including windstorm and flood coverage), business interruption insurance, primary and excess liability insurance and worker's compensation, fire policies, automobile and directors' and officers' insurance policies. We also maintain "all risk" property insurance coverage in amounts based on the full replacement value of our projects and business interruption/delayed start-up insurance that varies from project to project based on the revenue generation potential of each project. Subject to applicable deductibles, our business interruption and property insurance covers, among other things, breakdowns and casualty losses. We generally do not maintain insurance for certain environmental risks, such as environmental contamination.

Intellectual Property

Our success depends, at least in part, on our ability to obtain license of intellectual property from wind turbine and solar equipment producers and providers of software such as SCADA systems, AOMS, etc. We rely on a combination of confidentiality agreements and license agreements to establish and protect our confidential information intellectual property rights as well as to utilize such intellectual property owned by others.

Properties

In addition to the properties we own on which we operate our projects, we have also leased from third parties some properties. In Bothe project, we have taken some land parcels on long term leases of up to 99 years. In case of Ratlam project, we have taken some land parcels on lease of 10 to 25 year periods. In case of Ratlam project, in case of several land parcels on which our wind turbines are installed and on which our pooling substation is located, Government of Madhya Pradesh has provided us with land use rights for operational life. In case of Rajkot projects (wind capacity), the land on which our wind turbines are installed have been taken on lease from Government of Gujarat for a period of 20 years and to be renewed thereafter prior to 6 months before the expiry of the lease. Most of the land for Rajkot 3 solar project has been taken from private owners on lease for 29.5 years while the remaining has been purchased. In case of wind energy projects, we also take some land parcels on lease along the roads and pathways. We also obtain easement rights on several land parcels in all our projects for roads/pathways and transmission lines.

Additionally, we have seven office premises located across India, including corporate offices in Mumbai. The lease rentals payable for these office premises, collectively, are not material at around INR 3.0 million per month.

Governmental, Legal and Arbitration Proceedings

We are occasionally named as a party in various claims and legal proceedings which arise during the normal course of our business. We review each of these claims, including the nature of the claim, the amount in dispute and the availability of insurance coverage. Although there can be no assurance on the outcome of any particular claim, we do not believe that the outcome of any claims or potential claims of which we are currently aware will have a material adverse effect on us.

Summarized below are the material governmental or legal proceedings at this time. We are not involved in any arbitration proceedings.

Criminal Proceedings instituted against employees of Bothe Windfarm Development Private Limited

On January 9, 2015, a fatal explosion occurred at premises used for operating a concrete mixing and batching plant, which was under control of a civil works sub-contractor of Bothe Windfarm Development Private Limited, situated near the site of the Bothe project. This explosion led to the death of three people and injured five others. After this incident, the local police filed a complaint and a first information report against the said sub-contractor, certain of the sub-contractor's employees and certain employees of Bothe Windfarm Development Private Limited under Sections 304, 337, 338, 286, 427 and 34 of the Indian Penal Code, 1860 read with Sections 3 and 5 of the Explosives Substances Act, 1908. After the investigation, the investigation officer filed a charge sheet against two employees of Bothe Windfarm Development Private Limited, namely, Arun Phule (who is no longer our employee) and Rajendra Vatkar, among others. The Judicial Magistrate First Class had referred the matter to the Sessions Court where the accused employees had filed discharge applications. The matter is still pending before the Sessions Court and the pleadings are yet to be completed. In addition, the District Magistrate (Collector) at Satara has also initiated proceedings under Section 7 of the Explosives Substances Act, 1908 against the abovementioned accused, among others.

Tax proceedings instituted against CGE IPL

There is a service tax matter involving CGE IPL in relation to the refund of service tax of INR 12.75 million for the accounting year 2018-19. We had paid service tax in advance towards probable service tax liability against management/business consultancy services. However, since CGE IPL did not provide such service, it applied for refund, which was granted. Subsequently, the department filed an appeal against the said order, which was rejected by Commissioner (Appeals). The department has further preferred an appeal against the Commissioner (Appeals) Order before Customs Excise & Service Tax Appellate Tribunal (“**Tribunal**”). The said appeal is presently pending for hearing before the Tribunal.

Civil proceedings pertaining to various land parcels owned by Bothe Windfarm Development Private Limited, Watsun Infrabuild Private Limited and Trinethra Wind and Hydro Power Private Limited

There are five pending civil proceedings and one matter pending with Revenue Commissioner involving Bothe Windfarm Development Private Limited, one civil proceeding involving Trinethra Wind and Hydro Power Private Limited and one civil proceeding involving Watsun Infrabuild Private Limited. These proceedings pertain to the land parcels owned or leased by them for their operations including parcels on which our wind turbine generators/solar parks have been built.

The aggregate amount involved in these cases, wherever quantifiable, is approximately INR 5 million.

All of these cases are currently pending at various stages of adjudication.

Proceedings instituted by Bothe Windfarm Development Private Limited (BWDPL) against MSEDCL

BWDPL has executed power purchase agreement with MSEDCL for: (a) 101 MW capacity, commissioned in F.Y. 2013-14; and (b) 92.4 MW capacity, commissioned in FY 2014 — 2015. However, for the remaining project capacity of 6.3 MW, in 2014, after commissioning the 6.3 MW capacity, it requested MSEDCL to execute power purchase agreement accordingly. Following the non-execution of energy purchase agreements by MSEDCL, and issuance of disconnection notices denying its obligation to enter into energy purchase agreements in respect of 6.3 MW capacity, BWDPL, in January 2020, approached the MERC seeking directions to the MSEDCL to execute the said energy purchase agreements, pay an amount of INR 414 million as a compensation for the supply of power from December 2014 to January 23, 2020 and provide other reliefs. While the MERC by its order dated July 1, 2020 upheld MSEDCL’s option to not execute the energy purchase agreements, it ordered MSEDCL to pay for the electricity generated and utilized by MSEDCL between April 1, 2014 and March 31, 2017 at a price equal to the average power purchase cost of MSEDCL plus floor price of renewable energy certificates (“**REC**”) of the respective year, and allowed MSEDCL to determine whether it would execute energy purchase agreements on prospective basis at the tariff discovered in most recent competitive bid as such project capacity is below the threshold limit specified for the competitive bid. BWDPL appealed this order before the APTEL. The APTEL levied a stay on the aforesaid disconnection notice issued by the MSEDCL.

The direction regarding payment for the electricity generated and utilized by MSEDCL between April 1, 2014 and March 31, 2017 given by the MERC in the order dated July 1, 2020 has been complied by MSEDCL by paying amount for the energy utilized by MSEDCL from 6.3 MW WTGs between April 1, 2014 and March 31, 2017 at a price equal to the average power purchase cost plus floor price of non-solar REC of MSEDCL after we filed the petition before the MERC for compliance of the order dated July 1, 2020. However, this petition for compliance with the order dated July 1, 2020 is without prejudice to our contention in the aforesaid appeal before APTEL and to its right in law and equity.

The judgment in our appeal was pronounced, and APTEL held that MSEDCL to forthwith execute energy purchase agreements with BWDPL for 13 years for three WTGs aggregating 6.3 MW with effect from the date of application to Maharashtra Energy Development Agency (“**MEDA**”) for registration of WTGs i.e., December 7, 2015 at a price of INR 5.70/kWh as per the then applicable preferential tariff.

MSEDCL has been further directed to compensate BWDPL for electricity generated and supplied from date of commissioning of three WTGs till December 6, 2015 at the average power purchase cost. Further, on and from December 7, 2015, MSEDCL was directed to pay generic/feed in tariff determined by MERC as applicable on the said date.

We have sent a letter dated August 26, 2022 to MSEDCL for signing the energy purchase agreements and complying with the APTEL judgment along with invoices and draft energy purchase agreements. Further we have sent a reminder letter dated September 19, 2022.

MSEDCL has filed an appeal before the Supreme Court against the aforesaid judgments of APTEL. The hearing was held on October 10, 2022 and the order from APTEL has been stayed.

After hearing the arguments from the parties, the Supreme Court has stayed the APTEL order and the bench has noted that MSEDCL's conduct is prima facie erroneous considering that the projects commissioned afterwards/applied afterwards got energy purchase agreements merely because MEDA granted registration to them earlier and further the following direction has been given in the interim until disposal of the civil appeals: (i) an option to continue supplying power to MSEDCL, which will be paid by MSEDCL to BWDPL as per the order passed by the MERC; and (ii) a stay on the directions given in the impugned order, subject to MSEDCL depositing a sum of Rupees three hundred million within a period of four weeks from the date of daily order with the registry of the Supreme Court (to be converted into an interest-bearing fixed deposit receipt for a period of six months with auto renewal clause). MSEDCL has filed a clarification application regarding the tariff rate (APPC + REC or recent auctioned discovered competitive bidding rate which is at approximately INR 2.70/kWh).

Subsequently on November 21, 2022 the Supreme Court modified the above direction and directed that MSEDCL is required to make payment of current charges for the electricity uploaded/injected into the system by BWDPL at the rate of INR 3.50 per unit.

The matter is listed for final hearing/disposal in the month of September 2024.

Proceedings instituted by Bothe Windfarm Development Private Limited, DJ Energy Private Limited, and Uttar Urja Projects Private Limited in respect of forecasting and deviation settlement mechanism

Bothe Windfarm Development Private Limited has filed a Writ Petition under Article 226 of the Constitution of India, 1950 before the High Court of Bombay challenging the legal validity of certain provisions of the forecasting regulations and the procedure for forecasting and deviation settlement. The matter is pending before the High Court of Bombay. The MERC vide its order has suspended the contentious provisions. The hearing before the High Court of Bombay was scheduled on November 21, 2022.

As per the direction of the Bombay High Court during the hearing, the petition has been withdrawn with liberty to approach the Bombay High Court in case, additional deviation and settlement mechanism (“DSM”) charges are levied. Presently the additional DSM charges have been suspended by the MERC and it is under the consideration of the MERC.

DJ Energy Private Limited and Uttar Urja Projects Private Limited have filed petitions before the Madhya Pradesh Electricity Regulatory Commission (“MPERC”) seeking, among other things, clarity and removal of difficulty in implementing the deviation settlement mechanism, sought stay on the notice issued seeking payment of DSM charges from August 2018 to August 2020 and also seeking to disconnect the projects upon failure to make such payment (the “DSM Notice”). The MPERC by its order at the hearing February 9, 2021 rejected our prayer following which we have preferred an appeal before the APTEL against this order and have also sought a stay on the DSM Notice. An effective stay on taking any precipitative action in respect of the order has been in place since the order of APTEL dated July 9, 2021 and the matter is currently pending and transferred to final hearing list.

Proceedings for annual banking facility of Watsun Infrabuild Private Limited (“WIPL”): Matter with respect to Wind Tariff order for 2018:

The Tamil Nadu Electricity Regulatory Commission (“TNERC”) has issued Wind Tariff Order in April 2018, wherein the TNERC abolished the banking provisions for all machines commissioned after March 2018. In view of the same, WIPL approached APTEL to challenge the said order. WIPL has got 12 months banking to Phase II project (commissioned after March 2018) as interim measure as per the APTEL till adjudication of the appeal. TANGEDCO filed a petition before the Supreme Court wherein they had challenged the interim order. However, Supreme Court had refused to interfere with APTEL’s order and asked TANGEDCO to withdraw the petition. Accordingly, the TANGEDCO had withdrawn the petition and the petition has been disposed off as withdrawn.

APTEL has issued final judgment on January 28, 2021 in this appeal wherein WIPL got 12 months banking for the WTGs commissioned after March-18 effective from April 1, 2020. However, TANGEDCO and TNERC have filed civil appeal against the APTEL aforesaid judgment before the Supreme Court. Upon hearing the submissions of the counsels for all the parties, the bench issued notice and has adjourned the matter for further hearing on issue including maintainability of the appeal filed by TNERC. Further, no stay was granted with respect to banking provision. The hearing was held on April 26, 2022, wherein appellants in TANGEDCO appeal were present. However, appellants in TNERC appeal sought an adjournment. The matter is currently pending.

Matter with respect to Wind Tariff order for 2020

WIPL has filed an appeal against TNERC Wind Tariff Order dated October 7, 2020 along with a stay application before APTEL.

APTEL has stated that as per the submission of TANGEDCO, the banking rights will be regulated as per this court judgment dated January 28, 2021 until it is not modified/vacated/set aside by the Supreme Court.

The matter was heard by the Register on January 12, 2022, wherein the pleading is completed and listed the matter before APTEL. APTEL after hearing our submissions, has now moved the matter in the list of final hearing for final disposal.

Matter pertaining to billing of power drawn by DJ Energy Private Limited (“DJEPL”) under two categories:

The matter pertains to the billing of power drawn by DJEPL under two categories (first, under synchronisation category HV 7 for power drawn for less than 2 (two) hours and second under HT industrial tariff (HV3.1) for power drawn for more than 2 (two) hours {1.25 times of Energy Charges of HV3.1 plus fixed charges of HV3.1}). DJEPL has filed petition to bill the power drawn under only one category i.e., HV-7.

M.P. Paschim Kshetra Vidyut Vitran Co. Ltd. has issued notices to DJEPL for the payment of fixed charges for a retrospective period from April 1, 2017 to August 31, 2019 for Line 1 and Line 2. DJEPL has filed a stay application for a stay against those notices and mentioned the matter before the MPERC. MPERC issued an order on December 23, 2020, wherein they have stated that the respondent discom is directed to bill the generators, in accordance with the provisions under MPERC (Cogeneration and Generation of Electricity from Renewable Source of Energy) Regulations 2010 and hence for the past bill discoms are eligible for recovery of the charges under HV -7 as well as under HV 3.1 categories. MPERC issued tariff order of FY 2020-21 wherein the future period discoms cannot raise bill under HV 3.1 and the order removed the 2-hour drawl limit under HV-7 tariff category.

Hence, DJEPL filed an appeal along with stay application on HV 3.1 billing for the past period. While this matter is still being decided, an appeal has been filed against the MPERC order in petition no. 14 of 2020.

The hearing in such matter was held, and the matter was admitted and the interim order which we got in the hearing was continued till “further orders”. Thereafter the interim order was made final until the final disposal of the matter.

The hearing was held on November 3, 2022, wherein the APTEL held that another appeal being DFR No. 248 of 2020 which is included in the “List of Finals” will have to be heard alongside this appeal as the issues involved are about the same matter.

In the view of the above, the APTEL shifted this batch of appeal to the bottom of the “List of Short Matters” and directed the inclusion of DFR No. 248 of 2020 in this batch in the category of short matters. The matter will be heard as per turn of the short matter list.

The matter is reserved for Judgements.

Matter pertaining to wind zone classification for Bothe Windfarm Development Private Limited (“BWDPL”).

MSEDCL in coordination with MEDA carried out an analysis on the Capacity Utilization Factor (“CUF”) being achieved by operational projects and accordingly shortlisted 42 generators that are generating consistently higher CUF to ultimately align CUF with respect to appropriate wind zone which is currently divided into 4 wind zones and accordingly the tariff has been determined.

MSEDCL has filed the petition on the above basis before the MERC for redetermination of wind zone which was rejected by the MERC vide its order dated April 3, 2018.

Aggrieved by aforesaid MERC’s order dated April 3, 2018, MSEDCL filed Case No. 152 of 2018 before MERC seeking a review of MERC’s order dated April 3, 2018.

MERC passed an order in MSEDCL’s review petition (“**Review Order dated July 9, 2018**”), wherein MERC allowed the review petition and directed MEDA to review the wind zone classification of the relevant shortlisted 42 wind generators and review the wind zone classification for all the remaining wind generators at the end of the current financial year based on the actual generation data submitted by MSEDCL/generators. If the generation is more than the allotted ind zones and CUF, then MEDA will make a recommendation about change in wind zone classification after taking into consideration, the wind power density and the technology employed by the generator.

BWDPL had approached the Bombay High Court under the ground that; natural justice has not been followed and, MERC has passed the order without involving BWDPL even though it is a matter relating to BWDPL’s contract. The Bombay High Court passed an order that MSEDCL has to approach MERC with a fresh petition in case of any tariff impact. MSEDCL filed a fresh petition before the MERC in which they filed an application for seeking interim relief.

BWDPL, along with other wind developer(s), had filed an application before MERC seeking directions on the maintainability of the petition as per the Bombay High Court’s earlier judgment dated August 30, 2018. Hence the same had to be decided prior to the public hearing in the aforesaid matter.

BWDPL filed application before MERC on July 8, 2021, challenging the maintainability of the petition. BWDPL sought the matter for urgent hearing on July 9, 2021 for hearing on the maintainability of the petition prior to the public hearing. However, MERC stated that they will hear the maintainability issue first during the public hearing scheduled instead of scheduling the hearing on the maintainability separately. The public hearing was complete. BWDPL and the other wind developer argued that MSEDCL is seeking to amend the regulation, tariff order which have already attained finality and modify power purchase agreements which have already been executed. However, there is no order of MERC for allowing or admitting of such prayer.

APTEL vide its daily order held that maintainability of the present aforesaid public hearing needs to be heard as preliminary issue. MSEDCL later filed letter for withdrawal of this petition with liberty to file new petition. BWDPL has filed an application wherein BWDPL has objected the liberty sought by the MSEDCL to file a new petition.

The wind zone reclassification matter was listed for hearing on November 15, 2022 before MERC. The counsel of MSEDCL explained the chronology of events starting from filing of the original petition in 2017 till the conclusion of the hearing on the maintainability of the petition. It was stated that, after the passing of the order dated July 19, 2021 by APTEL in OP No. 11 of 2021, senior officials of MSEDCL had decided that the subject petition is defective since:

- (a) the generators were not made party to the present petition; and
- (b) the directions of MERC in its earlier order dated July 10, 2019 (to make all stakeholders party, to consider details of individual energy purchase agreements, impact of regulations while filing petition, etc.) have not been adhered to by MSEDCL.

Accordingly, MSEDCL filed a withdrawal application seeking withdrawal of the petition. BWDPL is objecting to grant of any liberty to MSEDCL to refile the petition.

MERC issued an order dated February 13, 2023 on application for withdrawal of petition filed by MSEDCL in Case No. 338/2019 wherein MERC stated that as per their opinion, granting liberty to file a fresh petition or otherwise would not serve any purpose. Hence, while allowing withdrawal of petition, MERC is not granting liberty to file afresh. Further they have stated that this does not restrict MSEDCL to initiate any suit/case as per applicable laws and the directions of APTEL in its order dated January 19, 2023.

The MSEDCL has filed a fresh petition (Case No 114/MP/2023) for wind zone classification on March 31, 2023 wherein BWDPL has also been made a respondent. The notice has been issued by MERC wherein respondents are directed to file reply to aforesaid petition.

The hearing was held on November 07, 2023 wherein MSEDCL sought time for filing replies to the interlocutory applications (“I.A.(s)”) received from the respondents challenging the maintainability of the petition, of which BWDPL is one of the respondents to have filed I.A. no. 66 of 2023. Accordingly, MERC granted 3 weeks of time to MSEDCL to file response to replies and I.A.s. In pursuance to the same, MSEDCL addressed its replies against all the I.A.s filed, apart from the one filed by BWDPL. Subsequently, the case was heard on February 20, 2024, wherein MSEDCL requested for an adjournment on account of non-availability of the arguing counsel and MERC while granting such adjournment, further directed MSEDCL to engage with the wind developers to find out a solution and file its submission before the commission to that effect.

MSEDCL has filed its rejoinder on December 7, 2023 to the replies filed by other wind developers, however MSEDCL has not filed any reply to the I.A. filed by BWDPL.

The matter is still pending, with the last hearing being held on May 31, 2024 (a copy of the order for the said hearing is yet to be received).

Matter pertaining to determination of useful life of the energy purchase agreements and tariff period in relation to BWDPL

An appeal under section 111 of the Electricity Act, 2003 was filed by BWDPL against the order dated April 9, 2019, passed by MERC, in Case No. 50 of 2019, whereby the commission has directed MSEDCL to procure wind power through competitive bidding from all such wind power producers whose energy purchase agreements have expired.

However, as per the Maharashtra Electricity Regulatory Commission (Terms and Conditions for Determination of RE Tariff) Regulations, 2010, useful life for wind energy projects has been determined to be 25 years and the levelized tariff period for such wind energy projects has been determined to be 13 years (which is applicable to BWDPL forming part of the Group-IV projects).

BWDPL has filed the present appeal before the APTEL, praying for the following reliefs to:

- (a) Allow the appeal and set aside the commission's order in case no. 50 of 2019.
- (b) Direct that the tariff determined for Group IV Projects for the tariff period of 13 years would be applicable even after the expiry of energy purchase agreements, until the end of 25 years.
- (c) In the alternate, direct MSEDCL to pay to the appellant an additional INR 0.27/kWh for the projects which were commissioned and have executed energy purchase agreements in FY 2014-15, and INR 0.26/kWh for the projects which were commissioned and have executed energy purchase agreements in FY 2015-16 on account of the electricity supplied since the date of commissioning of the relevant projects for the life of the energy purchase agreements along with the late payment surcharge as provided in the energy purchase agreements.

The matter was posted for hearing on January 14, 2021, wherein it was subsequently adjourned to November 23, 2021 and was listed for subsequent hearing on July 19, 2022. On July 19, 2022 the matter has been moved to the "list of finals" for hearing. However, BWDPL has filed an application for withdrawal of the instant appeal on January 17, 2023 and is waiting for a hearing date for the withdrawal application.

Original application filed against Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited which could also impact Continuum Trinethra Renewables Private Limited

An original application ("OA") was filed by Irfan Baloch and others before the Hon'ble National Green Tribunal, Pune ("NGT"), wherein it has been alleged that respondent no. 9 to 12 (i.e., Kintech Synergy Private Limited, Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited and Sri Maruti Wind Park (India) Private Limited) have set-up a wind farm illegally around Rampara Vidi Sanctuary in order to generate electricity within the radius of 0.50 meters to 10 kilometres of the outer limit of said sanctuary which is an eco-sensitive area. It is hereby clarified that Continuum Trinethra Renewables Private Limited could be impleaded as a respondent to the OA on account of it being the sub-lessee of the land parcels sub-leased to it by Sri Maruti Wind Park (India) Private Limited (a respondent in the OA) which have been leased to Sri Maruti Wind Park (India) Private Limited by the Government of Gujarat.

The applicants further alleged that the sanctuary falls in restricted zone and in the said area no industrial activity is permitted without prior approval. Further, it was also alleged that electric lines and electric poles have been set up in the protected forest area without any prior permission. During the hearing, NGT ordered for formulation of a joint committee and directed them to visit the site and submit the factual and action taken report on truthfulness of the allegation made in the OA. Further, the NGT also directed the joint committee to file report with respect to birds killed by the blades of the windmills and solution for the same, if any.

On the last hearing held on February 13, 2024, basis request for extension, the NGT granted the joint committee an extension of two weeks to submit the said report. The matter was listed for hearing on May 3, 2024 however, it was subsequently posted for hearing on September 24, 2024.

Petition filed by Trinethra Wind and Hydro Power Private Limited under section 86 of the Electricity Act for seeking credit of the wind energy.

Trinethra Wind and Hydro Power Private Limited filed a petition under Section 86 of the Electricity Act, before GERC seeking credit of the wind energy injected by Trinethra Wind and Hydro Power Private Limited for the months of July and August, 2021 in the account of Flometallics India Limited, or that Dakshin Gujarat Vij Company Limited make the payment of the corresponding amount for such injection at the rate of Rs. 3.78/kWh in accordance with the provisions of the 'GERC Intra-State ABT Order' dated April 1, 2010 and 'Wind Tariff Order' dated August 30, 2016. GERC admitted the petition on hearing and gave liberty to the respondents 1 and 2 (i.e., Dakshin Gujarat Vij Company Limited and Flometallics India Limited) to file their reply. Accordingly, Dakshin Gujarat Vij Company Limited has filed its reply before the GERC and Trinethra Wind and Hydro Power Private Limited has filed rejoinder to the reply filed by Dakshin Gujarat Vij Company Limited. The matter is still pending before GERC.

Petition filed against Continuum Trinethra Renewables Private Limited (as respondent no. 7), by way of special civil application before the High Court of Gujarat at Ahmedabad

A special civil application (SCA 14537 of 2023) has been filed by Roshanben Alavadibhai Sherasiya against the State of Gujarat, naming Continuum Trinethra Renewables Private Limited as respondent no. 7 for alleged encroachment into the petitioner's land for laying of transmission lines. The petitioner alleges that the respondents have illegally erected three electricity poles over the premises of the petitioner situated in the Valasan village, Gujarat in violation of the provisions under the Electricity Act 2003 and the Telegraph Act, 1885. Further, the petitioner states that the laying of such transmission lines over the land of the petitioner has caused permanent loss of agriculture income and has prevented the petitioner from accessing and maintaining the borewell for agricultural and irrigation purposes. As against the alleged claims, the petitioner has requested for the issuance of an appropriate writ or direction for granting of adequate compensation caused due to the laying of such transmission lines and ordering for the removal of such transmission lined from the premises of the petitioner. The case is currently pending determination before the High Court of Gujarat at Ahmedabad and is posted for next hearing on July 23, 2024.

Petition filed against Kutch Windfarm Development Private Limited (as respondent no. 4), by way of a special civil application before the High Court of Gujarat at Ahmedabad

A special civil application (SCA 19509 of 2023) has been filed by Valibhai Hajibhai Kadivar against the State of Gujarat, naming Kutch Windfarm Development Private Limited as respondent no. 4 alleging that certain land parcels were assigned for the development of the windmills without adhering to the requisite legal procedures, as no tenders were invited, nor public notices were issued for the allocation. Additionally, the petitioner asserts that the windmills erected are adjacent to the petitioner's land thereby claiming that the petitioner's family and the laborers working on their fields endure disturbances from the noise generated by the operational windmills, further leading to detrimental effects on crops of the petitioner due to the flickering effect caused by the windmills. The petitioner prayed for the issuance of the writ of mandamus and cancellation of leasehold over the land granted to the respondents and pending the hearing and final disposal, to restrain the respondents from operating the windmill over the alleged land parcel. The case is currently pending determination before the High Court of Gujarat and is posted for next hearing on August 8, 2024.

Writ petition filed against Continuum Trinethra Renewables Private Limited (“CTRPL”) and Trinethra Wind and Hydro Power Private Limited (“TWHPPPL”) by way of Public Interest Litigation.

A writ petition W.P. (PIL) no. 14 of 2023 under Article 226 and 227 of the Constitution of India, 1950 has been filed by Hanif Ibrahim Parasara in the High Court of Gujarat at Ahmedabad, by way of a public interest litigation against various respondents including CTRPL as respondent no. 8 and TWHPPPL as respondent no. 9.

The petition challenges the installation of windmills and setting up of transmission lines by private companies including that of CTRPL and TWHPPPL on lands sub-leased by Sri Maruti Wind Park (India) Private Limited, in the Morbi District, Gujarat. The petitioner alleges that the government authorities have failed to take any serious action against the companies for having installed such windmills without proper set-backs in close proximity to public roads, river and other water bodies, in contravention of the guidelines prescribed by the Ministry of New and Renewable Energy of Government of India. It is further alleged that the electric poles have been erected on gochar lands without obtaining the relevant no-objection certificate from the gram panchayat and subsequently on various forest lands without obtaining the consent for diversion of such land for non-forest purpose from the relevant authorities prescribed under the Forest (Conservation) Act, 1980. Accordingly, the petitioner has prayed for issuance of a writ of mandamus or any other appropriate order or direction to the government authorities (respondent no. 1 to 6) to take action against the respondent private companies for installing the windmills in alleged violation of the guidelines issued by the Ministry of New and Renewable Energy of Government of India. As an interim relief during the pendency of the proceedings, the petitioner has sought for the removal of the gross irregularities in the installation of the electric poles.

The matter is pending before the High Court of Gujarat at Ahmedabad and is posted for next hearing on July 12, 2024.

REGULATION

Set forth below is a brief overview of the principal laws and regulations currently governing the businesses of the Co-Issuers. The information set out below has been obtained from sources available in the public domain and is based on the current provisions of Indian laws, as amended, and which are subject to amendments, changes, and modifications. The laws and regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. Prospective investors should seek independent legal advice on the laws and regulations applicable to the businesses of the Restricted Group 2.

The Electricity Act, 2003

The Electricity Act is the central legislation which covers, among others, generation, transmission, distribution, trading and use of electricity. Under the Electricity Act, the transmission, distribution, and trade of electricity are regulated activities that require licenses from the CERC, the SERCs or a joint commission (constituted by an agreement entered into by two or more state governments or the GoI in relation to one or more state governments, as the case may be).

Under the Electricity Act, the appropriate commission, guided by, *inter alia*, the principles and methodologies specified by the CERC, promotion of co-generation and generation of electricity from renewable sources of energy, principles rewarding efficiency in performance, objective of safeguarding consumers' interest and at the same time, recovery of the cost of electricity in reasonable manner, shall stipulate the terms and conditions for the determination of tariff. The Electricity Act currently requires the GoI to, from time to time, prepare the national electricity policy and tariff policy, in consultation with the state governments and CEA.

The Draft Electricity (Amendment) Bill, 2022 which include, among other things, (i) introducing a framework which would allow more than one distribution company to supply power in a given area; (ii) requiring CERC and SERCs to include at least one member with experience and qualifications in law and also increasing the number of members of the APTEL; (iii) empowering the National Load Despatch Centers to oversee the national grid; (iv) requiring any contract for scheduling or despatch of power to provide for an adequate payment security mechanism, as may be prescribed by the GoI; and (v) introduction of penalties for failure to meet RPO; (vi) removing requirement of more than one distribution licensee (discom) to operate in the same area and supply electricity through their own network; (vii) requiring the network-owning discoms to provide open and non-discriminatory access to its network to other discoms having license within the same area of supply, subject to payment of certain charges and regulations specified by the relevant commission; (viii) sharing of the power and associated costs from existing power purchase agreements (PPAs) among all discoms in an area; (ix) determination of the floor and ceiling tariffs for retail supply by the State Commission, if there is more than one discom in an area; (x) setting up a cross-subsidy balancing fund by the state government to deposit surplus of cross-subsidy with one discom, and to provide for any deficit with another discom in the same or any other area; (xi) providing for a payment security mechanism to ensure timely payment to generation companies; and (xii) amending the qualification for chairpersons and other members of the Central and State Commissions. The Electricity (Amendment) Bill, 2022 was introduced in Lok Sabha in August 2022. It has been referred to the Standing Committee on Energy for detailed examination.

The Electricity Rules, 2005 along with subsequent amendments *inter alia* provides for: (a) minimum fifty-one percent offtake of energy generated in the captive power plant by the captive user; (b) minimum of twenty-six percent ownership of the captive user(s); (c) accounting of subsidy provided to certain consumers; (d) compliance with directions by transmission licensee; (e) surcharge payable by consumers seeking open access; (f) energy storage systems; (g) development of hydro power; and (h) implementation of uniform renewable energy tariff for central pool.

The Ministry of Power (“**MoP**”) released a notification on June 30, 2023, introducing additional amendments to the Electricity Rules, 2005 (“**Amendment Rules**”). To clarify certain changes brought by the Amendment Rules, the MoP in September 2023, notified the Electricity (Third Amendment) Rules,

2023 which *inter-alia*, permitted the consumption of electricity by the subsidiary company or the holding company of a captive user from the Captive Generating Plant (“CGP”), to also be included while determining the captive consumption of such captive user.

In this regard, it may also be noted that the Supreme Court on October 9 2023, in *Dakshin Gujarat VII Company Limited v. Gayatri Shakti Paper and Board Limited and Ors.* (“**Dakshin Gujarat**”) has held *inter-alia* that as per the second proviso to Rule 3(1)(a) of the Electricity Rules, 2005:

- (e) special purpose vehicles that possess, operate, and maintain CGPs qualify as an ‘*association of persons*’ and accordingly companies and other individuals who are shareholders and captive users of that CGP established by the special purpose vehicle must meet the criteria to qualify as captive users; and
- (f) the proportionality principle, i.e., unified qualifying ratio determined by dividing the consumption requirement (51%) with the shareholding requirement (26%) resulting in 1.96% (with a permissible variation of 10% in either direction) needs to be adhered to by all group captive consumers.

In case these requirements (“**Twin Tests**”) are not met, the entire electricity generated in the year will not be treated as captive generation (attracting cross subsidy surcharges and other levies). While the CGP status is tested on an annual basis, the Supreme Court in *Dakshin Gujarat* further clarified that that the Twin Tests are required to be maintained continuously and not just at the end of the year.

Cross subsidy surcharges are a form of compensatory charge payable by consumers who have availed open access to compensate the distribution licensee for the element of cross subsidy that was built into the tariff of such consumer. A failure to maintain the captive status as prescribed under the Electricity Rules, 2005 shall result in payment of cross subsidy surcharges payable to the state discoms in respect of power imported by the captive users, along with other levies.

The Electricity Rules 2005 has subsequently been amended multiple times including *inter alia* vide Electricity (Amendment) Rules, 2022 dated December 29, 2022; Electricity (Second Amendment) Rules, 2023 dated July 26, 2023, Electricity (Third Amendment) Rules, 2023 dated September 1, 2023, Electricity (Amendment) Rules, 2024 dated January 10, 2024, Electricity (Second Amendment) Rules, 2024 dated January 10, 2024 and Electricity (Third Amendment) Rules, 2024 dated March 12, 2024 *inter alia* including (a) permitting a generation company or a captive generating plant or an energy storage system or a consumer having a minimum load of 25 MW in case of inter-state transmission system and 10 MW in case of intra-state transmission system to establish, operate or maintain a dedicated transmission line to connect with the grid, subject to compliance with the regulations, technical standards, guidelines and procedures issued under the Electricity Act, 2003; (b) subsidy accounting to be done by the distribution licensee in accordance with ‘Standard Operating Procedure’ to be issued by the GoI which includes that in case the subsidy has not been paid in advance, then the State Commission shall issue order for implementation of the tariff without subsidy; (c) energy storage systems shall be considered as a part of the power system; (d) wheeling charge shall be computed as per the fix formula ‘*annual revenue requirement towards wheeling / energy wheeled during the year*’, provided that wheeling charges at different voltage levels may be determined by the commission separately; (e) charges for using state transmission network for short term open access capped at 110% of charges levied for for long term access; (f) additional surcharge shall not be applicable to the extent the consumer is paying fixed charges for contract demand to the distribution licensee and in relation to a person availing open access additional surcharge shall be linearly reduced and get eliminated within four years from the date of grant of access; (g) tariff shall be cost reflective and there shall not be any gap between approved annual revenue requirement and estimated annual revenue from approved tariff; (h) surcharge payable by consumers seeking open access shall not exceed 20% of the average cost of supply; (i) timely recovery of power purchase costs by distribution licensee and upon failure to compute within timeline specified (except in case of force majeure), it shall forfeit the right for such monthly adjustment and annual true up adjustment for next financial year; and (j) national, regional and state load dispatch centers are mandated to review operational resource adequacy on a daily, monthly or quarterly basis the guideline issued by the GoI at their respective levels.

National Electricity Policy

The GoI notified the National Electricity Policy on February 12, 2005, in accordance with the provisions of the Electricity Act. The National Electricity Policy provides guidelines for accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders keeping in view availability of energy resources, technology available to exploit these resources, economics of generation using different resources, and energy security issues.

The National Electricity Policy provides that the SERCs should specify appropriate tariffs in order to promote renewable energy, up until renewable energy power producers relying on non-conventional technologies can compete with conventional sources of energy. The SERCs are required to ensure progressive increase in the share of generation of electricity from non-conventional sources and provide suitable measures for connectivity with grid and sale of electricity to any person. Further, the SERCs are required to specify, for the purchase of electricity from renewable energy sources, a percentage of the total consumption of electricity in the area of a distribution licensee. Furthermore, the National Electricity Policy provides that such purchase of electricity by distribution companies should be through a competitive bidding process. The National Electricity Policy permits the SERCs to determine appropriate differential prices for the purchase of electricity from renewable energy power producers, in order to promote renewable sources of energy.

National Electricity Plan (2022-32)

The CEA has notified the National Electricity Plan (NEP) (Vol-I Generation) for the period of 2022-32. The plan document, issued on May 31, 2023, includes the review of the last five years (2017-22), a detailed plan for the next five years (2022-27) and the prospective plan for the next five years (2027-32). As per section 3(4) of the Electricity Act, 2003, CEA has been mandated to prepare a NEP in accordance with the National Electricity Policy and notify such plan once in five years. The projected 'All India Peak Electricity Demand' and electrical energy prerequisite is 277.2 GW and 1907.8 billion units ("BU") for the year 2026-27 and 366.4 GW and 2473.8 BU for the year 2031-32 according to 20th Electric Power Review request projections. Further, the country's goal of installing around 500 GW of non-fossil-based capacity by 2029-2030 is in line with the projection of total capacity addition.

National Tariff Policy, 2016 ("National Tariff Policy")

The GoI notified the revised National Tariff Policy effective from January 28, 2016. Among others, the National Tariff Policy seeks to, *inter alia*, ensure availability of electricity to consumers at reasonable and competitive rates, ensure financial viability of the sector and attract investments, promote competition, efficiency in operations and improvement in quality of supply, promote generation of electricity from renewable sources and evolve a dynamic and robust electricity infrastructure for better consumer services. The objectives of the National Tariff Policy include:

- (g) Promoting transparency and predictability: Ensuring clear and transparent processes for tariff determination to provide stakeholders with predictability and certainty regarding tariff structures and revisions.
- (h) Cost-reflective tariffs: Encouraging the adoption of tariffs that accurately reflect the actual cost of supplying services, thereby promoting efficiency and sustainability in resource utilization.
- (i) Minimizing regulatory intervention: Striving to reduce unnecessary regulatory intervention in tariff determination processes while ensuring adequate safeguards to protect consumer interests.
- (j) Reducing cross-subsidization: Minimizing cross-subsidization between different consumer categories to promote fairness and equity in tariff structures and prevent undue burden on certain consumer groups.

- (k) Promoting renewable energy and energy efficiency: Incentivizing investments in renewable energy sources and energy efficiency measures through tariff mechanisms to promote sustainable development and reduce environmental impact.
- (l) Facilitating competition and private sector participation: Encouraging competition and private sector involvement in infrastructure sectors, including electricity, water supply, sanitation, and transportation, to enhance efficiency, service quality, and innovation.
- (m) Rationalization of tariff structures: Providing guidelines for the rationalization and modernization of tariff structures across various sectors to ensure affordability, accessibility, and sustainability of essential services.
- (n) Stakeholder consultation and participation: Emphasizing the importance of stakeholder engagement and consultation in tariff-setting processes to gather feedback, address concerns, and ensure transparency, accountability, and public participation.

These objectives collectively aim to create a conducive regulatory environment for tariff determination that balances the interests of consumers, investors, and the broader public welfare while promoting sustainable development and economic growth.

National Tariff Policy also discusses the implementation of Multi-Year Tariff framework, which is likely to minimize regulatory efforts on the part of the regulatory commission, utilities and other stakeholders, reduce regulatory uncertainty and provide for a transparent and stable system of incentives and disincentives, and attract investments.

Further to give the much need impetus to the renewable power sector, in accordance with suggestions made by the National Tariff Policy, the MoP, vide notification bearing no. 23/12/2016/R&R dated February 13, 2018, exempts wind and solar projects from the applicability of charges and losses for use of inter-state transmission system for a period of 25 years from the date of commissioning of such wind and solar projects, subject to fulfilling certain conditions.

Further, to encourage the renewable power sector, the MoP vide order dated January 15, 2021 considered instances wherein renewable power projects have faced force majeure events or delays on the part of the transmission provider or inaction or delays on the part of the respective government agency specifically for projects which were unable to avail waiver of inter-state transmission system charges and losses. Accordingly, in supersession of its earlier orders in this regard, the MoP decided that no inter-state transmission system charges will be levied on transmission of electricity for a period of 25 years from the date of commissioning of power plants meeting the certain criteria.

Draft Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2024

On February 17, 2024, the CERC notified the draft Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2024 (the “**Draft Tariff Regulations**”). The Draft Tariff Regulations were proposed to be effective from April 1, 2024 superseding the Central Electricity Regulatory Commission (Terms and Conditions for Tariff determination from Renewable Energy Sources) Regulations, 2022 (“**Tariff Regulations**”). However, CERC through a notification issued on March 28, 2024 extended the applicability of the Tariff Regulations until June 30, 2024 from March 31, 2024. The Draft Tariff Regulations will govern the determination of tariff for grid-connected generating stations or a unit commissioned during the control period. the tariff for a generating station or transmission system can be determined for the entire facility or specific units/elements. The tariff for renewable energy sources will comprise of return on equity, interest on loan, and depreciation components. Interest on working capital covers the interest incurred on the working capital of the renewable energy project. For renewable projects involving a fuel component, a single part tariff with two components, i.e. fixed cost and fuel cost, will be determined.

Renewable Purchase Obligations

The Electricity Act and the National Tariff Policy require the SERCs to specify, for the purchase of electricity from renewable sources, a percentage of the total consumption of electricity within the area of a distribution licensee, which are known as renewable purchase obligations (“RPOs”). RPOs are required to be met by obligated entities (distribution licensees, captive power plants and open access consumers) by purchasing renewable energy, either by renewable energy power producers such as Co-Issuers, or by purchasing renewable energy certificates. In the event of default by an obligated entity in any fiscal year, the SERCs may direct the obligated entity to pay a penalty or to deposit an amount determined by the relevant SERC, into a fund to be utilized for, among others, the purchase of renewable energy certificates.

In October 2023, the MoP in collaboration with the Bureau of Energy Efficiency, issued a notification (effective from April 1, 2024) to introduce minimum renewable energy consumption targets for designated consumers until financial year 2029-30. While the new and earlier RPO have the same total target, the new RPO includes a distributed renewable energy component, which the old RPO did not have.

On October 20, 2023, under the Energy Conservation Act, 2001, the GoI has specified the minimum share of renewable energy from different sources/class of renewable energy by designated consumers in respect of electricity distribution licensee and other designated consumers who are open access consumers or captive users to the extent of consumption of electricity from sources other than distribution licensee as a percentage of their total share of energy consumption indicated in the table below which is effective from April 1, 2024:

Year	Wind Renewable Energy ⁽¹⁾	Hydro Renewable Energy ⁽²⁾	Distributed Renewable Energy ⁽³⁾	Other Renewable Energy	Total Renewable Energy
			(%)		
FY25	0.67	0.38	1.50	27.35	29.91
FY26	1.45	1.22	2.10	28.24	33.01
FY27	1.97	1.34	2.70	29.95	35.95
FY28	2.45	1.42	3.30	31.64	38.81
FY29	2.95	1.42	3.90	33.10	41.36
FY30	3.48	1.33	4.50	34.02	43.33

Notes:

- (1) Wind Energy means from wind projects commissioned after March 31, 2024
- (2) Hydro Energy means from hydro projects (incl PSP) commissioned after March 31, 2024
- (3) Distributed renewable energy means projects of <10 MW

The RPO obligation is split basis source of energy for distribution utilities, however, for designated consumers being open access consumers or consumers with captive power plants shall fulfill their obligation as per the specified total renewable energy target irrespective of the source of renewable energy.

The notification states that specified renewable energy consumption targets shall be met either directly or through Renewable Energy Certificates, provided that any shortfall in specified renewable energy consumption targets shall be treated as non-compliance and penalty shall be imposed which shall not exceed ten lakh rupees for each such failure. Provided that he shall be liable to an additional penalty which shall not exceed twice the price of every metric ton of oil equivalent prescribed under this Act, which is in excess of the prescribed norms.

The Ministry of New and Renewable Energy (“MNRE”) vide its letter dated February 1, 2024, giving reference to the above MoP notification, has stated that an additional penalty of up to Rs. 3.72/kWh could be imposed for each unit of shortfall in meeting the renewable energy consumption norms.

Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 (“Grid Code”)

The Grid Code specified by the CERC contains the provisions regarding the roles, functions and responsibilities of the concerned statutory bodies, generating companies, licensees, and any other person connected with the operation of the power systems within the statutory framework envisaged in the Electricity Act and the rules, regulations, notifications issued thereunder. The Grid Code apart from the provisions relating to the role of various statutory bodies and organizations and functional linkages among them, contains extensive provisions pertaining to (a) reliability and adequacy of resources; (b) technical and design criteria for connectivity to the grid including integration of new elements, trial operation and declaration of commercial operation of generating stations and inter-state transmission systems; (c) protection setting and performance monitoring of the protection systems including protection audit; (d) operational requirements and technical capabilities for secure and reliable grid operation including load generation balance, outage planning and system operation; (e) unit commitment, scheduling and dispatch criteria for physical delivery of electricity; (f) integration of renewables; (g) ancillary services and reserves; and (h) cyber security.

Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) Regulations, 2008 (the “CERC Open Access Regulations”)

The CERC Open Access Regulations apply to the applications made for grant of open access for energy transfer schedules commencing on or after April 1, 2008 for use of the transmission lines or associated facilities with such lines on the inter-state transmission system. CERC Open Access Regulations clarify that, subject to other regulations, the long-term customer shall have first priority for using the inter-state transmission system for the designated use. CERC Open Access Regulations apply for utilization of surplus capacity available thereafter on the inter-state transmission system by virtue of (a) inherent design margins; (b) margins available due to variation in power flows; and (c) margins available due to in-built spare transmission capacity created to cater to future load growth or generation addition. It provides for a structure which facilitates both bilateral transaction (transaction for exchange of energy between a specified buyer and a specified seller, directly or through a trading licensee), and collective transactions (set of transactions discovered in power exchange through anonymous, simultaneous competitive bidding by buyers and sellers). Additionally, the CERC Open Access Regulations provides for congestion management wherein the grant of all applications at a particular stage of advance scheduling is likely to cause congestion in one or more of the transmission corridors to be used, nodal agency shall conduct electronic bidding for grant of open access for the available surplus transmission capacity among the applicants at that stage.

Central Electricity Authority (Measures Relating to Safety and Electric Supply) Regulations, 2023 (“CEA Safety Regulations”)

CEA Safety Regulations framed by CEA of India under the Electricity Act to regulate measures relating to safety and electric supply in India. CEA Safety Regulations apply to electrical installations, including electrical plants and electric lines, as well as persons engaged in electricity generation, transmission, distribution, trading, supply, or usage. CEA Safety Regulations encompass general safety guidelines for the construction, installation, protection, operation, and maintenance of electric supply lines and apparatus. Additionally, the CEA Safety Regulations outline general conditions related to the supply and use of electricity. Furthermore, CEA Safety Regulations include safety provisions for electrical installations and apparatus with voltages both above and below 650 V, covering overhead lines and underground cables, renewable generating stations, electric vehicle charging stations, high voltage direct current, and other related aspects.

Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022

These regulations seek to ensure, through a commercial mechanism that users of the grid do not deviate from and adhere to their schedule of drawal and injection of electricity in the interest of security and stability of the grid. These regulations are applicable to all grid connected regional entities and other entities engaged in inter-state purchase and sale of electricity.

Central Electricity Regulatory Commission (Ancillary Services) Regulations, 2022

These regulations provide for a mechanism for deployment and payment of ancillary services including services necessary to support the grid operation in maintaining power quality, reliability and security of the grid, for: (a) maintaining the grid frequency close to 50 Hz; (b) restoring the grid frequency within the allowable band; and (c) relieving congestion in the transmission network.

Generation-Based Incentive Scheme

The MNRE introduced the generation-based incentive scheme (“**GBI Scheme**”) which provides incentives based on generation instead of capacity addition for grid connected wind power projects. Initially the GBI Scheme was available to projects commissioned after December 17, 2009 and provided developers with an incentive payment of Rs. 0.50 per kWh of electricity fed into the grid with an overall cap of Rs. 10 million per MW for a minimum period of four years and a maximum period of ten years. This period of availability continued through extended versions of the GBI Scheme with the last revision dated April 22, 2015 extending the GBI Scheme until the end of the 12th plan period i.e. until 2017. For wind power projects commissioned on or before March 31, 2012, the maximum GBI payable is Rs. 6.2 million per MW with the total disbursement per year capped at one-fourth of the maximum limit of the incentive during the first four years. For wind projects commissioned on or after April 1, 2012, the maximum GBI payable is Rs. 10 million per MW with the total disbursement per year capped at one-fourth of the maximum limit of the incentive during the first four years.

National Wind-Solar Hybrid Policy (“Hybrid Policy”)

MNRE announced the Hybrid Policy on May 14, 2018, with an aim to encourage renewable power generation and promote new projects as well as hybridization of the existing wind and solar projects. The main objective of the Hybrid Policy is to provide a framework for promotion of large grid connected wind-solar photovoltaic hybrid system for optimal and efficient utilization of transmission infrastructure and land, reducing the variability in renewable power generation and achieving better grid stability. The Hybrid Policy aims to encourage new technologies, methods and way-outs involving operation of wind and solar photovoltaic plants.

The implementation of wind solar hybrid systems will depend on different configurations and use of technology. The Hybrid Policy mandates the CEA and the CERC to formulate necessary standards and regulations for wind-solar hybrid systems. As of December 31, 2023, around 1.44 GW of hybrid projects are already commissioned.

Guidelines for Tariff Based Competitive Bidding Process for Procurement from Grid Connected Wind-Solar Hybrid Projects, 2023 (“Bidding Process Guidelines”)

The MoP issued the Bidding Process Guidelines on August 21, 2023, under provisions of Section 63 of the Electricity Act for long term procurement of electricity through competitive bidding process, by procurer(s) from hybrid power projects having (a) bid capacity of 10 MW and above for projects connected to the intra-state transmission system; and (b) bid capacity of 50 MW and above for projects connected to the inter-state transmission system, provided that the rated power capacity of one resource (i.e. wind or solar) shall be at least 33% of the total contracted capacity. The objective of the Bidding Process Guidelines is: (a) to promote competitive procurement of electricity from grid connected wind solar hybrid

power projects by distribution licensees, to protect consumer interests; (b) to facilitate renewable capacity addition and fulfillment of RPO requirement of discoms; (c) to facilitate transparency and fairness in procurement processes/and to provide for a standardized framework for an intermediary procurer as an aggregator/trader for the inter-state sale-purchase of long-term power at competitive prices in consumer interest; and (d) to provide a risk-sharing framework between various stakeholders and ensure reasonable returns to the investors involved in the wind solar hybrid power procurement, thereby encouraging further investments, enhanced bankability of the projects and profitability for the investors.

Guidelines for development of onshore wind power projects (“Wind Projects Guidelines”)

The MNRE issued the Wind Projects Guidelines dated October 22, 2016 to ensure healthy and orderly growth of wind power sector in the country with the objective of facilitation of development of wind power projects in an efficient, cost effective and environmentally sustainable manner. The Wind Projects Guidelines enumerate the MNRE advisories for project developers in relation to establishing and operating a wind power project. The Wind Projects Guidelines also require manufacturers of wind turbines and components to acquire type and quality certification by an internationally accredited certification body.

Ministry of Power Order dated November 23, 2021 regarding waiver of Inter-State Transmission Charges

For solar, wind, hydro pumped storage projects and battery energy storage systems projects commissioned up to June 30, 2025, the waiver of interstate transmission charges shall be applicable. The power generated from such sources can be self-consumed or sold to any entity either through competitive bidding, power exchange or through bilateral agreement. The order was further amended on June 9, 2023 to state that for any solar, wind and sources mentioned under the order dated November 23, 2021, which is eligible for waiver of inter-state transmission charges and is having its scheduled date of commissioning on or before June 30, 2025 is granted extension of time from the commissioning by Ministry of New and Renewable Energy after careful consideration, on account of force majeure or for delay on the part of the transmission provider in providing the transmission even after having taken the requisite steps in time; or on account of delays on the part of any government agency.

Electricity (Rights of Consumers) Amendment Rules, 2023

The MoP notified Electricity (Rights of Consumers) Amendment Rules, 2023 (“**ERC First Amendment**”) on June 14, 2023 to amend the Electricity (Rights of Consumers) Rules, 2020. As per the ERC First Amendment, smart meters of all types must be remotely read at least once daily, while other pre-payment meters should be read by an authorized representative of the distribution licensee at least once every three months. The data on energy consumption will be accessible to consumers through a website, mobile application, or short message service. Consumers with smart pre-payment meters will also have daily access to their consumption data and balance amount. Additionally, the time of day (“**ToD**”) tariff will be implemented for commercial and industrial consumers with a maximum demand exceeding 10 kW from a date no later than April 1, 2024, and for all other consumers except agricultural consumers, it shall be implemented no later than April 1, 2025. For consumers with smart meters, ToD tariff will be made effective immediately after installation. Under the ToD tariff system, tariff during solar hours (duration of eight hours in a day as specified by the SERC) of the day will be at least 20 percent less than the normal tariff, while the tariff during peak hours (as specified by the SERC which shall not be more than solar hours) will be 20 percent higher than the normal tariff for C&I customers and 10% higher for normal consumers.

On February 22, 2024, the MoP notified the Electricity (Rights of Consumers) Amendment Rules, 2024 (“**RC Second Amendment**”). As per the RC Second Amendment, the timelines with respect to (a) new connections and modification in existing connections (to be provided by the distribution licensee), and (b) completing technical feasibility studies, have been reduced further.

Electricity (Late Payment Surcharge and Related Matters) Rules 2022

On June 3, 2022, the MoP notified the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022, replacing the Electricity (Late Payment Surcharge) Rules, 2021. According to these new rules, a late payment surcharge will be applied at the base rate for the first month of delay on outstanding payments after the due date. For each successive month of delay, the surcharge will increase by 0.5%, capped at a maximum of 3% above the base rate. Additionally, any payments made by a distribution licensee to a generating company or a trading licensee for power procured from it, or by a user of a transmission system to a transmission licensee, will be first allocated towards the late payment surcharge and then towards monthly charges, starting with the longest overdue bill. In case of non-payment of dues, by the distribution licensee even after two and a half months from presentation of bill by the generating company or default in payment of installment, the power supply to the defaulting entity shall be regulated as prescribed in the rules.

On February 28, 2024, the Electricity (Late Payment Surcharge and Related Matters) (Amendment) Rules, 2024 were notified according to which the distribution licensee shall intimate its schedule for requisitioning power for each day from each power generator under the power purchase agreement at least two hours before the end of the time for placing proposals, failing which the generating company, shall offer, the un-requisitioned surplus power including the power available against the declared capacity of the unit under shut down, in the power exchange day-ahead & real time market. The offer by generator shall be at a price not exceeding 120 per cent of its applicable energy charge plus applicable transmission charge; failing which, the discom shall not be liable for paying capacity charges for unoffered capacity.

Provided that power plants with extra capacity that is not being used by distributors will no longer be able to collect payments for that unused portion, and this surplus power also cannot be offered for sale in the power exchange, at a price of more than 120% of energy charge plus applicable transmission charge. These changes aim to encourage power generators to sell their surplus power to reduce the waste of the power generated. Further the distributors who lose access to the grid due to payment defaults will be entitled to receive quick restoration of their access once they have settled all their payment defaults.

Ministry of Power notification dated October 22, 2021 regarding Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021

The GoI has issued the Electricity (Timely Recovery of Costs due to Change in Law) Rules, 2021, framed under the provisions of Section 176 of the Electricity Act applicable to generating companies and transmission licensees on October 22, 2021. As per this notification and the subsequent clarification dated February 22, 2022, the cost incurred due to change in law has to be adjusted in monthly tariff so that the affected party is not burdened due to the said cost and to restore such affected party to the same economic position as if such change in law had not occurred.

Ministry of Power notification dated October 22, 2021 regarding Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021

The following are the key salient features of these rules:

A wind, solar, wind-solar hybrid or hydro power plant (in case of excess water leading to spillage) or a power plant from any other sources, as may be notified by the Appropriate Government, which has entered into an agreement to sell the electricity to any person, shall be treated as a must-run power plant.

A must-run power plant shall not be subjected to curtailment or regulation of generation or supply of electricity on account of merit order dispatch or any other commercial consideration: Provided that electricity generated from a must-run power plant may be curtailed or regulated in the event of any technical constraint in the electricity grid or for reasons of security of the electricity grid: Provided further that for curtailment or regulation of power, the provisions of the Grid Code shall be followed.

In the event of a curtailment of supply from a must-run power plant, compensation shall be payable by the procurer to the must-run power plant at the rates specified in the agreement for purchase or supply of electricity.

Where, in the event of any technical constraint in the electricity grid or for reasons of security of the electricity grid, procurer gives the notice for curtailment to the must-run power plant in advance, prior to the start of the day ahead market or real time market or any other product introduced from time to time in the power exchange, the must-run power plant shall sell the electricity not scheduled by the procurer in the power exchange.

The amount realized by such must-run power plant from such sale of electricity in a power exchange, after deducting actual expenses paid for the sale in the power exchange, if any, shall be adjusted against the compensation payable by the procurer under sub-rule (3).

Any deficit in realization of amount, with respect to the compensation shall be paid by the procurer on monthly basis.

Any excess realization of amount during a month from sale of electricity in a power exchange, if any, shall be carried forward and adjusted in the next month or months.

The final adjustment of excess realization of amount, if any, shall be paid by the must-run power plant to the procurer within one month of the close of the financial year.

Notification of Draft CEA Regulations for Great Indian Bustard Area

On February 3, 2023, the CEA issued draft Central Electricity Authority (Construction of Electric Lines in Great Indian Bustard Area) Regulations, 2023, (“**Draft GIB Regulations**”) in light of a case before the Supreme Court on the issue of threat to the endangered species, making mandatory for electric lines to be underground or overhead through the ‘*Great Indian Bustard (GIB) Area*’. In this regard, the Supreme Court vide its orders dated April 22, 2022 had held that no new overhead power lines to be laid in potential habitats of the GIB unless approved by the court-appointed committee (“**SC Orders**”). As per the Draft GIB Regulations, electric lines of 33 kV and below voltage level passing through the GIB area will require undergrounding, and electric lines of above 33 kV voltage level passing through the GIB area will be overhead lines installed with bird flight diverters. While the low voltage power lines were earlier interpreted to be in lines with voltage of 66 kV or below, this has been changed in the Draft GIB Regulation to 33 kV or below. While comments/suggestions were awaited from the public, several environmentalists have called for the CEA to withdraw the Draft GIB Regulations as it appears to be an attempt to circumvent the SC Orders, and would be in violation of the same if notified. The Draft GIB Regulations have not been notified yet.

Recently, the Supreme Court vide its order dated March 21, 2024 modified its earlier order dated April 19, 2021 (wherein it had demarcated ‘Priority Area’ and ‘Potential Area’ of the Great Indian Bustard habitat and mandated undergrounding of transmission lines, subjected to feasibility), and restricted the injunction of undergrounding only to the ‘Priority Area’ (feasibility and subject to feasibility, and eased the restrictions in the ‘Potential Area’. The court also appointed an expert committee to balance the conservation of the endangered species with renewable energy goals, and is expected to receive proposals of additional measures and submit its report to the Supreme Court by July 31, 2024.

Ministry of New and Renewable Energy to blacklist developers for delay in projects

The MNRE released an order on February 15, 2023, wherein it directed that if any renewable project developer fails to comply with the scheduled commercial operation date with respect to its project, it will result in that project developer to be blacklisted for a period of 3 to 5 years. Additionally, the bank guarantee provided by the project developers will also be encashed by the MNRE. The provision of the circular which provides the powers to public sector undertakings to blacklist developers will be applicable to all tenders/bids and contracts as well, in accordance with the General Financial Rules, 2017.

Amendments to CERC (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022 (“GNA Regulations”) for drawal of power from renewable sources

On June 7, 2022, the CERC issued the GNA Regulations to facilitate General Network Access (“GNA”) by allowing generators to connect and evacuate power through the ISTS without designating the location of the offtaker. Unlike the erstwhile ISTS open access system where the generators were required to identify a consumer prior to grant of open access, GNA provides flexibility to the generators by providing them with open access rights without having to specify the injection point and drawal point.

On April 1, 2023, the CERC issued the (Connectivity and General Network Access to the Inter-State Transmission System) (First Amendment) Regulations, 2023 (“CGNI First Amendment”), amending the GNA Regulations (certain provisions were effective from April 5, 2023) by *inter-alia*, inserting a new provision which defined general network access renewable energy (GNA_{RE}) as the open access to the ISTS granted under these regulations for drawal of power exclusively from renewable sources. It also defined temporary general network access-renewable energy (T-GNA_{RE}) as the T-GNA open access to the ISTS granted under the GNA Regulations for drawal of power exclusively from the renewable sources.

In August 2023, the CERC notified that the remaining provisions of the GNA Regulations and the CGNI First Amendment that came into effect from October 1, 2023. These provisions include *inter-alia* the following:

- The connectivity grantee may relinquish, in full or in part, the connectivity with a notice of 30 days to the nodal agency, which will issue a revised grant of connectivity to such grantee. In case of revocation or relinquishment of connectivity the corresponding GNA will be reduced. If the connectivity is relinquished in full, it will be disconnected from the ISTS.
- If the infrastructure and availability of surplus transmission capacity in the intrastate transmission network has been established, the state load despatch center will issue standing clearance within 3 working days of receipt of such application.

The Draft Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) (Second Amendment) Regulations, 2024, addressed scenarios when letters of agreement or power purchase agreements are terminated before the commercial operation date of a project and modifications to regulations concerning bank guarantees, possession documents for land, and minimum installed capacity requirements in specific regions are proposed. This amendment sought to create a more efficient regulatory framework that ensures timely project development and facilitates the seamless integration of renewable energy into the grid.

Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 read with the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Amendment Rules, 2023

MoP on June 6, 2022, notified the Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 (“REOA Rules”). The REOA Rules will be applicable for generation, purchase and consumption of green energy as defined therein, including the energy from waste-to-energy plants.

The REOA Rules have introduced a uniform renewable purchase obligation (RPO) on all obligated entities in the area of a distribution licensee. Any entity may opt to generate, purchase, and consume renewable energy as per its requirements by one or more of the methods mentioned under the REOA Rules including procurement of renewable energy through open access. As per REOA, all applications for open access of green energy shall be allowed by nodal agency within 15 days subject to minimum contract demand of 100 kW. Additionally, the REOA Rules provide provisions, *inter alia*, with respect to the (a) nodal agency, which would operate a single-window green energy open access system for renewable energy, (b) procedure for grant of green energy open access, (c) banking of power, and (d) open access charges.

REOA mandates that additional surcharge shall not be applicable for Green Energy Open Access Consumers, if fixed charges are being paid by such a consumer.

On January 27, 2023, the MoP notified the Electricity (Promoting Renewable Energy Through Green Energy Open Access) Amendment Rules, 2023, which modified the banking settlement period from monthly to a banking cycle, thereby providing flexibility to states with different banking settlement periods. Further, it was also clarified that the credit for banked energy will not be allowed to be carried forward and is required to be adjusted during the same banking cycle. In the event there is any surplus banked energy, the same will not be considered. The renewable energy generator will be entitled to Renewable Energy Certificates (“RECs”) for the lapsed banked energy.

According to the MoP’s notification dated February 12, 2024 it directed SERCs to adhere to the REOA Rules, including the second amendment to the REOA Rules and emphasized the need for alignment of their respective states’ open access regulations with the officially notified rules, including any amendments. The SERCs were instructed to provide their status of compliance by February 27, 2024.

Waiver of Inter-State Transmission Charges and Losses for Renewable Energy Projects

CERC has issued the CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023 (“**SITC First Amendment**”) waiving interstate transmission system charges for renewable energy generating stations, renewable hybrid generating stations and pumped hydroelectric stations beginning commercial operations by June 30, 2025. This waiver will remain in effect for 25 years. Set out below are some of the applicable waiver periods, as notified by the SITC First Amendment: — Battery storage systems (charged using renewable energy or renewable hybrid generating stations, operating before June 30, 2025) shall be eligible for a waiver of transmission charges for 12 years. — Solar power projects selling power to entities with renewable purchase obligations will be eligible for a waiver of transmission charges for 25 years from the commercial operation date. — Hydro-generating stations with power purchase agreements signed between December 1, 2022, and June 30, 2025 (where construction work is awarded by June 30, 2025), will be eligible for a waiver of transmission charges for 18 years from commercial operation date. The abovementioned projects that go into commercial operation after June 30, 2025, but prior to June 30, 2028, or new hydro projects where construction work is awarded and the power purchase agreement is signed after June 30, 2025, will be also eligible for a waiver of transmission charges.

Further, CERC notified the CERC (Sharing of Inter-State Transmission Charges and Losses) (Second Amendment) Regulations, 2023 (“**SITC Second Amendment**”), that came into effect on November 1, 2023. Under the SITC Second Amendment, the inter-state transmission licensee shall receive 50% of the yearly transmission charges (YTC) for its inter-state transmission system (ISTS) for the first six months from the deemed date of commercial operation (COD) or until the actual power flow begins, whichever occurs earlier. Additionally, the inter-state transmission licensee shall be paid 100% of YTC of its ISTS from the seventh month till the commencement of actual power flow, in case actual power flow does not commence within a period of six months from the date of deemed COD. Further, in situations where one inter-state transmission licensee causes a delay in another licensee’s system, the licensee responsible for such delay is required to pay 50% of its system YTC or 50% of the YTC of the system that has achieved deemed COD, whichever is lower, until the delayed system achieves COD, irrespective of the agreements in place between the parties.

Further, the CERC (Sharing of Inter-State Transmission Charges and Losses) (Third Amendment) Regulations, 2023 dated October 27, 2023 states that if an inter-regional high voltage direct current transmission system, originally planned to supply power to a specific region, is utilized to transmit power in the reverse direction due to system needs, then the YTC for such systems must be allocated at least 30% to the national component. This allocation is determined based on the percentage of power flow in the reverse direction compared to the forward direction. The certification of the MW capacity of power flow in the reverse direction is conducted by the National Load Dispatch Center based on the actual power flow equivalent to that capacity.

Permission from Municipal Authorities/Zila Parishad/Gram Panchayat/any other local authority

In many states in India, local laws require obtaining “*no objection certificates*” and approval for changing land use from relevant local authorities, such as municipal authorities, zila parishad, or gram panchayat, before setting up infrastructure. For example, in Maharashtra, Section 44 of the Maharashtra Regional and Town Planning Act, 1966, states that anyone intending to develop land must seek permission from the planning authority through a written application. The planning authority can grant permission unconditionally or with conditions, subject to the State Government’s prior consent, in the form of a commencement certificate. Similar restrictions on land development are outlined in Sections 12 and 13 of the Delhi Development Act, 1957, as amended.

Foreign Direct Investments

The Consolidated FDI Policy, 2020 issued by the Department for Promotion of Industry and Internal Trade (formerly, Department of Industrial Policy and Promotion), permits foreign direct investment (“**FDI**”), up to 100%, under the automatic route in renewable energy sector. However, such investment is subject to provisions of Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder.

The Minister for New & Renewable Energy and Power, Government of India has taken several steps to attract investments, including FDI in the renewable energy sector, such as *inter-alia* the following:

- Declaration of trajectory for RPO up to the year 2029-30;
- Setting up of Ultra Mega Renewable Energy Parks to provide land and transmission to renewable energy developers for installation of renewable energy projects at large scale;
- Release of standard bidding guidelines for tariff based competitive bidding process for procurement of Power from Grid Connected Solar PV and Wind Projects; and
- Notification of standards for deployment of solar photovoltaic system/devices.

Environmental Laws

The major legislations in India which protect the environment against pollution and also regulate the related activities include the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment (Protection) Act, 1986 (“**Environment Act**”). The primary purpose of these legislations is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCBs**”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities issue consent to establish (one-time approval) and consent to operate (required to be renewed periodically) under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974. These authorities also have the power of search, seizure and investigation in case of any alleged violation of the regulations.

Further, the Ministry of Environment and Forests (“**MoEF**”) mandates that Environment Impact Assessment (“**EIA**”) must be conducted for specified projects. In the process, the MoEF receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects. Such clearances must be obtained in accordance with the procedure specified in the EIA Notification S.O. 1533, issued on September 14, 2006, and amended from time to time, under the provisions of the Environment Act.

The Central Pollution Control Board of India (“**CPCB**”), under the MoEF has classified industrial sectors under the red, orange, green or white categories. The white category relates to those industrial sectors which are practically non-polluting, including solar power generation through photovoltaic cells, wind

power projects of all capacities and mini hydroelectric power. In relation to the white category of industries, only intimation to the relevant PCB is required, and there is no requirement to obtain a consent to establish and/or consent to operate for this category under the Air (Prevention and Control of Pollution) Act, 1981 and the Water (Prevention and Control of Pollution) Act, 1974.

State Level Policies

The various states in India, from time to time, have announced specific policies relating to renewable energy power projects and the matters relating thereto. These policies provide for, among others, fiscal incentives and procedural relaxations for setting up of renewable energy power projects in the relevant states for promoting renewable energy and its adoption. The Co-Issuers operations are also subject to the renewable energy policies formulated in the states in which it undertake/may undertake projects.

Maharashtra

Unconventional Energy Generation Policy-2020

The Unconventional Energy Generation Policy-2020 issued by the Government of Maharashtra, comprises the 'New and Renewable (Unconventional) Energy of the State Transmission of power generation from sources for attached projects Integrated Policy-2020' and the 'New and Renewable State Transmission of power generation from (unconventional) energy sources Integrated Policy for Projects — 2020'. The policy, which is applicable until March 31, 2025, is aimed towards commissioning non-conventional power projects with a capacity of 25,000 MW by 2025. While the policy supersedes previous policies, including the Comprehensive Policy for Grid-connected Power Projects based on New and Renewable (Nonconventional) Energy Sources — 2015, benefits of the incentives mentioned in the previous policies relating to such projects continue to be admissible if the project is implemented within one year from the date of promulgation of the new policy.

The new policy provides for various support systems including but not limited to setting up a single window web system for approvals and permits, promoting land availability, re-energization of existing projects, rural electrification and decentralization of micro grids.

Tamil Nadu

Tamil Nadu Electricity Regulatory Commission's Power Procurement from New and Renewable Sources of Energy Regulations, 2008

The Power Procurement from New and Renewable Sources of Energy Regulations, 2008 (“**TN Power Procurement Regulations**”) aim to promote new and renewable forms of energy. It prescribes that there shall be a minimum percentage of electrical energy which each distribution licensee shall purchase from new and renewable sources-based generators as stipulated in the orders issued by the Tamil Nadu Electricity Regulatory Commission from time to time, subject to the availability of such power. It also provides a process for the determination of tariffs for the power from new and renewable sources-based generators.

Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligation) Regulations, 2023

Under these regulations, obligated entities in Tamil Nadu, including distribution licensees, consumers with grid-connected Captive Generating Plants (CGPs), and open access consumers, must procure a specified minimum percentage of their energy consumption from renewable sources as outlined in the regulations. Failure to meet the required percentage of renewable energy procurement or to obtain the necessary renewable energy certificates renders an obligated entity liable to penalties determined by the State Commission under section 142 of the Electricity Act. However, in cases where genuine difficulties arise due to the unavailability of certificates, obligated entities can request the State Commission for permission to carry forward their compliance requirements to the subsequent year.

Tamil Nadu Solar Energy Policy, 2019

The Government of Tamil Nadu introduced the Tamil Nadu Solar Energy Policy, 2019 with a target to have installed solar energy generation capacity of 9,000 MW by 2023. The policy creates a framework that would enable accelerated development of solar energy in the state, with an overall strategy that aims at including demand side management, energy conservation, energy efficiency initiatives, distributed renewable energy generation, electric mobility and smart grids. The policy is applicable to projects, programs and installations relating to solar photovoltaic energy and solar thermal energy and to both utility and consumer category systems.

Gujarat

Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010

The Gujarat Electricity Regulatory Commission (Procurement of Energy from Renewable Sources) Regulations, 2010 aim to promote the sale of power from renewable energy sources and for procurement of energy from renewable sources. It requires each distribution licensee to purchase electricity from renewable energy sources, at a predetermined minimum percentage of the total consumption of its consumers during a year. It also prescribes minimum percentages of total consumption in a year which captive and open access users/consumers are required to source from renewable energy sources.

Gujarat Wind Power Policy, 2016

In the State of Gujarat, the authority responsible for the development and promotion of renewable energy is the Gujarat Energy Developer Agency. It plays an active role in the development of renewable energy by implementing various guidelines issued by the MNRE and the Government of Gujarat. Several concessional benefits were provided under the Gujarat Wind Power Policy, such as electricity duty exemption on electricity generated and consumed for self-consumption or third-party sales within the State of Gujarat, and exemption from demand cut to the extent of 50% of installed capacity of wind power project in case of captive consumption or third-party sales within the State of Gujarat. The Gujarat Wind Power Policy had been extended up to March 2023.

Gujarat Wind-Solar Hybrid Power Policy 2018

This policy aims to scale up installation of wind and solar hybrid power projects (the hybrid projects) in order to minimize the variability apart from optimally utilizing the required infrastructure including land and transmission system and thus strengthening the energy security of the Country.

Further it provides the framework for promotion of large grid connected wind-solar PV hybrid system for optimal and efficient utilization of the transmission infrastructure and land and reducing the variability in renewable power generation thus achieving better grid-stability.

This policy encourages new technologies, method and solution to facilities the combined operation of wind and solar PV plants and to promote the integration with emerging technologies like energy storage system.

Gujarat Electricity Regulatory Commission (“GERC”) has also come up with tariff framework for procurement of power by from wind-solar hybrid projects. Several concessional benefits have been provided under the policy, such as concession of 50% of cross subsidy surcharge and additional surcharge, as applicable to normal open access customers. The control period for the tariff framework approved in this tariff order shall be effective from the date of this order to September 30, 2023. The ‘Useful Life’ for the wind solar hybrid power projects to be commissioned during control period of this order shall be considered as 25 years from date of commissioning.

Gujarat Solar Power Policy 2021

The “Gujarat Solar Power Policy 2021” aims to rapidly increase solar energy capacity, reduce reliance on fossil fuels, promote sustainable development goals, generate employment, foster innovation, raise awareness, and create an investment-friendly environment in the power sector. The policy is valid till 2025 and provides various incentives and benefits to solar power systems installed and commissioned during the operative period, for a period of 25 years from their date of commissioning.

Gujarat Renewable Energy Policy 2023 (the “GRE Policy”)

Government of Gujarat has come up with the GRE Policy on October 4, 2023 in order to tap the maximum renewable energy potential of the state and to achieve 50% cumulative electric power installed capacity from renewable energy sources by 2030. The GRE Policy will be effective from April 10, 2023 (date of notification) until September 30, 2028 for projects installed and commissioned during the operative period are eligible for benefits, lasting up to 25 years from commissioning. The GRE Policy is applicable on all kind of renewable energy projects including wind, solar, wind solar hybrid, however, not applicable for supply of power for producing green hydrogen and green ammonia. The GRE Policy enables renewable energy projects to be developed without any capacity restrictions for captive use or for selling power to third party, whether registered under REC mechanism or not.

Overall, the GRE Policy aims to establish Gujarat as a leading hub for renewable energy development in India. By leveraging the state’s natural resources, fostering investments, and implementing supportive policies, the government aims to achieve sustainable energy security, economic growth, and environmental stewardship.

Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) Regulations, 2024 and Wind-Solar Hybrid Tariff Order 2024

GERC introduced the Gujarat Electricity Regulatory Commission (Terms and Conditions for Green Energy Open Access) Regulations, 2024 (the “**TC Regulations**”) to facilitate the transmission and distribution of green energy in the state of Gujarat. The TC Regulations outline the framework and guidelines for entities seeking to avail open access for transmitting renewable energy through the state’s grid.

The TC Regulations apply to all consumers, including captive users and third-party generators, intending to access the grid for transmitting renewable energy. It covers various renewable energy sources such as solar, wind, biomass, and hydropower. The TC Regulations along with the tariff order specifies the tariff and charges applicable to consumers availing green energy open access, including transmission charges, wheeling charges, and other levies. The tariff structure aims to promote the uptake of renewable energy while ensuring the recovery of costs associated with grid usage.

Madhya Pradesh

Madhya Pradesh Renewable Energy Policy, 2022

The Government of Madhya Pradesh aims to transform the state into a renewable energy hub by attracting investments in renewable energy equipment manufacturing and providing incentives to create a manufacturing ecosystem. They also plan to promote large-scale adoption of renewable energy, aiming for a 50% RE mix by 2030 and meeting annual RPO targets. The government seeks to supply renewable energy to other states, make government departments green energy compliant, and develop ‘Model RE Cities and Green Zones’. Additionally, they aim to encourage the use of clean energy solutions in the mobility sector and support research and development in renewable energy technologies through collaborations with premier institutes and technology companies. The 2022 policy provides for incentives for projects registered under the policy such as exemption in electricity duty and energy development cess, reimbursement of 50% stamp duty paid on purchase of private land for the project, government land to be provided at concession rate, waiver of wheeling charges, carbon credits and other similar incentives.

Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy) (Revision-I) Regulations, 2021 (“MP Procurement Regulations”)

These MP Procurement Regulations were introduced to promote solar power and other nonconventional sources of energy within the state and to oversee the mechanism for banking of unused power. These rules require obligated entities, including distribution licensees, captive consumers, and open-access consumers, to procure a specified minimum amount of electricity from renewable sources.

Revision I regulations specified the ‘Quantum of Purchase of Electricity from Co-generation and Renewable Sources of Energy’ for the period from 2010 to 2015. Revision II of the regulations further elaborated on the ‘Co-generation and Renewable Sources of Energy’ for the period from 2021 to 2026. These MP Procurement Regulations underwent subsequent amendments, as detailed below:

- The Madhya Pradesh Electricity Regulatory Commission (Co-Generation and Generation of Electricity from Renewable Sources of Energy) (Revision-II) Regulations 2021 (First Amendment) defined ‘Green Energy’ and introduced new provisions allowing entities to generate, purchase, and consume renewable energy through various methods such as own generation from renewables, procurement through open access, requisition from distribution licensees, consumption from captive power plants, and purchase of green hydrogen or green ammonia. Furthermore, distribution licensees are required to issue green certificates to consumers for green energy supplied beyond their renewable purchase obligation, promoting renewable energy adoption and compliance.
- The Second Amendment to the Madhya Pradesh Electricity Regulatory Commission (Co-generation and Generation of Electricity from Renewable Sources of Energy), (Revision-II), Regulations, 2021 defined the ‘Banking Cycle’ and stipulated that banking charges recovered by the licensee must be reconciled at the end of each financial year based on the actual cost of power purchase arranged by the licensee. Additionally, surplus banked energy not utilized within the banking cycle will be considered lapsed, and the renewable energy generating station will receive RECs equivalent to the lapsed banked energy.
- The Third Amendment to the Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy), (Revision-II), Regulations, 2021 defined an ‘Entity’, which refers to any consumer with a contracted demand or sanctioned load of 100 kilowatts or more, either through a single connection or multiple, it further specifies that captive consumers are exempt from load limitation.

Madhya Pradesh Electricity Regulatory Commission (Grid Interactive Renewable Energy Systems and Related Matters) Regulations (Revision II), 2024 (“MP Grid Interactive Regulations”)

The MP Grid Interactive Regulations aim to modernize how the state of Madhya Pradesh handles renewable energy systems connected to the power grid, and addresses recent advancements with respect to wider adoption of renewable energy. The MP Grid Interactive Regulations focus on streamlining the grid connection processes, establishing rules for metering arrangements and grid support charges, and ensuring the safe and stable operation of renewable energy sources within the electricity grid.

MANAGEMENT

Board of Directors of the Parent

The following table sets forth certain information with respect to the Parent's Board of Directors.

Name	Age	Nationality	Position/s	Date appointed
Arvind Bansal	54	Indian	Director	April 28, 2010
Arno Kikkert	50	Dutch	Director	September 13, 2016
Raja Parthasarathy	54	Indian	Director	November 12, 2014

Brief profile of our Parent's Board of Directors

Arvind Bansal, is the founder and CEO of Continuum. Mr. Bansal holds a B.Tech in civil engineering from the Indian Institute of Technology, New Delhi and an MBA from IIM Ahmedabad. He has over 31 years of experience across the investment banking, finance and renewable energy sectors. He is a non-executive director of Daiwik Hotels Private Limited in India in addition to being a director in various Continuum companies.

Arno Kikkert, is an Executive Director focused on European and Asia-Pacific investments. He sits on the board of multiple Dutch companies in addition to holding directorships in Germany, France, Italy, Finland, India, Singapore, Jersey and Mauritius. Prior to this appointment, Mr. Kikkert worked for 10 years as an auditor at BDO. Mr. Kikkert holds a Bachelor's degree in Economics and has significant experience in managing the accounts of companies.

Raja Parthasarathy serves as a Managing Director and Co-Head, India Infrastructure Advisory at Morgan Stanley Infrastructure Inc. since 2014. Mr. Parthasarathy served as a Senior Partner, Partner, and Managing Director at IDFC Private Equity. He was at IDFC Private Equity since 2007. He served as an Executive Vice President of Finance at Jet Airways (India) Ltd. (alternate name, Jet Airways (India) Private Limited) since June 2005. He was primarily responsible for investor relations and financial reporting. Mr. Parthasarathy joined Jet Airways from UBS Investment Bank where he was an Executive Director and led the Asian transport investment banking team and advised companies across Asia, including Jet Airways, on their financing and strategic initiatives. He previously worked with Goldman Sachs and with Lehman Brothers. He serves as on the boards of Manipal Universal Learning, International Recreation Parks, Moser Baer Solar and Emergent Ventures India. He served as a Director of Green Infra Limited. He previously served on the board of Manipal Health Systems. Mr. Parthasarathy has over 21 years of experience in corporate finance. Mr. Parthasarathy also completed two years of Ph.D. coursework in Economics at Duke University. He holds an M.B.A. from INSEAD, an M.A. in Economics from Tufts University, and a B.A. in Economics from Hamilton College.

Boards of Directors of the Co-Issuers

The following table sets forth certain information with respect to the Co-Issuers' Boards of Directors.

Bothe Windfarm Development Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert	50	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	49	Indian	Director	March 2, 2022
Raja Parthasarathy	54	Indian	Director	May 8, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

DJ Energy Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert.	50	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	49	Indian	Director	March 2, 2022
Raja Parthasarathy.	54	Indian	Director	May 8, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

Uttar Urja Projects Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert.	50	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	49	Indian	Director	March 2, 2022
Raja Parthasarathy.	54	Indian	Director	May 8, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

Watsun Infrabuild Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert.	50	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	49	Indian	Director	March 2, 2022
Raja Parthasarathy.	54	Indian	Director	May 29, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

Trinethra Wind and Hydro Power Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert.	50	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	49	Indian	Director	March 2, 2022
Raja Parthasarathy.	54	Indian	Director	May 7, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

Renewables Trinethra Private Limited

Name	Age	Nationality	Position/s	Date appointed
Arno Kikkert.	50	Dutch	Director	July 6, 2022
Nilesh Ramesh Patil	49	Indian	Director	March 2, 2022
Raja Parthasarathy.	54	Indian	Director	June 13, 2019
Shruti Anup Shah	43	Indian	Independent Director	May 26, 2021

Continuum Trinethra Renewables Private Limited

<u>Name</u>	<u>Age</u>	<u>Nationality</u>	<u>Position/s</u>	<u>Date appointed</u>
N.V. Venkataramanan.	63	Indian	Director	July 17, 2020
Raja Parthasarathy.	54	Indian	Director	July 17, 2020
Margaux Lekkerkerker.	44	Dutch	Director	November 29, 2022

Kutch Windfarm Development Private Limited

<u>Name</u>	<u>Age</u>	<u>Nationality</u>	<u>Position/s</u>	<u>Date appointed</u>
N.V. Venkataramanan.	63	Indian	Director	October 24, 2018
Bhashmang Vidyutrai Mankodi.	39	Indian	Director	December 14, 2022
Margaux Lekkerkerker.	44	Dutch	Director	November 29, 2022

Brief profile of the Co-Issuers' directors:

Margaux Lekkerkerker is a Vice President and Asset Manager focused on European and Asia-Pacific investments. She sits on the board of multiple Dutch companies in addition to holding directorships in Portugal, India and Singapore. Prior to joining MSIP, Margaux was at PriceWaterhouse Coopers in Amsterdam where she was working as auditor in the financial services industry. Margaux is registered as a chartered accountant in the Netherlands, holds a Post-graduate degree in Accounting, a Masters in Accounting and Control from the Vrije Universiteit van Amsterdam and a Bachelor in Business Administration from the Erasmus University of Rotterdam.

Arno Kikkert. For a description of Arno Kikkert's experience, see “— *Board of Directors of the Parent.*”

N.V. Venkataramanan is a mechanical engineer with over 41 years of experience in projects, operations and business development in the power industry. He was instrumental in developing a pipeline of 3,000 MW of wind energy projects and commissioning of 500 MW wind energy projects in Gamesa Wind Turbine Private Limited. He also headed the O&M operations of an entire fleet of wind energy farms for Vestas Wind Technology India Private Limited. Mr. Venkataramanan previously headed the business development of Sri Maruti Solar Private Ltd, a solar energy company.

Raja Parthasarathy For a description of Raja Parthasarathy's experience, see “— *Board of Directors of the Parent.*”

Shruti Anup Shah is a member of the Institute of Chartered Accountants of India and holds degrees of B.Com and LLB as well from Mumbai University and she is a practicing Chartered Accountant having more than 15 years of experience in the field of accounts, finance and taxation.

Nilesh Patil is a Chartered Accountant and a Cost Accountant and has over 21 years of experience in accounting & financial planning including more than 9 years of experience at Raymond Group and other leading companies. Nilesh is adept at handling accounts, taxation, audit and internal control systems.

Bhashmang Vidyutrai Mankodi is an Executive Director at Morgan Stanley India Infrastructure. He has more than 13 years of infrastructure sector experience across private equity, investment banking and project finance. Prior to joining Morgan Stanley's infrastructure investing team in 2018, he was part of the M&A advisory team at Ernst & Young. Prior to that, he worked with the project finance group at SBI Capital Markets Ltd., responsible for debt syndication of large infrastructure projects. He received his PGDM from the Indian Institute of Management, Shillong, and a B.E. in Mechanical Engineering with a Gold Medal from Gujarat University, Ahmedabad. He has also passed Level II of the CFA Program.

Key Management

The following table sets forth certain details of Continuum's key management:

Name	Age	Position/s	Date appointed
Arvind Bansal ⁽¹⁾	54	CEO	May 1, 2010
N.V. Venkataramanan ⁽¹⁾	63	COO	June 29, 2015
Ravishankar Srinivasan	50	Vice President — Projects	August 16, 2021
Gautam Chopra ⁽¹⁾	54	Vice President — Project Development	May 1, 2010
Nilesh Patil ⁽¹⁾	49	Finance Controller	September 16, 2013
Soumya Ranjan Parida ⁽¹⁾	46	Assistant Vice President — Regulatory and Sales	July 20, 2017
Anjali Bansal ⁽¹⁾	53	Vice President — Human Resources	January 10, 2011
Dhananjay Joshi ⁽¹⁾	62	VP Assets Management & QHSE	November 8, 2021

Note:

(1) Mr. Bansal, Mr. Venkataramanan, Mr. Srinivasan, Mr. Chopra, Mr. Patil, Mr. Joshi, Mr. Parida and Ms. Bansal are employees of CGE IPL.

Brief profile of Continuum's Key Management

Arvind Bansal. For a description of Arvind Bansal's experience, see "*— Board of Directors of the Parent.*"

N. V. Venkataramanan. For a description of N. V. Venkataramanan's experience, see "*— Boards of Directors of the Co-Issuers.*"

Ravishankar Srinivasan, is a Vice President — Projects and is an MBA and an Electrical and Electronics engineer by education. He has over 22 years of experience in project management of windfarms, power evacuation systems and contract negotiations having worked in GE Renewables and Vestas.

Gautam Chopra, is a Vice President of Project Development and is responsible for project development, approvals and CSR initiatives. Mr. Chopra holds a B.Tech from Indian Institute of Technology, Roorkee and an MBA from IIM Ahmedabad. Mr. Chopra has over 27 years of experience in commercial banking, covering corporate banking, trade services and retail banking in international banks including HSBC and ABN AMRO in India, with a biofuels business in Mission Biofuels India Pvt Limited and at Continuum since 2010.

Nilesh Patil. For a description of Nilesh Patil's experience, see "*— Boards of Directors of the Co-Issuers.*"

Dhananjay Joshi, is VP Assets Management & QHSE, is an MBA and a Mechanical Engineer by education. He has an experience of over 36 years in asset performance monitoring, QHSE and implementation of integrated management systems.

Soumya Ranjan Parida, is the General Manager for Regulatory and Sales. Mr. Parida holds an MBA from IIM, Indore. He gathered over 17 years of experience in power sales, bidding and regulatory matters including spending time with BALCO and Essar Power before joining Continuum in 2017.

Anjali Bansal, is the Vice President for Human Resources. Ms. Bansal holds an MBA from IMT, Ghaziabad and a Doctor of Medicine from SMS Medical College, Jaipur. She has over 23 years of experience in medicine and human resources.

Compensation of the Board

Our Parent and the Co-Issuers provide directors' and officers' insurance to members of the Board of Directors and the management.

Shareholding of Directors

No directors have shareholding in any of the Co-Issuers.

PRINCIPAL SHAREHOLDERS

The Restricted Group 2 consists of the Co-Issuers, each of which is a wholly owned subsidiary of CGE IPL, which is in turn wholly owned by our Parent, except for Watsun Infrabuild Private Limited which is 72% owned by CGE IPL and 28% owned by over 40 C&I consumers under the group captive structure.

Set forth below are the principal shareholders of the Parent as of December 31, 2023.

Principal Shareholders	Number of shares issued	Class	% Shareholding ⁽¹⁾
Continuum Energy Pte. Ltd. ⁽²⁾	7,941,939	Equity shares	7.69%
Clean Energy Investing Limited.	180,060,995	Compulsorily convertible participating preferred shares	92.31%

Notes:

- (1) On May 11, 2024, our Parent and its shareholders, CEPL and CEIL had entered into a share purchase and subscription agreement (the “SPSA”), pursuant to which, through a combination of concurrent actions: (a) acquisition of convertible preferred shares of our Parent from CEIL, (b) subscription of new shares by CEPL in our Parent and (c) conversion of the convertible preferred shares owned by CEIL and CEPL into ordinary shares of our Parent at the applicable conversion price derived pursuant to existing agreements between CEIL, CEPL and our Parent, CEPL and CEIL will, at closing of such transactions, hold 74% and 26% of the Parent’s ordinary share capital, respectively (the “Transaction”). The completion of the Transaction is subject to the satisfaction of various conditions precedent outlined in the SPSA. See also “Risk Factors — Risks Relating to Our Business — The Parent’s major shareholders may sell a substantial portion or all the shares they own in the Parent.”
- (2) Starlight Pacific Ventures Pte. Ltd and Clean Joules Pte. Ltd hold 80.67% and 19.33% of the ordinary shares of CEPL, respectively. Vikash Saraf and Arvind Bansal hold 100% of the ordinary shares of Starlight Pacific Ventures Pte. Ltd and Clean Joules Pte. Limited, respectively.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We enter into transactions with related parties in the ordinary course of our business. The following is a summary of our material loan agreements with related parties, sharing of common infrastructure facilities as well as our recoverable common overheads. For further details regarding our related party transactions as at and for the year ended March 31, 2021, 2022 and 2023 and as at and for the nine months ended December 31, 2023, which have been disclosed in accordance with the Accounting Standards 18 — Related Parties Disclosures, issued by The Institute of Chartered Accountants of India, see note 30 of the Special Purpose Audited Combined Financial Statements for the year ended March 31, 2021, 2022 and 2023 and the Special Purpose Unaudited Combined Interim Financial Statements for the nine months ended December 31, 2023 which forms part F pages included elsewhere in this Offering Memorandum.

Common Facility Agreement between DJ Energy Private Limited (“DJEPL”) and Uttar Urja Projects Private Limited (“UUPPL”) dated October 1, 2014

DJEPL and UUPPL have developed 94 MW and 76 MW windfarm project, respectively, in Ratlam and Mandsaur district of Madhya Pradesh. It has been agreed between both companies to procure/develop certain infrastructure facilities (apart from Wind turbines) jointly and cost of such infrastructure facilities & operational cost of such infrastructure facilities to be shared between both the companies in proportion to their capacities.

Common Facility Agreement between Trinethra Wind and Hydro Power Private Limited (“Trinethra”) and Renewables Trinethra Private Limited (“RTPL”) dated December 18, 2019

RTPL has set up and implemented a 25.2 MW project in Rajkot district, Gujarat. The project is being developed in the location near to a village where Trinethra has constructed pooling substation with 160 MVA transformer, 17 KM 220Kv EHV transmission lines connecting pooling substation to Grid Substation at Hadala, Trinethra has agreed to share common infrastructure comprising of private land, transformer, 220 Kv Transmission line and other items as detailed in the agreement. RTPL would pay to Trinethra a sum of Rs. 5 million for using the shared infrastructure for each fiscal starting from fiscal 2021 till end of the term. The term period of the agreement is either conclusion of operation life of the project, or termination of the agreement, whichever is earlier.

Common Facility Agreement between Trinethra and Kutch Windfarm Development Private Limited (“Kutch”) dated June 9, 2021

Kutch is in process of setting up and implementing a 28 MW project in Rajkot district, Gujarat. It has already successfully achieved commercial operation for 26 MW. The project is being developed at the location near to a village where Trinethra has constructed pooling substation with 160 MVA transformer, 17 KM 220Kv EHV transmission lines connecting pooling substation to Grid Substation at Hadala, Trinethra has agreed to share common infrastructure comprising of private land, 220 Kv Transmission line and other items as detailed in the agreement. Kutch would pay to Trinethra a sum of Rs. 5.1 million for using the shared infrastructure for each fiscal starting from fiscal 2022 till end of the term. The term period of the agreement is either conclusion of operation life of the project, or termination of the agreement, whichever is earlier.

Common Facility Agreement between Trinethra and Continuum Trinethra Renewables Private Limited (“CTRPL”) dated November 30, 2021

CTRPL is setting up and implementing a 239.9 MW wind solar hybrid power project in Rajkot district, Gujarat. The project is being developed at the location near to a village where Trinethra has constructed pooling substation with 160 MVA transformer, 17 KM 220Kv EHV transmission lines connecting pooling substation to Grid Substation at Hadala, Trinethra has agreed to share common infrastructure comprising of private land, transformer, 220 Kv Transformer line and other items as detailed in the agreement. CTRPL would pay to Trinethra a sum of Rs. 7.1 million for using the shared infrastructure for each fiscal starting

from fiscal 2022 till end of the term. The term period of the agreement is either conclusion of operation life of the project, or termination of the agreement, whichever is earlier.

Common Facilities Agreement among DJEPL, UUPPL and Continuum MP Windfarm Development Private Limited (“Continuum MP”) dated December 26, 2022

DJEPL and UUPPL have developed a 94 MW and a 76 MW windfarm project, respectively, in district of Ratlam and Mandsaur of Madhya Pradesh whereas Continuum MP is also developing a 100 MW (99.9 MW wind and 100 MW/150 MWp solar capacity) wind solar hybrid power project in district of Ratlam and Mandsaur of Madhya Pradesh. It has been agreed amongst DJEPL, UUPPL and Continuum MP that: (a) Continuum MP will incur and pay for all expenditure required for augmentation of the pooling substation and 220kV EHV line- parts of the common facilities, as set out in the agreement; (b) DJEPL, UUPPL and Continuum MP will have the unrestricted and uninterrupted right to use the common facilities, as set out in the agreement, for their respective projects; and (c) each party shall share and pay pro-rata share of operations and maintenance costs of the common facilities, as set out in the agreement, in ratio of the capacity of their respective projects to the aggregate capacity.

Loan agreement between DJEPL and CGE IPL (erstwhile known as Continuum Wind Energy (India) Private Limited) dated July 14, 2016 read with first addendum to the loan agreement dated June 9, 2021

DJ Energy Private Limited had agreed to provide an unsecured loan of up to Rs. 940.0 million to CGE IPL. The loan is unsecured and subordinated to the loans advanced by secured lenders (being all the term loan lender and the working capital lenders of CGE IPL) of CGE IPL. The loan is being used by CGE IPL for general corporate purposes and the loan carries an interest rate of 0.75% per annum over the applicable lending rate payable by DJEPL to its senior debt lender. The loan will be repaid by CGE IPL in annual installments and the last payment will be due on September 30, 2031. CGE IPL may also pre-pay the loan with interest and all other amounts payable in relation to the same, at any time, by giving DJEPL a notice of one business day.

Loan agreement between Uttar Urja Projects Private Limited and CGE IPL (erstwhile known as Continuum Wind Energy (India) Private Limited) dated July 14, 2016 read with the first addendum to the loan agreement dated June 9, 2021

UUPPL had agreed to provide an unsecured loan of up to Rs. 700.0 million to CGE IPL. The loan is subordinated to the loans advanced by secured lenders (being all the term loan lenders and the working capital lenders of CGE IPL) of CGE IPL. The loan is being used by CGE IPL for general corporate purposes and the loan carries an interest rate of 0.75% per annum over the applicable lending rate payable by UUPPL to its senior debt lender from time to time. The loan will be repaid by CGE IPL in annual installments and the last payment will be due on September 30, 2031. Subject to the terms and conditions of the financing documents executed by CGE IPL with its project lenders, CGE IPL shall have the right to pre-pay the loan together with interest and all other amounts payable in relation to the same, at any time, by giving UUPPL a notice of one business day.

Loan agreement between DJEPL and CGE IPL dated March 12, 2020 read with first addendum to the loan agreement dated June 9, 2021

DJEPL had agreed to provide an unsecured loan of up to Rs. 650.0 million to CGE IPL. The loan carries an interest rate of 0.75% per annum over the applicable lending rate payable by DJEPL to its senior debt lender from time to time. The loan along with the interest accrued to DJEPL will be repaid by CGE IPL at will, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of disbursement of first tranche.

Loan agreement between Uttar Urja Projects Private Limited and CGE IPL dated March 12, 2020 read with the first addendum to the loan agreement dated June 9, 2021.

Uttar Urja Projects Private Limited had agreed to provide an unsecured loan of up to Rs. 1,090.0 million to CGE IPL. The loan carries an interest rate of 0.75% per annum over the applicable lending rate payable by UUPPL to its senior debt lender from time to time. The loan along with the interest accrued to UUPPL will be repaid by CGE IPL at will, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the disbursement of the first tranche.

Loan agreement between DJEPL and Srijan Energy Systems Private Limited (“SESPL”) dated March 12, 2020 read with the first addendum to the loan agreement dated June 9, 2021.

DJEPL had agreed to provide an unsecured loan of up to Rs. 150.0 million to SESPL. The loan carries an interest rate of 0.75% per annum over the applicable lending rate payable by DJEPL to its non-convertible debenture holder(s), from time to time. The loan along with the interest accrued to DJEPL will be repaid by SESPL at will, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of disbursement of first tranche. However, SESPL has to prepay the entire loan amount before it borrows any senior secured debt from any bank/financial institution.

Loan agreement between Bothe Windfarm Development Private Limited and CGE IPL dated June 9, 2021

Bothe Windfarm Development Private Limited had agreed to provide an unsecured loan of an amount up to INR 2,000.0 million to CGE IPL. The loan carries interest rate of 0.75% per annum over the applicable lending rate payable by BWDPL to its senior debt lender, from time to time. The loan amount along with the interest accrued to BWDPL at will be repaid at the will of CGE IPL, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the loan agreement.

Loan agreement between DJEPL and CGE IPL dated June 9, 2021

DJ Energy (India) Private Limited had agreed to provide an unsecured loan for an amount up to INR 2,000.0 million to CGE IPL. The loan carries interest rate of 0.75% per annum over the applicable lending rate payable by DJEPL to its senior debt lender, from time to time. The loan amount along with the interest accrued to DJEPL will be repaid at the will of CGE IPL, in one or more parts, without any prepayment premium/penalty, at any time, prior to the expiry of 15 (fifteen) years from the date of the loan agreement.

Loan agreement between Uttar Urja Projects Private Limited and CGE IPL dated June 9, 2021

Uttar Urja Projects Private Limited has agreed to provide an unsecured loan of an amount up to INR 2,000 million to CGE IPL. The loan carries interest rate of 0.75% per annum over the applicable lending rate payable by UUPPL to its senior debt lender, from time to time. The loan amount along with the interest accrued to UUPPL will be repaid at the will of CGE IPL, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the loan agreement.

Loan agreement between Renewables Trinethra Private Limited and CGE IPL dated June 9, 2021

Renewables Trinethra Private Limited has agreed to provide an unsecured loan of an amount up to INR 2,000 million to CGE IPL. The loan carries interest rate of 0.75% per annum over the applicable lending rate payable by RTPL to its senior debt lender, from time to time. The loan amount along with the interest accrued to RTPL will be repaid at the will of CGE IPL, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the loan agreement.

Loan agreement between Trinethra Wind and Hydro Power Private Limited and CGE IPL dated June 9, 2021

Trinethra Wind and Hydro Power Private Limited has agreed to provide an unsecured loan of an amount up to INR 2,000.0 million to CGE IPL. The loan carries interest rate of 0.75% per annum over the applicable lending rate payable by Trinethra Wind and Hydro Power Private Limited to its senior debt lender, from time to time. The loan amount along with the interest accrued to Trinethra Wind and Hydro Power Private Limited will be repaid at the will of CGE IPL, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the loan agreement.

Loan agreement between Watsun Infrabuild Private Limited (“WIPL”) and CGE IPL dated June 9, 2021

Watsun Infrabuild Private Limited has agreed to provide an unsecured loan to CGE IPL. The loan carries interest rate of 0.75% per annum over the applicable lending rate payable by WIPL to its senior debt lender, from time to time. The loan amount along with the interest accrued to WIPL will be repaid at the will of CGE IPL, in one or more parts, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the loan agreement.

Memorandum of Understanding between BWDPL and CGE IPL dated May 7, 2024

Bothe Windfarm Development Private Limited has agreed to provide an additional unsecured loan of up to INR1,000.0 million to CGE IPL approved by the board of directors of CGE IPL on April 8, 2024. The loan will be repaid by CGE IPL at will, in one or more tranches, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the receipt of first tranche of loan and BWDPL cannot demand repayment of the principal.

Memorandum of Understanding between TWHPPPL and CGE IPL dated May 7, 2024

Trinethra Wind and Hydro Power Private Limited has agreed to provide an additional unsecured loan of up to INR1000 million to CGE IPL approved by the board of directors of CGE IPL on April 8, 2024. The loan will be repaid by CGE IPL at will, in one or more tranches, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the receipt of first tranche of loan and TWHPPPL cannot demand repayment of the principal.

Memorandum of Understanding between DJEPL and CGE IPL dated May 7, 2024

DJEPL has agreed to provide an additional unsecured loan of up to INR1000 million to CGE IPL approved by the board of directors of CGE IPL on April 8, 2024. The loan will be repaid by CGE IPL at will, in one or more tranches, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from the date of the receipt of first tranche of loan and DJEPL cannot demand repayment of the principal.

Memorandum of Understanding between CGE IPL and CTRPL dated July 22, 2022 read with Memorandum(s) of Understanding dated January 25, 2023 and May 4, 2023 (along with the addendums thereto)

CGE IPL had agreed to provide an unsecured loan of up to Rs. 4563.50 million to CTRPL. The loan is unsecured. The loan is interest free. The loan will be repaid by CTRPL at will, in one or more tranches, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from date of receipt of first tranche of loan and CGE IPL cannot demand repayment of principal. Further, CTRPL shall have option to repay the loan or can convert into promoter contribution in concurrence with CGE IPL towards the project costs for the proposed financing of the project. As of date of this Offering

Memorandum, CGE IPL has converted unsecured loan of INR 3592.10 million into optionally convertible debentures of INR 2575.50 million and into equity share capital of INR 1016.60 million issued by CTRPL as part of promoter contribution.

Memorandum of Understanding between CGE IPL and Kutch dated July 22, 2022

CGE IPL had agreed to provide an unsecured loan of up to Rs. 1,750.0 million to Kutch. The loan is unsecured and interest free. The loan will be repaid by Kutch at will, in one or more tranches, without any prepayment premium/penalty, at any time prior to the expiry of 15 (fifteen) years from date of receipt of first tranche of loan and CGE IPL cannot demand repayment of the principal. Further, Kutch shall have option to repay the loan or convert into promoter contribution in concurrence with CGE IPL towards the project costs for the proposed financing of the project. As of date of this Offering Memorandum, CGE IPL has converted unsecured loan of INR 494.0 million into compulsory convertible debentures of INR 123.525 million, non-convertible debentures of INR 242.109 million and into equity share capital of INR 128.366 million issued by Kutch as part of promoter contribution.

Transaction between Morjar Renewable Private Limited (MRPL) and Trinethra Wind and Hydro Power Private Limited

MRPL had provided a 100 MVA transformer to TWHPPPL on a temporary basis as the transformer installed in the latter's pooling sub station broke down. The 100 MVA transformer was provided on rental by MRPL to TWHPPPL for INR 0.1 million per day plus the GST thereon. Pursuant to this arrangement with MRPL, TWHPPPL incurred an aggregate cost of INR 14 million for a period from June 25, 2023 to October 20, 2023.

Loan Facilities from CGE IPL (the "Inter-Company Loan")

Apart from loans disclosed above, CGE IPL had extended various unsecured loans to its subsidiaries which also includes the Co-Issuers, which are approved by board of directors from time to time.

Common overheads to CGE IPL

Along with our sister companies outside the Co-Issuer entities, we rely on CGE IPL for managerial, accounting, legal, infrastructure and technical support and services for our operations. CGE IPL, being a holding company provides common services, majority of which is payroll cost and rent expenses. CGE IPL recovers these common overheads incurred by it on a cost to cost basis from its subsidiaries as pre-determined ratio which is based on respective group companies installed or planned capacity, stage of the project, the weightage assigned to relevant activities and any other relevant criteria and approved by respective board of directors of respective subsidiaries.

DESCRIPTION OF OTHER INDEBTEDNESS

The following are summaries of the material terms of the principal financing arrangements of the Co-Issuers. The following summaries do not purport to be a complete description of all the applicable terms and conditions of such arrangements and are subject to, and qualified in its entirety by reference to, the underlying documents. For further information regarding our existing indebtedness, see “Use of Proceeds,” “Capitalization,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	Total amount outstanding as on December 31, 2023	Total amount drawn between January 1, 2024 and March 31, 2024	Total amount repaid between January 1, 2024 and March 31, 2024	Total amount outstanding as on March 31, 2024
	(Rs. in millions)	(Rs. in millions)	(Rs. in millions)	(Rs. in millions)
Bothe Windfarm Development Private Limited				
Issue of non-convertible debentures ⁽¹⁾⁽²⁾	8,262	Nil	394	7,868
Working capital facility availed from IndusInd Bank Limited . .	306	Nil	144	162
DJ Energy Private Limited				
Issue of non-convertible debentures ⁽¹⁾⁽²⁾	6,221	Nil	297	5,924
Working capital facility availed from IndusInd Bank Limited . .	340	Nil	84	256
Uttar Urja Projects Private Limited				
Issue of non-convertible debentures ⁽¹⁾⁽²⁾	5,018	Nil	239	4,779
Working capital facility availed from IndusInd Bank Limited . .	283	Nil	71	212
Watsun Infrabuild Private Limited				
Issue of non-convertible debentures ⁽¹⁾⁽²⁾	8,752	Nil	417	8,335
Working capital facility availed from IndusInd Bank Limited . .	50	Nil	50	Nil
Trinethra Wind and Hydro Power Private Limited⁽³⁾				
Issue of non-convertible debentures ⁽¹⁾⁽²⁾	6,586	Nil	314	6,272
Renewables Trinethra Private Limited⁽³⁾				
Issue of non-convertible debentures ⁽¹⁾⁽²⁾	1,355	Nil	65	1,290

	Total amount outstanding as on December 31, 2023	Total amount drawn between January 1, 2024 and March 31, 2024	Total amount repaid between January 1, 2024 and March 31, 2024	Total amount outstanding as on March 31, 2024
	(Rs. in millions)	(Rs. in millions)	(Rs. in millions)	(Rs. in millions)
Kutch Windfarm Development Private Limited⁽³⁾				
Rupee term loan availed from Power Finance Corporation Limited ⁽¹⁾	1,057	Nil	14	1,043
Continuum Trinethra Renewables Private Limited⁽³⁾				
Rupee term loan availed from Power Finance Corporation Limited ⁽¹⁾	9,489	Nil	Nil	9,489

Notes:

- (1) These non-convertible debentures issued by DJEPL, UUPPL, WIPL, RTPL, BWDPL and TWHPPPL and the term loans of CTRPL and KWDPL will be repaid from the proceeds of issuance of the Notes by the Co-Issuers.
- (2) In connection with the issue of 2027 Notes, Continuum Energy Levanter Pte. Ltd. subscribed for non-convertible debentures aggregating Rs. 40,610 million (collectively, the “2021 NCDs”) issued by Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited (collectively, the “2027 Notes Restricted Subsidiaries”) in February and March 2021, pursuant to various debenture trust deeds entered into between the 2027 Notes Restricted Subsidiaries with IDBI Trusteeship Services Limited as a debenture trustee.
- (3) In addition to the above indebtedness, there are certain non-fund based facilities that have been availed by the Co-Issuers in connection with their business in India.

Facilities availed by the Co-Issuers

Facilities availed from IndusInd Bank Limited

Facilities availed from IndusInd Bank Limited (“Lender”) by Watsun Infrabuild Private Limited (“WIPL”), Bothe Windfarm Development Private Limited (“BWDPL”); DJ Energy Private Limited (“DJEPL”); Renewables Trinethra Private Limited (“RTPL”); Trinethra Wind and Hydro Power Private Limited (“TWHPPPL”); and Uttar Urja Projects Private Limited (“UUPPL”) (collectively as “RG Entities” and each as “RG Entity”), as detailed below:

Bothe Windfarm Development Private Limited

BWDPL has availed working capital facilities from the Lender including: (i) cash credit commitment — Rs. 1,350,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment) — Rs. 1,350,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment) — Rs. 1,350,000,000 (collectively as, “Facility-1”), with the overall limit of Rs. 1,350,000,000, in terms of the Lender’s letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2790 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2790/Addendum and read with letter dated February 1, 2023 issued by the Lender and the working capital facility agreement dated March 31, 2021 (“Facility Agreement-1”). While these facilities availed by BWDPL from the Lender have been renewed, BWDPL is awaiting to receive the renewal sanction letter(s) from the Lender.

The Facility-1 has been availed by BWDPL for its business purposes and to meet working capital requirements.

- *Interest: (i) Cash credit commitment:* indicative rate- floating rate of MCLR — one year + 0.30%. The interest will be payable in arrears on the 1st day of each calendar month falling after the date of disbursement of the facility; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing:* sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of disbursement.
- *Security and guarantee:* the Facility-1 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of BWDPL; (ii) a second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of BWDPL in connection with the 199.70 MW project situated in and around village Bothe in Satara District, Maharashtra, owned and operated by BWDPL (“**Project-1**”); (iii) a second charge on the 30% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL; (b) and 21% of the issued and fully paid up equity shares in the share capital of WIPL; (v) a second ranking charge over the power purchase agreements entered into by BWDPL, insurance contracts and other project documents entered into by BWDPL in relation to the Project-1, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms of the deed of hypothecation, over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by DJEPL, UUPPL, TWHPPPL, RTPL and WIPL.
- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.

DJ Energy Private Limited

DJEPL has availed working capital facilities from the Lender including: (i) cash credit commitment — Rs. 500,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment) — Rs. 500,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment) — Rs. 500,000,000 (collectively as, “**Facility-2**”), with the overall limit of Rs. 500,000,000, in terms of the Lender’s letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2791 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2791/Addendum and read with letters dated February 1, 2023 and June 6, 2023 issued by the Lender and the terms of the working capital facility agreement dated March 31, 2021 (“**Facility Agreement-2**”). While these facilities availed by DJEPL from the Lender have been renewed, DJEPL is awaiting to receive the renewal sanction letter(s) from the Lender.

The Facility-2 has been availed by DJEPL for its business purposes and to meet working capital requirements.

- *Interest: (i) Cash credit commitment:* indicative rate- floating rate of MCLR — one year + 0.30%; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing:* sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of drawdown.

- *Security and guarantee:* the Facility-2 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of DJEPL; (ii) a second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of DJEPL in connection with the 94 MW project situated in Ratlam and Mandsaur Districts of Madhya Pradesh, owned and operated by DJEPL (“**Project-2**”); (iii) a second charge on the 30% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL; (b) and 21% of the issued and fully paid up equity shares in the share capital of WIPL; (v) a second ranking charge over the power purchase agreements entered into by DJEPL, insurance contracts and other project documents entered into by DJEPL in relation to the Project-2, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms of the deed of hypothecation, over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by BWDPL, UUPPL, TWHPPPL, RTPL and WIPL.
- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.

Renewables Trinethra Private Limited

RTPL has availed working capital facilities from the Lender including: (i) cash credit commitment — Rs. 60,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment) — Rs. 60,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment) — Rs. 6,00,00,000; (iv) revolving standby letter of credit commitment (sublimit of cash credit commitment) — Rs. 60,000,000 (collectively as, “**Facility-3**”), with the overall limit of Rs. 60,000,000, on terms of the Lender’s letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2794 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2794/Addendum and further amended by a sanction letter dated December 29, 2021 bearing no. IBL/CAD North/CCBG/2020-21/1977 and letter dated February 1, 2023 issued by the Lender and the working capital facility agreement dated March 31, 2021 (“**Facility Agreement-3**”). Further, RTPL has also availed a cash-backed revolving standby letter of credit/financial backed guarantee (domestic in INR only) — Rs. 20,000,000 pursuant to the said letter dated February 1, 2023 issued by the Lender. While these facilities availed by RTPL from the Lender have been renewed, RTPL is awaiting to receive the renewal sanction letter(s) from the Lender.

The Facility-3 has been availed by RTPL for its business purposes and to meet working capital requirements.

- *Interest:* (i) *Cash credit commitment:* indicative rate- floating rate of MCLR — one year+ 0.30%; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing:* sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of drawdown.
- *Security and guarantee:* the Facility-3 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of RTPL; (ii) a second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of RTPL in connection with the 25.2 MW project situated in Rajkot and Morbi Districts of Gujarat, owned and operated by RTPL (“**Project-3**”); (iii) a second charge on the 30% (thirty percent) of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL; (b) 21% of the issued and fully paid up equity shares in the share capital of WIPL;

(v) a second ranking charge over the power purchase agreements entered into by RTPL, insurance contracts and other project documents entered into by RTPL in relation to the Project-3, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms of the deed of hypothecation, over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by DJEPL, UUPPL, TWHPPPL, BWDPL and WIPL.

- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.
- Cash margin for cash-backed revolving standby letter of credit/financial backed guarantee (domestic in INR only): 100% cash margin to continue to be placed with the Lender in the form of fixed deposit receipts under lien till standby letter of credit expiry.

Trinethra Wind and Hydro Power Private Limited

TWHPPPL has availed working capital facilities from the Lender including: (i) cash credit commitment — Rs. 200,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment) — Rs. 200,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment) — Rs. 200,000,000; (iv) revolving standby letter of credit commitment (sublimit of cash credit commitment) — Rs. 200,000,000 (collectively as, “**Facility-4**”), with the overall limit of Rs. 200,000,000, on terms of the Lender’s letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2793 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2793/Addendum, as further amended by modification letter dated July 16, 2021 bearing no. Sanction letter no IBL/CAD North/CCBG/2021-22/0680 and letter dated February 1, 2023 issued by the Lender and the working capital facility agreement dated March 31, 2021 (“**Facility Agreement-4**”). Further, TWHPPPL has also availed a cash-backed revolving standby letter of credit/financial backed guarantee (domestic in INR only) — Rs. 30,000,000 pursuant to the said letter dated February 1, 2023 issued by the Lender. While these facilities availed by TWHPPPL from the Lender have been renewed, TWHPPPL is awaiting to receive the renewal sanction letter(s) from the Lender.

The Facility-4 has been availed by TWHPPPL for its business purposes and to meet working capital requirements.

- *Interest:* (i) *Cash credit commitment:* indicative rate- floating rate of MCLR one year + 0.30%; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing:* sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of drawdown.
- *Security and guarantee:* the Facility-4 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of TWHPPPL; (ii) a second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of TWHPPPL in connection with the 101.2 MW project situated in Rajkot and Morbi Districts of Gujarat, owned and operated by TWHPPPL (“**Project-4**”); (iii) a second charge on the 30% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL; (b) 21% of the issued and fully paid up equity shares in the share capital of WIPL; (v) a second ranking charge over the power purchase agreements entered into by TWHPPPL, insurance contracts and other project documents entered into by TWHPPPL in relation to the Project-4, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms of the deed of hypothecation,

over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by DJEPL, UUPPL, BWDPL, RTPL and WIPL.

- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.
- Cash margin for cash-backed revolving standby letter of credit/financial backed guarantee (domestic in INR only): 100% cash margin to continue to be placed with the Lender in the form of fixed deposit receipts under lien till standby letter of credit expiry.

Uttar Urja Projects Private Limited

UUPPL has availed working capital facilities from the Lender including: (i) cash credit commitment — Rs. 400,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment) — Rs. 400,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment) — Rs. 400,000,000 (collectively as, “**Facility-5**”), with the overall limit of Rs. 400,000,000, on terms of the Lender’s letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2792 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2792/ Addendum and letters dated February 1, 2023 and June 6, 2023 issued by the Lender and the working capital facility agreement dated March 31, 2021 (“**Facility Agreement-5**”). While these facilities availed by UUPPL from the Lender have been renewed, UUPPL is awaiting to receive the renewal sanction letter(s) from the Lender.

The Facility-5 has been availed by UUPPL for its business purposes and to meet working capital requirements.

- *Interest:* (i) *Cash credit commitment:* indicative rate- floating rate of MCLR — one year + 0.30%; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing:* sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of drawdown.
- *Security and guarantee:* the Facility-5 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of UUPPL; (ii) a second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of UUPPL in connection with the 76 MW project situated in Ratlam and Mandsaur Districts of Madhya Pradesh, owned and operated by UUPPL (“**Project-5**”); (iii) a second charge on the 30% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL; (b) 21% of the issued and fully paid up equity shares in the share capital of WIPL; (v) a second ranking charge over the power purchase agreements entered into by UUPPL, insurance contracts and other project documents entered into by UUPPL in relation to the Project-5, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms of the deed of hypothecation, over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by DJEPL, BWDPL, TWHPPPL, RTPL and WIPL.
- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.

Watsun Infrabuild Private Limited

WIPL has availed working capital facilities from the Lender including: (i) cash credit commitment — Rs. 50,000,000; (ii) sales bill discounting commitment (sublimit of cash credit commitment) — Rs. 50,000,000; (iii) working capital demand loan commitment (sublimit of cash credit commitment) — Rs. 50,000,000 (collectively as, “**Facility-6**”), with the overall limit of Rs. 50,000,000, on terms of the Lender’s letter of sanction dated February 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2795 as amended by an addendum dated March 19, 2021 bearing no. IBL/CAD North/CCBG/2020-21/2795/ Addendum and letter dated February 1, 2023 and the working capital facility agreement dated March 31, 2021 (“**Facility Agreement-6**”). While these facilities availed by WIPL from the Lender have been renewed, WIPL is awaiting to receive the renewal sanction letter(s) from the Lender.

The Facility-6 has been availed by WIPL for its business purposes and to meet working capital requirements.

- *Interest:* (i) *Cash credit commitment:* indicative rate- floating rate of MCLR — one year + 0.30% at yearly reset; (ii) *working capital demand loan commitment* (sublimit of cash credit commitment): to be decided mutually at the time of each drawdown.
- *Pricing:* sales bill discounting commitment (sublimit of cash credit commitment): to be decided mutually at the time of drawdown.
- *Security and guarantee:* the Facility-6 is secured by: (i) a first ranking charge by way of hypothecation over such present and future current assets of WIPL; (ii) a second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of WIPL in connection with the 148 MW project situated in Coimbatore and Tirupur Districts of Tamil Nadu and 78.8 MW solar power project situated in Coimbatore and Tirupur Districts of Tamil Nadu, owned and operated by WIPL (“**Project-6**”); (iii) a second charge on the 30% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL and WIPL; (iv) a non disposal undertaking in respect of the: (a) 70% of the issued and fully paid up equity shares in the share capital of BWDPL, DJEPL, UUPPL, TWHPPPL, RTPL; (b) 21% of the issued and fully paid up equity shares in the share capital of WIPL; (v) a second ranking charge over the power purchase agreements entered into by WIPL, insurance contracts and other project documents entered into by WIPL in relation to the Project-6, as per the deed of hypothecation; (vi) a first ranking charge in accordance with the terms of the deed of hypothecation, over certain specified trust and retention accounts; (vii) a second ranking charge over the senior debt enforcement proceeds account, in accordance with the terms of the deed of hypothecation; and (viii) corporate guarantee(s) backed with board resolutions and relevant shareholders resolutions (if applicable) executed by DJEPL, UUPPL, TWHPPPL, RTPL and BWDPL.
- In addition to the security and guarantee as stated above, the sale bill discounting commitment will also be secured by, bill of exchange drawn and payable to IndusInd Bank Limited (as payee) and duly accepted by authorized signatories of drawee.

(Facility-1, Facility-2, Facility-3, Facility-4, Facility-5 and Facility-6, be individually referred to as “**Facility**” and Facility Agreement-1, Facility Agreement-2, Facility Agreement-3, Facility Agreement-4, Facility Agreement-5 and Facility Agreement-6, be individually referred to as “**Facility Agreement**”)

The following terms and conditions are applicable to the respective Facilities described above and the reference to 'Borrower' will mean the relevant RG Entity, which has executed the relevant Facility Agreement to avail the relevant Facility.

- ***Other Covenants:*** Borrower has made customary representations and warranties to the Lender and has agreed to deliver standard information. The Borrower undertakes with the Lender that until the final settlement date the Borrower shall inform the Lender in writing within 30 days of making any material change in its management. Any material change in the shareholding pattern of the Borrower which may lead to change of control (as defined in the Facility Agreement) (except change of control pursuant to the continuum group reorganization (as defined in the Facility Agreement)) of the Borrower shall be effected with prior written approval of the Lender and the Lender reserves the right to recall the Facility in case such change is not acceptable to the Lender.
- ***Negative Covenants:*** Borrower must not except with the prior written approval of the Lender or except as expressly permitted under any provision of the Facility Agreement: (i) enter into any borrowing arrangement except the term loans proposed to be obtained from financial institutions and/or banks for completion of the replacement-cum-modernization program, refinancing of existing indebtedness and except for the indebtedness as permitted under the Facility Agreement; (ii) undertake any new project or scheme save and except for the capital expenditure which is permitted; (iii) except the security interest as permitted: (a) create any further pledge over its equity shares for securitizing any loans or advances availed/to be availed by it from any banks and/or financial institutions and/or any other person; (b) create, incur, assume or suffer to exist any security interest on or in respect of any of its property, revenue or assets; (iv) take and/or agree to take or consent to any action or permit or formulate or participate in any scheme of merger, consolidation or similar arrangements save and except a continuum group reorganization (as defined in the Facility Agreement); (v) permit any undertake a change of control (as defined in the Facility Agreement) of the Borrower except any change of control (as defined in the Facility Agreement) pursuant to the continuum group reorganization (as defined in the Facility Agreement); (vi) undertake any voluntary proceeding for winding up, insolvency or liquidation or propose any resolution seeking approval of board of directors for filing application under the Insolvency and Bankruptcy Code, 2016; (vii) invest by way of share capital in or lend or advance funds to or place deposits with any other concern other than in group companies provided that nothing in this clause shall restrict the Borrower to undertake investment as permitted under the Facility Agreement, where such permitted investment is made out of the proceeds in the distribution account; (viii) permit the affecting of any change in the shareholding structure except for a change of control (as defined in the Facility Agreement) or pursuant to a continuum group reorganization (as defined in the Facility Agreement); (ix) except for normal trade credit or security deposits in the usual course of business or advances to employees, to make any investment or transfer funds by way of deposits, loans, bonds, share capital, or in any other form with any other concern other than in group companies except (i) investments made out of the distribution account, and (ii) investments made in accordance with TRA Agreement (i.e. the agreement executed between the RG Entities and the account bank); (x) undertake guarantee and/or indemnity and/or other similar obligations on behalf of any person or issue any guarantee or letter of credit or provide any security (except as required in connection with the indebtedness as permitted under the Facility Agreement); (xi) carry out any modification, amendments or alterations to the memorandum and articles of association; (xii) enter into any contractual obligation of a long term nature which may adversely affect the Borrower's financial condition or prejudice the interests of the Lender; (xiii) create any escrow or other similar arrangements over any of its receivables for the benefit of any person save and except required pursuant to the documents governing the debentures (issued pursuant to the debenture trust deed dated February 24, 2021) and the TRA Agreement (i.e. the agreement executed between the RG Entities and the account bank); (xiv) except for any litigation, arbitration or other dispute with any person not having a material adverse effect (as defined in the Facility Agreement), agree, authorize or otherwise give its consent to any proposed settlement, resolution or compromise of any litigation,

arbitration or other dispute with any person; and (xv) pay any dividend for any year except out of the profits relating to that year save and except a distribution as permitted under the Facility Agreement.

- *Financial Covenants:* Borrower undertakes and agrees that until the final settlement date its debt service coverage ratio shall not be less than 1.10 (one point one zero).
- *Maintenance of Property and Insurance covenant:* The Borrower shall maintain title to or its interest in all of its material assets, other than any assets disposed of pursuant to a disposal permitted under the Facility Agreement and shall take all actions necessary to create, perfect at all times the security interest created or to be created for securing the Facility. Borrower shall keep insured all other assets of the Borrower over which a security interest has been or is proposed to be created for the benefit of the Lender.
- *Events of Default:* Subject to agreed cure periods and carve outs, the events of default include if, inter alia, (i) payment default; (ii) the Facility Agreement or any of the other financing documents becomes invalid, illegal or unenforceable or Borrower or any other Obligor (under any of the financing documents to which it is a party) repudiates the validity or enforceability of such financing documents; (iii) breach or default in performance or observance, by the Borrower or any RG Entity and the persons creating security for the benefit of the Lender (“**Obligor**”), of any covenants; (iv) failure by the Borrower to satisfy the financial covenants; (v) any expropriation, attachment or distress being enforced against the whole or any part of the Borrower’s asset and/or property; (vi) cessation of business; (vii) receiver, liquidator, assignee appointed in respect of the whole or any substantial part (in the opinion of the Lender) of the property of the Obligors; (viii) security to be created and perfected has not been created or perfected or security expressed to be created is not effect with the expressed ranking and priority or event or circumstance which is prejudicial to or imperils or depreciates the security given to the Lender except if such event or circumstance is caused due to a continuum group reorganization (as defined in the Facility Agreement); (ix) inability to pay debts or commences negotiations with one or more of its creditors (excluding the Lender in its capacity as such) or a moratorium is declared, any application insolvency resolution is admitted and not vacated within 14 days from the date of admission or any order relating thereto is not discharged or stayed; (x) any event (other than any event of default howsoever defined in relation to a material adverse effect (as defined in the Facility Agreement), in any other provision of any financing document) occurs which may lead to a material adverse effect (as defined in the Facility Agreement); (xi) litigation or other investigations, proceedings or disputes are commenced or threatened in relation to financing documents or against the Borrower would have a material adverse effect (as defined in the Facility Agreement) if adversely determined; (xii) obligation(s) of the Obligors under any financing document is or are not or cease or ceases to be legal, valid, binding or enforceable; (xiii) other than as provided in the financing documents, a change of control (as defined in the Facility Agreement) occurs; (xiv) assets of the Borrower is nationalised and/or compulsorily acquired by or by the order of any government entity; (xv) cross default in other indebtedness of the Borrower or payment not made under the debentures (issued pursuant to the debenture trust deed dated February 24, 2021) or if any of it is declared to become due or any creditor of the Borrower sends a notice informing that such creditor has become entitled to exercise its rights of conversion in relation to any RCF Facility (as defined in the Facility Agreement); (xvi) any amendments in its constitutional documents including conversion of the nature of the Borrower without taking prior written approval of the Lender if such amendments would prejudice the rights and interest of the Lender; (xvii) all or material part of the assets of the Borrower are seized by any of its creditors; (xviii) Borrower commences a voluntary proceeding under any applicable bankruptcy or similar law or consent to the entry of an order for relief in an involuntary proceeding or appoint of receiver or similar official for any or a substantial part of its property; (xix) Borrower has taken or suffered to be taken any action towards its re-organization save and except a continuum group reorganization (as defined in the Facility Agreement) without the prior written consent of the Lenders or liquidation or dissolution.

Rupee term loans availed by Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited from Power Finance Corporation Limited

Kutch Windfarm Development Private Limited

In order to implement the 28 MW wind power project at district Morbi in the state of Gujarat (“**Project-1**”), Kutch Windfarm Development Private Limited (“**KWDPL**”) has availed financial assistance from Power Finance Corporation Limited (“**PFC**”) and PFC has vide its sanction letter no. No: 03/22/WRI/GJ/KWDPL/Vol-I/072404 dated June 21, 2021, agreed to make available to KWDPL a rupee term loan, for an aggregate principal amount not exceeding Rs. 1,152,900,000 (“**Rupee Term Loan-1**”), upon the terms and conditions of the facility agreement dated October 28, 2021 (“**Facility Agreement-1**”) and other financing documents executed in respect of the Rupee Term Loan-1. KWDPL shall apply the proceeds of each drawdown (including letter of comfort) under the Rupee Term Loan- 1 solely towards part financing the estimated project cost for implementation of the Project-1, in such manner and in such priority as stipulated in the trust and retention account agreement, other financing documents and under applicable law.

- *Security:* (i) a pari passu first charge by way of mortgage, over all the KWDPL’s immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future; (ii) a pari passu first charge by way of hypothecation, over all the KWDPL’s movable properties and assets, including plant & machinery, machinery spares, and all other movable assets, both present and future; (iii) a pari passu first charge by way of hypothecation, over all KWDPL’s intangible, goodwill, uncalled capital, both present and future; (iv) a pari passu first charge on KWDPL’s operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising of KWDPL, both present and future; (v) a pari passu first charge on the trust & retention account (including debt service reserve account of peak 3 (three) months of principal & interest payment-exclusive to PFC), any letter of credit and other reserves and any other bank accounts of KWDPL wherever maintained, both present & future; and (vi) assignment in favor of the PFC, all the rights, titles, interests, benefits, claims and demands of KWDPL on the project documents/contracts, clearances, in any letter of credit, guarantee provided by any party to the project documents, insurance contracts and insurance proceeds and guarantees from EPC contractor (if any) relating to the Project-1. The collateral security includes pledge of equity shares, quasi equity (i.e. the compulsory convertible debentures issued by KWDPL; and non-convertible debentures inter alia as per the terms mentioned herein and acceptable to PFC), both present and future, held by the pledgor, to the extent of the specified percentage i.e. 51% equity shares, 51% compulsory convertible debentures and 51% non-convertible debentures, of KWDPL. The interim collateral security includes an irrevocable and unconditional corporate guarantee from Continuum Green Energy Ltd. The interim collaterals may be considered for release on the interim collateral release date.

Continuum Trinethra Renewables Private Limited

In order to implement the 199.90 MW Wind Solar Hybrid Project at Dist. Rajkot/Morbi in the state of Gujarat (“**Project-2**”), Continuum Trinethra Renewables Private Limited (“**CTRPL**”) has availed financial assistance from PFC and PFC has vide its sanction letter no. 03/22/WRI/GJ/CTRPL/Vol-I/074503 dated November 16, 2021, agreed to make available to CTRPL a rupee term loan, for an aggregate principal amount not exceeding Rs. 8,782,500,000 and PFC has vide its sanction letter dated August 23, 2023, sanctioned additional rupee term loan to CTRPL amounting to Rs. 70,64,00,000 (collectively, the “**Rupee Term Loan-2**”), upon the terms and conditions of the facility agreement dated December 07, 2021 and as amended by the first amendment agreement to the facility agreement dated September 22, 2023 (collectively, the “**Facility Agreement-2**”) and other financing documents executed in respect of the Rupee Term Loan-2.

- *Security:* (i) a pari passu first charge by way of mortgage over all immovable properties (including over the freehold interest, leasehold interest or sub-leasehold interest of CTRPL in such properties immovable) together with all appurtenances thereon, both present and future; (ii) a pari passu first charge by way of hypothecation, on all CTRPL’s movable properties and assets, including plant and

machinery, machinery spares, equipment, tools and accessories, furniture, fixtures, vehicles and all other movable assets wherever situated, both present and future; (iii) a pari passu first charge on all CTRPL's current assets (as defined in Facility Agreement— 2), including but not limited to, book debts, operating cash flows, uncalled capital, receivables, commissions, revenue of whatsoever nature and wherever arising, both present and future; (iv) a pari passu first charge over all accounts of CTRPL, including, the trust and retention account and the sub-account(s), (including the debt service reserve account of peak 3 (three) months of principal and repayment exclusive to PFC), letter of credit, or any account created for any reserve(s) to be created and maintained (or any account in substitution thereof) that may be opened in accordance with the trust and retention account agreement and the financing documents, or any of the other project documents and all funds from time to time deposited therein, the receivables and all investments permitted under the Facility Agreement or other securities representing all amounts credited to the trust and retention account, any letter of credit and other reserves of CTRPL present and future wherever maintained; and (v) assignment in favor of the PFC, all the rights, titles, interests, benefits, claims and demands of CTRPL on the project documents/contracts, in any letter of credit, guarantee provided by any project participant, insurance contracts and insurance proceeds and guarantees and indemnities provided by project participant. Further, assignment in favor of PFC on all intangible assets of CTRPL, including but not limited to, goodwill, intellectual property rights, undertaking, present and future, in a form and manner acceptable to PFC. Pledge of equity shares, quasi equity (i.e. the optionally convertible debentures issued, to be by CTRPL in relation to the promoter contributions, as acceptable and approved by PFC), both present and future, held by the pledgor, aggregating to the specified percentage i.e. 60% equity shares and 60% quasi equity, of CTRPL. An irrevocable and unconditional corporate guarantee from Continuum Green Energy Ltd till the expiry of guarantee cover period (as defined in the Facility Agreement).

The following terms and conditions will be applicable to Rupee Term Loan-1 (referred to as 'Rupee Term Loan' below) and the reference to 'Borrower' will mean the entity i.e. KWDPL, which has executed the relevant Facility Agreement — 1 (referred to as 'Facility Agreement' below) to avail the Rupee Term Loan-1. The reference to 'Project' will mean the reference to the Project — 1 of KWDPL.

- ***Other Covenants:*** The Borrower has made customary representations and warranties to PFC and has agreed to deliver standard information. Until the final settlement date, the Borrower shall, at all times, comply with the following covenants: (i) any proposed change in the nature or scope of the Project shall not be implemented and no funds shall be committed therefore without the prior written approval of PFC, and PFC shall have the right to stipulate any additional conditions. The Borrower to seek prior written approval of PFC, for any modification or cancelation of the project documents; (ii) use the proceeds of the Rupee Term Loan for the specified purpose, maintain the trust and retention account, carry out the Project as per industry standards; (iii) enter into the trust and retention account agreement and establish the trust and retention account and comply with the requirements and procedures therein; (iv) compliance with financial covenants; (v) permit and make arrangement for inspection by representatives of PFC; (vi) maintenance of existence and books and records; (vii) comply with the applicable laws including in relation to the conduct of its business and the construction, operation and maintenance of the Project and with all directions/guidelines by government authorities, with regard to the Rupee Term Loan; (viii) adopt a comprehensive insurance program for ensuring the successful management of risks for the Project and shall obtain and maintain the insurances; (ix) construct, maintain, preserve and operate the Project, including plant and machinery, necessary in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and in accordance with prudent operating practices and its business plan; (x) take prior consent of PFC for the execution of any new project documents; (xi) take all actions necessary to maintain the Borrower's good and marketable title/interest to the secured property and to the project documents, free and clear of any charge, lien, encumbrance or third party interest, other than the interest created in favor of PFC under the security documents; (xii) establish safety protections/environmental protections and procedures relating Project; (xiii) the Borrower shall ensure that the entity as specified in the Facility Agreement shall own at least 51% of the outstanding equity shares of the Borrower and have the management control (as defined in the

Facility Agreement) of the Borrower; (xiv) the Borrower shall not effectuate any change in its capital structure and/or shareholding pattern without the prior approval of PFC, except as, and to the extent, permitted under the financing documents; and (xv) PFC shall have the right to appoint and remove from time to time such observer on the board of the Borrower as specified in the Facility Agreement.

- *Negative Covenants:* Until the final settlement date, the Borrower shall not, at all times, without the prior approval of PFC in writing, undertake the following covenants: (i) shall not issue equity share, effect or agree to effect any change in its capital structure, including any change in the shareholding pattern, or financing structure, or take or agree to take any action/formulate any scheme of merger, consolidation, reorganization, reconstruction or amalgamation scheme of arrangement or compromise with its creditors or shareholders, except as otherwise provided in the financing documents, acquire all or part of the assets of any person, on lease or otherwise, or any class of shares or debentures or partnership interest or similar interest of any person, issue any debentures, raise any loans, make investments in, grant loans, accept any deposits from public and/or invest by way of subscription to share capital of or otherwise, or give guarantee, other than as envisaged under the financing documents and/or Project or in the ordinary course of business; (ii) shall not convey, sell, lease, assign, transfer or otherwise dispose of or mortgage or otherwise charge all or any part of its property(ies) and fixed assets pertaining to the Project or create any security interest over the Borrower's assets/properties and contracts in favor of any other person/organization except as permitted and in compliance with the conditions stated in the Facility Agreement; (iii) shall not, and shall neither agree to, nor during the Facility Agreement, create any charge, encumbrance or third party interest or security interest on or in any of its assets/the secured property and contracts; including escrowing of future cash flows receivables or create any lien or charging the receivables/future cash flows of whatsoever nature or assignment of project documents, in favor of any person, without prior approval PFC, except the security interest permitted under the Facility Agreement; (iv) shall not alter the scope of the Project, augment, modernize, make any expansions or diversifications or make any modification to the Project/scope of project or make substantial expansion of the Project or undertake any new project; (v) shall not terminate any project document(s) and/or sell, assign or otherwise dispose of any part of its interest in such project document(s) and/or waive any default under or breach of any provision in relation to the Project or any project document(s) and/or waive, fail to enforce any provision in relation to the Project or any project document(s) and/or vary or agree to the variation of a provision in relation to the Project or any project document(s) and/or amend, supplement or modify of any project document(s) and/or petition, request or take any other legal action that seeks, or may be expected, to rescind, terminate or suspend any project document(s) or make any other material modifications to any project documents, make any material adverse modifications to any of the project documents; (vi) shall not, directly or indirectly, create, incur, contract, assume or suffer or otherwise become or be liable for any debt, whether secured or unsecured, with any person, except the indebtedness as permitted under the Facility Agreement; (vii) not incur any contractual obligation, including guarantee obligation, on behalf of any other person or any other company, including group companies, not undertake any obligation prejudicial to the interest of PFC, not enter into any contractual obligations of a long term nature affecting its financial condition; (viii) not undertake any new project or expansion of any existing Project or make any investment or take any asset on the lease except the Project Site (as defined in the Facility Agreement) without prior approval of PFC until the final settlement date; (ix) shall not make any restricted payment (as defined in the Facility Agreement) without the compliance of restricted payment conditions (as defined in the Facility Agreement); (x) shall not make any capital expenditure, other than the capital expenditure:(a) provided for in the financing plan (as defined in the Facility Agreement); (b) for replacement of the assets of the Borrower; or (c) incurred in the normal course of business; (xi) not declare or make any restricted payment (as defined in the Facility Agreement), unless on the date of declaring or paying the proposed restricted payment (as defined in the Facility Agreement), the restricted payment conditions (as defined in the Facility Agreement) have been satisfied; (xii) shall not engage in any business other than the Project in India, create any subsidiaries or permit any company to become its subsidiary; (xiii) shall not change its name the location of its office, without prior intimation to PFC; (xiv) shall not abandon or agree to abandon the Project; (xv) shall not use, maintain or operate, or allow the use, maintenance

or operation of the Project for any purpose which may constitute a public or private nuisance or give rise to a claim or environmental claim; violate any provision of any applicable law; and result in increase in the premium of any insurance then in force with respect to the Project or any part thereof; (xvi) except for the transaction documents in effect on the date of Facility Agreement or the additional project documents, the Borrower will not enter into any partnership, profit-sharing or other similar arrangement whereby the Borrower's income or profits are, or might be, shared with any other person; (xvii) shall not enter into any contract, agreement, commitment or arrangement with any of its affiliate/subsidiaries/group companies, which is not on an "arm's length" basis as determined by PFC; (xviii) shall not amend, modify or supplement its memorandum of association and articles of association in any manner, which would make the Borrower ineligible for undertaking the Project or with any of the financing document including security document or which may be detrimental to the interest of PFC; (xix) subject to prepayment of the loan under the Facility Agreement, the Borrower shall not prepay any financial assistance or debt availed of by it from any other party for the Project without meeting the requirements as stated in the Facility Agreement; (xx) shall not pay any commission to its promoter, directors, managers, or other person(s) having substantial interest in the Borrower for furnishing guarantees; (xxi) unless permitted in the financing documents, the Borrower shall not receive any funding from the promoter(s) and/or any of the directors/associate companies and/or their friends or relatives; (xxii) shall not repay the money brought in by the promoters/directors/affiliates/associated companies as loans/share application money pending allotment towards the funding of the project, till the final settlement date other than as restricted payments (as defined in the Facility Agreement); (xxiii) shall not recognize or register any transfer of its shares (except permitted under the Facility Agreement) till the final settlement date; (xxiv) shall not do any act which may result in unequal treatment; (xxv) no appointment of willful defaulter on the board of the Borrower; (xxvi) shall not make any change in the management structure or its board of directors; (xxvii) not change its fiscal year without the approval of PFC; (xxviii) not open any other bank account and shall not operate such other bank account for any purpose other than the purpose approved by PFC; (xxix) shall not enter into any agreement with any lender or any person relating to utilization of the receivables, monies in the trust and retention account and all monies received or to be received through any mechanism including securitisation; (xxx) shall not utilize the proceeds of the drawdowns for any purpose other than for the Project and proceeds shall not be utilized for the purposes prohibited in the Facility Agreement; (xxxi) shall not undertake any trading activity; (xxxii) shall not revalue its assets; and (xxxiii) shall not have different classes of equity shares, including its classes of equity shares with differential voting and dividend rights.

- *Events of Default:* Subject to agreed cure periods and carve outs, the events of default include if, inter alia, (i) payment default by the Borrower; (ii) default by any of the promoters, guarantor, pledgors and other security provider in relation to the Rupee Term Loan ("**Obligors**") in the payment of any other amount due and payable pursuant to the Facility Agreement or any other financing documents on the respective due dates. (iii) failure by any material project participant (as defined in the Facility Agreement) in the payment when due, of any amount under the project documents unless agreed to by the recipient; (iv) breach or default in performance of covenants: (a) by the Borrower under the Facility Agreement or transaction document; (b) the part of any contractor under any project document; (v) any default has occurred in the performance or observance of any covenant, condition, warranties or provision, on the part of the Obligors, contained in any provision of the financing documents; (vi) financial indebtedness of any Obligor is not paid when due or the Borrower is unable or has admitted in writing its inability to pay any of its indebtedness as they mature or when due; (vii) any financial indebtedness of any Obligor is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); (viii) breach by a party under the project documents which impairs the obligations of the Borrower under the transaction documents; (ix) any actual or potential default or event of default, credit review event or similar event (however described) occurs under or in relation to any financial indebtedness of any Obligor; (x) any security interest created over the assets of the Borrower becomes enforceable; (xi) failure by any material project participant (as defined in the Facility Agreement) in the payment when due, of any amount under the project documents unless agreed to

by the recipient; (xii) any commitment for any financial indebtedness of any Obligor is canceled or suspended by its creditor as a result of an event of default (however described); (xiii) security interest proposed to be created under the Facility Agreement has not been created and/or perfected within the specified timelines; (xiv) any event occurs which is or is likely to be prejudicial to or imperils or depreciates the security; (xv) any of the security documents once executed and delivered shall fail to provide the security interests, rights and title intended to be created thereby; (xvi) creation or any attempt to create any security interest over the secured property or any part in violation of the provisions of the financing documents; (xvii) the Borrower has sold, disposed of, charged or encumbered or alienated or otherwise rendered unusable any assets of the Borrower or the Project except as otherwise permitted under the financing documents; (xviii) Obligors have sold, disposed of, charged or encumbered or alienated or otherwise rendered unusable any assets in relation to which security is created; (xix) validity or applicability of the security documents or the security interest purported to be created thereby, is jeopardized or endangered or any other obligations purported to be secured or guaranteed thereby shall be disaffirmed; (xx) the Borrower/promoters shall have acted or allowed any act to be committed, which is prejudicial to or impairs or imperils or depreciates the security created in favor of PFC; (xxi) any Obligor is unable (or is deemed by any law or court to be) or admits inability to pay its debts, stops or suspends, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; (xxii) a moratorium is agreed or declared by government of India in respect of any indebtedness of any Obligor; (xxiii) any corporate action, legal proceeding or other procedure or step is taken or any order is obtained in relation to the suspension of payments, moratorium of any indebtedness, winding up, bankruptcy, insolvency, dissolution, administration, provisional supervision or reorganization, appointment of a liquidator, receiver etc. of any material project participant (as defined in the Facility Agreement); (xxiv) a receiver, trustee, or other similar officer has been appointed in relation to the Borrower or in relation to all or part of any assets of the Obligor or in relation to all or part of the assets of the Project; (xxv) attachment, execution, commencement of proceeding for recovery of any dues, distress or restraint has been offered or levied on the whole or any part of the assets of any Obligor or the assets of the Project or any part thereof; (xxvi) any material project participant (as defined in the Facility Agreement) ceases to have title to or interest in any assets or properties required for the Project or ceases to have the right to possess and use all or any portion of any assets or properties required for the Project; (xxvii) the Borrower has taken action for its re-organization without the prior written approval of PFC or there is any change in ownership structure of the Borrower in contravention of the financing documents; (xxviii) any person acting singularly or with any other person (either directly or indirectly) acquires management control (as defined in the Facility Agreement) of Borrower other than as envisaged under the Facility Agreement; (xxix) the relevant entities as specified in the Facility Agreement, fail to hold at least 51% of the equity shareholding and majority of the board over Borrower; (xxx) expropriation, condemnation, nationalization or seizure of the Project/or any part or whole of the assets of the Borrower or the assets of the Project; (xxxi) any one or more events occur or circumstance arises which PFC determines has or could be expected to have a material adverse effect (as defined in the Facility Agreement); (xxxii) failure to deposit all project proceeds in the trust and retention account or diversion of the same or the failure to maintain the required reserves in the trust and retention account in accordance with the terms of the trust and retention account agreement; (xxxiii) obligation under the transaction document becomes unenforceable or is not or ceases to be valid and binding obligations of any person party to it or becomes void or illegal; (xxxiv) any transaction document is required to be amended, waived or repudiated on account under applicable laws; (xxxv) the Borrower fails to maintain insurance cover; fails to endorse PFC as loss payee; any insurance contract is not, or ceases to be, in full force and effect at any time when it is required to be in effect; (xxxvi) any representation, warranty, declaration or statement made or deemed to be made by the Borrower or any other Obligor is or proves to have been incorrect or misleading in any respect when made or deemed to be made; (xxxvii) except as otherwise expressly provided under the Facility Agreement, the Borrower has sold, disposed off, charged or encumbered or created security interest or alienated or otherwise rendered unusable any assets of the Borrower or the assets of the Project; (xxxviii) except as otherwise expressly provided under the Facility Agreement, any person has sold, disposed off, charged or encumbered or alienated or otherwise

rendered unusable any assets in relation to which security is created; (xxxix) failure of promoter(s) to perform their obligations towards the Borrower and/or Project including default of its obligations under the promoter support agreement or the pledge agreement; (xl) any serious dispute has arisen between the Borrower and the promoters as to the contribution/support to the Borrower and the Project; (xli) (a) the Project is abandoned or threatened to be abandoned by the Borrower, or the Borrower ceases to have actual possession and management control (as defined in the Facility Agreement) of the Project; (b) the whole or any part of the Project is damaged or destroyed; and other events with respect to the Project and Obligors as set out in the Facility Agreement; (xlii) any material project participant (as defined in the Facility Agreement) fails to obtain, renew, maintain or comply in all respects with any approval in relation to the Project or the terms of any clearances are amended; (xliii) repudiation, termination, unenforceability or invalidity of any clearance; (xliv) proceeding by any government authority for the purpose of revoking, terminating, withdrawing, suspending or withholding any clearances; (xlv) admittance of proceedings under any bankruptcy or insolvency laws including for the liquidation of any Obligor, or a petition for the reorganization, arrangement, adjustment against an Obligor; (xlvi) any judgments or decrees having material adverse effect (as defined in the Facility Agreement), if passed against an Obligor; (xlvii) any adverse judgment or decision issued in relation to any legal proceedings with respect to the Borrower, the Project, the project documents or the Borrower's title to any part of the Project or the project site or the assets of the Project; (xlviii) breach by the Borrower of any applicable law; (xlix) environmental claims pending against the Borrower; (l) proceedings of winding of the Borrower; (li) proceedings of winding of promoters; (lii) if extra-ordinary circumstances have occurred which make it improbable for the Project to be carried out and for the Borrower to fulfill its obligations under any of the transaction documents; and/or one or more of the events, conditions or circumstances shall have occurred or existed, having an impact on the viability of the Project; (liii) any event of force majeure affecting the Project and/or any contracting parties (other than PFC) to the project documents (liv) the Borrower fails to achieve actual commercial operations date; (lv) payment made other than electronic mode except permitted under the trust and retention account agreement or receives any payment through any mode other than electronic transfer, except where such payment was received through cheques drawn on banks which are not on NEFT/RTGS or where such payments are permitted under the trust and retention account agreement; (lvi) the Borrower utilizes the loan proceeds for any purpose other than the purpose as stated in the Facility Agreement; (lvii) the Borrower is in violation/breach of the environmental, health, safety and social requirements; (lviii) repudiation, termination, unenforceability or invalidity of any license/clearance or insurance contract or any other transaction document; (lix) any Obligor rescinds or purports to rescind or repudiates or purports to repudiate any contract to which it is a party; and (lx) occurrence of any event or circumstance, which in PFC's sole opinion, gives ground for believing that it would affect the capacity of the Borrower to repay the Rupee Term Loan.

The following terms and conditions will be applicable to the Rupee Term Loan-2 (referred to as 'Rupee Term Loan' below) and the reference to 'Borrower' will mean the entity i.e. CTRPL, which has executed the Facility Agreement — 2 (referred to as 'Facility Agreement' below) to avail the Rupee Term Loan-2. The reference to 'Project' will mean the reference to the Project — 2 of entity i.e. CTRPL

- ***Other Covenants:*** The Borrower has made customary representations and warranties to PFC and has agreed to deliver standard information. Until the final settlement date, the Borrower shall, at all times, comply with the following covenants: (i) any proposed change in the nature or scope of the Project shall not be implemented and no funds shall be committed therefore without the prior written approval of PFC, and PFC shall have the right to stipulate any additional conditions; (ii) enter into the trust and retention account agreement and establish the trust and retention account and comply with the requirements and procedures therein; (iii) compliance with financial covenants; (iv) permit and make arrangement for inspection by representatives of PFC; (v) maintenance of books and records; (vi) comply with the applicable laws including in relation to the conduct of its business and the construction, operation and maintenance of the Project and with all directions/guidelines by government authorities, with regard to the Rupee Term Loan; (vii) ensure that, all assets of the Borrower including in relation to the Project, are insured in a manner as stated in the Facility

Agreement; (viii) construct, maintain, preserve and operate the Project, including plant and machinery, necessary in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted, and in accordance with prudent operating practices and its business plan; (ix) take prior consent of PFC for the execution of any new project documents;; (x) establish safety protections/environmental protections and procedures relating Project; (xi) the Borrower shall ensure that the entity as specified in the Facility Agreement shall at all times till final settlement date, hold and control 51 % (fifty one percent) of the paid share capital (i.e. issued, subscribed, paid up and voting share capital of the Borrower, preference share capital) of the Borrower, management control (as defined in the Facility Agreement) in the Borrower and majority board representation in the Borrower; (xii) PFC shall have the right to appoint such observer as specified in the Facility Agreement; (xiii) power evacuation arrangements; and (xiv) hedging and unhedged foreign currency exposure declaration.

- *Negative Covenants:* Until the final settlement date, the Borrower shall not, at all times, without the prior approval of PFC in writing, undertake the following covenants: (i) shall not issue equity share, effect or agree to effect any change in its capital structure, including any change in the shareholding pattern, take or agree to take any action/formulate any scheme of merger, demerger, consolidation, reorganization, reconstruction or amalgamation scheme of arrangement or compromise with its creditors or shareholders, or acquire all or part of the assets of any person, on lease or otherwise, or any class of shares or debentures or partnership interest or similar interest of any person, issue any debentures, raise any loans, except the indebtedness permitted under the Facility Agreement, make investments in, grant loans, accept any deposits from public and/or invest by way of subscription to share capital of or otherwise, or give guarantee, except if such guarantees are given in normal course of business; (ii) shall not agree during the Facility Agreement, create any charge, encumbrance or third party interest or security interest on or in any of its assets/the secured property and contracts; including escrowing of future cash flows receivables or create any lien or charging the receivables/future cash flows of whatsoever nature or assignment of project documents, in favor of any person, without prior approval PFC, except the security interest permitted under the Facility Agreement; (iii) shall not alter the scope of the Project, augment, modernize, make any expansions or diversifications or make any material modification to the Project/scope of the Project or make substantial expansion of the Project or undertake any new project; (iv) shall and shall not agree to, take any action to: (a) suspend, rescind, cancel or terminate any project document(s); (b) transfer, encumber, sell, assign or otherwise dispose of any part of its interest in such project documents; (c) waive any default under or breach of any provision in relation to the Project or any project document(s); (d) waive, fail to enforce any provision in relation to the Project or any project document(s); (e) amend, supplement or make material modification to any provision of any project documents; and (f) petition, request or take any other legal action that seeks, or may be expected, to rescind, terminate or suspend any project documents; (v) shall not, directly or indirectly, create, incur, contract, assume or suffer or otherwise become or be liable for any debt, whether secured or unsecured, with any person, except the indebtedness as permitted under the Facility Agreement. The Borrower shall not create any mortgage or otherwise create any security interest on (or agree to do any of the foregoing at any future time) whole or any part of the Project assets, except the security interest as permitted under the Facility Agreement; (vi) except for the ordinary course of business, the Borrower shall not incur any contractual obligation, including guarantee obligation, on behalf of any other person or any other company, including group companies; (vii) shall not make any capital expenditure, other than the capital expenditure provided for in the financing plan (as defined in the Facility Agreement); (viii) (a) shall not, without the prior written approval of PFC, declare or make any restricted payment (as defined in the Facility Agreement) and provided that on the date of declaring or paying the proposed restricted payment (as defined in the Facility Agreement), the restricted payment conditions (as defined in the Facility Agreement) have been satisfied. All restricted payment (as defined in the Facility Agreement) shall be made only as permitted under the trust and retention account agreement (as defined in the Facility Agreement). PFC shall not unreasonably withhold the request for making the restricted payment (as defined in the Facility Agreement) and endeavor to respond to request from the Borrower for making restricted payment (as defined in the Facility Agreement) within the timeline as stipulated in the Facility Agreement.

(b) Except as permitted in sub clause (a), the Borrower shall not pay, repay, prepay, refund or redeem any money brought in by the promoters/directors/affiliates/associated companies, till the final settlement date, including but not limited to the quasi equity (as defined in the Facility Agreement); (ix) shall not engage in any business other than the Project in India, create any subsidiaries or permit any company to become its subsidiary; (x) shall not change the location of its office, without prior intimation to PFC; (xi) shall not abandon or agree to abandon the Project; (xii) shall not use, maintain or operate, or allow the use, maintenance or operation of the Project for any purpose which may constitute a public or private nuisance or give rise to a claim or environmental claim; violate any provision of any applicable law; and result in increase in the premium of any insurance then in force with respect to the Project or any part thereof; (xiii) the Borrower will not enter into any partnership, profit-sharing or other similar arrangement whereby the Borrower's income or profits are, or might be, shared with any other person; (xiv) shall not enter into any contract, agreement, commitment or arrangement with any of its affiliate/subsidiaries/group companies, which is not on an "arm's length" basis; (xv) shall not amend, modify or supplement its memorandum of association and articles of association in any manner, which would make the Borrower ineligible for undertaking the Project or with any of the financing document including security document or which may be detrimental to the interest of PFC; (xvi) shall not pay any commission to its promoter, directors, managers, or other person(s) having substantial interest in the Borrower for furnishing guarantees; (xvii) shall not do any act which may result in unequal treatment; (xviii) not change its fiscal year without the approval of PFC; (xix) not open any other bank account without the prior written consent of PFC and shall not operate such other bank account for any purpose other than the purpose approved by PFC; (xx) shall not utilize the proceeds of the drawdowns for any purpose other than for the Project and proceeds shall not be utilized for the purposes prohibited in the Facility Agreement; (xxi) shall not have different classes of equity shares, including its classes of equity shares with differential voting and dividend rights; and (xxii) The Borrower shall not except with the prior written approval of PFC or except as expressly permitted under any provision of the Facility Agreement: (a) permit any change in management control (as defined in the Facility Agreement) of the Borrower; (b) convey, sell, lease, transfer or otherwise dispose of (in one or a series of related transactions and whether voluntary or involuntary) any of its assets or properties except the disposals as permitted under the Facility Agreement; (c) undertake any voluntary proceeding for winding up, insolvency or liquidation or propose any resolution seeking approval of board for filing application under the Insolvency and Bankruptcy Code, 2016; (d) purchase or otherwise acquire all or part of the assets of any person or any class of shares or debentures or other securities or partnership interest or similar interest of any person; (e) amend the approved construction budget (as defined in the Facility Agreement), project implementation schedule (as defined in the Facility Agreement), banking base case (as defined in the Facility Agreement), financing plan (as defined in the Facility Agreement) and/or approved operational budget (as defined in the Facility Agreement); (f) change the practice with regard to remuneration of its directors or commission, scale of sitting fees, etc.; and (g) shall not create any lien/pledge (other than in favor of/for the benefit of the account bank (as defined in the Facility Agreement)/PFC) on the investments as permitted under the Facility Agreement.

- *Events of Default:* Subject to agreed cure periods and carve outs, the events of default include if, inter alia, (i) payment default by the Borrower; (ii) default by any of the promoter, guarantor, pledgor and other security provider in relation to the Rupee Term Loan ("**Obligors**") in the payment of any other amount due and payable pursuant to the Facility Agreement or any other financing documents; (iii) breach or default in performance of covenants obligation or undertaking on the part of any Obligor under the Facility Agreement or any other financing documents; (iv) a default or failure by the Borrower to fulfill its obligations under any of the material project documents (as defined in the Facility Agreement) or occurrence of an event of default (howsoever described) under any material project documents (as defined in the Facility Agreement); (v) breach or default has occurred in the performance or observance of any covenant, obligation or undertaking on the part of any Obligor under the facility agreement or any other financing document (as defined in the Facility Agreement); (vi) a default or failure by the Borrower to fulfill its obligations under any of the material project documents (as defined in the Facility Agreement) or occurrence of an event of default (howsoever

described) under any material project document (as defined in the Facility Agreement); (vii) non adherence by the Borrower of the financial covenants as stated in the Facility Agreement; (viii) any default (not being a default specifically set out in the specified clause of the Facility Agreement) has occurred in the performance or observance of any covenant, condition, warranties or provision, on the part of the Obligors, contained in any provision of the Financing Documents (as defined in the Facility Agreement); (ix) committing of cross default by the Borrower of more than the amount as specified in the Facility Agreement; (x) Borrower is unable or has admitted in writing its inability to pay any of its indebtedness as they mature or when due; (xi) an event of default or a potential event of default howsoever described occurs under any agreement or document relating to any indebtedness of the Borrower other than indebtedness incurred under financing documents (as defined in the Facility Agreement); (xii) if any other lenders of the Borrower including financial institution or banks with whom the Borrower has entered into agreements for financial assistance have refused to disburse, extend or have canceled or recalled or accelerated repayment of its/their assistance of any part thereof; (xiii) if any group/subsidiary/associate/parent company of the promoter has committed an event of default or a potential event of default under any agreement entered into with PFC; (xiv) if the Borrower's subsidiary has defaulted over and above the amount as specified in the Facility Agreement; (xv) security interest proposed to be created under the Facility Agreement has not been created and/or perfected within the specified timelines; (xvi) any event occurs which is or is likely to be prejudicial to or imperils or depreciates the security including in the event the security is in jeopardy and/or in the event of inadequacy of insurance; (xvii) any of the security documents once executed and delivered fails to provide the security interests, rights and title intended to be created thereby; (xviii) creation or any attempt to create any security interest over the secured property or any part in violation of the provisions of the financing documents, except the security as permitted under the Facility Agreement; (xix) Obligors have sold, disposed of, charged or encumbered or alienated or otherwise rendered unusable the secured property (as defined in the Facility Agreement) or any part thereof (except security interest permitted under the Facility Agreement); (xx) event of invocation of security by any other lender to the Borrower; (xxi) any Obligor is unable (or is deemed by any law or court to be) or admits inability to pay any of its debts, stops or suspends, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness; (xxii) a moratorium is agreed or declared by government of India in respect of any indebtedness of any Obligor; (xxiii) attachment, execution, commencement of proceeding for recovery of any dues, distress or restraint has been offered or levied on the whole or any part of the assets of the Borrower or the assets of the Project or any part thereof; (xxiv) the Borrower ceases to have title to or interest in any assets or properties required for the Project or ceases to have the right to possess and use all or any portion of any assets or properties required for the Project; (xxv) the Borrower has taken action for its re-organization without the prior written approval of PFC or there is any change in ownership structure of the Borrower in contravention of the financing documents; (xxvi) any person acting singularly or with any other person (either directly or indirectly) acquires management control (as defined in the Facility Agreement) of Borrower other than as envisaged under the Facility Agreement; (xxvii) the relevant entity fails to hold minimum 51% of the total equity shares (as defined in the Facility Agreement); (xxviii) expropriation, condemnation, nationalization or seizure of the Project/or any part or whole of the assets of the Borrower or the assets of the Project; (xxix) termination and invalidity of the transaction documents (as defined in the Facility Agreement) (xxx) any one or more events occur or circumstance arises which PFC determines has or could be expected to have a material adverse effect (as defined in the Facility Agreement); (xxxii) failure to deposit all project proceeds in the trust and retention account or diversion of the same or the failure to maintain the required balances in the trust and retention account in accordance with the terms of the trust and retention account agreement; (xxxiii) obligation under the transaction document becomes unenforceable or is not or ceases to be valid and binding obligations of any person party to it or becomes void or illegal; (xxxiv) the Borrower fails to maintain insurance as required under the Facility Agreement; fails to endorse PFC as loss payee; any insurance contract is not, or ceases to be, in full force and effect at any time when it is required to be in effect; (xxxv) any representation, warranty, declaration or statement made or deemed to be made by the Borrower or any other Obligor is incorrect, untrue and/or misleading in any respect when made or deemed to be

made; (xxxv) the Borrower pays, repays or redeems any amounts (including in respect of any debt, equity shares, preference shares, share application money, compulsorily convertible debentures, non-convertible debentures or financial support in any other form) or pays any dividends, interest on any such amounts received from any person, prior to the final settlement date, in contravention of the terms of the Facility Agreement; (xxxvi) any assets of the Borrower are seized or sold, encumbered, charged, removed or otherwise transferred (except security interest or disposal as permitted under the Facility Agreement); (xxxvii) failure of promoter to perform its obligations towards the Borrower and/or Project including default of its obligations under the promoter support agreement or the deed of pledge; (xxxviii) any serious dispute has arisen between the Borrower and the promoter as to the contribution/support to the Borrower and the Project; (xxxix) (a) the Project is abandoned or threatened to be abandoned by the Borrower or the Borrower ceases to have actual possession of the Project; (b) the whole or material part of the Project is damaged or destroyed in any manner; and other events with respect to the Project and Obligors as set out in the Facility Agreement; (xl) any Obligor or the project participant (as defined in the Facility Agreement) fails to obtain, renew, maintain or comply with any clearances for the execution, delivery, performance or enforcement of the transaction documents (as defined in the Facility Agreement) or in respect of the Project; (xli) any such clearance is rescinded, terminated, suspended, modified or withheld or is determined to be invalid or ceases to be in full force and effect; (xlii) the Borrower or the Project becomes subject to a legal proceeding which may restrain the Borrower from developing the Project in the manner as agreed with PFC and/or would impose additional cost, whether as damages, compensation, fees, penalties, or on account of additional expenditure or otherwise, on the Borrower; (xliii) failure by the Obligor to pay any or more amounts due to any creditor under any non-appealable judgments or decrees or to comply with the terms thereof which shall have been executed against such Obligor; (xliv) any legal proceeding is commenced against any Obligor (other than the Borrower) or any order (interim, ad-interim or otherwise), judgment or decree is made or passed therein, which, by itself or together with any other such proceeding or claim, could have material adverse effect (as defined in the Facility Agreement); (xlv) if an Obligor takes any step to initiate a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law (including the Insolvency and Bankruptcy Code, 2016); (xlvi) If an involuntary proceeding against an Obligor has been commenced; (xlvii) an Obligor has taken or suffered to be taken any action towards its reconstruction, reorganization (except where such reconstruction or reorganization of an Obligor (other than the Borrower) is on a solvent basis, where the resulting entity/entities assume all the obligations of such Obligor under the financing documents (as defined in the Facility Agreement)); (xlviii) an application is filed by an operational creditor (as defined under Insolvency and Bankruptcy Code, 2016) or financial creditor (as defined under Insolvency and Bankruptcy Code, 2016) against any material project participant (as defined in the Facility Agreement) for initiation of corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016; (xlix) the appointment of a liquidator (provisional or otherwise), receiver, administrative receiver, administrator, trustee, custodian, compulsory manager or other similar officer been appointed in relation to any Obligor or in relation to all or part of any assets of their assets or in relation to all or part of the Project; (l) any equivalent or analogous proceedings as mentioned above are commenced under the laws of any jurisdiction against an Obligor, in which such Obligor is incorporated or resident or any jurisdiction in which such Obligor carries on business (including the seeking of liquidation, winding-up, reconstruction, reorganization, dissolution, administration, arrangement, adjustment, protection or relief of debtors, insolvency and suspension of payments); (li) breach by the Borrower of any applicable law; (lii) any event of force majeure affecting the Project; (liii) the Borrower fails to achieve actual commercial operations date; and (liv) the Borrower utilizes the loan proceeds for any purpose other than the purpose as stated in the Facility Agreement.

Working capital demand loan availed by Kutch Windfarm Development Private Limited

ICICI Bank Limited (the “**Lender**”) has agreed to offer Kutch Windfarm Development Private Limited (“**KWDPL**”), (i) a working capital demand loan with a limit of Rs. 40,000,000; (ii) stand by letter of credit/revolving stand by letter of credit with a limit of Rs. 45,000,000; and (iii) stand by letter of credit/revolving stand by letter of credit (sublimit of working capital demand loan) with a limit of Rs. 20,000,000 (“**Facility**”) as per the terms of the credit arrangement letter dated September 20, 2021 and working capital facility agreement dated October 28, 2021 (“**Facility Agreement**”) read with the credit arrangement letter dated September 17, 2022, amendatory credit arrangement letter dated April 21, 2023 and credit arrangement letter dated December 18, 2023.

The security comprises of a first pari passu charge: (i) by way of mortgage over all KWDPL’s immovable properties; (ii) on KWDPL’s operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising; (iii) on the trust and retention account (excluding Debt Service Reserve Account of principal & interest payment (“**DSRA**”) in favor of PFC), any letter of credit and other reserves and any other bank accounts pertaining to the wind power project of 28 MW at Morbi District, Gujarat (“**Project**”); and (iv) by way of hypothecation, over all the KWDPL’s movable properties and assets, relating to the Project. KWDPL is required to maintain 1 quarter interest liability under DSRA or in form of FD lien marked with ICICI Bank Limited (on which ICICI Bank Limited will have an exclusive charge). A corporate guarantee from Continuum Green Energy Limited for the entire quantum and tenor of the working capital facility i.e., the Facility. The Facility Agreement includes customary events of default and covenants which are typically included in such financing.

As on March 31, 2024, the documents had been executed and KWDPL had availed the stand by letter of credit/revolving stand by letter of credit (limit of Rs. 45,000,000) but KWDPL had not drawdown the amount under the working capital demand loan (limit of Rs. 40,000,000).

Facilities availed by Continuum Trinethra Renewables Private Limited

Continuum Trinethra Renewables Private Limited (“**CTRPL**”) has availed certain facilities from HDFC Bank Limited (“**Lender**”) pursuant to the sanction letter dated December 14, 2021 and January 23, 2024.

Cash credit facility with the limit Rs. 150,000,000 and stand by letter of credit/revolving stand by letter of credit with the limit Rs. 160,000,000. The security for the said two facilities comprises of: (i) a first pari passu charge by way of mortgage over all immovable properties along with the term lender; (ii) a first pari passu charge by way of hypothecation, on all CTRPL’s movable properties and assets along with the term lender; (iii) a first pari passu charge on CTRPL’s uncalled capital, receivables, commission, revenue of whatsoever nature and wherever arising, both present and future, along with the term lender; (iv) a first pari passu charge on the trust and retention account, any other letter of credit and reserve and any other bank accounts of CTRPL, both present and future, along with the term lender except for debt service reserve account. A letter of continuing guarantee from Continuum Green Energy Ltd which will fall away on certain specified events.

The customary events of default and covenants which are typically included in such financing are applicable to the said facility.

As on March 31, 2024, CTRPL had utilized the stand by letter of credit/revolving stand by letter of credit (limit of Rs. 160,000,000) but CTRPL had not utilized the cash credit facility (limit of Rs. 150,000,000).

Issuance of debentures by Indian Subsidiaries

Issuance of debentures by Watsun Infrabuild Private Limited (“**WIPL**”), Bothe Windfarm Development Private Limited (“**BWDPL**”); DJ Energy Private Limited (“**DJEPL**”); Renewables Trinethra Private Limited (“**RTPL**”); Trinethra Wind and Hydro Power Private Limited (“**TWHPPL**”); and Uttar Urja Projects Private Limited (“**UUPPL**”) (collectively referred to as the “**Indian Subsidiaries**” and each as “**Indian Subsidiary**”), as detailed below:

- (i) WIPL has issued and allotted 982 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement basis, aggregating to Rs. 9,820,000,000, in accordance with the debenture trust deed entered into between WIPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021;
- (ii) BWDPL has issued and allotted 927 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement basis, aggregating to Rs. 9,270,000,000, in accordance with the debenture trust deed entered into between BWDPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021;
- (iii) DJEPL has issued and allotted 698 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement basis, aggregating to Rs. 6,980,000,000, in accordance with the debenture trust deed entered into between DJEPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021;
- (iv) RTPL has issued and allotted 152 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement basis, aggregating to Rs. 1,520,000,000, in accordance with the debenture trust deed entered into between RTPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021;
- (v) TWHPPL has issued and allotted 739 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement basis, aggregating to Rs. 7,390,000,000, in accordance with the debenture trust deed entered into between TWHPPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021; and
- (vi) UUPPL has issued and allotted 563 redeemable, unlisted, unrated, coupon, non-convertible debentures of a nominal value of Rs. 10,000,000 each in a single series and in a single tranche on a private placement basis, aggregating to not more than Rs. 5,630,000,000, in accordance with the debenture trust deed entered into between UUPPL and IDBI Trusteeship Services Limited dated February 24, 2021 and amended by amendment deed dated September 13, 2021.

(the above mentioned debentures collectively referred to as “**Onshore Debentures**”)

(each of the debenture documents executed in relation to the Onshore Debentures by the Indian Subsidiaries be referred to as the “**Debenture Documents**”)

- *Security and Guarantee:* All of the obligations of the Indian Subsidiaries under the Onshore Debentures including the payment of the Debt (as defined in the respective Debenture Documents) are secured by: (i) a first ranking exclusive pledge over 100% (one hundred percent) of the equity shares of the Indian Subsidiaries by CGE IPL (other than in the case of Watsun Infrabuild Private Limited where CGE IPL shall create and perfect a first ranking exclusive pledge over 51% (fifty one percent) of the equity shares of Watsun Infrabuild Private Limited); (ii) a first ranking charge over the moveable and immovable assets (both present and future) of the Indian Subsidiary in connection with the Project operated by the relevant Indian Subsidiary (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), other than the current assets of the Indian Subsidiary; (iii) second ranking charge over the current assets of the Indian Subsidiary; (iv) first ranking charge over the Indian Subsidiary’s power purchase agreement(s), insurance policies and project documents; (v) a second ranking charge over the RCF Facility Restricted Amortization Account, the RCF Facility Enforcement Proceeds Account, the Operating Account, the Statutory Dues Account, the O&M Expenses Account, the Restricted Debt Service Account and the Distribution Account (each as defined in the respective Debenture Documents) of the Indian Subsidiaries; and (vi) a first ranking charge over the Issue Proceeds Escrow Account, the Debt Service Reserve Account, the Restricted Surplus Account, the Senior Debt Enforcement Proceeds Account and the Senior Debt Restricted Amortisation Account (each as defined in the respective Debenture Documents) of the Indian Subsidiary.

The Onshore Debentures are also guaranteed by each Indian Subsidiary pursuant to the deed of guarantee executed by the other Indian Subsidiary (“**Deed of Guarantee**”). Each Indian Subsidiary’s obligations under the Deed of Guarantee are secured on a *pari passu* basis with the security created by such Indian Subsidiary for the Onshore Debentures issued by it and shall, save for such exceptions as may be provided by applicable law and subject to the covenants and undertakings as set out in the Debenture Documents, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

- *Covenants and Undertakings:* The Indian Subsidiaries have made customary representations and warranties to the trustee acting on behalf of the holders of the Onshore Debentures (“**Debenture Trustee**”) and has agreed to deliver standard information. The Indian Subsidiaries must comply with the following covenants: (i) maintain corporate existence; (ii) comply in all material respects with all laws applicable to it to which it is subject (including environmental laws); (iii) maintain in good working order and condition all assets necessary for the conduct of business; (iv) do all things necessary to enforce its rights, powers and remedies under the power purchase agreements and ensure that the power purchase agreements remain valid and enforceable; (v) maintain and comply in all material respects with all required authorizations; (vi) insure and keep insured its assets with reputable insurers for providing insurance of the relevant type against any risks and liabilities to which the Indian Subsidiary is exposed; file all tax returns required to be filed in the jurisdiction of its tax residence; (vii) permit the Debenture Trustee, any receiver or any delegate and any of their respective accountants or other professional advisors, free access, at all reasonable times and on reasonable notice, to the premises, assets, books, accounts and records; and (viii) ensure that it maintains a debt service cover ratio of at least 1.1:1.0.

- *Negative Covenants:* The Indian Subsidiaries must not, without the prior consent of the Debenture Trustee: (i) enter into any derivatives transactions, whether for the purposes of hedging or otherwise; (ii) create or attempt to create or permit to subsist any Security Interest (as defined in the respective Debenture Documents) over any of its assets, other than as permitted under the financing documents; (iii) sell, transfer or otherwise dispose of any asset; (iv) enter into any amalgamation, demerger, merger or reconstruction; (v) pay or make any Distribution (as defined in the respective Debenture Documents); (vi) amend or vary its constitution, memorandum or articles of association; and (vii) incur any further indebtedness, save and except as permitted under the financing documents.
- *Events of Default:* Subject to agreed cure periods and carve outs, the events of default include, *inter alia*, (i) non-payment; (ii) breach of debt service cover ratio; (iii) breach of other obligations; (iv) any other present or future indebtedness (other than any indebtedness payable under a Subordinated Debt (as defined in the respective Debenture Documents)) of the Indian Subsidiary or any other Indian Subsidiary for or in respect of moneys borrowed or raised (A) becomes due and payable prior to its stated maturity by reason of any event of default, and such acceleration shall not be rescinded or annulled (by reason of a remedy, cure or waiver thereof with respect to the event of default upon which such acceleration is based) within 21 days after such acceleration; or (B) is not paid when due or, as the case may be, within any applicable grace period; (v) cross-default; (vi) a distress, attachment or execution is levied, enforced or a petition thereof is filed and admitted against the material part of the assets; (vii) any security interest, present or future, created or assumed by the Indian Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) and such step is not stayed within 60 days; (viii) insolvency or bankruptcy of any Indian Subsidiary; seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Indian Subsidiary or all or a majority of the shares or units; (ix) it is or will become unlawful for any Indian Subsidiary to perform or comply with any one or more obligations; (x) misrepresentation; and (xi) abandonment of project.

DESCRIPTION OF THE NOTES

You can find the definitions of certain terms used in this description under the subheading “*Certain Definitions*”. In this description, the term “**Co-Issuer**” refers only to each of: (i) Trinethra Wind and Hydro Power Private Limited (“**TWHPPL**”); (ii) DJ Energy Private Limited (“**DJEPL**”); (iii) Bothe Windfarm Development Private Limited (“**BWDPL**”); (iv) Uttar Urja Projects Private Limited (“**UUPPL**”); (v) Watsun Infrabuild Private Limited (“**WIPL**”); (vi) Renewables Trinethra Private Limited (“**RTPL**”); (vii) Continuum Trinethra Renewables Private Limited (“**CTRPL**”); and (viii) Kutch Windfarm Development Private Limited (“**KWDPL**”), and the term “**Co-Issuers**” refers to all of them and any successor obligors to the Notes. The due and punctual payment of all amounts payable by each Co-Issuer under the Notes, including principal, premium, if any, and interest thereon, will be fully and unconditionally guaranteed on a unsubordinated basis by each of the other Co-Issuers as of its applicable Guarantee Effective Date (each, in such capacity, a “**Guarantor**”, and collectively, the “**Guarantors**”) (each, a “**Guarantee**”, and collectively, the “**Guarantees**”).

The Co-Issuers will issue the notes (the “**Notes**”) under an indenture (the “**Indenture**”), to be dated as of June 26, 2024 (the “**Closing Date**”), among themselves, The Bank of New York Mellon, as trustee (the “**Trustee**”, which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Indenture) and Catalyst Trusteeship Limited as the common security trustee (the “**Security Trustee**”), in a private transaction that is not subject to the registration requirements of the U.S. Securities Act. Holders of the Notes will not be entitled to any registration rights. The terms of the Notes will include those stated in the Indenture. The Collateral Documents referred to below under the caption “— *Security*” will define the terms of the agreements that will secure the Notes. Defined terms used in this description but not defined under “— *Certain Definitions*” have the meanings assigned to them in the Indenture and the Collateral Documents.

The following description is a summary of the material provisions of the Indenture, the Notes, the Collateral Documents, the Trust and Retention Accounts Agreement and the Security Sharing Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of those documents. It does not restate those documents in their entirety. We urge you to read the Indenture, the Collateral Documents, the Trust and Retention Accounts Agreement and the Security Sharing Agreement in their entirety because they, and not this description, define your rights as Holders. Copies of (i) the Indenture will be available by email to the requesting Holder or for inspection during regular business hours (being between 9:00 a.m. to 3:00 p.m. from Monday to Friday (New York time) (other than public holidays)), upon prior written request and proof of holding and identity to the satisfaction of the Trustee at the corporate trust office of the Paying Agent located at 240 Greenwich Street, New York, New York 10286, United States of America, and (ii) the Collateral Documents, the Trust and Retention Accounts Agreement and the Security Sharing Agreement will be available for inspection upon prior written request at the office of the Security Trustee on or after the Closing Date.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture.

Any early redemption, repurchase or repayment of Notes or any amendments to certain terms and conditions of the Notes by the Co-Issuers may require the prior approval of the Reserve Bank of India (the “RBI”) or an Authorized Dealer Bank in accordance with Master Direction — External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 and the applicable provisions of the Master Direction on Reporting under Foreign Exchange Management Act, 1999 dated January 1, 2016 issued by the RBI each as amended, replaced or modified from time to time, before effecting such early redemption, repurchase, repayment or amendment, as the case may be, and such approval may not be forthcoming. See “Risk Factors — Risks Relating to the Notes, the Guarantees and the Collateral — Redemption of the Notes prior to maturity may be subject to compliance with applicable regulatory requirements, including the prior approval of the RBI or the Authorized Dealer Bank, as the case may be”.

Brief Description of the Notes and the Guarantees

The Notes

The Notes issued by a Co-Issuer will:

- be general obligations of such Co-Issuer;
- rank senior in right of payment to any existing and future obligations of such Co-Issuer that is subordinated in right of payment to the Notes;
- rank equally in right of payment with any existing and future obligations of such Co-Issuer that are not subordinated in right of payment to the Notes;
- be guaranteed by the Guarantors on a senior basis in accordance with the Indenture, subject to the limitations described below under “— *The Guarantees*” and “*Risk Factors — Risks Relating to the Notes, the Guarantees and the Collateral — On the Closing Date, the Notes will not be guaranteed by any of the Guarantors and, accordingly, the Notes will be structurally subordinated to the liabilities of the Co-Issuer*”;
- be effectively subordinated to any existing and future secured Indebtedness of such Co-Issuer (other than the Notes and any Indebtedness to the extent secured over the Collateral) to the extent of the value of the assets securing such Indebtedness; and
- be secured by a Lien on the applicable Collateral as further described under the caption “— *Security*”.

The obligations in respect of each Note will be attributable on a several (and not a joint and several) basis to each Co-Issuer (acting as a primary obligor and not as a Guarantor) in the same proportion as the principal amount of Notes for which such Co-Issuer acts as a primary obligor bears to the aggregate principal amount of Notes. See Annexure A to the Offering Memorandum for information regarding the principal amount of Notes each Co-Issuer will act as a primary obligor. Such Annexure A will also be appended to the Indenture. As and when each Co-Issuer provides a Guarantee, it will become jointly and severally liable under the Notes with the other Co-Issuers that have become Guarantors.

The obligations of a particular Co-Issuer under the Notes (for which it is acting as primary obligor and not as Guarantor) will automatically be released in respect of such Co-Issuer (upon issuance of notice by the Co-Issuer to the Trustee and the holders of the Notes) upon:

- (1) the merger, amalgamation or consolidation of such Co-Issuer with and into, or the sale, conveyance or other disposition of all or substantially all the assets of such Co-Issuer to, another Co-Issuer;
- (2) the consummation of a Qualified CGEIP Sale Event; or
- (3) legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions “— *Legal Defeasance and Covenant Defeasance*” and “— *Satisfaction and Discharge*” and upon repayment in full of the Notes.

The Notes will mature on June 26, 2033 (the “**Maturity Date**”) unless earlier redeemed pursuant to the terms thereof and the Indenture. The Indenture allows additional Notes to be issued from time to time (the “**Additional Notes**”), subject to compliance with the Indenture. Unless the context requires otherwise, references to the “**Notes**” for all purposes of the Indenture and this “*Description of the Notes*” include any Additional Notes that are actually issued. The Notes will bear interest at 7.50% per annum from the Closing Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually in arrears on June 26 and December 26 of each year (each, an “**Interest Payment Date**”), commencing on December 26, 2024. See Annexure A to the Offering Memorandum for certain information relating to the Notes for purposes of the applications by the Co-Issuers to the RBI for loan registration numbers.

Interest on the Notes will be paid to Holders of record at the close of business on June 11 or December 11 immediately preceding an Interest Payment Date (each, a “**Record Date**”), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. Interest on the Notes will be calculated on the basis of a 360 day year comprised of twelve 30-day months.

Except as described under “*Optional Redemptions*” and “*Redemption for Taxation Reasons*” and as otherwise provided in the Indenture, the Notes may not be redeemed prior to maturity.

In any case in which the date of the payment of principal of, premium (if any) or interest on the Notes (including any payment to be made on any date fixed for redemption or purchase of any Note) is not a business day in the relevant place of payment or in the place of business of the Paying Agent, then payment of principal, premium (if any) or interest need not be made in such place on such date but may be made on the next succeeding business day in such place. Any payment made on such business day will have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes will accrue for the period after such date.

The Notes will be issued only in fully registered form, without coupons, in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. See “— *Book-Entry; Delivery and Form*”. No service charge will be made for any registration of transfer or exchange of Notes, but the Co-Issuers and the Transfer Agent may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made in U.S. dollars in immediately available funds by the Co-Issuers at the office or agency of the Co-Issuers maintained for that purpose (which initially will be the specified office of the Paying Agent currently located at 240 Greenwich Street, New York, NY 10286, United States of America), and the Notes may be presented for registration of transfer or exchange at such office or agency.

As of March 31, 2024, after giving effect *pro forma* effect to the issuance of the Notes and the application of proceeds therefrom as described under “*Certain Covenants — Use of Proceeds*”, the Co-Issuers on a combined basis would have had U.S.\$650.0 million outstanding Indebtedness comprising of U.S.\$650.0 million of Notes offered hereby. See “*Risk Factors — Risks Relating to the Notes, the Guarantees and the Collateral — The Co-Issuers have substantial indebtedness and are subject to restrictive and other covenants under their debt financing arrangements. The issue of Notes may cause an event of default under the terms of existing debt documentation of the Co-Issuers until such existing debt is prepaid*”.

The Guarantees

The Indenture will include provisions relating to unsubordinated Guarantees for the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes issued by any other Co-Issuer (for which such other Co-Issuer acts as a primary obligor and not as a Guarantor). As soon as practicable and no later than the date falling 90 days after the Closing Date (the end of such 90 day period, being September 24, 2024, the “**Guarantee Long-stop Date**”), each of the Co-Issuers will provide a written notice to the Trustee and the Security Trustee whereby the Guarantees of each Co-Issuer shall become effective in respect of such Co-Issuer on the date (such date, the “**Guarantee Effective Date**” in respect of such Co-Issuer). The Trustee shall not be responsible or liable for monitoring receipt of such effectiveness notice and will not be responsible for informing holders if such notices are not received within the 90-day period.

Each Guarantee provided by a Guarantor will:

- be a general obligation of such Guarantor;

- rank senior in right of payment to any existing and future obligations of such Guarantor that are subordinated in right of payment to its Guarantee;
- rank equally in right of payment with any existing and future obligations of such Guarantor that are not subordinated in right of payment to its Guarantee; and
- be effectively subordinated to any existing and future secured Indebtedness of such Guarantor to the extent of the value of the assets securing such Indebtedness.

The Guarantees by a Guarantor will automatically be released (upon receipt of notice by the relevant Guarantor to the Trustee, the holders of the Notes) upon:

- (1) the merger, amalgamation or consolidation of such Co-Issuer with and into, or the sale, conveyance or other disposition of all or substantially all the assets of such Co-Issuer to, another Co-Issuer;
- (2) the consummation of a Qualified CGEIP Sale Event; or
- (3) legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions “— *Legal Defeasance and Covenant Defeasance*” and “— *Satisfaction and Discharge*” and upon repayment in full of the Notes.

The obligations of each of the Guarantors under its Guarantee will be limited as necessary to prevent such Guarantee from constituting a fraudulent conveyance under applicable law. See “*Risk Factors — On the Closing Date, the Notes will not be guaranteed by any of the Guarantors and, accordingly, the Notes will be structurally subordinated to the liabilities of the Co-Issuer*”.

No release of a Guarantor from its Guarantee will be effective against the Trustee or Holders until the Guarantor shall have delivered to the Trustee an Officer’s Certificate stating that all requirements relating to such release and discharge have been complied with and that such release and discharge is authorized and permitted under the Indenture. The Trustee shall be entitled to rely on (without liability) such Officer’s Certificate as conclusive evidence for release of such Guarantee.

Methods of Receiving Payments on the Notes

All payments on the Notes will be made by wire transfer in U.S. dollars by the Co-Issuers at the office or agency of the Co-Issuers maintained for that purpose (which initially will be the specified office of the Paying Agent, currently located at 240 Greenwich Street, New York, NY 10286, United States of America), and the Notes may be presented for registration of transfer or exchange at such office or agency; *provided, however*, if the Notes are in certificated form and the Co-Issuers acts as their own paying agent, payment of interest may be made by check mailed at the expense of the Co-Issuers to the address of the Holders as such address appears in the Note register maintained by the Registrar or by wire transfer. Interest payable on the Notes held through The Depository Trust Company (“DTC”) will be available to DTC participants on the Business Day following payment thereof.

Paying Agent, Transfer Agent and Registrar

The Bank of New York Mellon will initially act as paying agent, transfer agent and registrar (together, the “Agents” including any successor Agent appointed from time to time under the Agent Appointment Letter (as defined in the Indenture). The Co-Issuers may change the paying agent, transfer agent or registrar with prior notice to the Trustee but without prior notice to the Holders, and any Co-Issuer may act as paying agent, transfer agent or registrar.

Transfer and Exchange

A Holder may transfer or exchange Notes in accordance with the provisions of the Indenture. The registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders will be required to pay all taxes due

on transfer. The Co-Issuers will not be required to transfer or exchange any Note selected for redemption. Also, the Co-Issuers will not be required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

Security

Collateral

The obligations of each Co-Issuer with respect to the Notes (for which such Co-Issuer acts as a primary obligor and not as a Guarantor) and the performance of all other obligations of each Co-Issuer under the Indenture (to the extent of the Notes in respect of which such Co-Issuer acts as a primary obligor and not as a Guarantor) will, subject to the release of a Lien over any Collateral undertaken in compliance with the terms herein, be secured by the following Indian-law governed security package:

- (a) the “**Common Collateral**” comprising the following:
- a first ranking *pari passu* mortgage over immovable property (including in the form of leasehold rights, but excluding immovable property in respect of which only a right to use has been provided) of such Co-Issuer, both present and future, in respect of the project(s) of such Co-Issuer;
 - a first ranking *pari passu* charge over movable assets of such Co-Issuer, both present and future, in respect of the project(s) of such Co-Issuer, other than (i) the current assets of such Co-Issuer and (ii) any Permitted Investments subscribed to, or extended by, such Co-Issuer and issued by any Affiliates of such a Co-Issuer;
 - a first ranking exclusive charge over the applicable Senior Debt Restricted Amortization Account and the applicable Senior Debt Mandatory Cash Sweep Account of such Co-Issuer;
 - a first ranking *pari passu* charge over the applicable Debt Service Reserve Account, the applicable Restricted Surplus Account, the applicable Restricted Debt Service Account and the applicable Senior Debt Enforcement Proceeds Account of such Co-Issuer;
 - a first ranking *pari passu* charge over the rights and benefits of such Co-Issuer under its respective project documents (including, without limitation, the power purchase agreements, insurance policies and other project documents of such Co-Issuer), both present and future; and
 - a first ranking *pari passu* pledge by the Pledgor over 100% of the equity shares of each of the Co-Issuers (other than, in the case of WIPL, where the Pledgor shall create and perfect a first ranking *pari passu* pledge over 65% of the equity shares of WIPL) (collectively, the “**Pledge Collateral**”); and
- (b) the “**WCF Collateral**” comprising:
- a second ranking charge over the current assets of such Co-Issuer (including trade and other receivables of such Co-Issuer), but excluding any Permitted Investments subscribed to, or extended, by such Co-Issuer and issued by any Affiliates of such Co-Issuer; and
 - a second ranking charge over the applicable RCF Facility Enforcement Proceeds Account, the applicable TRA Revenue Account, the applicable Statutory Dues Account, the applicable Operations and Maintenance Account and the applicable Distribution Account of such Co-Issuer.

The Common Collateral and the WCF Collateral are together referred to as the “**Collateral**”.

The Senior Debt Restricted Amortization Accounts and the Senior Debt Mandatory Cash Sweep Accounts are together referred to as the “**Exclusive Collateral**”.

The security over the Common Collateral (other than the Exclusive Collateral) shall be created on a first ranking *pari passu* basis in favor of Security Trustee acting as the security trustee on behalf of and for the benefit of (i) the Trustee and the Holders and (ii) the hedging banks with whom Co-Issuer(s) enter into Required Hedging Arrangements in relation to the Notes (such hedge banks, the “**Notes Hedge Counterparties**”). Additionally, the security over the Restricted Debt Service Account shall also be created on a first ranking *pari passu* basis for the benefit of the RCF Lenders. The RCF Lenders shall have the benefit of a second ranking charge over the Common Collateral (other than (i) the Exclusive Collateral, (ii) the Debt Service Reserve Accounts, (iii) the Restricted Surplus Accounts, and (iv) the Restricted Debt Service Accounts).

The security over the WCF Collateral shall be created on a second ranking *pari passu* basis in favor of Security Trustee acting as the security trustee on behalf of and for the benefit of (i) the Trustee and the Holders and (ii) the Notes Hedge Counterparties. The RCF Lenders shall have the benefit of a first ranking charge over the WCF Collateral.

In case a Permitted Refinancing Indebtedness is Incurred, the lenders of such Permitted Refinancing Indebtedness may have the benefit of the Collateral and the Operating Accounts Waterfall, in the same manner as the Holders of the Notes.

Notwithstanding anything to the contrary herein, each of the Co-Issuers shall ensure that no Lien is created or permitted to be created or subsists in respect of, or over any, Permitted Investments made by such Co-Issuer in any Affiliate of such Co-Issuer.

See “— *Events of Default and Remedies*” and “*Risk Factors — Risks Relating to the Notes, the Guarantees and the Collateral*”.

Timelines

The Collateral shall be created and perfected in favor of the Security Trustee within the following timelines:

- within (i) 90 days from the release of the security interest over the applicable Collateral which is existing as of the Closing Date or (ii) 120 days from the Closing Date, whichever is earlier, the Pledgor shall create and perfect a first ranking *pari passu* charge over 100% of the equity shares of each of the Co-Issuers (other than, in the case of WIPL, where the Pledgor shall create and perfect a first ranking *pari passu* charge over 65% of the equity shares of WIPL);
- within (i) 180 days from the release of the security interest over the applicable Collateral which is existing as of the Closing Date or (ii) 270 days from the Closing Date, whichever is earlier, each Co-Issuer shall create and perfect a first ranking *pari passu* charge over its immovable property (including in the form of leasehold rights, but excluding immovable property in respect of which only a right to use has been provided) in respect of the project(s) of such Co-Issuer; *provided* that in the case of TWHPPPL, RTPL, KWDPL and CTRPL, security over their respective leasehold revenue land shall be created and perfected within 90 days from the date of receipt of approval from the relevant Government Authority, in each case, for the creation and perfection of the security by way of mortgage on the relevant immovable property;
- within (i) 180 days from the release of the security interest over the applicable Collateral which is existing as of the Closing Date or (ii) 270 days from the Closing Date, whichever is earlier, each Co-Issuer shall create and perfect a first ranking *pari passu* charge over the movable assets of such Co-Issuer, both present and future, in respect of the project(s) of such Co-Issuer, other than (x) its current assets and (y) any Permitted Investments subscribed to, or extended, by a Co-Issuer and issued by any Affiliate of such Co-Issuer;

- within (i) 180 days from the release of the security interest over the applicable Collateral which is existing as of the Closing Date or (ii) 270 days from the Closing Date, whichever is earlier, each Co-Issuer shall create and perfect a first ranking *pari passu* charge over the applicable Senior Debt Enforcement Proceeds Account, the applicable Debt Service Reserve Account, the applicable Restricted Surplus Account and the applicable Restricted Debt Service Account of such Co-Issuer;
- within (i) 180 days from the release of the security interest over the applicable Exclusive Collateral which is existing as of the Closing Date or (ii) 270 days from the Closing Date, whichever is earlier, each Co-Issuer shall create and perfect a first ranking exclusive charge over the applicable Exclusive Collateral of such Co-Issuer;
- within (i) 180 days from the release of the security interest over the applicable Collateral which is existing as of the Closing Date or (ii) 270 days from the Closing Date, whichever is earlier, each Co-Issuer shall create and perfect a first ranking *pari passu* charge over the rights and benefits of such Co-Issuer under its respective project documents (including, without limitation, the power purchase agreements, insurance policies and other project documents of such Co-Issuer); and
- within (i) 180 days from the release of the security interest over the applicable WCF Collateral which is existing as of the Closing Date or (ii) 270 days from the Closing Date, whichever is earlier, each Co-Issuer shall create and perfect a second ranking *pari passu* charge over the applicable WCF Collateral of such Co-Issuer.

The Co-Issuers shall ensure that the Security Trustee is designated as a loss payee under all applicable insurance policies on or prior to the applicable security interest over the applicable Collateral being created and perfected in accordance with the timelines set out above.

Notwithstanding anything described herein, the Trustee shall not be a party to any of the Collateral Documents and shall have no duty to monitor or supervise, and will not be responsible for, investigating the performance or compliance of the Co-Issuers' in the fulfillment of their respective obligations under the Indenture, the Collateral Documents and the Notes or the satisfaction of any of the conditions subsequent set out herein.

Non-disposal of Balance Shares

The Co-Issuers shall ensure that the Balance Shares are not disposed of, transferred or encumbered in any manner whatsoever (except to the extent forming part of the Collateral); *provided* that there shall be no restriction on any transfer, disposal or sale of the Balance Shares of a Co-Issuer, which is a captive generation unit, to a captive consumer of such Co-Issuer, or any subsequent transfer, encumbrance or disposal or sale of the Balance Shares of such a Co-Issuer by a captive consumer to, or in favor of, another captive consumer of such Co-Issuer or to the Pledgor.

Releases

The Liens over the applicable Collateral may be released under any one or more of the following circumstances without the consent of any Holder or the Trustee:

1. upon the release of a particular Guarantor's Guarantee pursuant to the terms of the Indenture, the release of the Liens over the property and assets of such Guarantor and over the Capital Stock in such Guarantor;
2. in connection with any event or transaction which is not otherwise prohibited hereunder whereby the release of the Liens over such Collateral is required in order to effect any such event or transaction; provided that (other than where any such event or transaction (i) is also a Qualified CGE IPL Sale Event or (ii) results in a Change of Control), the Lien over such Collateral is immediately re-created in favor of the Security Trustee for the benefit of the Holders and the Trustee;

3. in connection with any transaction whereby the Pledgor ceases to own, directly or indirectly, 100% (save and except for the Balance Shares) of the total voting power of the Voting Stock of any Co-Issuer, whereby, in connection with such transaction, one or more Permitted Holders owns, directly or indirectly, at least 50.1% of the total voting power of the Voting Stock of such Co-Issuer, the release of the Liens over the applicable Pledge Collateral required to effect such transaction; *provided* that the first ranking security interest over such Pledge Collateral is immediately re-created in favor of the Security Trustee for the benefit of the Holders and the Trustee;
4. in connection with the direct or indirect sale, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the properties or assets of the Co-Issuers, taken as a whole, to one or more Permitted Holders, the release of the Liens over the applicable Collateral required to effect such transaction; provided that the first ranking security interest over such Collateral (or, in the case of the WCF Collateral, second ranking) is immediately re-created in favor of the Security Trustee for the benefit of the Holders and the Trustee;
5. upon repayment in full of the Notes and upon the Legal Defeasance, Covenant Defeasance or satisfaction and discharge of the Notes as provided under the caption “— *Legal Defeasance and Covenant Defeasance*” or “— *Satisfaction and Discharge*”, as the case may be, in each case, in accordance with the terms and conditions of the Indenture;
6. in connection with any Asset Sale of a Co-Issuer, if such Asset Sale is not prohibited by, or does not otherwise violate, the “— *Certain Covenants — Asset Sales*” covenant;
7. in connection with the merger, amalgamation or consolidation of such Co-Issuer with and into, or the sale, conveyance or other disposition of all or substantially all the assets of such Co-Issuer to, another Co-Issuer;
8. the release of the Lien over the applicable Pledge Collateral for the transfer of such Pledge Collateral to a captive consumer with whom power purchase agreements have been executed or will be executed by the relevant Co-Issuer(s) (i.e., BWDPL, TWHPPL, RTPL, KWDPL and CTRPL); *provided* that (a) the Pledge Collateral so released pursuant to this paragraph shall not exceed 35% of the share capital of each such Co-Issuer on a fully diluted basis; (b) a negative pledge in the form of non-disposal undertaking under the terms of the Indenture over the Balance Shares of such Co-Issuer(s) will be provided; and (c) the relevant Co-Issuer provides an Officer’s Certificate to the Security Trustee confirming that it will be operated as a captive generation unit; or
9. as described under the caption “— *Amendment, Supplement and Waiver*”.

Upon the right to release the Lien over the applicable Collateral becoming available to one or more Co-Issuers pursuant to the terms of the Indenture, the Security Trustee shall take all actions as may be required (without the need of any further prior consent from the Trustee and the Holders) to effect any (i) such release of the Lien over the applicable Collateral and (ii) such re-creation of a Lien where a Lien is required to be re-created on the applicable Collateral under the terms of the Indenture (including, without limitation, the filing of necessary pledge release/re-creation forms to effect such release/re-creation of the Lien over the applicable Collateral). However, no release of a Lien over Collateral shall be effective against the Trustee or the Holders until the Co-Issuers jointly and severally have delivered to the Trustee and the Security Trustee an Officer’s Certificate and an Opinion of Counsel stating that all requirements relating to such release have been complied with and that such release has been authorized by, permitted by, and made in accordance with, and subject to, the provisions of the Indenture, the Collateral Documents and the Security Sharing Agreement.

The Co-Issuers will provide evidence of re-creation of security interest with respect to Collateral, the Pledge Collateral and/or the WCF Collateral to the Trustee when available.

Security Sharing Agreements

Within 90 days from the Closing Date, each of the Co-Issuers shall execute a Security Trustee Appointment and Security Sharing Agreement, either individually or together (the “**Security Sharing Agreement**”), to appoint Catalyst Trusteeship Limited as the Security Trustee (acting for the benefit of the Trustee and the Holders, the Notes Hedge Counterparties and the RCF Lenders). The Security Sharing Agreement will allow the Notes Hedge Counterparties and the RCF Lenders to accede to such agreement either by themselves or by way of their authorized representatives, and also permit transferees or novatees of such parties to accede to such agreement.

Enforcement process

- (a) If any notice of acceleration (howsoever described) has been issued and the Collateral (other than the Exclusive Collateral) has become enforceable under the terms of the Indenture, the Required Hedging Arrangements or the RCF Facility, and the relevant Collateral Documents, any creditor or its representative (the “**Initial Enforcing Representative**”) may by notice in writing (the “**Initial Enforcement Notice**”) inform the Security Trustee of its intention to enforce the Liens over the relevant Collateral. For the avoidance of doubt, in connection with the Notes, Holders shall be required to instruct the Trustee in accordance with the terms of the Indenture for taking any enforcement action with respect to Collateral.
- (b) The Security Trustee shall deliver to the RCF Lender(s), the Trustee and the Notes Hedge Counterparties a copy of the Initial Enforcement Notice.
- (c) Within 20 Business Days from the date of delivery of the Initial Enforcement Notice to the Security Trustee (the “**Consultation Period**”), the RCF Lender(s) and the Notes Hedge Counterparties shall negotiate and discuss in good faith, the enforcement action(s) which shall be undertaken by the Security Trustee. The Security Trustee will promptly provide notice to the Trustee and the Holders of the enforcement actions agreed to be taken following the end of the Consultation Period.
- (d) If, at the end of the Consultation Period, (i) any other creditor agrees to join the Initial Enforcing Representative and notifies the Security Trustee (the Initial Enforcing Representative and such joining Representatives, shall together be referred to as the “**Enforcing Representatives**”), or (ii) the other relevant creditors do not respond to the Initial Enforcement Notice, the Security Trustee shall proceed with the enforcement action in accordance with the Initial Enforcement Notice. If no other creditor joins, the Security Trustee shall act on the instructions of the Initial Enforcing Representative.
- (e) If, at the end of the Consultation Period, the Security Trustee receives conflicting instructions from any other creditor in respect of an enforcement over the relevant Collateral, the Security Trustee shall proceed with the enforcement (or refrain from taking the enforcement) over such Collateral in accordance with the instructions received from the Initial Enforcing Representative, pursuant to, and in accordance with the Security Sharing Agreement and the Collateral Documents.
- (f) Any other creditor may upon the expiry of the Consultation Period, subsequently join the relevant Enforcing Representatives in instructing the Security Trustee in respect of enforcement actions.

The Trustee may, but shall not be obliged to, provide instructions or directions as an Enforcing Representative (including, without limitation, with respect to any notice from the Security Trustee following the Consultation Period) unless the Trustee has received written direction from Holders in accordance with the Indenture and received indemnity and/or security satisfactory and/or prefunding satisfactory to the Trustee against any fees, loss, liability or expense that might be incurred by it in compliance with such direction.

Priority of payments

Subject to the rights of creditors mandatorily preferred by law applying to companies generally, the proceeds on enforcement of the Lien over the Collateral (other than the Exclusive Collateral) shall be distributed in the following order of priority and ranking by the Security Trustee:

- (a) *first*, in or towards payment *pro rata* and *pari passu* of the amount of all fees, costs and expenses (including indemnity payments, legal fees and expenses) incurred by (i) the Security Trustee (including any receiver and any delegate), the Agents, the Trustee or any security trustee, receivers or security agent in relation to the administration and acceptance of its respective duties, rights, powers, obligations and discretions under the Indenture, the Notes, the Collateral Documents, the Trust and Retention Accounts Agreement, the Security Sharing Agreement, the RCF Facility, and the Agent Appointment Letter and (ii) by the Security Trustee or any security trustee or security agent in relation to the Required Hedging Arrangements, in each case, in relation to the collection or distribution of amounts held or realized or in connection with expenses incurred in enforcing all available remedies under the Indenture, the Notes, the Collateral Documents, the Trust and Retention Accounts Agreement, the Security Sharing Agreement, the RCF Facility and the Required Hedging Arrangements, and in preserving the Common Collateral and the WCF Collateral and all amounts for which each of the Trustee, the Security Trustee and the Agents are entitled to indemnification under Indenture, the Notes, the RCF Facility, the Agent Appointment Letter, the Collateral Documents and the Required Hedging Arrangements and in connection with any realization and enforcement of the security interest over the Common Collateral and the WCF Collateral or preservation of its rights;
- (b) *second*, in or towards payment *pro rata* of (i) any contractual or scheduled payments (including any interest on the hedge termination value but excluding the hedge termination value), due and payable or permitted to be paid to the Notes Hedge Counterparties, in relation to the Required Hedging Arrangements and (ii) of any accrued interest (including default interest), fee(s) or commission(s) due but unpaid to the Holders (under the Indenture and the Notes) and to the RCF Lenders (under the applicable RCF Facility);
- (c) *third*, in or towards payment *pro rata* of any hedge termination value due and payable to the Notes Hedge Counterparties, under the applicable Required Hedging Arrangement and of any principal due but unpaid to the Holders (under the Indenture and the Notes) and to RCF Lenders (under the applicable RCF Facility);
- (d) *fourth*, in or towards payment *pro rata* of any other sum due but unpaid in relation to the Notes, the RCF Facility and the Required Hedging Arrangements (to the extent such amounts are not already paid under paragraphs (b) and (c) above); and
- (e) *finally*, after all the amounts outstanding in relation to the Notes, the RCF Facility and amounts due to the Notes Hedge Counterparties have been paid in full, in or towards the payment of the surplus (if any) to the relevant Co-Issuer or other person entitled to it.

The payments described under paragraphs (b) to (d) above shall be made on a *pro rata* basis to the Notes Hedge Counterparties, the Holders and the RCF Lenders; *provided* that in the event that money available for distribution is insufficient to pay to each of the Holders, the Notes Hedge Counterparties and the RCF Lenders in full, the amounts shall be applied in the order of the ranking and priority of the Lien which has been created for the benefit of such creditors, such that the amounts received from the enforcement of the Collateral shall first be applied for repayment to the creditors holding a first ranking charge over the applicable Collateral on a *pari passu* basis, with the application of the priorities noted above, and then the residual amounts shall be applied for repayment of the amounts due to the other creditors who hold a lower ranking Lien. This distribution mechanism shall be applied on each level of payments described under paragraphs (b) to (d) above. See “*Risk Factors — The Holders will not have any direct recourse to the other lenders of the Co-Issuers*”.

The proceeds on enforcement of the Lien over the Exclusive Collateral shall only be utilized for payments in relation to the Notes.

Trust and Retention Accounts Agreement

Within 90 days from the Closing Date, the Co-Issuers will enter into a trust and accounts agreement (the “**Trust and Retention Accounts Agreement**”) with, *inter alia*, a scheduled commercial bank in India as the account bank (the “**Account Bank**”) and the Security Trustee. All capitalized terms used herein but not otherwise defined shall have the meanings accorded to them in the Trust and Retention Accounts Agreement.

Each trust and retention account will have the Operating Accounts identified in the Operating Accounts Waterfall (set out below) and the Trust and Retention Accounts Agreement will provide the terms and conditions on which all deposits and withdrawals from such Operating Accounts of each Co-Issuer may be made. All accounts will be denominated in Rupees and all amounts will be deposited into such accounts in Rupees.

The Trustee will not be responsible for providing any approval or instruction, or for the deposits, withdrawals or the operation of the Operating Accounts and will not be responsible for monitoring compliance by the Co-Issuers of their respective covenants and obligations (including, but not limited to, withdrawals, transfers or deposits) under the Trust and Retention Accounts Agreement.

1. No Co-Issuer shall withdraw or transfer amounts from any Operating Account or give instructions in relation to the Operating Accounts other than in accordance with the Trust and Retention Accounts Agreement.
2. *TRA Revenue Accounts*
 - (a) Deposits
 - (i) Each Co-Issuer will ensure that, as of the date of execution of the Trust and Retention Accounts Agreement, all Operating Revenue received by it or on its behalf, in each case, must be transferred or deposited directly into its TRA Revenue Account following such receipt in accordance with the timelines set out in the Trust and Retention Accounts Agreement, except for (A) any CGE IPL Sourced Net Proceeds received by such Co-Issuer from CGE IPL and (B) any proceeds received by such Co-Issuer pursuant to (x) any Asset Sale, (y) any sale of investments (1) existing as of the Closing Date or (2) which were made after the Closing Date from amounts lying in its Distribution Account and (z) the closure of fixed deposits created for purposes of cash collateralizing certain standby letter(s) of credit outstanding on the Closing Date by such Co-Issuer, which shall, in each case, be deposited into its Distribution Account.
 - (ii) Each Co-Issuer shall ensure that any insurance proceeds in respect of any business interruption, advance consequential loss and other revenue replacement insurance or other compensation money will be paid or payable into its TRA Revenue Account.
 - (iii) Each Co-Issuer shall ensure that all proceeds received by it pursuant to drawdowns (including the initial drawdown) under any RCF Facility shall not be deposited into its TRA Revenue Account and, as such, will not be required to go through the Operating Accounts Waterfall, but (x) shall instead be deposited in its Cash Credit Account or its RCF Facility Account (at such Co-Issuer’s discretion) and (y) the initial drawdown under any such RCF Facility shall instead be utilized to repay the applicable Existing RCF Facility of such Co-Issuer.
 - (iv) Each Co-Issuer shall ensure that all proceeds received by it pursuant to (x) any Permitted Indebtedness and/or (y) any Subordinated Capital shall, in each case, be deposited into its TRA Revenue Account, except for (A) Subordinated Capital proceeds received by way of New

Injections for an Equity Cure, which shall instead be deposited in its Restricted Debt Service Account; (B) Subordinated Capital proceeds received by way of New Injections which are not earmarked for an Equity Cure, which shall instead be deposited in any Operating Account designated by such Co-Issuer; (C) Subordinated Capital proceeds received for the purpose of Permitted Distributions or refinancing of Subordinated Capital, which shall instead be deposited into its Distribution Account; (D) any CGE IPL Sourced Net Proceeds, which shall instead be deposited into any Operating Account designated by such Co-Issuer; (E) any drawdown(s) under an RCF Facility in accordance with sub paragraph (iii) above, which shall instead be deposited into its Cash Credit Account or its RCF Facility Account (at such Co-Issuer's discretion); (F) all proceeds received pursuant to any Permitted Refinancing Indebtedness, which shall instead be deposited in any Operating Account designated by such Co-Issuer; and (G) all proceeds received pursuant to Agreed Intergroup Transactions, which shall instead be deposited into its Distribution Account.

(b) *Withdrawals*

Prior to any Event of Default, each Co-Issuer may only withdraw or transfer amounts from its TRA Revenue Account to pay the amounts set out below under the Operating Accounts Waterfall as and when such amounts are due and payable (or permitted to be paid) (including, in each case, an amount on account of any Tax payable by it in respect of the relevant payment) and in the order of priority as set out below under the Operating Accounts Waterfall, or to put another Co-Issuer in funds to pay the amounts set out below under the Operating Accounts Waterfall as and when such amounts are due and payable (or permitted to be paid) by such other Co-Issuer(s), in the order of priority as set out below.

Payments shall first be made from each TRA Revenue Account to discharge all amounts due and payable (or permitted to be paid) at a particular level of priority as mentioned herein below. To the extent that funds available with any Co-Issuer are insufficient to satisfy the relevant payments in full at a particular level of the Operating Accounts Waterfall, funds, to the extent available with any other Co-Issuer at such level, shall be used towards satisfying such payment. No amounts shall be paid by the Co-Issuers to any lower level of the Operating Accounts Waterfall until all payments at such level (including in relation to all other Co-Issuers) have been made and/or until sufficient funds to meet all payments at such level have been set aside by the Co-Issuers. Neither the Trustee nor the Account Bank shall be required to verify or monitor the setting aside of any amounts in one or more Operating Accounts for the satisfaction of payments at any level of the Operating Accounts Waterfall and the Account Bank shall (prior to the occurrence of an Event of Default) act on the instructions of the Co-Issuers. For the avoidance of doubt, no consent, notice or approval of the Holders, the Trustee or the Security Trustee will be required for any withdrawal or transfer of amounts by any Co-Issuer from its TRA Revenue Account prior to any Event of Default.

Each Co-Issuer shall use any amounts in excess of its requirements at each of paragraphs (i) through (vii) of the Operating Accounts Waterfall below to put one or more Co-Issuer(s) in funds at such equivalent level to the extent of any such shortfall at any such other Co-Issuer(s), and no amounts shall be paid to any lower level of the Operating Accounts Waterfall as a result. Any surplus proceeds available with a particular Co-Issuer in its TRA Revenue Account, after applying the Operating Accounts Waterfall, and not deposited in its Distribution Account, shall be retained in its TRA Revenue Account.

Co-Issuers with surplus funds shall issue instructions to the Account Bank to transfer such surplus funds from the relevant TRA Revenue Account(s) that have such a surplus to the relevant TRA Revenue Account(s) of one or more of the other Co-Issuer(s) that have a shortfall in order to enable by such Co-Issuer(s) that suffer from such a shortfall to be able to make all required payments in accordance with the Operating Accounts Waterfall.

The Trustee shall not be responsible for monitoring the application, withdrawal or transfer of funds in accordance with the Operating Accounts Waterfall or for monitoring compliance by any Co-Issuer of its covenant or obligations under the Trust and Retention Accounts Agreement and the applicable Debt Documents.

The order of priority for payments for each Co-Issuer from its TRA Revenue Account shall be as follows (the “**Operating Accounts Waterfall**”):

- (i) *first*, at any time, payment into its Statutory Dues Account towards the payment of Taxes and statutory dues;
- (ii) *second*, at any time, payment into its Operations and Maintenance Account towards the payment of Operating Expenses and towards payment into its Petty Expenses Account;
- (iii) *third*, at any time, *pro rata* and *pari passu* towards the payment of any Costs and liabilities incurred by, or due and payable to, the Trustee, the Account Bank, the Security Trustee, and each other representative under the applicable Debt Documents;
- (iv) *fourth*, at any time, *pro rata* and *pari passu* towards the payment of (a) accrued interest (including default interest) under the applicable Debt Documents, (b) any contractual or scheduled payments (including any interest on the hedge termination value, but excluding (x) the hedge termination value and (y) any amortization payments as specified in paragraphs (v) and (vi) below) under the applicable Debt Documents and (c) any Costs due and payable to any creditor under the applicable Debt Documents;
- (v) *fifth*, at any time, *pro rata* and *pari passu* towards the payment of (a) the principal amount outstanding (including break costs, make whole and other redemption amounts (including the applicable Mandatory Amortization Amount, but not including payments of MCS Amortization Amounts)) and (b) any hedge termination value, which is, in each case, due and payable under the applicable Debt Documents;
- (vi) *sixth*, at any time, towards the payment of (a) the applicable MCS Amortization Amount permitted to be paid on the upcoming MCS Redemption Date and (b) any unpaid MCS Amortization Amounts which were permitted to be paid (but were not paid) on an MCS Redemption Date that falls prior to the date of such deposit into its Senior Debt Mandatory Cash Sweep Account, for the purposes of making payments on the upcoming MCS Redemption Date. Any shortfall in the payment of any scheduled MCS Amortization Amount which amount was permitted to be paid in a particular period but was not paid shall be carried forward to the upcoming MCS Redemption Date and shall continue to be carried forward until paid on June 26, 2033;
- (vii) *seventh*, at any time, towards the transfer of the relevant amounts to its Debt Service Reserve Account to the extent necessary to ensure that the applicable Required DSRA Balance is maintained;
- (viii) *eighth*, at any time, *pro rata* and *pari passu* towards the payment of any other amounts (excluding any amounts in paragraphs (iv) to (vii) above) due but unpaid to any creditor under any applicable Debt Document;
- (ix) *ninth*, at any time, towards the transfer of any amounts to its Restricted Surplus Account;
- (x) *tenth*, at any time, towards the transfer from its Restricted Surplus Account to its Distribution Account and/or its Restricted Debt Service Account, as the case may be, in accordance with the DSCR Calculation Waterfall below; and

- (xi) *eleventh*, if no Payment Blockage then subsists and subject to the DSCR Calculation Waterfall below, towards the transfer of the amount of any Permitted Distributions to its Distribution Account and otherwise in accordance with the Operating Accounts Waterfall.

All payments required or permitted to be made towards the payments described under paragraphs (iv), (v) and (viii) above shall (I) in respect of payments under the Notes, be transferred into the applicable Senior Debt Restricted Amortization Accounts, (II) in respect of payments under the RCF Facilities, be transferred into the applicable RCF Facility Accounts, and (III) in respect of payments under the Required Hedging Arrangements, be transferred into the applicable Hedge Facility Restricted Amortization Accounts.

3. *Statutory Dues Accounts*

(a) Deposits

Each Co-Issuer shall ensure that proceeds are transferred from its TRA Revenue Account in accordance with the Operating Accounts Waterfall and deposited into its Statutory Dues Account prior to the relevant due date for the payment of any Taxes or statutory dues.

(b) Withdrawals

The proceeds lying to the credit of the Statutory Dues Accounts shall be utilized in accordance with the instructions of the Co-Issuers to make payments for Taxes and statutory dues.

(c) Insufficiency

If prior to the relevant due date for payment for Taxes and/or statutory dues there is a shortfall in any Statutory Dues Account in relation to such upcoming payments, the Co-Issuers shall issue instructions to the Account Bank to transfer proceeds in the following order of priority to the relevant Statutory Dues Account(s) where such a shortfall is present until such shortfall(s) are satisfied:

- (i) *first*, any surplus monies standing to the credit of any other Statutory Dues Account; and
- (ii) *thereafter*, monies standing to the credit of any other TRA Revenue Account.

4. *Operations and Maintenance Accounts*

(a) Deposits

Each Co-Issuer shall ensure that proceeds are transferred from its TRA Revenue Account in accordance with the Operating Accounts Waterfall and deposited into its Operations and Maintenance Account prior to the relevant due date for payment of any Operating Expenses.

(b) Withdrawals

Each Co-Issuer shall be entitled to instruct the Account Bank to withdraw the proceeds lying to the credit of its Operations and Maintenance Account to make payments for Operating Expenses.

(c) Insufficiency

If prior to the relevant due date for payment of any Operating Expenses there is a shortfall in any Operations and Maintenance Account in relation to such upcoming payments, the Co-Issuers shall issue instructions to the Account Bank to transfer proceeds in the following order of priority to the relevant Operations and Maintenance Account(s) where such shortfall is present until such shortfall(s) are satisfied:

- (i) *first*, any surplus monies standing to the credit of any other Operations and Maintenance Account;

- (ii) *second*, any surplus monies standing to the credit of any other Statutory Dues Account; and
- (iii) *thereafter*, monies standing to the credit of any other TRA Revenue Account.

5. *Senior Debt Mandatory Cash Sweep Accounts*

(a) Deposits

Each Co-Issuer shall ensure that proceeds are transferred from its TRA Revenue Account in accordance with the Operating Accounts Waterfall to its Senior Debt Mandatory Cash Sweep Account in respect of the applicable MCS Amortization Amount which is permitted to be paid by the applicable Co-Issuer on the upcoming MCS Redemption Date.

(b) Withdrawals

Each Co-Issuer shall be entitled to instruct the Account Bank to withdraw proceeds from its Senior Debt Mandatory Cash Sweep Account for the purpose of redeeming Notes in an amount equal to the applicable MCS Amortization Amount on the upcoming MCS Redemption Date.

(c) Insufficiency

If on the date falling five Business Days prior to the upcoming MCS Redemption Date, there is a shortfall in any Senior Debt Mandatory Cash Sweep Account for the payment of any MCS Amortization Amounts which are permitted to be paid by the applicable Co-Issuer with respect to the Notes (for which it is acting as primary obligor and not as a Guarantor), then the Co-Issuers shall issue instructions to the Account Bank to transfer proceeds from the surplus proceeds standing to the credit of any other Senior Debt Mandatory Cash Sweep Accounts to the applicable Senior Debt Mandatory Cash Sweep Account until such a shortfall is satisfied.

6. *Debt Service Reserve Accounts*

(a) Deposits

Each Co-Issuer shall ensure that proceeds are transferred from its TRA Revenue Account in accordance with the Operating Accounts Waterfall and deposited into its Debt Service Reserve Account in order to maintain the applicable Required DSRA Balance.

(b) Withdrawals

Each Co-Issuer shall be entitled to instruct the Account Bank to withdraw proceeds from the Debt Service Reserve Accounts to the applicable Operating Accounts as instructed by the Co-Issuers to comply with the requirements of the Trust and Retention Accounts Agreement.

7. *Restricted Surplus Accounts and Restricted Debt Service Accounts*

(a) Deposits in the Restricted Surplus Accounts

Each Co-Issuer shall ensure that proceeds are transferred from its TRA Revenue Account in accordance with the Operating Accounts Waterfall and deposited into its Restricted Surplus Account.

(b) Withdrawals from the Restricted Surplus Accounts

Each Co-Issuer shall be entitled to instruct the Account Bank to withdraw proceeds from its Restricted Surplus Account and transfer such proceeds to its Restricted Debt Service Account and/or

its Distribution Account in accordance with the conditions mentioned below in paragraph 7(c) below and as more particularly set out in the Trust and Retention Accounts Agreement.

(c) Deposits in the Restricted Debt Service Accounts

- (i) If, as of any date after the first Interest Payment Date (a “**DSCR Determination Date**”), all scheduled payments as set out in paragraphs (i) through (viii) of the Operating Accounts Waterfall have been made and (the following shall be referred to as the “**DSCR Calculation Waterfall**”):
- (A) the Debt Service Cover Ratio for the Calculation Period ending on and including the latest Calculation Date is more than 1.5:1.0, then each Co-Issuer shall be permitted to transfer amounts available in its Restricted Surplus Account into its Distribution Account;
 - (B) the Debt Service Cover Ratio for the Calculation Period ending on and including the latest Calculation Date is more than 1.4:1.0 but equal to or less than 1.5:1.0, then each Co-Issuer shall only be permitted to transfer an amount not greater than 60% of the funds available in its Restricted Surplus Account into its Distribution Account as of the date of determination, and the balance amounts that would otherwise be available for such transfer into its Distribution Account shall instead be transferred to its Restricted Debt Service Account until such time as the Debt Service Cover Ratio is greater than 1.5:1.0 for two consecutive Calculation Periods;
 - (C) the Debt Service Cover Ratio for the Calculation Period ending on and including the latest Calculation Date is more than 1.3:1.0 but equal to or less than 1.4:1.0, then each Co-Issuer shall only be permitted to transfer an amount not greater than 50% of the funds available in its Restricted Surplus Account into its Distribution Account as of the date of determination, and the balance that would otherwise be available for such transfer into the respective Distribution Account shall instead be transferred to its Restricted Debt Service Account until such time as the Debt Service Cover Ratio is greater than 1.5:1.0 for two consecutive Calculation Periods; or
 - (D) the Debt Service Cover Ratio for the Calculation Period ending on and including the latest Calculation Date is equal to or less than 1.3:1.0, then all amounts that are available in each Co-Issuer’s respective Restricted Surplus Account as of the date of determination shall be transferred to its Restricted Debt Service Account and such Co-Issuer shall not be permitted to transfer amounts available in its Restricted Surplus Account into its Distribution Account until such time as the Debt Service Cover Ratio is greater than 1.5:1.0 for two consecutive Calculation Periods.

Notwithstanding anything set out above, if the Funds From Operations to Net Debt ratio as of the Calculation Period ending on and including the latest Calculation Date is below 6.0% and none of the events under paragraphs (i)(B) to (i) (D) above has occurred and is continuing, each Co-Issuer shall not make any transfer from its Restricted Surplus Account into its Distribution Account in an amount greater than 75.0% of the funds otherwise available to be transferred into such account pursuant to paragraph 7 hereof, and any amounts that would otherwise have been available for such transfer shall instead be transferred to such Co-Issuer’s Restricted Debt Service Account until the Funds From Operations to Net Debt ratio is equal to or greater than 6.0% for two consecutive Calculation Periods and the removal of such restriction would not result in the Funds From Operations to Net Debt ratio being less than 6.0%.

For avoidance of any doubt, it is clarified that where the DSCR Determination Date is the same as the latest Calculation Date, such latest Calculation Date will also be included in the Calculation Period and each Co-Issuer shall be permitted to transfer proceeds to its Restricted

Surplus Account, Restricted Debt Service Account and/or Distribution Account (as the case may be, subject to compliance with the DSCR Calculation Waterfall above), on the latest Calculation Date as well.

(ii) Equity Cure

- (A) If the Debt Service Cover Ratio is less than 1.1:1.0, any or all of the Co-Issuers may procure the contribution of New Injections which, subject to the conditions in paragraphs (B) to (E) (inclusive) below, shall have the effect that the Debt Service Cover Ratio for a particular Calculation Period ending on the relevant Calculation Date is recalculated giving effect to such New Injections as CFADS, provided that it is contributed in a manner which qualifies towards the calculation of CFADS for the relevant Calculation Period, making any further adjustment needed to ensure no double counting or accumulation of cure benefit and, as a result, compliance with the “— *Certain Covenants — Debt Service Cover Ratio*” covenant will be determined by reference to such relevant recalculation (an “**Equity Cure**”).
- (B) The contribution of New Injections for an Equity Cure may only be made one time.
- (C) The proceeds of any New Injections for an Equity Cure shall be deposited into the applicable Restricted Debt Service Accounts. The New Injection proceeds received for an Equity Cure shall remain in the applicable Restricted Debt Service Account(s) until such time as the Debt Service Cover Ratio is greater than or equal to 1.5:1.0 for two consecutive Calculation Periods; thereafter, the proceeds of the New Injection may be deposited into any Operating Account designated by the relevant Co-Issuer.
- (D) The contribution of New Injections that are not designated and not used for an Equity Cure may be made at any time into any Operating Account as determined by the applicable Co-Issuer. Any New Injection that is not designated as an Equity Cure shall not count in the calculation of Debt Service Cover Ratio.
- (E) Proceeds from any New Injection which are earmarked for an Equity Cure may be used to pay MCS Amortization Amounts in any Calculation Period subsequent to compliance with the foregoing. All proceeds of a New Injection received by a Co-Issuer solely for the purposes of funding any MCS Amortization Amount will be deposited directly into its Senior Debt Mandatory Cash Sweep Account and will not be taken into account towards any Debt Service Cover Ratio calculation required under this paragraph 7 hereof.

(d) Withdrawals from the Restricted Debt Service Accounts

The Account Bank shall transfer proceeds from the respective Restricted Debt Service Accounts to the respective Distribution Accounts or any other Operating Account as instructed by the Co-Issuers if, as of the date of determination, the Debt Service Cover Ratio has been greater than 1.5:1.0 for two consecutive Calculation Periods.

8. *Distribution Accounts*

(a) Deposits

Each Co-Issuer shall be entitled to instruct the Account Bank to transfer proceeds from its Restricted Surplus Account in accordance with the conditions mentioned above in paragraph 7(c) and deposit the same into its Distribution Account.

(b) Withdrawals

- (i) The Account Bank shall transfer proceeds from the Distribution Accounts to the applicable Operating Accounts as instructed by the Co-Issuers to comply with the Trust and Retention Accounts Agreement.
- (ii) The Co-Issuers may withdraw any money lying in the Distribution Accounts for any purpose (including, without limitation, Capital Expenditures); *provided* that no Payment Blockage subsists.
- (iii) Each of the Co-Issuers shall have the right to transfer the balance lying to credit of its Distribution Account to its TRA Revenue Account.

9. *Petty Expenses Accounts*

Each Co-Issuer may operate and maintain a current account with the Account Bank or any other bank having a branch at the location of the applicable Project of such Co-Issuer for the purpose of the payment of petty expenses (“**Petty Expenses**”) incurred by such Co-Issuer in relation to such project. Each Co-Issuer shall ensure that at any given point of time the aggregate amounts standing to the credit of its Petty Expenses Account shall not exceed Rs. 10,000,000.

10. *Cash Credit Accounts*

The Co-Issuers may operate and maintain a cash credit/overdraft account or a current account with the lender(s) of the RCF Facility for the purpose of receiving proceeds from the RCF Facility in accordance with the RCF Documents and for the payment of amounts, costs, fees and charges to the RCF Lenders in accordance with the RCF Documents; *provided* that, all proceeds disbursed in connection with any RCF Facility in the Cash Credit Account shall only be deposited and transferred to the TRA Revenue Account of the relevant Co-Issuer.

Notwithstanding anything set out above, any proceeds disbursed in respect of the initial drawdown under an RCF Facility may be deposited in the Cash Credit Account or the RCF Facility Account at the discretion of the Co-Issuers (and shall not mandatorily be deposited into the TRA Revenue Accounts and not be required to go through the Operating Accounts Waterfall); *provided* that Co-Issuers shall only utilize such proceeds to repay the Existing RCF Facility of the relevant Co-Issuer.

The Trustee will not be a party to the Trust and Retention Accounts Agreement. The Trust and Retention Accounts Agreement will not be designated as a “Collateral Document”. As such, the Trust and Retention Accounts Agreement may be terminated and the terms of the Trust and Retention Accounts Agreement may be amended, modified or waived and the Account Bank may be replaced without the consent of or the notice to the Trustee or any of the Holders, other than such changes that would adversely impact the priority of payments (due or permitted to be paid) with respect to the Notes. The Trust and Retention Accounts Agreement may be amended in respect of any RCF Facilities which will have the same or different priority of payments as the Notes without the consent of or the notice to the Trustee or any of the Holders.

In case a Permitted Refinancing Indebtedness is Incurred, the lenders of such Permitted Refinancing Indebtedness may have the benefit of the Collateral and the Operating Accounts Waterfall, in the same manner as the Holders of the Notes.

Optional Redemption

At any time prior to June 26, 2027, upon not less than 10 Business Days nor more than 60 days’ prior notice the Co-Issuers may on any one or more occasions redeem up to 40% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 107.50%, plus accrued and unpaid interest, if any, to (but not including) the applicable redemption date, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date, with the net cash proceeds of one or more sales of the Capital Stock in an Equity Offering but only to the extent contributed to one or more of the Co-Issuers as a capital contribution; *provided that*:

- (1) at least 60% of the aggregate principal amount of Notes issued on the Closing Date (excluding Notes held by CGE IPL or its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and
- (2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

At any time prior to June 26, 2027, upon not less than 10 Business Days nor more than 60 days’ prior notice to the Holders and the Trustee, the Co-Issuers may on any one or more occasions redeem all or any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date. Neither the Trustee nor any of the Agents shall be responsible for verifying or calculating the Applicable Premium.

On or after June 26, 2027, upon not less than 10 Business Days nor more than 60 days’ prior notice to the Holders and the Trustee, the Co-Issuers may, on any one or more occasions, redeem all or any portion of the Notes at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the Notes redeemed, to (but not including) the applicable redemption date, if redeemed during the periods indicated below, subject to the rights of Holders on the relevant Record Date to receive interest on the relevant Interest Payment Date:

Period	Redemption Price
From June 26, 2027 to June 25, 2028	105.625%
From June 26, 2028 to June 25, 2029	104.950%
From June 26, 2029 to June 25, 2030	103.750%
From June 26, 2030 to June 25, 2032	101.875%
On or after June 26, 2032	100.000%

Unless the Co-Issuers default in the payment of the applicable redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption to (but excluding) the applicable redemption date.

In connection with any redemption of Notes conducted pursuant to the provisions of the Indenture described under this “*Optional Redemptions*”, any such redemption or notice may, at the Co-Issuers’ discretion, be subject to one or more conditions precedent. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Co-Issuers’ discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

Mandatory Amortization Redemption

Installments of principal on the Notes are payable (each, a “**Mandatory Amortization Redemption**”) on each of the dates shown below (each, an “**Mandatory Amortization Payment Date**”), on a *pro rata* pass through distribution of principal basis consistent with “— *Selection and Notice*” below to the Holders thereof on the immediately preceding Record Date, in an amount (such amount, the “**Mandatory Amortization Amount**”) equal to the product of (x) the applicable Mandatory Amortization Ratio outlined in the table below on the applicable Mandatory Amortization Payment Date *times* (y) the sum of (i) the principal amount of Notes outstanding immediately prior to such Mandatory Amortization Payment Date and (ii) all MCS Amortization Amounts that have been paid immediately prior to such Mandatory Amortization Payment Date. For the avoidance of doubt, the Mandatory Amortization Payment Date will coincide with scheduled Interest Payment Dates. The redemption price shall be the principal amount thereof, plus accrued and unpaid interest to, but not including, the applicable Mandatory Amortization Payment Date (subject to the right of Holders on the relevant Record Date to receive interest due on such date).

Mandatory Amortization Payment Date	Applicable Amortization Percentage	Mandatory Amortization Ratio
0.5.	0.125%	0.125/100
1.0.	0.125%	0.125/99.875
1.5.	0.250%	0.250/99.75
2.0.	0.250%	0.250/99.5
2.5.	0.250%	0.250/99.250
3.0.	0.250%	0.250/99
3.5.	0.250%	0.250/98.75
4.0.	0.250%	0.250/98.50
4.5.	0.250%	0.250/98.25
5.0.	0.250%	0.250/98.0
5.5.	0.250%	0.250/97.75
6.0.	0.250%	0.250/97.50
6.5.	0.375%	0.375/97.25
7.0.	0.375%	0.375/96.875
7.5.	0.375%	0.375/96.5
8.0.	0.375%	0.375/96.125
8.5.	0.250%	0.250/95.75
Total	4.50%	

Neither the Trustee nor any of the Agents shall be responsible for monitoring, verifying or calculating the amount payable under the Mandatory Amortization Redemption and will not be responsible to the Holders for any loss arising from any failure by it to do so.

MCS Amortization Redemption

The Notes are subject to partial mandatory cash sweep amortization redemptions (each, an “**MCS Amortization Redemption**”) on each of the dates shown below (each such date, an “**MCS Redemption Date**”) and the redemption price shall be the principal amount thereof, plus accrued and unpaid interest to, but not including, the applicable MCS Amortization Redemption Date (subject to the right of Holders on the relevant Record Date to receive interest due on such date). For the avoidance of doubt, the MCS Redemption Dates will coincide with scheduled Interest Payment Dates. The amount of Notes to be redeemed on a particular MCS Redemption Date shall be equal to the product of (x) the applicable MCS Amortization Ratio outlined in the table below on the applicable MCS Amortization Redemption Date *times* (y) the sum of (i) the principal amount of Notes outstanding immediately prior to the applicable MCS Amortization Redemption Date (assuming that all MCS Amortization Redemptions preceding the applicable MCS Amortization Redemption are undertaken in full) and (ii) all Mandatory Amortization Amounts that have been paid immediately prior to such MCS Amortization Redemption Date (such amount, an “**MCS Amortization Amount**”):

MCS Redemption Date	Applicable Amortization Percentage	MCS Amortization Ratio
0.5.	2.150%	2.150/100
1.0.	1.150%	1.150/97.85
1.5.	2.125%	2.125/96.7
2.0.	1.125%	1.125/94.575
2.5.	3.0%	3.0/93.45
3.0.	1.50%	1.50/90.45
3.5.	3.050%	3.050/88.95
4.0.	1.50%	1.50/85.9
4.5.	3.50%	3.50/84.4
5.0.	1.750%	1.750/80.9
5.5.	3.750%	3.750/79.15
6.0.	2.0%	2.0/75.4
6.5.	4.250%	4.250/73.4
7.0.	2.0%	2.0/69.15
7.5.	4.50%	4.50/67.15
8.0.	2.250%	2.250/62.65
8.5.	3.50%	3.50/60.4
Total	43.10%	

To the extent that an MCS Amortization Redemption is not made on the relevant date or is made in an amount less than as set forth in the table above, such unpaid amounts will be carried forward to the next period and shall be added to the amounts to be paid in such relevant next period and shall be deemed included as part of the MCS Amortization Amount which is permitted to be paid on the upcoming MCS Amortization Redemption Date. Any such amounts shall be carried forward into each subsequent period until paid or redeemed at maturity. If any such redemption is not made on the relevant MCS Redemption Date, it will not constitute a default under the Debt Documents, but will instead prohibit the Co-Issuers from making payments at any subsequent level of the Operating Accounts Waterfall, including making payments into the Distribution Accounts as set forth under “— *Trust and Retention Accounts Agreement*”.

Each MCS Amortization Redemption will be done on a *pro rata* pass through distribution of principal basis consistent with “— *Selection and Notice*” below to the Holders thereof on the immediately preceding Record Date. In the event of a MCS Amortization Redemption, the Co-Issuers will deliver a notice of the MCS Amortization Redemption to Holders (copying the Trustee and the Paying Agent) no later than 15 Business Days prior to the payment of such MCS Amortization Redemption, together with an Officer’s Certificate stating the aggregate amount of the MCS Amortization Redemption and the relevant calculations including the amount paid as a percentage of principal of the Notes and any under payment or additional amounts carried forward from a previous period. Neither the Trustee nor the Paying Agent shall be responsible for monitoring, verifying or calculating the amount payable under the MCS Amortization Redemption and will not be responsible to the Holders for any loss arising from any failure by it to do so.

Redemption at Maturity

On June 26, 2033, the Co-Issuers will redeem the Notes that have not been previously redeemed or purchased and cancelled at 100% of their principal amount plus accrued and unpaid interest thereon and Additional Amounts, if any, to (but not including) the redemption date (subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date).

Repurchase at the Option of Holders

Change of Control Triggering Event

If a Change of Control Triggering Event occurs, each Holder will have the right to require the Co-Issuers to repurchase all or any part (equal to U.S.\$200,000 or an integral multiple of U.S.\$1,000) of that Holder’s Notes pursuant to a Change of Control Offer on the terms set forth in the Indenture. In the Change of Control Offer, the Co-Issuers will offer a purchase price in cash equal to 101.0% of the aggregate principal amount of the Notes (the “**Change of Control Payment**”) repurchased, plus accrued and unpaid interest, if any, on the Notes repurchased to (but not including) the applicable date of purchase, subject to the rights of Holders on the relevant Record Date to receive interest due on the relevant Interest Payment Date. Within ten (10) days following any Change of Control Triggering Event, the Co-Issuers will mail a notice to each Holder and the Trustee describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Triggering Event payment date (the “**Change of Control Payment Date**”) specified in the notice, which date will be no earlier than 10 Business Days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice.

The Co-Issuers will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Co-Issuers will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Co-Issuers will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
- (2) (one Business Day prior to the Change of Control Payment Date) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

- (3) jointly and severally deliver or cause to be delivered to the Paying Agent the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Co-Issuers.

The Paying Agent will as soon as reasonably practicable mail to each Holder that properly tendered Notes the Change of Control Payment for such Notes, and the Trustee will as soon as reasonably practicable authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Co-Issuers will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Co-Issuers to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders of the Notes to require that the Co-Issuers repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Co-Issuers will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Co-Issuers and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to the Indenture as described under the caption "*— Optional Redemptions*" or "*— Redemption for Taxation Reasons*", unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control Triggering Event, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Co-Issuers, taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a Holder to require the Co-Issuers to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Co-Issuers taken as a whole to another Person or group may be uncertain.

The Trustee and the Agents shall not be required to take any steps to ascertain whether a Change of Control Triggering Event has occurred or may occur, and shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Co-Issuers. The Trustee shall not be required to take any steps to ascertain whether the condition for the exercise of the rights herein has occurred. The Trustee shall not be responsible for determining or verifying whether a Note is to be accepted for repurchase and will not be responsible to the Holders for any loss arising from any failure by it to do so. The Trustee and the Agents shall not be under any duty to determine, calculate or verify the repurchase amount payable hereunder and will not be responsible to the Holders for any loss arising from any failure by it to do so.

Additional Amounts

All payments of principal of, and premium (if any), and interest on the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within India or any other jurisdiction in which any Co-Issuer is or was organized or resident for tax purposes or any political subdivision or taxing authority thereof or therein (each, as applicable, a "**Relevant Taxing Jurisdiction**") or any jurisdiction through which payment is made by or on behalf of a Co-Issuer or a Surviving Person, or any

political subdivision or taxing authority thereof or therein (together with the Relevant Taxing Jurisdictions, the “**Relevant Jurisdictions**”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. If any such withholding or deduction is so required, the Co-Issuers or a Surviving Person, as the case may be, will pay such additional amounts (the “**Additional Amounts**”) as will result in receipt of such amounts as would have been received had no such withholding or deduction been required, except that no Additional Amounts will be payable:

- (1) for or on account of:
 - (a) any tax, duty, assessment or governmental charge that would not have been imposed but for:
 - (i) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Relevant Jurisdiction other than merely holding such Note or the receipt of payments thereunder, or the enforcement of such Notes, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;
 - (ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;
 - (iii) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere; or
 - (iv) the failure of the Holder or beneficial owner to comply with a timely request of the Co-Issuer or a Surviving Person, addressed to the Holder, to provide any applicable information concerning such Holder’s or beneficial owner’s nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that it is legally entitled to do so and due and timely compliance with such request is required under the statutes, regulations or official administrative guidance having a force of law of the Relevant Jurisdiction in order to reduce or eliminate any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder;
 - (b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
 - (c) any tax, duty, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of or interest or any premium on the Note;
 - (d) any tax, assessment, withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (“**FATCA**”), any current or future Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the U.S. Internal Revenue Service under FATCA; or
 - (e) any combination of taxes, duties, assessments or governmental charges referred to in the preceding clauses (a), (b), (c) and (d); or

- (2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

The Co-Issuer or a Surviving Person, as the case may be, will (i) make such withholding or deduction and (ii) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Co-Issuer or a Surviving Person, as the case may be, will make reasonable efforts to obtain original tax receipts or certified copies thereof evidencing the payment of any taxes, duties, assessment or governmental charges so deducted or withheld and paid to the Relevant Jurisdiction. The Co-Issuer or a Surviving Person, as the case may be, will furnish to the Paying Agent, within 60 days after the date of the payment of any taxes, duties, assessment or governmental charges so deducted or withheld is due pursuant to applicable law, either original tax receipts or certified copies thereof evidencing such payment or, if such receipts are not obtainable, other evidence of such payments.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable (or is permitted to be paid), if the Co-Issuer or a Surviving Person, as the case may be, will be obligated to pay Additional Amounts with respect to such payment, the Co-Issuer or a Surviving Person, as the case may be, will deliver to the Trustee and the Paying Agent an Officer's Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Paying Agent to pay such Additional Amounts to the Holders on such payment date.

The Paying Agent and the Trustee will make payments free of withholdings or deductions on account of taxes unless required by applicable law. If such a deduction or withholding is required, the Paying Agent or the Trustee will not be obligated to determine if any payments are subject to withholdings or deductions on account of taxes as required by applicable law or pay any Additional Amount to the recipient unless such an Additional Amount is received by the Paying Agent or the Trustee.

In addition, the Co-Issuer or a Surviving Person, as the case may be, will pay any stamp, issue, registration, documentary, value added or other similar taxes and other duties (including interest and penalties) payable in any Relevant Jurisdiction in respect of the creation, issue, offering, execution or enforcement of, or the receipt of payments under, the Notes or any documentation with respect thereto. Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note, such mention will be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Co-Issuers or a Surviving Person, as the case may be, as a whole but not in part, upon giving not less than 10 Business Days' nor more than 60 days' notice to the Holders, the Trustee and the Paying Agent, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Co-Issuers or the Surviving Person, as the case may be, for redemption if, as a result of:

- (1) any change in, or amendment to, the statutes, regulations or official administrative guidance having the force of law, of a Relevant Taxing Jurisdiction affecting taxation; or
- (2) any change in, or amendment to, the existing official position regarding the application or interpretation of such statutes, regulations, rulings or official administrative guidance (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment or official position is announced and/or becomes effective (i) with respect to the Co-Issuers, on or after the Closing Date, or (ii) with respect to a Surviving Person organized or resident for tax purposes in a jurisdiction that is not the Co-Issuer's Relevant Taxing Jurisdiction as of the Closing Date, on or after the date such Surviving Person becomes a Surviving Person, with respect to any payment due or to become due under the Notes, the Co-Issuer or a Surviving Person is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Co-Issuer or a Surviving Person, as the case may be; *provided that* no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Co-Issuers or a Surviving Person, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due; and *provided further that* where any such requirement to pay Additional Amounts is due to taxes imposed by India or any political subdivision or taxing authority thereof or therein, the Co-Issuers or the Surviving Person will be permitted to redeem the Notes in accordance with the provisions hereof only if the rate of withholding or deduction in respect of which Additional Amounts are required is in excess of the rate in effect as of the Closing Date (plus applicable surcharge and cess).

In connection with any such redemption of Notes conducted pursuant to these provisions, any such redemption or notice may, at the Co-Issuers' discretion, be subject to one or more conditions precedent. In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, in the Co-Issuers' discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Co-Issuers or a Surviving Person, as the case may be, will jointly and severally deliver to the Trustee and the Paying Agent at least 10 Business Days but not more than 60 days before a redemption date:

- (1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Co-Issuers or a Surviving Person, as the case may be, taking reasonable measures; and
- (2) an Opinion of Counsel or an opinion of a tax consultant of recognized standing with respect to tax matters of the Co-Issuers' or a Surviving Person's Relevant Taxing Jurisdiction stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee and the Paying Agent are and shall be entitled to conclusively rely on and accept such Officer's Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent described above without further verification, in which event it will be conclusive and binding on the Holders, and the Trustee and the Paying Agent will not be responsible for any loss occasioned by acting in reliance on such certificate and opinion.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Notes for redemption will be selected as follows:

- (1) if the Notes are listed on any securities exchange and/or are held through a clearing system, in compliance with the requirements of the principal national securities exchange on which the Notes are listed and/or the requirements of the clearing system (on a *pro rata* pass through distribution of principal basis); or
- (2) if the Notes are not listed on any securities exchange and are not held through clearing systems, on a *pro rata* basis, by lot or by such method as the Trustee in its sole and absolute discretion deems fair and appropriate, unless otherwise required by law. The Trustee will not be liable to the Co-Issuers, the Guarantors, the Holders or any other person in respect of the selection made by it.

No Notes of U.S.\$200,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 10 Business Days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at its registered address and to the Paying Agent and the Trustee, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or the satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the Holder of Notes upon cancellation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

Open Market Purchases and Cancellation of Notes

Any of the Co-Issuers may purchase Notes in the open market or by tender or by any other means at any price, so long as such acquisition does not otherwise violate the terms of the Indenture. All Notes that are purchased, acquired or otherwise redeemed by the Co-Issuers will be cancelled.

Certain Covenants

Debt Service Cover Ratio

The Co-Issuers shall ensure that, in respect of the latest Calculation Period ending on the relevant Calculation Date, the Debt Service Cover Ratio (which ratio shall be calculated (i) based on the combined financial statements of the Co-Issuers in respect of such Calculation Period ending on such applicable Calculation Date and (ii) as and when such combined financial statements are so finalized) is not less than 1.1:1.0.

The Co-Issuers shall deliver a Compliance Certificate in accordance with the provision under the heading “*Compliance Certificate*” to the Trustee, the Paying Agent and the Holders along with the reports to be provided under the heading “*Provision of Financial Statements and Reports*”, after each Calculation Date.

Neither the Trustee nor the Agents shall be responsible for determining, calculating or verifying the Debt Service Cover Ratio, or monitoring compliance by the Co-Issuers of their obligations under this covenant.

Indebtedness

Each of the Co-Issuers may only Incur the following Indebtedness (“**Permitted Indebtedness**”):

- (1) Indebtedness under the Notes Incurred on the Closing Date;
- (2) Indebtedness outstanding on the Closing Date and disclosed in this Offering Memorandum (excluding Indebtedness permitted under clause (4) below);
- (3) Indebtedness in relation to RCF Facilities in an aggregate principal amount at any one time outstanding (together with refinancings thereof) Incurred under the clause (3) not to exceed U.S.\$50.0 million (or the Dollar Equivalent thereof);
- (4) Indebtedness of any of the Co-Issuers owed to any of the other Co-Issuers; *provided* that any subsequent transfer of such Indebtedness to a Person other than to another Co-Issuer shall be deemed to constitute an Incurrence of such Indebtedness not permitted by this clause (4);

- (5) Indebtedness (“**Permitted Refinancing Indebtedness**”) issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, redeem, defease, discharge or extend (collectively, “refinance” and “refinances” and “refinanced” shall have a correlative meaning), then outstanding Indebtedness (or Indebtedness that is no longer outstanding but that is refinanced substantially concurrently with but in any case before the incurrence of such Permitted Refinancing Indebtedness) Incurred under clause (1), (2), this clause (5), or clause (14) and any refinancings thereof in an amount not to exceed the amount so refinanced (plus premiums, accrued interest, fees and expenses); *provided* that:
- (i) Indebtedness the proceeds of which are used to refinance the Notes, or to refinance Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes, will only be permitted under this clause (5) if (x) in case the Notes are refinanced in part, or the Indebtedness to be refinanced is *pari passu* with the Notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, ranks *pari passu* with, or subordinate in right of payment to, the remaining Notes, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes, at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes;
 - (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the earlier of the Stated Maturity of the Indebtedness to be refinanced and the Stated Maturity of the Notes, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or the remaining Average Life of the Notes; and
 - (iii) if such new Indebtedness is intended to be *pari passu* with the Notes and benefit from a Lien on some or all of the Collateral, at least two of the Rating Agencies confirm in writing to the Co-Issuers that, after giving pro forma effect to the consummation of such proposed incurrence of Indebtedness, the rating of the Notes by such Rating Agencies will not be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories) from the rating of the Notes immediately prior to such incurrence of Indebtedness.
- (6) Indebtedness Incurred pursuant to Hedging Obligations entered into for the purpose of protecting any of the Co-Issuers from fluctuations in interest rates, currencies or commodity prices and not for speculation;
- (7) Indebtedness constituting reimbursement obligations with respect to workers’ compensation claims or self-insurance obligations or bid, performance, surety or appeal bonds or payment obligations in connection with insurance premiums or similar obligations, security deposits and bank overdrafts (and letters of credit in connection with or in lieu of each of the foregoing) in the ordinary course of business (in each case other than for an obligation for borrowed money);
- (8) Indebtedness constituting reimbursement obligations with respect to letters of credit or trade, performance or bank guarantees issued in the ordinary course of business to the extent that such letters of credit or trade, performance or bank guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 60 days following receipt by the applicable Co-Issuer of a demand for reimbursement;
- (9) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price, earn-outs or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of any of the Co-Issuers, in any case, Incurred in connection with the acquisition or disposition of any business or assets (other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business or assets for the purpose of financing

such acquisition); *provided* that the maximum aggregate liability of the applicable Co-Issuer in respect of all such Indebtedness Incurred in connection with a disposition shall at no time exceed the gross proceeds actually received by the applicable Co-Issuer from the disposition of such business or assets;

- (10) Indebtedness arising from the honoring by a bank or other financial institution of a check, cheque, draft or similar instrument drawn against insufficient funds; *provided* that such Indebtedness is extinguished within five (5) Business Days of Incurrence;
- (11) guarantees by any of the Co-Issuers of Indebtedness of any other Co-Issuer that was permitted to be Incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to or *pari passu* with the Notes, then the guarantee of such Indebtedness shall be subordinated or *pari passu*, as applicable, to the same extent as the Indebtedness guaranteed;
- (12) any finance leases entered into by the Co-Issuers prior to the Closing Date and any other finance leases (including any operational leases to the extent that they may be characterized as finance leases under GAAP), hire purchase arrangements or similar facilities where the lease provider's recourse is limited to the asset leased to the Co-Issuer that is the lessee, and the total value of all such lease facilities entered into by the Co-Issuers at any time does not exceed INR100,000,000 on an aggregate basis (or its equivalent in another currency) other than by reason of any change in the accounting treatment of any finance lease in accordance with GAAP;
- (13) Indebtedness to the extent the net cash proceeds thereof are promptly and irrevocably deposited with the Trustee (or another Person designated by the Trustee for such purpose) to defease or to satisfy and discharge the Notes and the Indenture as described under the captions "*— Legal Defeasance and Covenant Defeasance*" or "*— Satisfaction and Discharge*"; and
- (14) Additional Notes; *provided* that at least two of the Rating Agencies confirm in writing to the Co-Issuers that, after giving *pro forma* effect to any such proposed issuance of Additional Notes and the proposed use of the net proceeds therefrom, the rating of the Notes by such Rating Agencies will not be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories) from the ratings of the Notes immediately prior to the issuance of any such Additional Notes.

The accrual of interest, the accrual of any redemption premium, the accretion or amortization of original issue discount and the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant will not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the Dollar Equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred (or first committed, in the case of revolving credit debt); *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency than the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

Liens

None of the Co-Issuers will, directly or indirectly, incur, assume or permit to exist any Lien on the Collateral other than Permitted Liens.

None of the Co-Issuers will, directly or indirectly, incur, assume or permit to exist any Lien (other than Permitted Liens) securing Indebtedness on existing or future assets of the Co-Issuers other than Collateral, unless the Notes are equally and ratably secured.

Asset Sales

The Co-Issuers shall not consummate any Asset Sale unless each of the following conditions are satisfied:

- (1) the consideration received by the applicable Co-Issuer for such Asset Sale is (i) Fair Market Value and (ii) cash and/or Temporary Cash Equivalents;
- (2) all net proceeds received by the applicable Co-Issuer pursuant to such Asset Sale are used by such Co-Issuer to either (i) redeem Notes (for which such Co-Issuer acts as a primary obligor and not as a Guarantor) and/or (ii) acquire long-term assets; and
- (3) at least two of the Rating Agencies confirm in writing to the Co-Issuers that, after giving *pro forma* effect to (x) the consummation of such proposed Asset Sale and (y) (i) the proposed redemption of Notes (for which such Co-Issuer acts as a primary obligor and not as a Guarantor) and/or (ii) the proposed acquisition of long-term assets, in each case, with the net proceeds from such Asset Sale, the rating of the Notes by such Rating Agencies will not be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories) from the ratings of the Notes immediately prior to any such Asset Sale.

Merger, Consolidation and Sale of Assets

None of the Co-Issuers will directly or indirectly: (i) consolidate or merge with or into another Person; or (ii) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of such Co-Issuer, in one or more related transactions, to another Person, unless:

- (1) either:
 - (a) the applicable Co-Issuer is the surviving entity; or
 - (b) the Person formed by or surviving any such consolidation or merger (if other than the Co-Issuer) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of India;
- (2) the Person formed by or surviving any such consolidation or merger (if other than the applicable Co-Issuer) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the applicable Co-Issuer under the Notes (for which such Co-Issuer acts as a primary obligor and not as a Guarantor), the Indenture, the applicable Guarantees, the applicable Collateral Documents, the Trust and Retention Accounts Agreement and the Security Sharing Agreements;
- (3) immediately after such transaction, no Default or Event of Default exists; and

- (4) at least two of the Rating Agencies confirm in writing to the Co-Issuers that, after giving *pro forma* effect to such proposed consolidation or merger or such sale, assignment, transfer, conveyance or other disposition, the rating of the Notes by such Rating Agencies will not be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories) from the ratings of the Notes immediately prior to any such consolidation or merger or sale, assignment, transfer, conveyance or other disposition.

This “*Merger, Consolidation and Sale of Assets*” covenant will not apply to any consolidation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Co-Issuers.

Limitation on Subsidiaries

None of the Co-Issuers shall have any Subsidiaries.

Permitted Investments

Notwithstanding anything to the contrary herein, the Co-Issuers shall be permitted to make Permitted Investments.

The Co-Issuers shall not create any Liens on Permitted Investments.

Use of Proceeds

The Co-Issuers will not use the net proceeds from the sale of the Notes issued on the Closing Date for any purpose other than (1) in the approximate amounts, in the order and for the purposes specified under the heading “*Use of Proceeds*” in the Offering Memorandum and (2) pending the application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in Temporary Cash Equivalents.

No Payments for Consent

None of the Co-Issuers will directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes in connection with an exchange offer, the Co-Issuers may exclude (a) in connection with such exchange offer, holders or beneficial owners of the Notes that are not “qualified institutional buyers” as defined in Rule 144A under the Securities Act, and (b) in connection with any consent, waiver or amendment, holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such holders or beneficial owners could, in the reasonable judgment of the Co-Issuers, require the Co-Issuers to (i) file a registration statement, prospectus or similar document or subject the Issuer to ongoing periodic reporting or similar requirements under any securities laws (including but not limited to, the U.S. federal securities laws and the laws of the European Union or its member states), (ii) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (iii) generally consent to service of process in any such jurisdiction or (iv) subject the Co-Issuers to taxation in any such jurisdiction if it is not otherwise so subject, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Co-Issuers in their sole discretion.

Government Approvals and Licenses; Compliance with Law

The Co-Issuers will (1) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses; (2) preserve and maintain good and valid title to its properties and assets (including land-use rights); and (3) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on the ability of the Co-Issuers to perform their obligations under the Notes or the Indenture or the applicable Collateral Documents.

Anti-Layering

None of the Co-Issuers will Incur any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of any of the Co-Issuers, unless such Indebtedness is also contractually subordinated in right of payment to the Notes (for which such Co-Issuer is acting as a primary obligor and not as a Guarantor), on substantially identical terms. The foregoing does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or Guarantee securing or in favor of some but not all of such Indebtedness or by virtue of some Indebtedness being secured on a junior priority basis.

Suspension of Certain Covenants

If on any date following the date of the Indenture, the Notes have a rating of Investment Grade from any of the Rating Agencies and no Default has occurred and is continuing, then, beginning on that day and continuing until such time, if any, at which the Notes cease to have a rating of Investment Grade from any such Rating Agency (such period, the “**Suspension Period**”), the provisions of the Indenture summarized under the following captions will be suspended:

“— *Certain Covenants — Debt Service Cover Ratio*”;

“— *Certain Covenants — Indebtedness*”;

“— *Certain Covenants — Liens*”;

“— *Certain Covenants — Asset Sales*”;

the second paragraph of “— *Certain Covenants — Permitted Investments*”;

“— *Certain Covenants — Merger, Consolidation and Sale of Assets*”;

“— *Certain Covenants — Limitation on Subsidiaries*”; and

“— *Certain Covenants — Anti-Layering*”.

Such covenants will be reinstated and apply according to their terms as of and from the first day on which a Suspension Period ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Co-Issuers properly taken in compliance with the provisions of the Indenture during the continuance of the Suspension Period, and following reinstatement all Indebtedness incurred, or Disqualified Stock or preferred stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2) of the covenant summarized under “— *Certain Covenants — Indebtedness*”.

There can be no assurance that the Notes will ever achieve a rating of Investment Grade or that any such rating will be maintained.

Currency Indemnity

The U.S. dollar is the sole currency of account and payment for all sums payable by the Co-Issuers under the Notes (the “**Contractual Currency**”). Any amount received or recovered in currency other than the Contractual Currency in respect of the Notes (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up, bankruptcy, liquidation or dissolution of any Co-Issuer or otherwise) by the Holder or the Trustee in respect of any sum expressed to be due to it from the Co-Issuers will constitute a discharge of the Co-Issuers, only to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in other currency on the date of that receipt or recovery (or, if it is not possible to make that purchase on that date, on the first date on which it is possible to do so). If that purchased amount is less than the Contractual Currency amount expressed to be due to the recipient under any Note, the Co-Issuers will indemnify the recipient against any loss sustained by it as a result. For the purposes of this indemnity, it will be sufficient for the Holder or (as the case may be) the Trustee to certify (indicating the sources of information used) that it would have suffered a loss had the actual purchase of Contractual Currency been made with the amount so received in that other currency on the date of receipt or recovery (or, if a purchase of Contractual Currency on such date had not been possible, on the first date on which it would have been possible).

Each of the above indemnities will, to the extent permitted by law:

- constitute a separate and independent obligation from the other obligations of the Co-Issuers;
- give rise to a separate and independent cause of action;
- apply irrespective of any waiver granted by any Holder; and
- continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

Provision of Financial Statements and Reports

For so long as no irrevocable notice of redemption of all of the outstanding Notes has been given by the Co-Issuers, the Co-Issuers will provide to the Trustee and furnish to the Holders upon request, as soon as they are available, but in any event no later than the periods set forth below, in the English language (or accompanied by an English translation thereof):

- (1) within 120 days after the end of the Co-Issuers’ fiscal year, beginning with the first fiscal year ending after the Closing Date, annual reports containing (a) audited combined balance sheets of the Co-Issuers as of the end as of the two most recent fiscal years and audited combined statements of income and cash flow of the Co-Issuers for the two most recent fiscal years, including footnotes to such financial statements and an audit report of a member firm of an internationally recognized accounting firm on the financial statements; and (b) an operating and financial review of the audited combined financial statements; and
- (2) within 90 days after the end of the half-year period in each fiscal year of the Co-Issuers, beginning with the half-year period ending after the Closing Date, half-year reports containing (a) an unaudited combined balance sheet of the Co-Issuers as of the end of such half-year period and unaudited combined statements of income and cash flow of the Co-Issuers for the most recent half-year period ending on the unaudited combined balance sheet date, and the comparable prior year period, together with footnotes, and a review report thereon by a member firm of an internationally recognized accounting firm on the financial statements; and (b) an operating and financial review of the unaudited combined financial statements,

provided that, after CGE IPL is listed on a recognized stock exchange in India pursuant to an initial public offering of its equity shares, any financial or other information to be provided pursuant to this covenant shall be provided to the public at the same time as it is made available to the Trustee and no material non-public information in relation to CGE IPL shall be communicated or provided in violation of the Applicable Law.

The Co-Issuers will jointly and severally provide to the Trustee (a) concurrently with the information provided under clause (1) of the preceding paragraph, copies of each of the two Officer's Certificates provided to the Trustee in connection with the MCS Amortization Redemptions within such period; and (b) as soon as possible and in any event within 10 Business Days after any of the Co-Issuers becomes aware or should reasonably become aware of the occurrence of a Default or Event of Default, an Officer's Certificate setting forth the details of such Default or Event of Default (and within 14 days after a written request from the Trustee), and the action which the Co-Issuers propose to take with respect thereto.

All financial statements of the Co-Issuers will be prepared in accordance with GAAP or INDAS (as may be adopted by the Co-Issuers) and on a consistent basis for the periods presented; *provided* that the information to be delivered pursuant to this covenant may, if applicable financial reporting standards change, present earlier periods on a basis that applied to such periods.

The Co-Issuers will, for as long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which the Co-Issuers are neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, supply to (i) any Holder or beneficial owner of a Note or (ii) a prospective purchaser of a Note or a beneficial interest therein designated by such Holder or beneficial owner, the information specified in, and meeting the requirements of Rule 144A(d)(4) under the Securities Act upon the request of any Holder or beneficial owner of a Note.

Compliance Certificate

In addition to any reports provided as set out above under the heading "*Provision of Financial Statements and Reports*", on the date any such report is provided to the Trustee, the Co-Issuers shall also provide a certificate (such certificate, the "**Compliance Certificate**") to the Trustee (and to the Paying Agent, for further distribution to the holders of the Notes) and the Security Trustee which sets out:

- the aggregate amount that the Co-Issuers were entitled to transfer to the Distribution Accounts in accordance with the Operating Accounts Waterfall during the applicable Calculation Period ending as of the applicable Calculation Date;
- the Debt Service Cover Ratio for the Calculation Period ending on the latest Calculation Date and calculations thereof;
- the Funds From Operations to Net Debt ratio for the Calculation Period ending on the latest Calculation Date and calculations thereof;
- if any New Injection amounts have been received by the Co-Issuers pursuant to an Equity Cure, details of the Debt Service Cover Ratio for the Calculation Period ending on the latest Calculation Date (i) without taking into account such Equity Cure and, (ii) after taking into account such Equity Cure, and in each case, with calculations thereof;
- if any amounts have been spent by way of Capital Expenditure, details of the amount utilised and the use of proceeds of such amounts;
- the cash balance in the Operating Accounts as at the latest Calculation Date;

- if there has been a shortfall in any MCS Amortization Amounts paid by the Co-Issuers up to (and including) the latest Calculation Date, the amounts (if any) of such shortfall in the payment of such MCS Amortization Amounts until such cumulative MCS Amortization Amounts are fulfilled in a subsequent period; and
- if any New Injection amounts have been received for the purposes of paying any MCS Amortization Amount, details of the amount utilized and the timing of any amounts utilized.

The Trustee, Paying Agent and the Security Trustee shall not be obliged to monitor compliance with this obligation or to track receipt by the Noteholders, the Security Trustee and/or the Trustee of any Compliance Certificate or to review any Compliance Certificate provided hereunder or to check or verify the information or calculations contained in or annexed to any such Compliance Certificate or to ensure that the information in any such Compliance Certificate or other document meets the requirements of, or covers each of the line items specified above or to review or check any information contained in any set of accounts attached to or delivered with any Compliance Certificate, and the Trustee and the Security Trustee may rely conclusively and without any investigation on any such Compliance Certificate and any attachment thereto or document delivered with such Compliance Certificate and on each set of accounts and each other document as aforesaid, as the case may be, and the Trustee and the Security Trustee shall not be responsible or liable to the holders, the Issuer or any other Person for not doing so or for so relying.

The Compliance Certificate shall be signed by the chief executive officer or a director of any of the Co-Issuers.

Events of Default and Remedies

Each of the following is an “**Event of Default**”:

- (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest on any Note when it becomes due and the continuance of any such failure for 30 days;
- (3) default in compliance with (i) the obligation to provide Guarantees by the Guarantee Long-stop Date, (ii) the obligation to provide security over the Collateral by the dates set forth under the caption “*Security — Timelines*”, (iii) the covenant described under the caption “— *Certain Covenants — Merger, Consolidation and Sale of Assets*” or “— *Certain Covenants — Asset Sales*”, (iv) the Co-Issuers’ obligation to consummate an offer to purchase upon a Change of Control Triggering Event or (v) the covenant described under the caption “— *Certain Covenants — Debt Service Cover Ratio*”;
- (4) defaults in compliance with any other covenants or undertakings in the Indenture and/or the Trust and Retention Accounts Agreement (other than a default specified in clause (1), (2) or (3) above) and continuance for 60 consecutive days after written notice is given by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;
- (5) with respect to any Indebtedness of any of the Co-Issuers having an outstanding principal amount of U.S.\$25.0 million (or the Dollar Equivalent thereof) or more, (a) an event of default causing the holder thereof to declare such Indebtedness to be due prior to its Stated Maturity and/or (b) the failure to make a principal payment when due;

- (6) passage of 60 consecutive days following entry of the final judgment or order against the Co-Issuers that causes the aggregate amount for all such final judgments or orders outstanding and not paid, discharged or stayed to exceed U.S.\$25.0 million (or the Dollar Equivalent thereof) (exclusive of any amounts for which a solvent (to the Co-Issuers' best knowledge) insurance company has acknowledged liability for);
- (7) an involuntary case or other proceeding is commenced against any of the Co-Issuers seeking the appointment of a receiver, official liquidator, administrator, trustee, corporate insolvency resolution professional or similar entity as described in the Indenture and remains undismissed and unstayed for 90 consecutive days, or a final non-appealable judgement or order for relief is entered under any bankruptcy or other similar law;
- (8) any Co-Issuer:
 - (a) commences a voluntary case, or consents to the entry of an order for relief in an involuntary case, under any bankruptcy or other similar law;
 - (b) consents to the appointment of a receiver, liquidator, administrator, trustee, corporate insolvency professional or similar entity as described in the Indenture, or
 - (c) effects any general assignment for the benefit of creditors;
- (9) any default by CGE IPL or any of the Co-Issuers in the performance of any of their respective obligations under the applicable Collateral Documents, which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the applicable Collateral or which adversely affects the condition or value of the applicable Collateral, taken as a whole, in any material respect; and
- (10) the repudiation by CGE IPL or any of the Co-Issuers of any of their respective obligations under the applicable Collateral Documents or a Collateral Document ceases to be or is not in full force or effect or the failure to create a Lien on the applicable Collateral or the Trustee or the Security Trustee ceases to have a first-priority security interest in the Collateral (subject to any Permitted Liens), in each case, with the priority stated under the heading “— *Security — Collateral*”.

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Co-Issuers (and to the Trustee if such notice is given by the Holders), may, but will not be obliged to, and the Trustee at the written direction of Holders of at least 25% in aggregate principal amount of the Notes then outstanding Holders (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction) shall, declare the principal of, premium and Additional Amounts, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium and Additional Amounts, if any, and accrued and unpaid interest will be immediately due and payable. If an Event of Default specified in clause (7) or (8) above occurs, the principal of, premium and Additional Amounts, if any, and accrued and unpaid interest on the Notes then outstanding will automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. Upon the occurrence of a Default or Event of Default specified in clause (1) or (2) above occurs, the Trustee (acting on the instructions of the holders representing not less than 25% of the aggregate principal amount of the Notes then outstanding and subject to receiving indemnity, security and/or prefunding to its satisfaction) shall deliver a Payment Blockage Notice.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes by written notice to the Co-Issuers and to the Trustee may on behalf of all the Holders waive all past defaults (except a default in the payment of the principal of, premium, if any, and Additional Amounts or interest on any Note in which case the consent of the Holders of at least 90.0% of the then outstanding Notes shall be required) and rescind and annul a declaration of acceleration and its consequences if:

- (1) all existing Events of Default, other than the non-payment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and
- (2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default occurs and is continuing, the Trustee may pursue (but will not be obliged to), in its own name or as Trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or the Indenture, including, but not limited to, directing the Security Trustee to foreclose on the Collateral in accordance with the terms of the Collateral Documents and the Security Sharing Agreements and take such further action on behalf of the Holders with respect to the Collateral as the Security Trustee deems appropriate in accordance with such Holders' instruction and the relevant Collateral Documents. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. In addition, if an Event of Default occurs and is continuing, the Trustee may, and shall upon written direction of the Holders of at least 25% in aggregate principal amount of outstanding Notes (subject to it being indemnified and/or secured and/or prefunded to its satisfaction), instruct the Security Trustee to foreclose on the Collateral in accordance with the terms of the Security Sharing Agreements, the Collateral Documents and the Indenture and take such further action on behalf of the Holders with respect to the Collateral as the Trustee in its sole and absolute discretion deems appropriate.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, subject to any Security Sharing Agreements; *provided* that in all cases the Trustee is indemnified and/or secured and/or prefunded to its satisfaction in advance of any such proceedings. However, the Trustee and the Security Trustee may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee or the Security Trustee in personal liability and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. In addition, the Trustee and the Security Trustee will not be required to expend its own funds in following such direction if it does not believe that reimbursement or satisfactory indemnification and/or security and/or pre-funding is assured to it.

A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

- (1) the Holder has previously given the Trustee written notice of a continuing Event of Default;
- (2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;
- (3) such Holder or Holders offer the Trustee and the Security Trustee indemnity and/or security and/or pre-funding satisfactory to the Trustee and the Security Trustee against any fees, costs, liability or expenses to be incurred in compliance with such written request;

- (4) the Trustee does not comply with the request within (x) 60 days after receipt of the written request pursuant to clause (2) above or (y) 60 days after the receipt of the offer of indemnity and/or security and/or pre-funding satisfactory to it pursuant to clause (3) above, whichever occurs later; and
- (5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a written direction that is inconsistent with such request.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal of, premium and Additional Amount, if any, and interest on the Notes, on or after the due dates expressed in the Notes, or to bring suit for the enforcement of any such payment on or after such date(s), shall not be impaired or affected without the consent of Holders holding at least 90.0% in outstanding principal amount of the Notes in accordance with the provision described under “— *Amendment, Supplement and Waiver*”.

An officer of any of the Co-Issuers must certify to the Trustee in writing, on or before a date not more than 120 days after the end of each fiscal year and within 14 days after a written request from the Trustee, that a review has been conducted of the activities of the Co-Issuers and the Co-Issuers’ performance under the Indenture, the Notes, the Trust and Retention Accounts Agreement and the Collateral Documents, and that the Co-Issuers have fulfilled all of their respective obligations thereunder, or, if there has been a default in the fulfilment of any such obligation, specifying each such default and the nature and status thereof. The Co-Issuers will also be obligated to notify the Trustee in writing of any default or Default in the performance of any covenants or agreements under the Indenture.

The Trustee or the Security Trustee need not do anything to ascertain whether any Default or Event of Default has occurred or is continuing and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so, and, the Trustee and the Security Trustee may assume that no Default or Event of Default has occurred and that the Co-Issuers and CGE IPL are performing their respective obligations under the Indenture and the Notes unless the Trustee or the Security Trustee has received written notice of the occurrence of such event or facts establishing that a Default or Event of Default has occurred or the Co-Issuers or CGE IPL are not performing their respective obligations under the Notes, the Indenture, the Collateral Documents, the Trust and Retention Accounts Agreements and the Security Sharing Agreements. The Trustee is entitled to conclusively rely on an Opinion of Counsel or Officer’s Certificate regarding whether or not a Default or Event of Default has occurred.

No one or more of such holders of the Notes shall have any right in any manner whatsoever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other of such holders, or to obtain or to seek to obtain priority or preference over any other of such holders or to enforce any right under the Indenture, except in the manner therein provided and for the equal and ratable benefit of all of such holders.

Notwithstanding anything to the contrary herein or in the Indenture, in the event the Trustee receives instructions and/or indemnity, security and/or prefunding from two or more groups of Holders, each holding at least 25% in aggregate principal amount of outstanding Notes, and the Trustee believes (in its sole and absolute discretion and subject to such legal or other advice as it may deem appropriate) that such instructions are conflicting, the Trustee may, in its sole and absolute discretion, exercise any one or more of the following options:

- (i) take the action requested by Holders representing the highest percentage of the aggregate principal amount of the then outstanding Notes, notwithstanding any other provisions of the Indenture (and always subject to such indemnity, security and/or prefunding satisfactory to the Trustee); and/or
- (ii) petition a court of competent jurisdiction for further instructions.

In all instances where the Trustee has acted or refrained from acting as outlined above, the Trustee shall not be responsible or liable for loss or liability of any nature whatsoever to any party.

No Personal Liability of Incorporators, Promoters, Directors, Officers, Employees and Stockholders

No incorporator, promoter, director, officer, employee or stockholder of the Co-Issuers, as such, will have any liability for any obligations of the Co-Issuers under the Notes, the Indenture, the Collateral Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under U.S. federal securities laws.

Legal Defeasance and Covenant Defeasance

The Co-Issuers may at any time, at the option of their Boards of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its obligations discharged with respect to the outstanding Notes ("**Legal Defeasance**") except for:

- (1) the rights of Holders to receive payments in respect of the principal of, or interest or premium, if any, on, such Notes when such payments are due from the trust referred to below;
- (2) the Co-Issuers' obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (3) the rights, powers, trusts, duties and immunities of the Trustee, and the Co-Issuers' obligations in connection therewith; and
- (4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Co-Issuers may, at its option and at any time, elect to have the obligations of the Co-Issuers released with respect to substantially all of the covenants (including its obligation to make Change of Control Offers) that are described in the Indenture ("**Covenant Defeasance**") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default. If Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "*Events of Default and Remedies*" will no longer constitute an Event of Default.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Co-Issuers must irrevocably deposit with the Trustee (or its agent), in trust, for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and any other amounts payable by the Co-Issuers under the Indenture and the Collateral Documents, and the Co-Issuers must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;
- (2) in the case of Legal Defeasance, the Co-Issuers must deliver joint and severally to the Trustee an Opinion of Counsel confirming that:
 - (a) the Co-Issuers have received from, or there has been published by, the U.S. Internal Revenue Service a ruling or
 - (b) since the Closing Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal

income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

- (3) in the case of Covenant Defeasance, the Co-Issuers must deliver jointly and severally to the Trustee an Opinion of Counsel confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit (and any similar concurrent deposit relating to other Indebtedness) and the granting of Liens securing such borrowing);
- (5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture and any agreements or instruments governing any other Indebtedness being defeased, discharged or replaced) to which the Co-Issuers is a party or by which the Co-Issuers are bound;
- (6) the Co-Issuers must deliver jointly and severally to the Trustee an Officer's Certificate stating that the deposit was not made by the Co-Issuers with the intent of preferring the Holders over the other creditors of the Co-Issuers with the intent of defeating, hindering, delaying or defrauding any creditors of the Co-Issuers or others; and
- (7) the Co-Issuers must deliver jointly and severally to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, the Notes, the Collateral Documents, the Trust and Retention Accounts Agreement or the Security Sharing Agreements may be amended or supplemented with the consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture, the Notes, the Collateral Documents, the Trust and Retention Accounts Agreement or the Security Sharing Agreements may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of Holders holding at least 90% in principal amount of the Notes then outstanding, an amendment, supplement or waiver may not:

- (1) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;
- (2) reduce the principal of or change the fixed maturity of any Note;
- (3) change the redemption date or the redemption price of the Notes from that stated under "*— Optional Redemption*" or "*— Redemption for Tax Reasons*";
- (4) reduce the rate of or change the currency or change the time for payment of interest, including default interest, on any Note;

- (5) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the Holders of a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);
- (6) impair the right of any Holder to receive payment of principal of, and interest or Additional Amounts, if any, on such Holder's Notes on or after the due dates therefor or to institute a suit for the enforcement of any such payment on or with respect to such Holder's Notes;
- (7) reduce the amount payable upon a Change of Control Offer or change the time or manner a Change of Control Offer may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer, in each case after the obligation to make such Change of Control Offer has arisen;
- (8) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of Holders to bring suit for the enforcement of any contractual right to payment, on or after the due date expressed in the Notes pursuant to the Indenture;
- (9) waive an unconditional redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "*— Repurchase at the Option of Holders*");
- (10) release any Collateral from the Lien of the Indenture and the Collateral Documents, except as set forth under the caption "*— Security*";
- (11) amend, supplement or grant any waiver under any Trust and Retention Accounts Agreement (i) that would adversely impact the priority of payments with respect to the Notes or the right to receive payments with respect to the Notes; or (ii) relating to any action or change not permitted under the terms of the Indenture; or
- (12) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any Holder, the Co-Issuers, the Security Trustees and the Trustee may amend or supplement the Indenture, the Notes, the Security Sharing Agreements, the Trust and Retention Accounts Agreement or the Collateral Documents:

- (1) to cure any ambiguity, defect, omission or inconsistency;
- (2) to provide for certificated Notes in addition to or in place of uncertificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the U.S. Internal Revenue Code of 1986, as amended);
- (3) to make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the legal rights under the Indenture of any such Holder;
- (4) to conform the text of the Indenture, the Notes, the Trust and Retention Accounts Agreement, the Security Sharing Agreements or the Collateral Documents to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of a provision thereof;
- (5) to effect any changes to the Indenture in a manner necessary to comply with the procedures of the relevant clearing system;
- (6) to enter into additional or supplemental Collateral Documents or to release Collateral from the Lien of the Indenture or the Collateral Documents in accordance with the terms of the Indenture, the Security Sharing Agreements and the Collateral Documents;

- (7) to enter into any amendments or modifications to the Collateral Documents, the Trust and Retention Accounts Agreement or the Security Sharing Agreements, and take any other action, in any such case necessary to permit or for the purposes of permitting the creation, registration, perfection and maintenance of Liens on any Collateral, or any other assets of the Co-Issuers in accordance with the Indenture;
- (8) to evidence and provide for the acceptance of appointment by a successor Trustee or Security Trustee or the account bank under Trust and Retention Accounts Agreement; or
- (9) to enter into any amendment or supplement to, or grant any waiver under, the Trust and Retention Accounts Agreement for any other action which is permitted under or not restricted by the Indenture.

In connection with the matters indicated above, the Trustee and/or Security Trustee shall be entitled to conclusively rely on an Opinion of Counsel and Officer's Certificate to the effect that the entry into such amendment, supplement or waiver is authorized or permitted under the Indenture, the Security Sharing Agreements, the Trust and Retention Accounts Agreement and the Collateral Documents.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

- (1) either:
 - (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Co-Issuers, have been delivered to the Paying Agent for cancellation; or
 - (b) all Notes that have not been delivered to the Paying Agent for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Co-Issuers have irrevocably deposited or caused to be deposited with the Trustee (or its agent) as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination of cash in U.S. dollars and non-callable Government Securities, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Paying Agent for cancellation for principal, premium if any, and accrued interest to the date of maturity or redemption;
- (2) the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Co-Issuers are a party or by which the Co-Issuers are bound (other than with respect to the borrowing of funds to be applied concurrently to make the deposit required to effect such satisfaction and discharge or any similar concurrent deposit relating to other Indebtedness, and in each case the granting of Liens to secure such borrowings);
- (3) the Co-Issuers have paid or caused to be paid all sums payable by it under the Indenture; and
- (4) the Co-Issuers have delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Co-Issuers must jointly and severally deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge under the Indenture have been satisfied.

Concerning the Trustee, Agents and the Security Trustee

The Bank of New York Mellon will be appointed as Trustee under the Indenture and The Bank of New York Mellon will be appointed as paying agent (the “**Paying Agent**”), transfer agent (the “**Transfer Agent**”) and registrar (the “**Registrar**” and together with the Paying Agent and the Transfer Agent, the “**Agents**”) under the Indenture. Catalyst Trusteeship Limited will be appointed as the security trustee under the Security Sharing Agreement. Except during the continuance of an Event of Default, the Trustee and the Security Trustee will not be liable, except for the performance of such duties as are specifically set forth in the Indenture or the Notes or the Collateral Documents, as the case may be, and no implied covenants or obligations will be read into the Indenture, the Notes, or the Collateral Documents and the agent appointment letter against the Trustee or the Agents. If an Event of Default has occurred and is continuing, the Trustee and the Security Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture or the Notes or the Security Sharing Agreement as a prudent person would exercise under the circumstances in the conduct of such person’s own affairs. Pursuant to the terms of the Indenture or the Notes (as the case may be) or the Security Sharing Agreement, the Co-Issuers will jointly and severally reimburse the Trustee and the Security Trustee for all its fees, costs and expenses (including, indemnity payments) incurred.

Each Holder, by accepting the Notes will agree, for the benefit of the Trustee and the Security Trustee, that it is solely responsible for its own independent appraisal of, and investigation into, all risks arising under or in connection with the Notes and has not relied on and will not at any time rely on the Trustee and the Security Trustee in respect of such risks.

If the Trustee becomes a creditor of the Co-Issuers, the Indenture limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee and the Agents will be permitted to engage in other transactions, including normal banking and trustee relationships, with the Co-Issuers and their Affiliates; and nothing herein shall obligate the Trustee to account for any profits earned from any business or transactional relationship; *provided however*, that if it acquires any conflicting interest that may have a prejudicial effect upon the Holders of the Notes, it must eliminate such conflict within 90 days, or resign.

The Trustee shall be entitled, prior to exercising any discretion, right or power (including its right and power to enforce the terms of the Indenture, the Notes, the Collateral Documents and any other transaction document relating to the Notes), taking any action, making any decision, or giving any direction, to seek directions from Holders of at least 25% in aggregate principal amount then outstanding and to seek clarification of any instruction previously given. The Trustee shall be entitled to refrain from acting in the absence of any, or any clear, instructions and shall not be liable for not acting in such circumstances. The Trustee shall be entitled to refrain from exercising any right, power or discretion (including its right and power to enforce the terms of the Indenture, the Notes, the Collateral Documents and any other transaction document relating to the Notes) unless and until instructed by Holders of at least 25% in aggregate principal amount then outstanding (subject to receipt of satisfactory indemnity, security and/or prefunding) as to whether or not any right, power or discretion is to be exercised and, if it is to be exercised, as to the manner in which it should be exercised. The Trustee shall exercise its rights, powers and discretions under the Indenture, the Notes, the Collateral Documents and any other transaction document relating to the Notes solely in accordance with the written instructions of Holders of at least 25% in aggregate principal amount then outstanding (subject to receipt of satisfactory indemnity, security and/or prefunding), and any rights, powers, discretions or duties of the Trustee in the Indenture, the Notes, the Collateral Documents and any other transaction document relating to the Notes shall be subject to this provision. The Trustee shall not be responsible for any loss or liability incurred by any person for any action it takes or refrains from taking upon the instructions of Holders in accordance with the provisions of the Indenture. Notwithstanding any provision to the contrary, the Trustee shall not be obliged or required to provide any consent, approval, direction or instruction with respect to any provision of a transaction document relating to the Notes if the Trustee is not a party to such transaction document.

In considering the interests of holders of the Notes while title to the Notes is registered in the name of a nominee of DTC, the trustee, the transfer agent, the paying agent and the notes registrar may (but will not be obliged to) rely conclusively upon any information made available to it by DTC as to the identity (either individually or by category) of its participants with entitlements to Notes and may (but will not be obliged to) consider such interests as if such accountholders were the Holders of the Notes.

Book-Entry, Delivery and Form

The Notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A (“**Rule 144A Notes**”). The Notes also may be offered and sold in offshore transactions in reliance on Regulation S under the Securities Act (“**Regulation S Notes**”). Except as set forth below, the Notes will be issued in registered, global form in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the “**Rule 144A Global Notes**”). Regulation S Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the “**Regulation S Global Notes**” and, together with the Rule 144A Global Notes, the “**Global Notes**”). The Global Notes will be deposited upon issuance with Cede & Co. as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below.

Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See “— *Exchanges between Regulation S Notes and Rule 144A Notes*”.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive Notes in registered certificated form (“**Certificated Notes**”) except in the limited circumstances described below. See “— *Exchange of Global Notes for Certificated Notes*”. Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under “*Transfer Restrictions*”. Regulation S Notes will also bear the legend as described under “*Transfer Restrictions*”. In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Co-Issuers take no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Co-Issuers that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the “**Participants**”) and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC’s system is also available to other entities such as banks, brokers, dealers and trust

companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the “**Indirect Participants**”). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Co-Issuers that, pursuant to procedures established by it:

- (1) upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and
- (2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Rule 144A Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. Investors in the Regulation S Global Notes may hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, indirectly through organizations that are participants therein, or through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank SA/NV, as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or “**Holders**” thereof under the Indenture for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered Holder under the Indenture. Under the terms of the Indenture, the Co-Issuers, the Trustee and the Agents will treat the Persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of receiving payments and for all other purposes. Consequently, none of the Co-Issuers, the Trustee nor any agent of the Co-Issuers or the Trustee has or will have any responsibility or liability for:

- (1) any aspect of DTC’s records or any Participant’s or Indirect Participant’s records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC’s records or any Participant’s or Indirect Participant’s records relating to the beneficial ownership interests in the Global Notes; or
- (2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Co-Issuers that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or the Co-Issuers. None of the Co-Issuers, the Agents nor the Trustee will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the Notes, and the Co-Issuers, the Agents and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under “*Transfer Restrictions*”, transfers between the Participants will be effected in accordance with DTC’s procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described herein, cross-market transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC’s rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositories; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised the Co-Issuers that it will take any action permitted to be taken by a Holder of Notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default, DTC reserves the right to exchange the Global Notes for legended Notes in certificated form, and to distribute such Notes to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. None of the Co-Issuers, the Trustee and any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for Certificated Notes if:

- (1) DTC (a) notifies the Co-Issuers that it is unwilling or unable to continue as depository for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Co-Issuers fail to appoint a successor depository; and
- (2) if a beneficial owner of a Note requests such exchange in writing through DTC following a Default or Event of Default which has occurred and is continuing.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes in accordance with the Indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the name of the person who is for the time being shown in the records of DTC as the holder of a particular aggregate principal amount of the Note, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in “*Transfer Restrictions*” unless that legend is not required by applicable law.

Exchange of Certificated Notes for Global Notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Transfer Agent and the Registrar a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See “*Transfer Restrictions*”.

Exchanges between Regulation S Notes and Rule 144A Notes

Beneficial interests in a Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in a Regulation S Global Note only if the transferor first delivers to the Transfer Agent a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available).

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Rule 144A Global Notes will be effected by DTC by means of an instruction originated by the Trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest.

Same Day Settlement and Payment

The Co-Issuers will make payments in respect of the Notes represented by the Global Notes (including principal, premium, if any, interest and, if any) by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. The Co-Issuers will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the Holders of the Certificated Notes.

The Notes represented by the Global Notes are expected to be eligible to trade in DTC’s Same-Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. The Co-Issuers expects that secondary trading in any Certificated Notes will also be settled in immediately available funds. Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Co-Issuers that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC’s settlement date.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control”, as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “controlling”, “controlled by” and “under common control with” have correlative meanings.

“**Agreed Intergroup Transactions**” means (a) an incurrence of Permitted Indebtedness by any Co-Issuer from any other Co-Issuer or any member of the Continuum Group; (b) the repayment of, and payment of interest on, Permitted Indebtedness incurred by any Co-Issuer from any other Co-Issuer or from any member of the Continuum Group; (c) the granting of loans or the payment of dividends by any Co-Issuer to any member of the Continuum Group; (d) the payment by any Co-Issuer to any member of the Continuum Group for any amounts which remains unpaid in respect of any Operating Expenses relating to the period prior to the Closing Date; (e) the transfer or assignment of any Subordinated Capital of a particular Co-Issuer to another Co-Issuer; (f) any Permitted Investment by any Co-Issuer by way of securities in any member of Continuum Group; *provided* that any Permitted Indebtedness incurred by any Co-Issuer pursuant to this provision shall at all times be in compliance with the Subordination Conditions; *provided* further that the total amounts used for (a), (b), (c), (d) and (e) shall not exceed total amount of existing cash balances on the Closing Date available with each Co-Issuer *plus* the outstanding principal amount of the Notes *less* the amount used to repay existing Indebtedness by the Co-Issuers.

“**Applicable Premium**” means, with respect to a Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (a) the present value at such redemption date of the redemption price of such Note at June 26, 2027 (such redemption price being set forth in the table appearing above under the caption “— *Optional Redemption*”), plus all required remaining scheduled principal and interest payments due on such Note (assuming the due payment of all amortization amounts in accordance with the amortization profile set out in “— *Mandatory Amortization Redemption*” and no other subsequent redemptions) through June 26, 2027 (but excluding accrued and unpaid interest, if any, to (but not including) the redemption date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (b) the principal amount of such Note on such redemption date.

“**Asset Sale**” means the sale, lease, conveyance or other disposition of any assets or rights (including by way of merger, consolidation or Sale and Leaseback Transaction) in one transaction or a series of related transactions by any of the Co-Issuers to any Person; *provided* that “Asset Sale” shall not include:

- (1) a disposition of cash or Temporary Cash Equivalents if made in compliance with the Trust and Retention Accounts Agreement;
- (2) any disposition in a single transaction or a series of related transactions with a Fair Market Value less than \$5.0 million (or the Dollar Equivalent thereof);
- (3) any sale, transfer or other disposition of any assets by any of the Co-Issuers to any of the other Co-Issuers;
- (4) any sale, transfer or other disposition deemed to occur in connection with creating or granting any Permitted Lien;
- (5) any sale of electricity;

- (6) any sale, transfer or other disposition of any national, state or foreign production tax credit, tax grant, renewable energy credit, carbon emission reductions, certified emission reductions, generation based incentives or similar credits based on the generation of electricity from renewable resources or investment in renewable generation and related equipment and related costs;
- (7) the disposal of any asset at arm's length and for fair value that is obsolete, surplus to requirements or no longer required for the proper and efficient operation of the applicable Co-Issuer's business;
- (8) the withdrawal or transfer of any amount from the relevant account pursuant to, and in compliance with, the Operating Accounts Waterfall, including, without limitation, a Permitted Investment or any withdrawal from any account of the Co-Issuers in connection with the funding of the Agreed Intergroup Transactions;
- (9) the refund or return of any deposits by the Issuer to its suppliers, purchasers, customers or vendors in the ordinary course of business;
- (10) a transaction completed in compliance with the covenant set forth under the heading "*— Certain Covenants — Merger, Consolidation and Sale of Assets*";
- (11) a transaction covered by the "*Repurchase at the Option of Holders — Change of Control Triggering Event*" covenant;
- (12) any sale, transfer or other disposition of licenses and sublicenses of software or intellectual property in the ordinary course of business;
- (13) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;
- (14) the sale or other disposition of cash or Temporary Cash Equivalents;
- (15) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (16) transfers resulting from any casualty or condemnation of property;
- (17) the unwinding of any Hedging Obligation; or
- (18) the sale of any investment (i) existing as of the Closing Date or (ii) made out of amounts lying in the Distribution Accounts from time to time,

(each of (1) to (18) above, a "**Permitted Disposal**").

"Attributable Indebtedness" means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

"Average Life" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

"Balance Shares" means, in relation to a Co-Issuer, equity shares of such Co-Issuer which is a captive generation unit, which shares are held by or proposed to be transferred to captive consumers and which shares do not form a part of the Collateral.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors of the corporation;
- (2) with respect to a partnership, the board of directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function, including, in each case, any committee thereof duly authorized to act on its behalf.

“Board Resolution” means any resolution of the Board of Directors taking an action which it is authorized to take and (i) adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or (ii) adopted by written resolution executed by every member of the Board of Directors.

“Business Day” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London, Singapore, Delhi, India or Mumbai, India (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

“Calculation Date” means each of September 30 and March 31 occurring on or after September 30, 2024.

“Calculation Period” means:

- (1) for the first Calculation Date falling on September 30, 2024, the period commencing from October 1, 2023 and ending on and including such Calculation Date; and
- (2) in respect of each subsequent Calculation Date, the consecutive trailing 12-month period ending on and including such Calculation Date.

“Capital Expenditure” means, in relation to a Co-Issuer, at any time, the expenditure or obligations in respect of expenditures used to establish, maintain, repower as required and operate the assets of such Co-Issuer and which, in accordance with GAAP, is treated as capital expenditure.

“Capital Lease Obligations” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“Capital Stock” means:

- (1) in the case of a corporation, share capital;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of share capital;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“**Cash Credit Account**” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“**CFADS**” means, in respect of any period, CFADS Operating Revenue for such period (which, for the avoidance of doubt, shall include interest revenue accrued by the Co-Issuers on all Operating 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*:

- (a) Operating Expenses for such period (other than: (i) any Costs or fees payable during such period in connection with (x) Indebtedness existing as of the Closing Date and (y) the Debt Documents; (ii) any Costs or break fees payable during such period as a consequence of the repayment or prepayment of Indebtedness existing as of the Closing Date; (iii) any common overhead expenses as shown in the combined financial statements of the Co-Issuers and funded through New Injections and/or Subordinated Capital to the extent provided by any member of the Continuum Group or paid out of Distribution Accounts during such period; and (iv) amounts withdrawn from the Distribution Accounts in accordance with provisions herein during such period);
- (b) Permitted Capital Expenditures, if any, made by the Co-Issuers during such period, to the extent funded by amounts withdrawn from an Operating Account in accordance with the provisions herein;
- (c) Petty Expenses, if any, paid by the Co-Issuers during such period, to the extent funded by amounts withdrawn from an Operating Account in accordance with the provisions herein;
- (d) Taxes paid by the Co-Issuers in such period; and
- (e) amounts paid by the Co-Issuers to the Trustee (other than principal, interest and premiums paid or any similar amounts paid to the Trustee under the Indenture),

in each case for (d) and (e) of this definition, without double counting.

“**CFADS Operating Revenue**” means, in respect of any period, the aggregate of the Operating Revenue of all of the Co-Issuers, excluding (without double counting):

- (a) non-recurring significant items (including, but not limited to, profits and losses on the disposal of assets outside the ordinary course of business);
- (b) extraordinary items;
- (c) any other non-cash items (including, but not limited to, property revaluations);
- (d) 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;
- (e) proceeds from the incurrence of any Indebtedness or the issuance of any equity; and
- (f) any compensation, warranty claim or indemnity payment received under a power purchase agreement, 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.

Notwithstanding the foregoing, amounts received as a New Injection and designated as an Equity Cure pursuant to a Compliance Certificate will be counted in CFADs Operating Revenue for the Calculation Period in which such compliance certificate is being provided but not for any subsequent period, without double counting and solely for such specified period.

“**CGE IPL**” means Continuum Green Energy (India) Private Limited.

“**Change of Control**” means the occurrence of any of the following events:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Co-Issuers, taken as a whole, to any “person” (within the meaning of Section 13(d) of the Exchange Act), other than one or more Permitted Holders (for the avoidance of doubt, any sale, transfer, conveyance or other disposition of all or substantially all of the Co-Issuers, taken as a whole, required by applicable law, rule, regulation or order will constitute a Change of Control under this definition);
- (2) if any of the Co-Issuers consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person (other than one or more Permitted Holders) consolidates with, or merges with or into, any of the Co-Issuers, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of such Co-Issuer or such other Person, as the case may be, is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of such Co-Issuer outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance);
- (3) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of any Co-Issuer (other than as a result of a Qualified CGE IPL Sale Event);
- (4) after CGE IPL is listed on a recognized stock exchange in India pursuant to an initial public offering of its equity shares, the Permitted Holders ceasing to be the “beneficial owners” (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, collectively, of at least 26% of the total voting power of the Voting Stock of any Co-Issuer (other than as a result of a Qualified CGE IPL Sale Event); or
- (5) the adoption of a plan relating to the liquidation or dissolution of any of the Co-Issuers (other than a Co-Issuer whose Capital Stock was disposed of in connection with a Qualified CGE IPL Sale Event).

“**Change of Control Offer**” has the meaning assigned to that term in the Indenture.

“**Change of Control Triggering Event**” means the occurrence of a Change of Control and, if the Notes are rated, a Rating Decline.

“**Closing Date**” means the date on which the Notes are originally issued under the Indenture.

“**Collateral Documents**” means the security agreements, mortgages, pledge agreements, agency agreements and other instruments and documents executed and delivered pursuant to the Indenture or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time and pursuant to which Collateral is pledged, assigned or granted to or on behalf of any Security Trustee for the ratable benefit of the Holders and the Trustee.

“**Continuum Group**” means Continuum Green Energy Limited, Singapore and its Subsidiaries, joint ventures and associates (in each case, to the extent of Continuum Green Energy Limited’s ownership, directly or indirectly) as defined under GAAP and as would be included for purposes of preparing Continuum Green Energy Limited’s consolidated financial statements in accordance with GAAP.

“**Costs**” means costs, charges, fees, expenses and disbursements (including without limitation any sales, value added, turnover, withholding or other tax on such amounts as aforesaid).

“**Currency Hedging Agreement**” means any currency swap agreement, currency cap agreement, currency floor agreement, currency futures agreement, currency option agreement or any other similar agreement or arrangement.

“**Debt Documents**” means the Indenture, the Required Hedging Arrangements, the RCF Documents and any agreements or facilities governing Permitted Indebtedness.

“**Debt Service Cover Ratio**” means, in relation to a Calculation Period ending on and including the applicable Calculation Date, the ratio of (i) CFADS for such period to (ii) the aggregate amount of (a) Mandatory Amortization Amounts and interest payments in respect of Notes (including, without limitation, any gross-up amounts paid to the Holders of the Notes as a result of the application of withholding at source, but excluding (1) the payment of any MCS Amortization Amounts and (2) any prepayment of any Indebtedness) paid during such period; (b) interest payments in respect of any RCF Facilities, if any, calculated on an aggregate basis across the Co-Issuers, paid during such period; and (c) any amounts due on Hedging Obligations of any of the Co-Issuers in relation to the Notes during such period, and, where such Indebtedness is denominated in a currency other than INR, then the relevant amounts shall be calculated at the rate at which such Indebtedness is hedged under any hedging agreement.

Provided that, for the Calculation Period ending on and including September 30, 2024, paragraph (ii) above shall instead be the aggregate amount of (a) any scheduled principal repayment under the applicable Debt Documents (to the extent not refinanced, prepaid or repaid, and/or marked for refinancing) during such period; (b) interest payments to creditors of Indebtedness outstanding as of the Closing Date and payments of any Costs (of a recurring nature) to creditors in relation to such Indebtedness due or paid during such period; (c) Mandatory Amortization Amounts and interest payments in respect of the Notes (including, without limitation, any gross-up amounts paid to Holders of the Notes as a result of the application of withholding at source, but, excluding amounts due pursuant to MCS Amortization Amount payments and any prepayments of any Indebtedness) during such period; (d) interest payments in respect of any RCF Facilities, if any, calculated on an aggregate basis across the Co-Issuers during such period; and (e) any amounts due on Hedging Obligations of any of the Co-Issuers in relation to the Notes during such period, and, where such Indebtedness is denominated in a currency other than INR, then the relevant amounts shall be calculated at the rate at which such Indebtedness is hedged under any hedging agreement.

“**Debt Service Reserve Account**” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“**Default**” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“**Disqualified Stock**” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Disqualified Stock; or

- (3) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided, however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Co-Issuers to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is not prohibited under the Indenture.

“Distribution” means any dividend, charge, management or other fee, loan, advance or other financial accommodation, payment or other distribution, or redemption, repurchase, defeasance, share buy-back, retirement or repayment relating to any share buy-back, capital reduction, Subordinated Capital (and interest on Subordinated Capital) or otherwise to or for the benefit of any Co-Issuer, any member of the Continuum Group or any holder of the shares of the Co-Issuers, excluding (i) reasonable corporate costs, and (ii) reasonable directors’ fees, and for the avoidance of doubt, shall not include the Agreed Intergroup Transactions.

“Distribution Account” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“Distribution Conditions” means, at the time of the proposed transfer to the relevant Distribution Account:

- (a) no Default subsists or would result from the proposed transfer;
- (b) (i) none of the Co-Issuers has availed of any industry-wide moratorium or general moratorium made available to entities incorporated in the Republic of India in relation to payments under any of the RCF Facilities, or (ii) if any Co-Issuer has so availed of a moratorium described under (i) above, then all accrued but unpaid amounts in relation to the RCF Facility(ies) to which such moratorium applied have been repaid in full; and
- (c) the aggregate balance of each of the Co-Issuers’ Debt Service Reserve Account is not less than Required DSRA Balance.

“Dollar Equivalent” means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the noon buying rate for U.S. dollars in New York City for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York on the date of determination.

“EBITDA” means the reported aggregate earnings before interest, tax, depreciation and amortization of the Co-Issuers for the relevant period, being the aggregate of the Co-Issuers’ profit/(loss) before tax, depreciation and amortization expense and finance Costs; each as calculated in accordance with GAAP and set out in the most recent financial statements delivered to the Trustee and the Holders in accordance with the Indenture.

“EBITDA Adjusted” means EBITDA after excluding the effect of (without double counting):

- (a) non-recurring significant items (including, but not limited to, profits and losses on disposal of assets outside the ordinary course of business);
- (b) extraordinary items;
- (c) any other non-cash items (including but not limited to property revaluations);
- (d) 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;
- (e) any compensation, warranty claim or indemnity payment received under the power purchase agreements entered into by any Co-Issuer, 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; and
- (f) any expenses payable or paid to Related Parties in connection with common overheads which are paid from the Distribution Account.

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“Equity Offering” means a public or private sale of (1) Equity Interests of CGE IPL by CGE IPL (other than to an Affiliate) or (2) Equity Interests of a direct or indirect parent entity of CGE IPL (other than to an Affiliate); in each case, to the extent that the net proceeds therefrom are either contributed to the common equity capital of, or invested in the form of Subordinated Capital into, one of more Co-Issuers.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Existing RCF Facility” means in relation to:

- (a) BWDPL, working capital facility of up to INR 1350 million availed from IndusInd Bank Limited;
- (b) DJEPL, working capital facility of up to INR 500 million availed from IndusInd Bank Limited;
- (c) RTPL, working capital facility of up to INR 60 million availed from IndusInd Bank Limited;
- (d) TWHPPPL, working capital facility of up to INR 200 million availed from IndusInd Bank Limited;
- (e) UUPPL, working capital facility of up to INR 400 million availed from IndusInd Bank Limited;
- (f) WIPL, working capital facility of up to INR 50 million availed from IndusInd Bank Limited;
- (g) KWDPL, working capital facility of up to INR 85 million availed from ICICI Bank Limited; and
- (h) CTRPL, working capital facility of up to INR 310 million availed from HDFC Bank Limited.

“Fair Market Value” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of CGE IPL (if applicable) or the relevant Co-Issuer or Co-Issuers (unless otherwise provided in the Indenture), whose determination shall be conclusive if evidenced by a Board Resolution.

“**Fitch**” means Fitch Ratings, Ltd. and its successors and assigns.

“**Funds From Operations**” means, in relation to a Calculation Period ending on the applicable Calculation Date, EBITDA Adjusted minus (i) aggregate Taxes paid in cash on income of the Co-Issuers for such period and adjusted for any positive or negative adjustments in working capital of the Co-Issuers for such period and (ii) cash net interest paid by the Co-Issuers for such period in relation to any Indebtedness of the Co-Issuers for such period (excluding cash net interest paid on Subordinated Capital).

“**GAAP**” means generally accepted applicable accounting principles in India on the date hereof, as modified by commonly used carve-out principles as in effect on the date of such report or financial statement (or otherwise on the basis of such generally accepted accounting principles in India as then in effect).

“**Government Authority**” means a government, a government department, or a governmental, semi-governmental, statutory, administrative, parliamentary, provincial, public, municipal, local, judicial or quasi-judicial body.

“**Government Securities**” means direct obligations of, or obligations Guaranteed by, the United States of America, and the payment for which the United States of America pledges its full faith and credit.

“**Guarantee**” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

“**Hedge Facility Restricted Amortization Account**” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“**Hedging Obligations**” means, with respect to any specified Person, the obligations of such Person pursuant to Currency Hedging Agreement or Interest Rate Hedging Agreements.

“**Holder**” means the Person in whose name a Note is registered in the Note register.

“**Incur**” means, with respect to any Indebtedness or Disqualified Stock, to incur, create, issue, assume, Guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Disqualified Stock; *provided that* the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Disqualified Stock in the form of additional shares of Disqualified Stock (to the extent provided for when the Indebtedness or Disqualified Stock on which such interest or dividend is paid was originally issued) will not be considered an Incurrence of Indebtedness. The terms “**Incurrence**”, “**Incurred**” and “**Incurring**” have meanings correlative with the foregoing.

“**Indebtedness**” means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments;

- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;
- (5) all Capital Lease Obligations and Attributable Indebtedness;
- (6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided that* the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;
- (7) all Indebtedness of other Persons Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person; and
- (8) to the extent not otherwise included in this definition, Hedging Obligations; and
- (9) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or any Preferred Stock (but excluding, in each case, any accrued dividends).

The amount of Indebtedness of any Person at any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided that*:

- (1) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;
- (2) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness will not be deemed to be “Indebtedness” so long as such money is held to secure the payment of such interest; and
- (3) the amount of Indebtedness with respect to any Hedging Obligation will be equal to the net amount payable if the Currency Hedging Agreement or Interest Rate Hedging Agreement giving rise to such Hedging Obligation terminated at that time.

For the avoidance of doubt, Subordinated Capital will not constitute Indebtedness.

“**Interest Rate Hedging Agreement**” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement.

“**Investment Grade**” means a rating of “AAA,” “AA,” “A” or “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by S&P, a rating of “AAA,” “AA,” “A” or “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest rating categories, by Fitch, or a rating of “Aaa,” “Aa,” “A” or “Baa,” as modified by a “1,” “2” or “3” indication, or an equivalent rating representing one of the four highest rating categories, by Moody’s, or the equivalent ratings of any Nationally Recognized Statistical Rating Organization or Organizations, as the case may be, which will have been designated by CGE IPL or the Co-Issuers as having been substituted for Fitch or Moody’s or both, as the case may be.

“**Lien**” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“**Moody’s**” means Moody’s Investors Service, Inc. and its successors and assigns.

“**Nationally Recognized Statistical Rating Organization**” has the meaning assigned to that term in Section 3(a)(62) of the Exchange Act.

“**Net Debt**” means, as of a particular date of determination, total indebtedness of the Co-Issuers, excluding any Subordinated Capital as of such date, *minus* any amounts held: (i) as cash and/or Temporary Cash Equivalents by the Co-Issuers on a combined basis as of such date; and (ii) as bank balances (including fixed deposits with maturity equal to or more than 12 months) by the Co-Issuers on a combined basis as of such date.

“**New Injection**” means the aggregate amount subscribed for by any person (other than by a Co-Issuer) after the Closing Date for ordinary shares or non-redeemable preference shares or preference shares (which are not redeemable until 9 years and 6 months from the Closing Date) in a Co-Issuer or any Subordinated Capital provided by a Related Party which is availed by a Co-Issuer.

“**Offering Memorandum**” means the offering memorandum dated June 18, 2024 in connection with the offering of the Notes.

“**Officer**” means, in relation to a Co-Issuer, one of the directors or executive officers of such Co-Issuer.

“**Officer’s Certificate**” means a certificate signed by an Officer.

“**Operating Account**” means each operating account established or to be established and maintained by the Co-Issuers in accordance with the provisions herein.

“**Operating Expenses**” means, in relation to a particular Co-Issuer, any Costs of such Co-Issuer in connection with the Permitted Businesses, including:

- (a) any payments under each power purchase agreement entered into by such Co-Issuer;
- (b) premiums payable in respect of insurance policies of such Co-Issuer in relation to its projects;
- (c) administrative costs of such Co-Issuer (excluding Distributions, but including any amounts payable to meet reasonable directors’ fees);
- (d) costs in respect of the accounts of such Co-Issuer as specified in the Trust and Retention Accounts Agreement;
- (e) fees of engineers, accountants, auditors, consultants and legal or other professional advisers of such Co-Issuer;
- (f) any expenditure or obligation in respect of expenditure used to establish, maintain and operate the assets of such Co-Issuer and which, in accordance with GAAP, is treated as revenue expenditure;
- (g) any investments by such Co-Issuer permitted to be made by it under the Indenture; and
- (h) any expenditure or obligation in respect of expenditure used to establish, maintain and operate the assets of such Co-Issuer and which, in accordance with GAAP, is treated as a Capital Expenditure, up to and not exceeding the aggregate agreed amount of Permitted Capital Expenditures,

in each case, which are expenses for purposes of GAAP, but excluding any finance costs as reported in the latest financial statements of the Co-Issuers’ (including costs or break fees or prepayment premiums or any prepayment penalty payable as a consequence of the repayment or prepayment of Indebtedness existing as of the Closing Date).

“**Operating Revenue**” means, in respect of any period, (i) the revenue of a Co-Issuer for such period, determined in accordance with GAAP, (ii) the proceeds received by a Co-Issuer from any Permitted Disposal and (iii) the proceeds received by a Co-Issuer from any insurance payout.

“**Operations and Maintenance Account**” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“**Opinion of Counsel**” means a written opinion in form and substance satisfactory to the Trustee from external legal counsel who may be appointed as counsel to the Co-Issuers; *provided* that such counsel will be acceptable to the Trustee in its sole discretion.

“**Payment Blockage**” means:

- (a) a default under the applicable Debt Documents (and in respect of the Indenture, a default specified in clause (1) or (2) under the heading “— Events of Default and Remedies”) is subsisting in relation to the non-payment of any amount due to the Security Trustee, the Trustee, the Holders or a Notes Hedge Counterparty; or
- (b) a default subsists under the applicable Debt Documents (except an event of default under the Debt Documents in respect of a non-payment of Subordinated Capital), and either:
 - (i) the Security Trustee, the Trustee (acting on the instruction of holders representing not less than 25% of the aggregate principal amount of Notes then outstanding and subject to receiving indemnity, security and/or prefunding to its satisfaction), the Holders, or any Notes Hedge Counterparty (or their respective representatives) delivers a notice (a “**Payment Blockage Notice**”) to each representative of each Subordinated Creditor, the Trustee, the Security Trustee, the Holders and the Notes Hedge Counterparty, as applicable, specifying the relevant default under the applicable Debt Documents has occurred and is continuing and suspending payments of the Subordinated Capital; or
 - (ii) the relevant Co-Issuer is otherwise aware that the relevant default under the applicable Debt Documents subsists.

A Payment Blockage will subsist until the first to occur of:

- (A) the date on which the Payment Blockage Notice is cancelled or withdrawn by written notice by the Security Trustee, the Trustee (acting on the instruction of holders representing not less than 25% of the aggregate principal amount of Notes then outstanding and subject to receiving indemnity, security and/or prefunding to its satisfaction), the Holders or any Notes Hedge Counterparty (or their respective representatives) to each representative of or to each of the Security Trustee, the Trustee, the Holders and any Notes Hedge Counterparty, as applicable, and the Subordinated Creditors. For the avoidance of doubt, the Trustee will provide such notice to the Co-Issuers, the Holders and the Security Trustee only; or
- (B) the date on which the relevant default under the applicable Debt Documents ceases to subsist (except where a potential event of default under the applicable Debt Documents ceases to subsist because it becomes an event of default under the applicable Debt Documents) as confirmed in a written notice by the relevant representatives of the Security Trustee, the Trustee, the Holders, and any Notes Hedge Counterparty.

For the avoidance of doubt, the Trustee will provide the Payment Blockage Notice to the Security Trustee and the Security Trustee will forward a copy of the Trustee’s Payment Blockage Notice to each other party listed herein. A form of the Payment Blockage Notice will be included as a schedule to the Indenture.

“Permitted Business” means any business, service or activity engaged in by the Co-Issuers on the Closing Date and any other businesses, services or activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or any expansions, extensions or developments thereof, including the ownership, acquisition, development, financing, operation and maintenance of power generation or power transmission or distribution facilities or power storage facilities.

“Permitted Capital Expenditure” means Capital Expenditures in an amount of up to INR 500,000,000 (excluding any capital creditors that are outstanding as at December 31, 2023) by the Co-Issuers on an aggregate basis; provided that the amount of such Permitted Capital Expenditure will (i) decrease by an amount equal to the amount of Capital Expenditures made using such amounts and (ii) increase by an amount equal to any cash proceeds received by any of the Co-Issuers from any New Injection and/or Subordinated Capital where such proceeds have been designated for use for Capital Expenditure; *provided* further that, for the avoidance of doubt, any proceeds used out of the Distribution Accounts towards Capital Expenditure by the Co-Issuers will not be counted against the Permitted Capital Expenditure basket amount of INR 500,000,000 (as adjusted from time to time).

“Permitted Distribution” means a Distribution:

- (i) from one Co-Issuer to another Co-Issuer;
- (ii) a Distribution funded by amounts received from Subordinated Capital or the proceeds of contribution to the share capital of the Co-Issuers; or
- (iii) not otherwise covered by any of paragraphs (i) and (ii) above; *provided* that (a) no Event of Default subsists or would result from the proposed Distribution and (b) the Distribution Conditions would be complied with on the date of such Distribution from the Distribution Account.

“Permitted Holders” means any or all of the following:

- (1) North Haven Infrastructure Partners L.P.;
- (2) Mr. Vikash Saraf;
- (3) Mr. Arvind Bansal;
- (4) any spouse or immediate family member of any of the persons named in clause (2) or (3) above;
- (5) any trust established for the benefit of any of the persons referred to in clause (2), (3) or (4) above; and
- (6) any Affiliate of any of the Persons (including any Affiliate of the Persons referred to in clause (2) and (3) above considered as a group) referred to in clauses (1), (2) or (3) above.

“Permitted Investments” means any (x) subscription by any of the Co-Issuers to the equity shares of any other Person (or any instruments compulsorily or optionally convertible into the equity shares of such person) or (y) extension of any debt to any other Person, in each case, (i) out of proceeds in the applicable Distribution Account and/or (ii) from the issuance of Notes (including Additional Notes, if any) and otherwise in accordance with the ECB Regulations.

“Permitted Liens” means:

- (1) Liens in favor of the Security Trustee created pursuant to the Indenture and the Collateral Documents with respect to the Notes (and Additional Notes, if any);
- (2) Liens to secure the performance of statutory obligations incurred in the ordinary course of business;

- (3) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided that* any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;
- (4) Liens imposed by law, such as suppliers', carriers', warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;
- (5) survey exceptions, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;
- (6) Liens securing Indebtedness permitted to be incurred under clause (3) under "*— Certain Covenants — Indebtedness*";
- (7) Liens securing Hedging Obligations permitted to be Incurred under clause (6) of the covenant described under the caption "*— Certain Covenants — Indebtedness*";
- (8) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (5) of the covenant described under the caption "*— Certain Covenants — Indebtedness*"; *provided that* such Liens do not extend to or cover any property or assets of the Co-Issuers' other than the property or assets securing the Indebtedness being refinanced;
- (9) Liens on property (including Capital Stock) existing at the time of acquisition of the property by any Co-Issuer; *provided that* such Liens were in existence prior to such acquisition, and not incurred in contemplation of, such acquisition; and
- (10) Liens outstanding as of the Closing Date;

provided that:

- (a) the only first ranking Liens permitted on the Common Collateral (other than the Exclusive Collateral) are (1), (2), (3), (4), (5), (7), (8) and (10);
- (b) the only first ranking Liens permitted on the Exclusive Collateral are (1), (2), (3), (4), (5), (8) and (10);
- (c) the only first ranking Liens permitted on the WCF Collateral are (2), (3), (4), (5), (6), (8) and (10);
- (d) the only first ranking Liens permitted on the Restricted Debt Service Account are (1), (2), (3), (4), (5), (6), (7), (8) and (10);
- (e) the only second ranking Liens permitted on the Common Collateral (other than (i) the Exclusive Collateral, (ii) the Debt Service Reserve Accounts, (iii) the Restricted Surplus Accounts and (iv) the Restricted Debt Service Accounts) are (2), (3), (4), (5), (6), (8) and (10); and
- (f) the only second ranking Liens permitted on the WCF Collateral are (1), (2), (3), (4), (5), (7), (8) and (10).

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Petty Expenses Accounts” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“Pledgor” means CGE IPL and such other entity which provides a pledge over the shares of a Co-Issuer as a part of the Collateral.

“Preferred Stock” as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“Qualified CGE IPL Sale Event” means the sale, conveyance or other disposition of all (or, in the case of WIPL or any other Co-Issuer which is operating as a captive project as of the date of determination, 65% of) the Capital Stock of a particular Co-Issuer in one transaction or a series of related transactions by CGE IPL to any Person; *provided that*:

- (a) the consideration received by CGE IPL from such sale, conveyance or other disposition is (i) Fair Market Value and (ii) cash and/or Temporary Cash Equivalents;
- (b) the net proceeds received by CGE IPL from such sale, conveyance or other disposition (such proceeds, the **“CGE IPL Sourced Net Proceeds”**) are either (i) contributed by CGE IPL and/or by any of its Affiliates to the common equity capital of, and/or (ii) invested by CGE IPL and/or by any of its Affiliates in the form of Subordinated Capital into, one or more other Co-Issuers;
- (c) all such CGE IPL Sourced Net Proceeds will be used by the applicable Co-Issuer(s) to either (i) redeem Notes (for which any such Co-Issuer acts as a primary obligor and not as a Guarantor) and/or (ii) acquire long-term assets; and
- (d) at least two of the Rating Agencies confirm in writing to the Co-Issuers that, after giving *pro forma* effect to (x) the consummation of such proposed sale, conveyance or other disposition and (y)(i) the proposed redemption of Notes (for which any such Co-Issuer acts as a primary obligor and not as a Guarantor) and/or (ii) the proposed acquisition of long-term assets, in either case, with such CGE IPL Sourced Net Proceeds, the rating of the Notes by such Rating Agencies will not be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories) from the ratings of the Notes immediately prior to undertaking any of the actions noted above.

“Rating Agencies” means (1) Fitch, (2) Moody’s and (3) S&P; *provided that* if Fitch, Moody’s or and S&P shall not make a rating of the Notes publicly available, one or more Nationally Recognized Statistical Rating Organizations, as the case may be, selected by the Co-Issuers or CGE IPL, which will be substituted for Fitch, Moody’s or S&P or any one or more of them, as the case may be.

“Rating Category” means (i) with respect to Fitch, any of the following categories: “BB”, “B”, “CCC”, “CC”, “C” and “D” (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories: “Ba”, “B”, “Caa”, “Ca”, “C” and “D” (or equivalent successor categories); (iii) with respect to S&P, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories) and (iv) the equivalent of any such category of Fitch, Moody’s or S&P used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (“+” and “—” for Fitch and S&P; “1”, “2” and “3” for Moody’s; or the equivalent gradations for another Rating Agency) will be taken into account (e.g., with respect to Fitch, a decline in a rating from “BB+” to “BB”, as well as from “BB-” to “B+”, will constitute a decrease of one gradation).

“Rating Date” means that date which is 60 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by CGE IPL or any other Person or Persons to effect a Change of Control.

“Rating Decline” means the occurrence on or within six months after the date of a Change of Control, or of public notice of the occurrence of a Change of Control or the intention by CGE IPL or any other Person or Persons to effect a Change of Control, (which period will be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below:

- (1) If the Notes are rated by one or more Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by any such Rating Agency shall be below Investment Grade; or
- (2) If the Notes are rated below Investment Grade by one or more Rating Agencies on the Rating Date, the rating of the Notes by any such Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

provided that a Rating Agency will be deemed to have not changed its rating of the Notes to below Investment Grade or to have decreased its rating of the Notes if such Rating Agency states publicly in writing that (i) its change in rating of the Notes is solely the result of a rating downgrade applicable to (a) the Government of India, (b) generally applicable to companies in the Co-Issuers’ industry or (c) companies located or operating in India and (ii) is not as a result of such Change of Control.

“RCF Documents” means one or more working capital facility agreement(s) entered into by any of the Co-Issuers in relation to an RCF Facility and any other document entered into by any of the Co-Issuers in relation to an RCF Facility and designated as such by the respective Co-Issuer and the RCF Lender.

“RCF Facility” means working capital facilities (fund based and/or non-fund based) incurred by any of the Co-Issuers or any refinancing of such working capital facilities.

“RCF Facility Enforcement Proceeds Account” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“RCF Facility Account” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“RCF Lender(s)” means each of the lenders of the RCF Facilities.

“Related Party” means a ‘related party’, as defined under the (Indian) Insolvency and Bankruptcy Code, 2016.

“Required DSRA Balance” means the aggregate of:

- (i) in relation to the Notes, an amount equal to the amount of (a) the Mandatory Amortization Amount (excluding, for the avoidance of doubt, any MCS Amortization Amount); and (b) the interest payable in respect of the Notes on the upcoming Interest Payment Date, calculated on an aggregate basis across the Co-Issuers;
- (ii) in relation to the Required Hedging Arrangements, the scheduled payments in relation to the Required Hedging Arrangements for the upcoming two financial quarters, calculated on an aggregate basis across the Co-Issuers; and
- (iii) in relation to an RCF Facility, interest payable (or reasonably anticipated to be payable) in respect of such RCF Facility, if any, for the upcoming semi-annual period, calculated on an aggregate basis across the Co-Issuers.

“Required Hedging Arrangements” means Currency Hedging Agreements and/or Interest Rate Hedging Agreements (as the case may be) or any other risk hedging instrument pursuant to customary ISDA documentation and hedging arrangements in place thereunder in order to suitably hedge any currency exposure and/or interest rate exposure in connection with the Notes, in accordance with the applicable law and hedging policy/risk management policy of the Co-Issuers (if any).

“Restricted Debt Service Account” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“Restricted Surplus Account” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“S&P” means Standard & Poor’s Ratings Group and its successors or assigns.

“Sale and Leaseback Transaction” means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby any Co-Issuer transfers such property to another Person and any Co-Issuer leases it from such Person.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Security Period” means the period beginning on the Closing Date and ending on the date on which the Notes and the Required Hedging Arrangements have been unconditionally and irrevocably paid and discharged in full.

“Senior Debt Enforcement Proceeds Account” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“Senior Debt Mandatory Cash Sweep Account” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“Senior Debt Restricted Amortization Account” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“Stated Maturity” means, with respect to any instalment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date it was first Incurred in compliance with the Indenture, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Statutory Dues Account” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“Subordinated Capital” means all present and future liabilities (actual or contingent) owing to the Subordinated Creditors in accordance with the Subordination Conditions, under the Subordinated Documents incurred by each of the Co-Issuers including any refinancing of any Subordinated Capital as permitted under the Indenture.

“Subordinated Creditor” means any creditor that is a provider of Subordinated Capital under Subordinated Documents.

“Subordinated Document” means each facility agreement or other financing document or board authorization containing the Subordination Conditions pursuant to which any Co-Issuer incurs Subordinated Capital as permitted under the Indenture.

“**Subordination Deed**” means the subordination deed to be executed between the Security Trustee, the Co-Issuers and each Subordinated Creditor.

“**Subordination Conditions**” with respect to each Subordinated Capital with respect to each relevant Co-Issuer, means the following conditions:

- (i) each Subordinated Creditor shall be bound by the Subordination Deed;
- (ii) each Subordinated Creditor shall be and shall at all times continue to remain a related party of the relevant Co-Issuer (as such term is defined/understood under the Insolvency and Bankruptcy Code, 2016);
- (iii) prior to the expiry of the Security Period, payment due to each Subordinated Creditor shall be permitted only if made in accordance with the Operating Accounts Waterfall or if any outstanding amounts to which such payment relates is converted to ordinary equity;
- (iv) in respect of DJEPL and UUPPL, if any Event of Default occurs and is continuing: (i) all outstanding Subordinated Capital shall be converted into equity shares or preference shares (that are redeemable after the date falling 6 (six) months after the Maturity Date) of DJEPL and/or UUPPL, as applicable; and (ii) each Subordinated Creditor and DJEPL and/or UUPPL, as applicable, shall take all required corporate and other actions with respect to such conversion, including obtaining necessary board and shareholder approvals and issuing and allotting the equity shares or preference shares, as the case may be;
- (v) in respect of any Co-Issuer other than DJEPL and UUPPL, if any Event of Default occurs and is continuing: (i) all outstanding Subordinated Capital shall be (a) converted into equity shares or preference shares (that are redeemable after the date falling 6 months after the Maturity Date) of the relevant Co-Issuer other than DJEPL and UUPPL, or (b) security shall be created over all outstanding Subordinated Capital of the relevant Co-Issuer other than DJEPL and UUPPL, and each Subordinated Creditor and any Co-Issuer other than DJEPL and UUPPL shall be entitled to elect whether to comply with (a) or (b); and (ii) each Subordinated Creditor and the relevant Co-Issuer other than DJEPL and UUPPL shall take all required corporate and other actions with respect to such conversion (including obtaining necessary board and shareholder approvals and issuing and allotting the equity shares or preference shares, as the case may be) or security creation (and any enforcement thereof, including obtaining necessary board and shareholder approvals);
- (vi) no Subordinated Creditor shall be entitled to any enforcement or acceleration actions during the Security Period other than conversion to ordinary equity or preference shares (that are redeemable after the date falling 6 months after the Maturity Date) of the Co-Issuer under any of the Subordinated Documents or in accordance with the Subordination Deed; and
- (vii) all Subordinated Capital will be unsecured, non-amortizing and repayable in a single lump sum with the scheduled repayment date falling at least six months after the Maturity Date; *provided however* that voluntary payments (including without limitation interest) on Subordinated Capital to Subordinated Creditor shall be permitted prior to the scheduled repayment date from amounts standing to the credit of the Distribution Account and in accordance with conditions under (iii), (iv) and (v) above.

“Subsidiary” means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which (i) more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity, or (ii) the composition of the Board of Directors of the corporation, association or other business entity, is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

“Surviving Person” means with respect to any Person involved in any merger, consolidation or other business combination or the sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of such Person’s assets, the Person formed by or surviving such transaction or the Person to which such disposition is made.

“Tax” means any charges, deductions, duties (including stamp duty, financial institutions duty, transaction duty and bank account debit tax), fees, imposts, levies, taxes (including any consumption tax, goods and services tax and value added tax) and withholdings (together with any interest, penalties, fines and expenses in connection with any of them) imposed by any Government Authority.

“Temporary Cash Equivalents” means any of the following:

- (1) U.S. dollars, Indian rupees, Euros or, in the case of any Co-Issuers, local currencies held by such Co-Issuers from time to time in the ordinary course of the Permitted Business;
- (2) direct obligations of the United States of America, Canada, a member of the European Union, India or any agency of any of the foregoing, or obligations fully and unconditionally Guaranteed by any of the foregoing or any agency of any of the foregoing, in each case maturing within one year;
- (3) demand or time deposit accounts, certificates of deposit and money market deposits maturing within 365 days of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, the United Kingdom, India, Hong Kong or Singapore and which bank or trust company (x) has capital, surplus and undivided profits aggregating in excess of U.S.\$100.0 million (or the Dollar Equivalent thereof) and (y)(A) has outstanding debt which is rated “A” or such similar equivalent rating) or higher by at least one Nationally Recognized Statistical Rating Organization or (B) is organized under the laws of India and has a long term foreign issuer credit rating or senior unsecured debt rating equal to or higher than India’s sovereign credit rating by at least one Nationally Recognized Statistical Rating Organization (as defined in Section 3(a)(62) under the Exchange Act) or (C) is a bank owned or controlled by the government of India and organized under the laws of India;
- (4) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (2) above entered into with a bank or trust company meeting the qualifications described in clause (3) above;

- (5) commercial paper, maturing not more than six months after the date of acquisition thereof, issued by a corporation (other than an Affiliate of CGE IPL) organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of “P-1” (or higher) according to Moody’s or “A-1” (or higher) according to S&P or Fitch and where such corporation is organized in India, with a rating at the time as of which any investment therein is made of “P-1” (or higher) or “A-1” (or higher) by any credit rating agency registered with Securities and Exchange Board of India;
- (6) securities with maturities of six months or less from the date of acquisition thereof, issued or fully and unconditionally Guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least “A” by S&P, Moody’s or Fitch;
- (7) any money market fund that has at least 95.0% of its assets continuously invested in investments of the types described in clauses (1) through (6) above;
- (8) demand or time deposit accounts with any scheduled commercial bank organized under the laws of the India; and
- (9) certificates of deposit and debt mutual funds, maturing not more than one year after the date of acquisition thereof, which invest solely in companies organized under the laws of the India whose long-term debt has a national credit rating of AAA/A1+.

“**TRA Revenue Account**” shall have the meaning ascribed to such term in the Trust and Retention Accounts Agreement.

“**Trade Payables**” means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services and payable within one year.

“**Treasury Rate**” means, as of any redemption date, the yield to maturity as of the earlier of (a) such redemption date or (b) the date on which such Notes are defeased or satisfied and discharged, of the most recently issued United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to such date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to June 26, 2027; *provided* that if the period from the redemption date to June 26, 2027 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. Any such Treasury Rate shall be obtained by the Co-Issuers.

“**Voting Stock**” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

TAXATION

The summary provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase the Notes. In particular, the information does not consider any specific facts or circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Memorandum are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes nor on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any state or local taxes, under the tax laws applicable in India and each country of which they are residents or the countries of purchase, holding or disposition of the Notes.

India

The following is a summary of the existing principal Indian tax consequences to investors who are non-residents of India (“**Non-resident Investors**”) subscribing to the Notes. The summary is based on Indian taxation laws and practice in force at the date of this Offering Memorandum and is subject to amendment, possibly with retroactive effect. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or disposition of the Notes. Furthermore, it only addresses the tax consequences for persons who are non-residents as defined in the Income Tax Act, 1961 (“**IT Act**”) who acquire the Notes pursuant to this Offering Memorandum. Additionally, in view of the number of different jurisdictions where local laws apply, this Offering Memorandum does not discuss the local tax law consequences to a potential holder, purchaser, seller, investor arising from the acquisition, holding or disposition of the Notes. Prospective investors should, therefore, consult their own tax advisors regarding the Indian tax consequences, as well as the tax consequences under any other applicable taxing jurisdiction of acquiring, owning and disposing of the Notes and as to any tax or exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposition of the Notes at their place of residence and in the countries of which they are citizens.

Taxation of interest and withholding in respect thereof

Interest on the Notes may not be subject to taxes in India if the proceeds of the issuance of the Notes are used for purposes of business carried on by the Co-Issuer outside India or for the purposes of making or earning any income from any source outside India.

If, and to the extent the amounts so raised are utilized in India, Indian tax consequences may be applicable as detailed under the paragraphs “Withholding tax” and “Taxation of interest”, which are set forth below.

Withholding tax

There will be a requirement to withhold tax on interest payments made on the Notes through India in accordance with the IT Act and also subject to any lower rate of tax provided for by any applicable tax treaty. Such withholding tax should apply at 9% (plus applicable surcharge and cess) in respect of interest payable to a non-resident on long-term bonds issued on or after July 1, 2023, which are listed only on a recognized stock exchange located in an International Financial Services Centre (“**IFSC**”) in accordance with Section 194LC of the IT Act. An applicable tax treaty entered into between the country of which the beneficial recipient is a resident and the Government of India for granting relief of tax or for avoidance of double taxation (“**Tax Treaty**”) read with Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (“**MLI**”) (if and to the extent applicable) may further reduce such withholding tax liability subject to fulfillment of the conditions prescribed therein and if the

beneficial recipient furnishes the prescribed particulars along with a tax residency certificate issued by the government of the jurisdiction of which the investor is a resident. Non-resident investors could be required to provide their permanent account number, certain documents or other information as prescribed by law for the purposes of the tax withholding or to apply the beneficial withholding tax rate as applicable under the tax treaty.

All payments of, or in respect of, the Notes will be made free and clear of and without withholding any taxes within India unless it is required by law, in which case, the Co-Issuers will pay additional amounts as may be necessary in order that the net amount received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding, deduction although this is subject to certain exceptions.

Taxation of interest

A Non-resident Investor may be liable to pay tax at the rate of up to 20% or 9% (in case of a long-term bond or rupee-denominated bond issued on or after July 1, 2023 listed only on a recognized stock exchange located in an IFSC) under Section 115A of the IT Act (plus applicable surcharge, and health and education cess) on interest paid on the Notes through India, subject to and in accordance with the existing conditions contained in the IT Act. However, an applicable Tax Treaty read with MLI, if and to the extent applicable, may further reduce such tax liability subject to the fulfillment of the conditions prescribed therein. A Non-resident Investor would be obliged to pay such income tax in an amount equal to, or would be entitled to a refund of, as the case may be, any difference between the amounts withheld in respect of interest paid on the Notes through India and its ultimate Indian tax liability for such interest, subject to and in accordance with the provisions of the IT Act. Non-resident Investors would have to provide all necessary information and documents, as may be required by the Co-Issuers.

Taxation of gains arising on disposition of Notes denominated in any currency other than Indian Rupees

Any gains arising to a non-resident investor from disposal of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A non-resident investor generally will not be chargeable to income tax in India from a disposal of Notes held as a capital asset provided that the Notes are regarded as being situated outside India. The issue as to whether the Notes should be regarded as being situated is not free from doubt. The ultimate decision, however, will depend on the view taken by the Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being located in India as the Co-Issuers are incorporated in and resident in India.

If the Notes are regarded as situated in India by the Indian tax authorities upon disposal of a Note:

- (i) a Non-resident Investor who has held the Notes for a period of more than 36 months preceding the date of their disposal would be liable to pay capital gains tax at rates ranging up to 10% or 20% of the capital gains (plus applicable surcharge, health and education cess) subject to and in accordance with the existing provisions of the IT Act, subject to any beneficial provision under an applicable Tax Treaty read with MLI, if and to the extent applicable;
- (ii) when the conditions stated in clause (i) above are not met, a Non-resident Investor who has held the Notes for 36 months or less would be liable to pay capital gains tax at rates ranging up to 40% of the capital gains (plus applicable surcharge, health and education cess) of capital gains depending on the legal status of the Non-resident Investor and his taxable income in India, subject to any beneficial provision under an applicable Tax Treaty read with MLI, if and to the extent applicable; Section 47(viiab) of the IT Act provides an exemption from capital gains tax on any transfer of a Note, if the Note is transferred on a recognized stock exchange located in an IFSC and where the consideration for such transaction is paid or payable in foreign currency; and

- (iii) any surplus realized by a Non-resident Investor from a disposal of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the surplus is attributable to a “business connection in India” or, where a Tax Treaty read with MLI applies, to a “permanent establishment” in India of the Non-resident Investor. A Non-resident Investor would be liable to pay Indian tax on the gains which are so attributable at a rate of tax ranging up to 40% (plus applicable surcharge, health and education cess) depending on the legal status of the Non-resident Investor and his taxable income in India, subject to any lower rate provided for by a tax treaty.

The taxation, if any, of capital gains would also depend upon the provisions/benefits available under the relevant tax treaty, subject to fulfillment of the conditions prescribed therein.

Potential investors should, in any event, consult their own tax advisors on the tax consequences of transfer of the Notes.

Tax withholding on gains arising from disposal of Notes

If a Non-resident Investor earns any capital gains chargeable to tax in India, the IT Act requires that such tax shall be withheld by the person making any payment to such non-investor at the rate of 10 or 20% (plus applicable surcharge and health and education cess) on long-term capital gains.

Furthermore, tax at the rate of up to 40% (plus applicable surcharge and health and education cess), shall be withheld depending on the legal status of the recipient of income, on short term capital gains. These rates are subject to any lower rate of tax provided under the relevant Tax Treaty read with MLI (to the extent applicable). The tax payable shall be computed in such manner as prescribed in this regard under the IT Act. For the purpose of tax withholding, and/or claiming the benefit of any relevant Tax Treaty the non-resident investor shall be obliged to provide all necessary information and documents.

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the IT Act may generally be subject to tax in India according to the personal or corporate rate of tax, as may be applicable.

Wealth Tax

No wealth tax is payable at present in relation to the Notes.

Estate Duty

No estate duty or inheritance tax is payable at present in relation to the Notes in India. There are no inheritance taxes or succession duties currently imposed in respect of the Notes held outside India.

Gift Tax

No gift tax is payable at present in relation to the Notes in India.

However, a person receiving the Notes at a price less than the fair market value of the Notes (except when received from a relative or where it falls under certain other exceptions) may be subject to income tax in India on the difference between price paid by him for the Notes and fair market value of the Notes as determined by the category 1, merchant banker or a chartered accountant in India. Tax shall be payable at the rates applicable to the respective category of the taxpayers. Non-resident taxpayers qualifying for the benefit of the application of a Tax Treaty read with MLI, if and to the extent applicable may not be taxed in India in respect of such deemed benefit subject to provisions of the Tax Treaty.

Certain U.S. Federal Income Tax Consequences

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Notes at the “issue price” (the first price at which a substantial amount of Notes are sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial offering that are U.S. Holders that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, U.S. Holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar). The Co-Issuers intend to treat the redemption of NCDs by some of the Co-Issuers, and consequent redemption and/or purchase (pursuant to the tender offer) of the 2027 Notes by Continuum Energy Levanter Pte. Ltd. and the offering of the Notes by the Co-Issuers as separate transactions and the remainder of this discussion so assumes. However, prospective purchasers that hold our 2027 Notes whose 2027 Notes will be redeemed or purchased with the proceeds of this offering should consult their tax advisers as to whether differing tax consequences might apply to their acquisition of Notes and redemption or tender of their 2027 Notes as a result of their participation in this offering.

As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, (the “Code”) its legislative history, existing and proposed regulations thereunder (the “Treasury Regulations”), published rulings and court decisions, and the income tax treaty between the United States and India (the “Treaty”), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

U.S. Federal Income Tax Characterization of the Notes

Although it is not clear whether the Notes are treated as a single debt instrument (rather than multiple debt instruments with each Co-Issuer treated as a primary obligor only for a portion of the Note that it actually borrowed and as a guarantor with respect to the remaining outstanding principal balance and related interest on the Notes), the Co-Issuers intend to take the position (if required), and the following discussion assumes, that the Notes are treated as a single debt instrument for U.S. federal income tax purposes.

Moreover, in certain circumstances the Co-Issuers may be obligated to make payments on the Notes in excess of stated interest and principal, including as described in “Description of the Notes — Repurchase at the Option of Holders — Change of Control Triggering Event.” The Co-Issuers intend to take the position that the Notes should not be treated as contingent payment debt instruments (“CPDIs”) for U.S. federal income tax purposes because of these possible additional payments. The Co-Issuers’ position is binding on a U.S. Holder, unless the U.S. Holder discloses in the proper manner to the IRS that it is taking a different position. If the U.S. Internal Revenue Service (the “IRS”) successfully challenged this position, and the Notes were treated as CPDIs, U.S. Holders will be required to accrue interest income currently (potentially at a rate higher than the stated interest), without regard to their usual method of accounting, and to treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption of the Note. The remainder of this discussion assumes that the Notes are not treated as CPDIs. U.S. Holders are strongly urged to consult their tax advisor regarding the characterization of the Notes for U.S. federal income tax purposes.

Payments of Interest

Payments of stated interest on a Note (including the amount of any withholding taxes and any additional amounts paid with respect thereto) will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such holder’s method of accounting for U.S. federal income tax purposes.

It is expected, and this discussion assumes, that the Notes will not be considered as issued with original issue discount (“OID”) for U.S. federal income tax purposes. The Notes will be treated as issued without OID if the difference between their principal amount and their issue price is less than the product of one-fourth of one per cent. (0.25 per cent.) of their principal amount multiplied by their weighted-average maturity as specifically determined for these purposes (i.e., “*de minimis* OID”). In general, if the Notes are issued with OID for U.S. federal income tax purposes, a U.S. Holder will be required to include OID in gross income, as ordinary income, under a “constant-yield method” before the receipt of cash attributable to such income, regardless of the U.S. Holder’s regular method of accounting for U.S. federal income tax purposes.

Interest paid on the Notes generally will be treated as income from sources outside the United States and generally will constitute “passive category income” for purposes of the foreign tax credit rules. Subject to certain complex limitations, a U.S. Holder may be entitled to a credit against its U.S. federal income tax liability, or at such U.S. Holder’s election, a deduction in computing such holder’s U.S. federal taxable income, for any Indian taxes withheld on interest payments (at a rate not exceeding any applicable Treaty rate). An election to deduct creditable foreign taxes instead of claiming foreign tax credits must be applied to all creditable foreign taxes paid or accrued in the U.S. Holder’s taxable year. The rules governing foreign tax credits are complex, and recently finalized Treasury regulations (“**Final FTC Regulations**”) have imposed additional requirements that must be met for a foreign tax to be creditable, and the Co-Issuers do not intend to determine whether such requirements will be met. However, recent guidance from the IRS indicates that the U.S. Treasury and the IRS are considering proposing amendments to the Final FTC Regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of the Final FTC Regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). Prospective U.S. Holders should consult their tax advisors concerning the application of the foreign tax credit rules to income attributable to the Notes and the creditability (or alternatively, deductibility) of any non-U.S. taxes withheld in their particular circumstances.

Payments of Principal and Sale or Other Taxable Disposition of the Notes

A U.S. Holder generally will recognize gain or loss on the sale or other taxable disposition of a Note equal to the difference between the amount realized on the sale or other taxable disposition and the U.S. Holder's adjusted tax basis of the Note. A U.S. Holder's adjusted tax basis in a Note generally will be its cost, likely increased by the amount of *de minimis* OID included in the U.S. Holder's income and reduced by any payments other than payments of stated interest previously made on the Notes. The amount realized does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. If the Notes are issued with *de minimis* OID, a pro-rata portion of such *de minimis* OID will be includible in the U.S. Holder's income with respect to each amortization amount paid on the Note and will be treated as gain on the sale or other taxable disposition of the Notes.

Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of a Note will be capital gain or loss and will be long-term capital gain or loss if the Note was held by the U.S. Holder for more than one year. Non-corporate U.S. Holders generally are subject to tax on long-term capital gains at reduced rates. The deductibility of capital losses is subject to limitations.

Gain or loss realized by a U.S. Holder on the sale or other taxable disposition of a Note generally will be U.S. source. As a result, the ability to utilize U.S. foreign tax credits relating to any Indian income taxes imposed on disposition gains may be limited. Moreover, under the Final FTC Regulations (but subject to the guidance described above), Indian taxes on disposition gains of U.S. Holders that are not entitled to, or do not elect to apply, the benefits of the Treaty are generally not creditable for U.S. federal income tax purposes. Indian taxes on disposition gains that are not creditable may possibly reduce the amount realized on the disposition of Notes or alternatively may be deductible, subject to applicable limitations. The application of these rules is very complex, and prospective U.S. Holders should consult their tax advisors regarding the U.S. federal income tax consequences in their particular circumstances if Indian taxes are imposed on disposition gains, including their ability to credit or deduct any Indian tax against their U.S. federal income tax liability, the proper application of the Treaty (which in some respects is not entirely clear), the determination of the amount realized and disclosure obligations of any Treaty-based tax return position.

Backup Withholding and Information Reporting

Payments of principal and interest, and the proceeds of sale or other taxable disposition of Notes, by a U.S. or U.S.-connected paying agent or other U.S. or U.S.-connected intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against such U.S. Holder's U.S. federal income tax liability and may entitle such holder to a refund provided that the required information is timely filed with the IRS.

U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes, including requirements related to the holding of certain foreign financial assets.

FATCA Withholding

Pursuant to certain provisions of the Code, commonly known as FATCA, a “foreign financial institution” (as defined by FATCA, and including any intermediary through which Notes are held) may be required to withhold at a rate of 30% on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. Debt obligations that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Accordingly, assuming that the U.S. federal income tax treatment of the Notes as debt is respected, FATCA withholding generally could only apply to payments on the Notes if materially modified after the expiration of the grandfathering period. Even if withholding would be required pursuant to FATCA with respect to payments on instruments such as the Notes and the Notes are otherwise not grandfathered, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. A number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

CERTAIN ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), imposes certain requirements on “employee benefit plans” (as defined in Section 3(3) of ERISA) subject to the fiduciary responsibility provisions of ERISA, on entities such as collective investment funds and separate accounts whose underlying assets include for ERISA purposes the assets of such plans (each, an “**ERISA Plan**”), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan’s particular circumstances and all of the facts and circumstances of the investment.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as assets of those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, the “**Plans**”)) and persons (referred to as “parties in interest” under Section 3(14) of ERISA or “disqualified persons” under Section 4975(e)(2) of the Code) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person, including a Plan fiduciary, who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or Section 4975 of the Code.

Each of the Co-Issuers, the Initial Purchasers or other transaction parties (collectively, the “**Transaction Parties**”) may be considered parties in interest or disqualified persons with respect to many Plans. Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if any of the Notes are acquired or held by a Plan, including but not limited to where the Transaction Party is a party in interest or a disqualified person. Certain statutory and administrative exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any Notes and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest solely by reason of providing services to the plan provided that neither it nor its affiliate has or exercises discretionary authority or control, or renders investment advice with respect to assets involved in the transaction and provided further that the Plan receives no less than and pays no more than adequate consideration in connection with the transaction), Prohibited Transaction Class Exemption (“**PTCE**”) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisers regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of Title I of ERISA or the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code, may nevertheless be subject to U.S. federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Code (“**Similar Law**”). Fiduciaries of any such plans should consult with their counsel before purchasing the Notes to determine the need for, if necessary, and the availability of, any exempted relief under any Similar Law.

In addition, the U.S. Department of Labor has promulgated a regulation, 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the “**Plan Asset Regulation**”), describing what constitutes the assets of a Plan with respect to the Plan’s investment in an entity for the purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA, and the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an equity interest of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the United States Investment Company Act of 1940, the Plan’s assets include both the equity interest and an undivided interest in each of the entity’s underlying assets, unless the Issuer qualifies as an “operating company” or another exception described in the Plan Asset Regulation applies. An “operating company” is a company that is primarily engaged in the production or sale of a product or service (other than the investment of capital) directly or through one or more majority-owned subsidiaries. While there is little pertinent authority in this area and no assurance can be given, each of the Issuers believe that the Notes should not be treated as equity interests for the purposes of the Plan Asset Regulation because each of the Issuers is an operating company.

Each purchaser and subsequent transferee of any Note will be deemed by such purchase or acquisition of any such Note to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Note through to and including the date on which the purchaser or transferee disposes of such Note, either that (a) it is not a Plan or an entity whose underlying assets include the assets of any such Plan for purposes of ERISA or the Code (each of the foregoing, a “**Benefit Plan Investor**”), or a governmental, church or non-U.S. plan subject to Similar Law, or (b)(i) its acquisition, holding and disposition of such Note will not constitute or result in a non-exempt prohibited transaction under section 406 of ERISA or section 4975 of the Code, or a violation of any Similar Law, and (ii) if it is a Benefit Plan Investor, (A) it is represented by an independent fiduciary that has the authority to act on behalf of the Benefit Plan Investor as to the acquisition, holding and disposition of the Notes; (B) none of the Transaction Parties or their respective officers, employees or agents has provided, and none of them will provide, investment advice and they are not giving any advice in a fiduciary capacity, in connection with the purchaser or transferee’s acquisition or holding of the Notes and (C) has received and understands the disclosure of the existence and nature of the financial interests contained in this Securities Note and related materials.

Each Plan Fiduciary who is responsible for making the investment decisions on whether to purchase or commit to purchase and to hold any of the Notes should determine whether, under the documents and instruments governing the Plan, an investment in such Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan’s investment portfolio. Any Plan proposing to invest in such Notes (as well as any governmental, church, non-U.S. or other plan) should consult with its counsel to confirm that such investment will not constitute or result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA and the Code (or, in the case of a governmental, church, non-U.S. or other plan, any Similar Law).

The sale of any Notes to a Plan is in no respect a representation by any of the Transaction Parties that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

ENFORCEABILITY OF CIVIL LIABILITIES

The Co-Issuers are incorporated under the laws of India and their assets are located in India. In addition, the majority directors and key managerial personnel of the subsidiaries of the Co-Issuers reside in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India.

In addition, India is not a party or signatory to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, Section 14 and Section 44A of the Civil Code, on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment is conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim to litigate under the same title, except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Code may be enforced either by a fresh suit upon judgment or by proceedings in execution.

Under Section 14 of the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. Such a presumption may be displaced by proving want of jurisdiction.

Section 44A of the Civil Code provides that, where a foreign judgment has been rendered by a superior court in any country or territory outside India which the GoI has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. Section 44A of the Civil Code is applicable only to decrees or judgments under which a sum of money is payable not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties and does not include arbitration awards. The enforcement of a foreign decree under Section 44A of the Civil Code is also subject to the exceptions of Section 13 of the Civil Code as discussed above. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with public policy or practice in India.

The United Kingdom, Singapore and Hong Kong (among others) have been declared by the GoI to be reciprocating territories for the purposes of Section 44A. However, the United States has not been declared by the GoI to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Accordingly, a judgment of a court in a country which has not been declared as a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. A suit for enforcement of a foreign judgment is required to be filed in India within 3 (three) years from the date of the judgment. It is difficult to predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to untimely delay.

A party seeking to enforce a foreign judgment in India is also required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to such enforcement, and any such amount may be subject to income tax in accordance with applicable laws. Any judgment awarding damages in a foreign currency is required to be converted into Indian Rupees on the date the award becomes enforceable and not on the date of payment.

INDIAN GOVERNMENT FILINGS AND APPROVALS

Subscription to Notes

The issuance of the Notes is regulated by the RBI pursuant to the ECB Regulations. Under the ECB Regulations, the Notes cannot be offered or sold (including by way of security) to any person who is from a Restricted Jurisdiction, or is a Restricted Overseas Person.

“**Restricted Jurisdiction**” means any jurisdiction:

- (i) which is not a member of the Financial Action Task Force (“**FATF**”) or a member of a FATF-style regional body;
- (ii) whose securities market regulator is not a signatory to the International Organization of Securities Commission’s (IOSCO’s) “Multilateral Memorandum of Understanding (Appendix A Signatories)” or a signatory to a bilateral memorandum of understanding with the Securities and Exchange Board of India (“**SEBI**”) for information sharing arrangements; or
- (iii) which is identified in the public statement of the FATF as: (A) a jurisdiction having strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter-measures apply; or (B) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies; and

“**Restricted Overseas Person**” means (i) a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organization, trust, trustee, executor, administrator or other legal representative) in, or resident in, a Restricted Jurisdiction, and includes a branch of an entity located in a Restricted Jurisdiction; (ii) any multilateral or regional financial institution in which India is not a member country; and (iii) an individual (a) who is not a foreign equity holder (as defined in the ECB Regulations) or (b) who is investing in the Notes which cease to be listed on a stock exchange (which is outside India).

ECB

Availing external commercial borrowings (“**ECB(s)**”) is regulated by the RBI pursuant to the ECB Regulations. Under the ECB Regulations, ECBs may be denominated in Rupee or in any other freely convertible foreign currency and may be in the form of loans or bonds. Indian companies are permitted to issue secured instruments (including fixed rate bonds or notes) under the ECB Regulations. ECBs under the ECB Regulations can be accessed under two routes: (i) the automatic route and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals (however, approvals from an authorized dealer bank may be required on a case-by-case basis for such financings under the automatic route), whereas the approval route requires a prior RBI approval. The ECB Regulations classify ECBs into two categories (i) foreign currency denominated ECBs (“**FCY ECB**”); and (ii) Rupee denominated ECBs (“**INR ECB**”). The Notes will qualify as FCY ECBs. ECBs can be raised by all entities which are eligible to receive foreign direct investment in accordance with applicable Indian law. The Co-Issuers are eligible to receive foreign direct investment and accordingly, permitted to issue the Notes. ECBs can be availed from or offered or sold to any person who is not from a Restricted Jurisdiction, or is not a Restricted Overseas Person.

ECBs can be raised by entities from the eligible lenders set out above without any regulatory approval if the ECB has a minimum average maturity of three years (or if the ECBs are (i) borrowed from or subscribed by a foreign equity holder and utilized for working capital purposes, general corporate purposes or repayment of Rupee loans, five years; (ii) borrowed from or subscribed by a person other than a foreign equity holder and utilized for repayment of Rupee loans availed domestically for capital expenditure, seven years; or (iii) borrowed from or subscribed by a person other than a foreign equity

holder and utilized for working capital purposes, general corporate purposes or repayment of Rupee loans availed domestically for purposes other than capital expenditure, ten years), the all-cost does not exceed: (i) for FCY ECBs: 500 basis points spread over any widely accepted interbank rate or alternative reference rate (ARR) of 6-month tenor, applicable to the currency of borrowing; and (ii) for INR ECBs: 450 basis points spread over the prevailing yield of Indian government securities of a corresponding maturity, and the proceeds of the ECBs are being utilized for the purposes set out in the ECB Regulations.

The maximum amount that any company can raise in a financial year through the ECBs without requiring prior regulatory approval is U.S.\$750 million or its equivalent. There are certain reporting requirements under the ECB Regulations, pursuant to which specified forms have to be filed with the RBI. Prior to any drawdown or issuance, the borrowing Indian Restricted Subsidiaries must obtain a loan registration number (“**LRN**”) from the RBI through its designated authorized dealer bank by filing Form ECB. In addition, the Co-Issuers are required to file the Form ECB 2 return on a monthly basis in accordance with the ECB Regulations through its designated authorized dealer bank. In order to create a charge over immovable assets, movable assets or financial securities of the borrower and for issuing of corporate and/or personal guarantees to secure the ECBs, a no-objection certificate is required to be obtained from the designated authorized dealer bank, which is issued subject to satisfying certain conditions.

Any change in the terms and conditions of the ECBs after obtaining the LRN requires the prior approval of the RBI or the designated authorized dealer bank, as the case may be.

Certain changes (such as amendments to the repayment date, the name of the borrower, recognized lender, cancelation of LRN, or any change to the designated authorized dealer bank) may be approved by the designated authorized dealer bank under a delegated authority from the RBI subject to certain conditions being complied with. Any redemption or prepayment of the Notes prior to their stated maturity, including on the occurrence of an early redemption event or an early prepayment event, as applicable, or default will require the prior approval of the RBI or the designated authorized dealer bank, as the case may be. Changes in ECB are required to be reported to the Department of Statistics and Information Management of the RBI through revised Form ECB at the earliest, in any case not later than seven days from the changes effected.

Foreign Exchange Management Act, 1999

The objective of the Foreign Exchange Management Act, 1999 (“**FEMA**”) is to facilitate external trade and payments and promote the orderly development and maintenance of foreign exchange market in India. The RBI is responsible for the administration of the FEMA.

Foreign investment in India is governed primarily by the provisions of FEMA. The RBI and the Department for Promotion of Industry and Internal Trade (previously known as the Department of Industrial Policy and Promotion) of the GoI which is regulated by the relevant ministries of the GoI, also have power to issue various rules, regulations, and guidelines under FEMA. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Debt Instruments) Regulations, 2019 (“**FEMA DI Regulations**”) and the GoI has notified the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA NDI Rules**”) to regulate investments in India by a person residing outside India and restrictions on receiving investments by Indian entities from persons residing outside India. FEMA DI Regulations and FEMA NDI Rules lay down that unless otherwise specified under FEMA DI Regulations and FEMA NDI Rules and relevant schedules, any investment made by a person residing outside India shall be subject to the entry routes, the investment limits and the attendant conditionalities for such investment as laid down in the FEMA DI Regulations and FEMA NDI Rules. FEMA NDI Rules lay down an additional condition that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with the government approval.

Registration of Charges

In terms of Section 77 of the Companies Act, 2013 every company creating or modifying a charge on its property or assets or any of its undertakings is required to register such charge with the Registrar of Companies within 30 days of creation or modification of the charge.

The Registrar of Companies may, on an application filed by the company, allow such registration to be made within a period of 60 days of creation of the charge on payment of additional fees. The particulars of the charge shall be filed in the form prescribed under Rule 3 of the Companies (Registration of Charges) Rules, 2014 with the Registrar of Companies within the aforementioned time period.

Certain documents creating a mortgage over immovable properties are required to be registered under the Registration Act, 1908 with the sub-registrar of assurances within four months of their execution. If a document is not registered within this time period owing to urgent necessity or unavoidable accident, the registrar of assurances, in cases where the delay in presentation does not exceed four months, may direct that, on payment of such penalties, such document shall be accepted for registration.

Accordingly, every Co-Issuer will be required to make the requisite filings in relation to the security created by it for the Notes in order to perfect the charge created on its assets.

PLAN OF DISTRIBUTION

Each of Deutsche Bank AG, Singapore Branch, Emirates NBD Bank PJSC, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc and Standard Chartered Bank (together, the “**Initial Purchasers**”) has, pursuant to and subject to the terms and conditions set forth in a purchase agreement (the “**Purchase Agreement**”) dated June 18, 2024, severally agreed to purchase the respective principal amount of Notes set out opposite its name below, subject to the provisions of the Purchase Agreement.

Initial Purchaser	Amount
	(U.S.\$)
Deutsche Bank AG, Singapore Branch	130,000,000
Emirates NBD Bank PJSC.	130,000,000
The Hongkong and Shanghai Banking Corporation Limited.	130,000,000
J.P. Morgan Securities plc	130,000,000
Standard Chartered Bank.	130,000,000
Total	<u><u>650,000,000</u></u>

Notes will be so subscribed at the offering price of 100.0% of the principal amount of Notes. Pursuant to the Purchase Agreement, each Co-Issuer has agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act. The Co-Issuers will also pay the Initial Purchasers a commission and pay certain expenses relating to the offering. The Purchase Agreement may be terminated in certain circumstances prior to payment of the offering price to the Co-Issuers.

The Co-Issuers has agreed that, for a period of 90 days after the date of the Purchase Agreement, they will not, directly or indirectly, offer for sale, sell, or otherwise dispose of (or enter into any transaction or device that is designed to, or would be expected to, result in the disposition by any person at any time in the future of) any of its debt securities (excluding any debt securities offered for sale, sold, or otherwise disposed of, solely within India) substantially similar to the Notes, other than as contemplated by the Purchase Agreement, without first receiving the prior written consent of the Initial Purchasers.

To the extent the Initial Purchasers intend to make any offers or sales of the Notes in the United States, or to nationals or residents of the United States, they will do so only through one or more registered broker dealers in compliance with applicable securities laws and regulations, as well as with applicable laws of the various states.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Initial Purchasers or any affiliate of any of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Initial Purchaser or affiliate on behalf of the Co-Issuers in such jurisdiction.

New Issue of Securities

The Notes will constitute a new class of securities with no established trading market. Application shall be made to the GSM segment of the India INX for the listing and trading of the Notes on the India INX. The Co-Issuers cannot guarantee that the Notes will remain listed on the India INX or the prices at which the Notes will sell in the market after the offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after the offering. The Co-Issuers do not intend to apply for listing of the Notes on any national securities exchange in the United States or for quotation of the Notes on any automated dealer quotation system in the United States. The Initial Purchasers have advised the Co-Issuers that they intend to make a market in the Notes after completion

of this offering. They are under no obligation to do so and may discontinue any market making activities at any time without any notice and at their sole discretion. In addition, one or more investors are proposing to purchase up to US\$75 million of the Notes subject to receipt of final approvals. The existence of such significant holders may reduce the liquidity of the Notes in the secondary market. None of the Co-Issuers or the Initial Purchasers are under any obligation to disclose the extent of the distribution of the Notes among individual investors. No assurance can be given as to the liquidity of, or trading markets for, the Notes.

If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the Co-Issuers' operating performance and financial condition, general economic conditions and other factors.

Delivery, Payment and Settlement

The Co-Issuers expect that delivery of the Notes will be made against payment therefore on or about the date specified on the cover page of this Offering Memorandum, which will be the fifth business day following the date of pricing of the Notes (this settlement cycle being referred to as "T+5"). Under Rule 15(c)6-1 under the U.S. Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in one business day unless the parties to such trades expressly agree otherwise.

Purchasers who wish to trade the Notes prior to the date that is one business day prior to the settlement date will be required, by virtue of the fact that the Notes will initially settle in T+5 to specify an alternative settlement cycle at the time of such trade to prevent a failed settlement. Purchasers who wish to trade the Notes prior to the date that is one business day prior to the settlement date should consult their own advisors.

Price Stabilization and Short Positions

In connection with the offering, the Initial Purchasers may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Initial Purchasers may over allot this offering, creating a syndicate short position. The Initial Purchasers may bid for and purchase Notes in the open market to cover syndicate short positions. In addition, the Initial Purchasers may bid for and purchase Notes in the open market to stabilize the price of the Notes. These activities may stabilize or maintain the market price of the Notes above independent market levels. The Initial Purchasers are not required to engage in these activities, and may end any of these activities at any time.

Other Relationships

The Initial Purchasers and their respective subsidiaries or affiliates are part of global investment banking and securities and investment management firms that are engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Initial Purchasers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Co-Issuers or each of their respective subsidiaries, jointly controlled entities or associated companies and may be paid fees in connection with such services from time to time. The Initial Purchasers are also acting as dealer managers in connection with the any and all cash tender offer of the 2027 Notes. In the ordinary course of their various business activities, the Initial Purchasers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisors) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Co-Issuers or each of their respective subsidiaries, jointly controlled entities or associated companies, including the Notes, may be entered into at the same

time or proximate to offers and sales of the Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of the Notes. The Notes may be purchased by or be allocated to any Initial Purchaser or an affiliate for asset management and/or proprietary purposes whether or not with a view to later distribution. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of this offering, including certain Initial Purchasers, are “capital market intermediaries” (**CMI**s) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the **SFC Code**). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMI, which require the attention and cooperation of prospective investors. Certain CMI may also be acting as “overall coordinators” (**OC**s) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Co-Issuers, a CMI or its group companies would be considered under the SFC Code as having an association (**Association**) with the Co-Issuers, the CMI or the relevant group company. Prospective investors associated with the Co-Issuers or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering, and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMI).

If a prospective investor is an asset management arm affiliated with any Initial Purchaser, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Initial Purchaser or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMI in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any Initial Purchaser, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Initial Purchaser when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMI (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Initial Purchaser and/or any other third parties as may be required by the SFC Code, including to the Co-Issuers, any OC, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Initial Purchasers (if any) to categorize it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: investor.info.hk.oc.bond.deals@jpmorgan.com, DCMSyndicateAsia@sc.com and asiasyn@list.db.com.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks).

Prospective investors who are the directors, employees or major shareholders of any of the Co-Issuers, a CMI or its group companies would be considered under the SFC Code as having an Association with the Co-Issuers, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with any of the Co-Issuers or any CMI (including its group companies) and inform the Initial Purchasers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language set out elsewhere in this Offering Memorandum.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Co-Issuers. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Initial Purchasers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code.

Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Manager(s) (if any) to categorize it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information. By submitting an order and providing such information to any Initial Purchaser, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any Initial Purchaser and/or any other third parties as may be required by the SFC Code, including to the Co-Issuers, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Initial Purchasers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Initial Purchaser with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Initial Purchasers that it is not a Sanctions Restricted Person. A “Sanctions Restricted Person” means an individual or entity (a **Person**): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current “Specially Designated Nationals and Blocked Persons” list (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/sdnlist.pdf>) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: <http://www.treasury.gov/ofac/downloads/fse/fselist.pdf>) or (iii) the most current “Consolidated list of persons, groups and entities subject to EU financial sanctions” (which as of the date hereof can be found at: <https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i)-(vi) to the extent that it will not result in violation of any sanctions by the CMIs: (i) their inclusion in the most current “Sectoral Sanctions Identifications” list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the **SSI List**), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the **EU Annexes**), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce’s Bureau of Industry and Security (**BIS**) under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled “Addressing the Threat from Securities Investments that Finance Certain Companies of the People’s Republic of China” (known as the Non-SDN Chinese Military-Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled

“Addressing the threat from Securities Investments that Finance Chinese Military Companies”; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk’s People’s Republic or Luhansk People’s Republic. “Sanctions Authority” means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People’s Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty’s Treasury.

Selling Restrictions

General

No action has been or will be taken in any jurisdiction by Co Issuers or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum (in preliminary or final form) or any other material relating to the Co Issuers or the Notes in any jurisdiction where action for the purpose is required. The Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Persons into whose hands this Offering Memorandum comes are required by the Co Issuers and the Initial Purchasers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession, distribute or publish this Offering Memorandum (in preliminary or final form) or any other offering material relating to the Notes, in all cases at their own expense. This Offering Memorandum does not constitute an offer to purchase or a solicitation of an offer to sell in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the offering, the distribution of this Offering Memorandum and resales of the Notes. See “*Transfer Restrictions.*”

United States

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Notes are being offered and sold outside of the United States in reliance on Regulation S. The Purchase Agreement provides that the Initial Purchasers may directly or through their respective U.S. broker dealer affiliates arrange for the offer and resale of Notes within the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

European Economic Area

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Memorandum in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of sales to UK Retail Investors

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this offering memorandum to any retail investor in the UK. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other Regulatory Restrictions

Each Initial Purchaser has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

India

Each Initial Purchaser has represented and agreed that: (a) this Offering Memorandum has not and will not be registered or produced or made available as an offer document whether as a prospectus in respect of a public offer or an information memorandum or private placement offer letter or other offering material in respect of a private placement under the Companies Act or any other applicable Indian securities laws, with the Registrar of Companies, the Securities and Exchange Board of India or any other statutory or regulatory body of like nature in India; (b) the Notes will not be offered or sold, and have not been offered or sold, in India by means of any document and this Offering Memorandum or any other offering document or material relating to the Notes will not be circulated or distributed and have not been circulated or distributed, directly or indirectly, to any person or the public or any member of the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of any Indian laws; (c) this Offering Memorandum or any material relating to the Notes has not been and will not be circulated or distributed to any prospective investor who is a Restricted Overseas Person; (d) the Notes will not be offered or sold and have not been offered or sold to any person who is a Restricted Overseas Person; (e) this Offering Memorandum or any material relating to the Notes has not been and will not be circulated or distributed to any prospective investor which is an offshore branch or a subsidiary of an Indian bank; and (f) the Notes will not be offered or sold and have not been offered or sold to any person which is an offshore branch or a subsidiary of an Indian bank.

The listing of the Notes by each of the Co Issuers shall be in compliance with the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021 as amended from time to time.

The Notes are only being issued and sold only (A) to (i) a person who is a resident of a FATF compliant jurisdiction or an IOSCO compliant jurisdiction or (ii) multilateral and regional financial institutions where India is a member country; and (B) in compliance with requirements specified by the Reserve Bank of India from time to time in relation to external commercial borrowings by Indian entities (including those set out under the ECB Regulations) and are not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling the Notes.

Hong Kong

Each Initial Purchaser has represented and agreed that:

- (o) it has not offered or sold and will not offer or sell in Hong Kong by means of any document, any Notes other than (1) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (2) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (p) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Initial Purchaser has acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Singapore SFA Product Classification: *In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Co Issuers have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04 N12: Notice on the Sale of Investment Products and MAS Notice FAA N16: Notice on Recommendations on Investment Products).*

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948) (as amended) (the “**FIEL**”), and disclosure under the FIEL has not been made with respect to the Notes. Accordingly, the Notes may not be offered or sold, directly or indirectly in Japan or to, or for the account of, any resident of Japan, or to others for reoffering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan, except pursuant to any exemption from the registration requirements of the FIEL and otherwise in compliance with the FIEL and other applicable provisions of Japanese laws and regulations. As used in this paragraph, “resident of Japan” means any person residing in Japan, including any corporation or other entity organized under the laws of Japan.

People’s Republic of China

This Offering Memorandum does not constitute a public offer of the Notes, whether by sale or by subscription, in the People’s Republic of China. The Notes will not be offered or sold within the People’s Republic of China by means of this Offering Memorandum or any other document.

Switzerland

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or any other exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes (i) a prospectus as such term is understood pursuant to Article 652a or 1156 of the Swiss Code of Obligations or (ii) a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Offering Memorandum nor any other marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland. In addition, this Offering Memorandum nor any other offering or marketing material relating to the Notes may not comply with the Directive for Notes of Foreign Borrowers of the Swiss Bankers Association. The Notes are being offered in Switzerland by way of private placement, without any public advertisement and only to investors who do not purchase the Notes with the intention to distribute them to the public. The investors will be individually approached directly from time to time. This Offering Memorandum, as well as any other offering or marketing material relating to the Notes, is personal and confidential and does not constitute an offer to any other person. This Offering Memorandum, as well as any other offering or marketing material relating to the Notes, may only be used by those investors to whom it has been handed out in connection with the offering and may neither directly nor indirectly be distributed or made available to other persons without the relevant Issuer’s express consent.

Canada

The Notes may be sold in Canada or any province or territory thereof only to purchasers purchasing, or deemed to be purchasing, as principal that are both (i) accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and (ii) permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment hereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Under Canadian securities law, National Instrument 33-105 Underwriting Conflicts (NI 33-105) provides disclosure requirements with respect to potential conflicts of interest between an issuer and underwriters, dealers or placement agents, as the case may be. To the extent any conflict of interest between us and the Initial Purchasers (or any other dealer acting in connection with this offering) may exist in respect of this offering, the applicable parties to this offering are relying on the exemption from these disclosure requirements provided to them by section 3A.3 of NI 33-105 (Exemption based on U.S. disclosure).

Upon receipt of this document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

TRANSFER RESTRICTIONS

Investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes.

The Notes have not been and will not be registered under the Securities Act, or any state securities laws, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Co-Issuers are offering and selling the Notes to the Initial Purchasers for re offer and resale only:

- in the United States to persons reasonably believed to be QIBs in reliance on Rule 144A; and
- outside the United States in an “offshore transaction” in accordance with Rule 904 under the Securities Act.

The terms “offshore transactions” and “United States” have the meanings given to them in Regulation S.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Co Issuers and the Initial Purchasers as follows:

- (1) You understand and acknowledge that the Notes have not been registered under the Securities Act or any other applicable securities laws and that the Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A under the Securities Act, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (4) and (5) below.
- (2) You are not an “affiliate” (as defined in Rule 144 under the Securities Act) of the Co Issuers or acting on the Co Issuers’ behalf and that either:
 - (a) you are a QIB as defined in Rule 144A under the Securities Act and are aware that any sale of these Notes to you will be made in reliance on Rule 144A under the Securities Act, and such acquisition will be for your own account or for the account of another QIB; or
 - (b) you are purchasing the Notes in an “offshore transaction” as defined in, and pursuant to, Regulation S.
- (3) You acknowledge that none of the Co Issuers or the Initial Purchasers, nor any person representing any of them, has made any representation to you with respect to the Co Issuers or the offer or sale of any of the Notes, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchasers nor any person representing the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning the Co Issuers and the Notes as you have deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Co Issuers and the Initial Purchasers.

- (4) You are purchasing the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.
- (5) You agree on your own behalf and on behalf of any investor account or accounts for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the “**Resale Restriction Termination Date**”) that is one year (in the case of Rule 144A Notes) after the later of the date of the original issue and the last date on which Co Issuers or any of their affiliates were the owner of such Notes (or any predecessor thereto) only (i) to the Co Issuers, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the Securities Act, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Co Issuers’ and the Trustee’s rights prior to any such offer, sale or transfer (I) pursuant to clause (v), to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.
- (6) You agree that the Notes will not be offered or sold to any person who is from a Restricted Jurisdiction or is a Restricted Overseas Person.

where

“**Restricted Jurisdiction**” means any jurisdiction:

- (i) which is not a member of the FATF or a member of a FATF style regional body;
- (ii) whose securities market regulator is not a signatory to the International Organization of Securities Commission’s (IOSCO’s) “Multilateral Memorandum of Understanding (Appendix A Signatories)” or a signatory to a bilateral memorandum of understanding with the SEBI for information sharing arrangements; or
- (iii) which is identified in the public statement of the FATF as:
 - (a) a jurisdiction having strategic Anti Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; or
 - (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies; and

“Restricted Overseas Person” means (i) a person (including an individual, partnership, unincorporated syndicate, limited liability company, unincorporated organization, trust, trustee, executor, administrator or other legal representative) in, or resident in, a Restricted Jurisdiction, and includes a branch of an entity located in a Restricted Jurisdiction; (ii) any multilateral or regional financial institution in which India is not a member country; and (iii) an individual (a) which is not a foreign equity holder (as defined in the ECB Regulations) or (b) if the Notes cease to be listed on a stock exchange (which is not in India).

Each purchaser acknowledges that the Rule 144A Global Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”)), (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE “**RESALE RESTRICTION TERMINATION DATE**”) WHICH IS ONE YEAR AFTER THE LATER OF THE CLOSING DATE AND THE LAST DATE ON WHICH THE CO-ISSUERS OR ANY OF THEIR RESPECTIVE AFFILIATES WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE CO-ISSUERS, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE CO-ISSUERS’ AND THE TRUSTEE’S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; AND (4) AGREES THAT IT IS A PERSON WHO IS NOT A RESTRICTED OVERSEAS PERSON OR FROM A RESTRICTED JURISDICTION, WHERE “**RESTRICTED JURISDICTION**” MEANS ANY JURISDICTION: (I) WHICH IS NOT A MEMBER OF THE FATF OR A MEMBER OF A FATF STYLE REGIONAL BODY; (II) WHOSE SECURITIES MARKET REGULATOR IS NOT A SIGNATORY TO THE INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSION’S (IOSCO’S) “MULTILATERAL MEMORANDUM OF UNDERSTANDING (APPENDIX A SIGNATORIES)” OR A SIGNATORY TO A BILATERAL MEMORANDUM OF UNDERSTANDING WITH THE SEBI FOR INFORMATION SHARING ARRANGEMENTS; OR (III) WHICH IS IDENTIFIED IN THE PUBLIC STATEMENT OF THE FATF

AS: (A) A JURISDICTION HAVING STRATEGIC ANTI MONEY LAUNDERING OR COMBATING THE FINANCING OF TERRORISM DEFICIENCIES TO WHICH COUNTER MEASURES APPLY; OR (B) A JURISDICTION THAT HAS NOT MADE SUFFICIENT PROGRESS IN ADDRESSING THE DEFICIENCIES OR HAS NOT COMMITTED TO AN ACTION PLAN DEVELOPED WITH THE FATF TO ADDRESS THE DEFICIENCIES; AND “**RESTRICTED OVERSEAS PERSON**” MEANS (I) A PERSON (INCLUDING AN INDIVIDUAL, PARTNERSHIP, UNINCORPORATED SYNDICATE, LIMITED LIABILITY COMPANY, UNINCORPORATED ORGANIZATION, TRUST, TRUSTEE, EXECUTOR, ADMINISTRATOR OR OTHER LEGAL REPRESENTATIVE) IN, OR RESIDENT IN, A RESTRICTED JURISDICTION, AND INCLUDES A BRANCH OF AN ENTITY LOCATED IN A RESTRICTED JURISDICTION; (II) ANY MULTILATERAL OR REGIONAL FINANCIAL INSTITUTION IN WHICH INDIA IS NOT A MEMBER COUNTRY; AND (III) AN INDIVIDUAL (A) WHICH IS NOT A FOREIGN EQUITY HOLDER (AS DEFINED IN THE ECB REGULATIONS) OR (B) IF THE NOTES CEASE TO BE LISTED ON A STOCK EXCHANGE (WHICH IS NOT IN INDIA).

If you purchase Notes represented by the Rule 144A Global Note, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

- (1) You understand that the issuance of Additional Notes under the Indenture may have the effect of extending the Resale Restriction Termination Date.
- (2) You agree that you will give to each person to whom you transfer the Notes notice of any restrictions on the transfer of such Notes.
- (3) You acknowledge that the Registrar will not be required to accept for registration or transfer any Notes acquired by you except upon presentation of evidence satisfactory to the Co Issuers and the Registrar that the restrictions set forth therein have been complied with.
- (4) You acknowledge that the Co Issuers, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgments, representations, warranties and agreements and agrees that if any of the acknowledgments, representations, warranties and agreements deemed to have been made by your purchase of the Notes is no longer accurate, you shall promptly notify the Co Issuers and the Initial Purchasers. If you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgments, representations and agreements on behalf of each such investor account.
- (5) You understand that no action has been taken in any jurisdiction (including the United States) by the Co Issuers or the Initial Purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Co Issuers or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth under “Plan of Distribution.”
- (6) You agree that the Notes will not be offered or sold to any person who is from a Restricted Jurisdiction or is a Restricted Overseas Person.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by Linklaters Singapore Pte. Ltd. with respect to matters of U.S. federal securities law and New York laws and by Shardul Amarchand Mangaldas & Co with respect to matters of Indian law. Certain legal matters with respect to the offering of the Notes will be passed upon for the Initial Purchasers by Ashurst LLP with respect to matters of U.S. federal securities laws and New York laws and Talwar Thakore & Associates with respect to Indian law.

INDEPENDENT AUDITORS

The Restricted Group 2's special purpose combined financial statements for the fiscal years ended March 31, 2021 and March 31, 2022 have been audited by S R B C & CO LLP Chartered Accountant as set forth in their reports thereon. The Restricted Group 2's special purpose combined financial statements for the fiscal years ended March 31, 2023 and March 31, 2024 have been audited by, Deloitte Haskins & Sells LLP as set forth in their reports thereon.

The Restricted Group 2's special purpose combined interim financial statements for the nine months ended December 31, 2023 have been reviewed by Deloitte Haskins & Sells LLP.

DESCRIPTION OF CERTAIN DIFFERENCES BETWEEN INDIAN GAAP, IND AS AND IFRS

The Restricted Group 2's audited special purpose combined financial statements as of and for the fiscal years ended March 31, 2021, 2022 and 2023 and the Restricted Group 2's unaudited special purpose combined interim financial statements for the nine months ended December 31, 2023 were prepared in accordance with Indian GAAP and taking into account the Guidance Note. The Restricted Group 2's audited special purpose combined financial statements as of and for the fiscal year ended March 31, 2024 were prepared in accordance with Ind AS. Certain differences exist between Indian GAAP, IFRS and Ind AS which might be material to the financial information herein.

*The areas in which differences between Indian GAAP, IFRS and Ind AS could be significant to the combined financial position and combined results of operations of Restricted Group 2 are summarised below. IFRS being the exhaustive sets of standards, rules and interpretations issued by the International Accounting Standards Board ("**IASB**"), no assurance can be given that the differences listed below cover all possible differences.*

Further, no attempt has been made to identify differences between Indian GAAP, Ind AS and IFRS as a result of prescribed changes in accounting standards that are effective in future periods. Regulatory bodies that promulgate the Indian GAAP, Ind AS and the IFRS have significant projects ongoing that could affect future comparisons such as this one.

Potential investors should consult their own advisers for an understanding of the principal differences between the Indian GAAP, Ind AS and the IFRS, and how these differences might affect the financial statements appearing in this Offering Memorandum.

Summary of Certain Differences

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
1	Presentation of Financial Statement-	<p><u>Presentation of OCI or similar items</u></p> <p>There is no concept of OCI. All incomes, expenses, gains and losses are presented in the income statement except certain items are required to be directly recognized in reserves. For example, revaluation surplus and foreign currency translation reserve.</p> <p><u>Statement of Changes in Equity</u></p> <p>Indian GAAP does not require a statement of changes in equity. However, information relating to the appropriation of profits and movement in capital and reserves is presented in the line items ‘share capital’ and ‘reserves and surplus’ in the balance sheet.</p> <p><u>Other disclosures:</u></p> <p>There are no specific disclosure requirements under Indian GAAP for:</p> <p>(a) critical judgments made by the management in applying accounting policies.</p> <p>(b) key sources of estimation about the uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and</p> <p>(c) information that enables users of its financial statements to evaluate the entity’s objectives, policies and processes for managing capital.</p>	<p><u>Presentation of OCI or similar items</u></p> <p>IFRS provides an option either to follow the single-statement approach or to follow the two-statement approach. In the single-statement approach, all items of income and expense are recognized in the statement of profit and loss; in the two-statement approach, two statements are prepared, one displaying components of profit or loss (separate income statement) and the other beginning with profit or loss and displaying components of other comprehensive income.</p> <p>Certain specified transactions are required to be presented as OCI items which may be presented as part of the extended income statement or in a separate statement.</p> <p><u>Statement of Changes in Equity</u></p> <p>IAS 1 requires the presentation of all transactions with equity holders in their capacity as equity holders to be presented in the Statement of Changes in Equity (“SOCIE”). The SOCIE is considered to be an integral part of the financial statements.</p> <p><u>Other disclosures:</u></p> <p>IFRS requires disclosure of:</p> <p>(a) critical judgments made by the management in applying accounting policies;</p> <p>(b) key sources of estimation about the uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and</p> <p>(c) information that enables users of its financial statements to evaluate the entity’s objectives, policies and processes for managing capital.</p>	Similar to IFRS

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
2	Cash Flow Statement	<p><u>Cash and Cash Equivalents:</u></p> <p>Generally, investments with original maturities of three months or less from the date of acquisition qualify as cash equivalent.</p> <p><u>Interest paid and dividend paid:</u></p> <p>In the case of enterprises other than financial enterprise, cash flows arising from interest paid should be classified as cash flows from financing activities while interest and dividends received should be classified as cash flows from investing activities. Dividends paid should be classified as cash flows from financing activities.</p>	<p><u>Cash and Cash Equivalents:</u></p> <p>Similar to Indian GAAP except that cash equivalent includes bank overdraft in certain situations.</p> <p><u>Interest paid and dividend paid:</u></p> <p>Cash flows from interest and dividends can be classified as either operating, financing or investing cash flows in a consistent manner from period to period.</p>	Similar to IFRS
3	Change in accounting policy	<p>Accounting policy is changed in response to new or revised accounting standards or on a voluntary basis if the new policy is more appropriate.</p> <p>Requires prospective application (unless an accounting standard requires otherwise) together with a disclosure of the impact of the same, if material. Cumulative effect of the change is recognized in the year of change in the profit and loss.</p>	<p>Similar to Indian GAAP</p> <p>Requires retrospective application by adjusting opening equity and comparatives unless impracticable.</p>	Similar to IFRS
4	New accounting pronouncements	Not required to be disclosed.	New accounting pronouncements have been issued but are not yet effective as of the end of the reporting period and not earlier adopted need to be disclosed for any known or reasonably estimable information relevant to assessing the possible impact that the application of the new accounting pronouncements will have on the financial statements on initial application.	Similar to IFRS
5	Prior period items:	Prior period items are normally included in the determination of net profit or loss for the current period. An alternative approach is to show such items in the statement of profit and loss after determination of current net profit or loss. In either case, the objective is to indicate the effect of such items on the current profit or loss.	Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.	Similar to IFRS

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
6	Taxes	<p><u>Deferred Tax Measurement:</u></p> <p>Deferred tax assets and liabilities should be measured using the tax rate and tax laws that have been enacted or substantively enacted at the balance sheet date. In practice, deferred tax is measured based on the expected manner of settlement of liability or recovery of an asset.</p> <p><u>Deferred Tax Recognition:</u></p> <p>AS 22 requires recognition of tax consequences of differences between taxable income and accounting income. For this purpose, differences between taxable income and accounting income are classified into permanent and timing differences.</p> <p>Deferred tax assets should be recognized and carried forward when it is reasonably certain that future taxable profit will be available for reversal of the deferred tax assets. However, where an entity has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognized only when there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.</p> <p><u>Deferred tax on unrealized intragroup profits:</u></p> <p>Deferred tax on unrealized intragroup profits is not recognized. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation.</p>	<p><u>Deferred Tax Measurement:</u></p> <p>Similar to Indian GAAP except that IAS 12 specifically requires deferred tax to be measured based on the expected manner of settlement of liability or recovery of an asset.</p> <p><u>Deferred Tax Recognition:</u></p> <p>IAS 12 requires recognition of tax consequences of differences between the carrying amounts of assets and liabilities and their tax base.</p> <p>Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which deductible temporary differences and unused tax losses and unused tax credits carried forward can be utilised.</p> <p><u>Deferred tax on unrealized intragroup profits:</u></p> <p>Unlike Indian GAAP, deferred taxes on elimination of intragroup profits and losses are calculated with reference to the tax rate of the buyer at the end of the reporting period.</p>	Similar to IFRS
7	Property, plant and equipment	<p><u>Initial Recognition:</u></p> <p>Cost includes all expenditure directly attributable in bringing the asset to the present location and working conditions for its intended use.</p>	<p><u>Initial Recognition:</u></p> <p>Similar to Indian GAAP</p>	Similar to IFRS
				On transition to Ind AS, the Restricted Group 2 has elected to continue with the carrying value of all of its property, plant and equipment recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
8	Service Concession arrangement	<p>There is no specific guidance.</p> <p><u>Depreciation:</u></p> <p>Management based on technical estimates determines the useful lives to be used for different categories of assets along with component accounting. If different life use for assets other than defined under the local regulations, the basis for selection of different life to be disclosed in financial statements.</p> <p><u>Change in the method of accounting:</u></p> <p>Under Indian GAAP, the change in method of depreciation has to be accounted as change in estimates and applied prospectively.</p>	<p>IFRS provide for two type of service concession arrangements.</p> <p>Financial asset — the operator receives a financial asset, specifically an unconditional contractual right to receive a specified or determinable amount of cash or another financial asset from the government in return for constructing or upgrading a public sector asset, and then operating and maintaining the asset for a specified period of time. This category includes guarantees by the government to pay for any shortfall between amounts received from users of the public service and specified or determinable amounts.</p> <p>Intangible asset — the operator receives an intangible asset — a right to charge for use of a public sector asset that it constructs or upgrades and then must operate and maintain for a specified period of time. A right to charge users is not an unconditional right to receive cash because the amounts are contingent on the extent to which the public uses the service.</p> <p><u>Depreciation:</u></p> <p>Depreciation is based on the ‘component’ approach; depreciation is charged over the estimated useful life of the asset. Depreciation method should reflect the pattern of the future economic benefits associated with the asset.</p> <p><u>Change in the method of accounting:</u></p> <p>Changes in depreciation method are considered as a change in accounting estimate and applied prospectively</p>	<p>Similar to IFRS</p> <p>On transition to Ind AS, the Restricted Group 2 has derecognized all property, plant and equipment related to power plant and recognized intangible asset of Power Purchase Arrangements at previous carrying amount of property, plant and equipment as on the transition date.</p>

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
9	Lease	<p><u>Definition</u></p> <p>A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.</p> <p><u>Scope:</u></p> <p>The scope of lease is not restricted to property, plant and equipment. Accordingly, it may be applied more broadly, except, land. Lease arrangement to use land are scoped out Generally, long term lease of land (e.g., 99 years) is classified as property, plant and equipment. Further, there is no specific guidance on lease of biological assets.</p> <p>AS 19 Leases does not provide any specific guidance to determine whether as arrangement in substance convey right to use an asset and therefore lease accounting is usually applied to transaction which are structured as lease.</p> <p><u>Classification:</u></p> <p>AS 19 requires classification of Leases as either finance leases or operating leases.</p>	<p><u>Definition</u></p> <p>The definition of lease is similar to that in AS 19. But, in IFRS 16, there is substantial change in the guidance of how to apply this definition. The changes primarily relate to the concept of ‘control’ used in identifying whether a contract contains a lease or not. IFRS 16 provides detailed guidance on whether an arrangement contains a lease or whether there are non-lease/ service components within the arrangement.</p> <p><u>Scope:</u></p> <p>The scope of lease is not restricted to property, plant and equipment. Accordingly, it may be applied more broadly. (For example, to inventory and intangible assets)</p> <p>However, the standard cannot be applied to leases of biological assets, licensing agreements, or leases to explore for or use minerals, oil, natural gas, and similar non-regenerative resources.</p> <p><u>Classification:</u></p> <p>IFRS 16 eliminates the requirement of classification of leases as either operating leases or finance leases for a lessee and instead, introduces a single lease accounting model which requires lessee to recognise right of use asset and lease liabilities for all leases unless it applies the recognition exemption (for leases of low value assets or short-term leases).</p>	<p>Similar to IFRS</p> <p>On transition to Ind AS, The Restricted Group 2 has applied paragraphs 9-11 of Ind AS 116 to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.</p> <p>Following is the summary of practical expedients elected on initial application (on a lease-by-lease basis):</p> <ul style="list-style-type: none"> • Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date • Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application • Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application <p>Used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.</p>

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
10	Revenue	<p><u>Definition</u></p> <p>Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities from the sale of goods, from the rendering of services and from the use by others of entity resources yielding interest, royalties and dividends.</p> <p><u>Service Concession arrangement:</u></p> <p>There is no specific guidance.</p> <p><u>Recognition:</u></p> <p>Revenue recognition criteria primarily include transfer of significant risk and rewards of ownership and at the time of performance, it is not unreasonable to expect ultimate collection and there is no significant uncertainty regarding the amount of consideration that will be derived.</p> <p><u>Measurement:</u></p> <p>Revenue is recognized at the consideration received or receivable.</p>	<p><u>Definition</u></p> <p>Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.</p> <p><u>Service Concession arrangement:</u></p> <p>Generally, the operator would not account for these arrangements as leases, unless the operator has a right to use some physically separable, independent, and cash generating portion of the infrastructure, or if the facilities are used to provide purely ancillary unregulated services. In these cases, there may in substance be a lease from the grantor to the operator, which should be accounted for in accordance with IFRS 16.</p> <p>The operator will account for construction or upgrade services and operation services in accordance with IFRS 15. The consideration to be received by the operator in exchange for construction or upgrade services may result in the recognition of a financial asset, an intangible asset or a combination of both. It is necessary to account for each component separately. The operator recognizes a financial asset to the extent that it has an unconditional right to receive a specified or determinable amount of cash or other financial assets for the construction services. The operator recognizes an intangible asset to the extent that it has a right to charge fees to users of the public services. Accordingly, determining who is the customer in a service concession arrangement depends on the nature of the consideration received by the operating entity and the facts and circumstances of the arrangement.</p>	<p>Similar to IFRS</p> <p>On transition to Ind AS, the Restricted Group 2 has availed the practical expedient to not apply Ind AS 115 retrospectively on completed contracts.</p>

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
			<p>Additionally, in some of these service concession arrangements, the operator will make payments to the grantor. If payments are for a right to a separate good or service, the operator applies the applicable IFRS guidance for that good or service. If payments are for the right to use a separate asset, the operator assesses whether the arrangement contains a lease. If the service concession arrangement results in the operator having only a contractual right to receive cash from the grantor, the operator accounts for those payments as a reduction of the transaction price under IFRS 15. If the service concession arrangement results in the operator having only a right to charge users of the public service, the operator has received an intangible asset in exchange for the payments to be made to the grantor. The operator may have a contractual obligation to maintain or restore the infrastructure to a specified condition before it is returned to the grantor at the end of the arrangement, which should be recognized and measured in accordance with IAS 37.</p>	
			<p><u>Recognition and Measurement:</u></p>	
			<p>The following five steps of revenue recognition and illustrative practical application for the most common scenarios:</p>	
			<ul style="list-style-type: none"> • Identify the contract. • Identify separate performance obligations. • Determine the transaction price. • Allocate transaction price to performance obligations. • Recognise revenue when each performance obligation is satisfied. • In determining the transaction price for the sale of power, the effects of variable considerations are considered. 	

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
11	Employee benefits	<p><u>Post-employment defined benefits Actuarial gains and losses:</u></p> <p>Projected unit credit method is used to perform actuarial valuations. All actuarial gains and loss are recognized immediately in profit or loss.</p> <p><u>Measurement frequency:</u></p> <p>Detailed actuarial valuation to determine present value of the benefit obligation is carried out at least once in every three years, and fair value of plan assets are determined at each balance sheet date.</p>	<p><u>Post-employment defined benefits Actuarial gains and losses:</u></p> <p>Remeasurement are recognized immediately in OCI. There is no option to recognize gains/losses in profit or loss. In addition, the “corridor and spreading” option — which allows delayed recognition of gains and losses is prohibited.</p> <p>Once recognized in OCI, gains/ losses are not subsequently recorded within or reclassified to profit or loss. The standard no longer requires that the amounts recognized in OCI be immediately taken to retained earnings, they can remain in a specific reserve or other reserves within equity.</p> <p><u>Measurement frequency:</u></p> <p>Employers typically remeasures the benefits obligation and plan assets at each interim period to determine the balance sheet and OCI component, but that will not lead to a change in service cost or interest cost.</p> <p>IFRS does not provide for a practical expedient to use a measurement date other than the end of the fiscal year or interim period.</p>	Similar to IFRS
12	Government grants	<p><u>Recognition:</u></p> <p>Government grants are recognized when there is a reasonable assurance that the entity will comply with relevant conditions and that grant has been earned and it is reasonably certain that grant will be received.</p> <p><u>Grants in the nature of promoter contribution:</u></p> <p>Government grants in the nature of promoters’ contribution i.e., they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay and no repayment is ordinarily expected, are credited directly to shareholders’ funds.</p>	<p><u>Recognition:</u></p> <p>Government grants are recognized once there is reasonable assurance that both the conditions for their receipt will be met and the grant will be received. Income based grants are deferred in the balance sheet and released to the income statement to match the related expenditure that they are intended to compensate. Asset based grants are deferred and matched with the depreciation on the asset for which the grant arises.</p> <p><u>Grants in the nature of promoter contribution:</u></p> <p>IFRS prohibits recognition of grants directly in the shareholders, funds.</p>	Similar to IFRS

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
		<p><u>Non-monetary government grant:</u></p> <p>Non-monetary government grants received at concessional rates are usually accounted at their acquisition cost. Further, non-monetary asset received free of cost are recorded at a nominal value.</p> <p><u>Asset related grant:</u></p> <p>Similar to IFRS for depreciable assets. Grant related to non-depreciable asset are credited to capital reserve, as there is usually no charge to income in respect of such assets. However, if a grant related to a non-depreciable asset requires the fulfilment of certain obligations, the grant is credited to income over the same period over which the cost meeting such obligation is charged to income.</p>	<p><u>Non-monetary government grant:</u></p> <p>A Government grant may take the form of a transfer of a non-monetary asset, such as land or other resources, for the use of the entity. In these circumstances, it is usual to assess the fair value of the non-monetary asset and to account for both grant and asset at that fair value. An alternative course that is sometimes followed is to record both asset and grant at a nominal amount.</p> <p><u>Asset related grant:</u></p> <p>Grants that involve recognized asset are presented in the balance sheet either as deferred income or by deducting the grant in arriving at the asset's carrying amount, in which case the grant is recognized as a reduction of depreciation.</p> <p>However, if a grant related to a non-depreciable asset requires the fulfilment of certain obligation, the grant is credited to income over the same period over which the cost of meeting such obligations is charged to income.</p>	
13	Foreign Currency translation	<p><u>Functional currency:</u></p> <p>Indian GAAP does not define functional or presentation currency. Generally, entity's functional currency is the currency of the country in which it is domiciled.</p> <p><u>Recognition of exchange difference arising on translation of foreign currency transactions:</u></p> <p>Recognized in the statement of profit and loss. However, an entity has an option to recognize unrealized exchange differences on translation of certain long term monetary assets/liabilities directly in equity or as adjustment to cost of an asset. The amount so accumulated in equity shall be transferred to profit or loss over the period of maturity of such long-term monetary items in an appropriate manner.</p>	<p><u>Functional currency:</u></p> <p>Functional currency is defined as the currency of the primary economic environment in which an entity operates. Entities should give priority to number of primary indicators before considering secondary indicators when the indicators are mixed and the functional currency is not obvious.</p> <p><u>Recognition of exchange difference arising on translation of foreign currency transactions:</u></p> <p>All exchange differences arising on translation of foreign currency transactions are generally recognised in profit or loss.</p>	Similar to IFRS

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
		<p><u>Foreign operation:</u></p> <p>Exchange difference on monetary items that in substance form part of the net investment in a non-integral foreign operation, are recognized in foreign currency translation reserve both in the separate and consolidated financial statements and recognized as income or expense at the time of disposal of that net investment.</p>	<p><u>Foreign operation:</u></p> <p>The results and financial position of an entity whose functional currency is not the currency of a hyperinflationary economy are translated into a different presentation currency using the following procedures:</p> <ul style="list-style-type: none"> • assets and liabilities for each balance sheet presented (including comparatives) are translated at the closing rate at the date of that balance sheet. This would include any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as part of the assets and liabilities of the foreign operation; • income and expenses for each income statement (including comparatives) are translated at exchange rates at the dates of the transactions; and • all resulting exchange differences are recognised in other comprehensive income. <p>Special rules apply for translating the results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy into a different presentation currency.</p> <p>Where the foreign entity reports in the currency of a hyperinflationary economy, the financial statements of the foreign entity should be restated as required by IAS 29 Financial Reporting in Hyperinflationary Economies, before translation into the reporting currency.</p>	
14	Borrowing cost	<p><u>Recognition of borrowing costs:</u></p> <p>Income earned on the temporary investments of the borrowings specific to a qualifying asset is reduced from the borrowing costs for capitalization.</p>	<p><u>Recognition of borrowing costs:</u></p> <p>Similar to Indian GAAP.</p>	Similar to IFRS

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
15	Related Party Disclosure	<p><u>Definition</u></p> <p>Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.</p> <p>Key management personal and their relatives are related parties. Key management personal are the persons who have the authority and responsibility for planning, directing and controlling the activities of the reporting entity.</p>	<p><u>Definition</u></p> <p>A related party is a person or an entity that is related to the reporting entity:</p> <p>A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel.</p> <p>An entity is related to a reporting entity if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of the reporting entity, or it is controlled, jointly controlled, or significantly influenced or managed by a person who is a related party.</p>	Similar to IFRS
16	Financial Instrument	<p><u>Classification of Financial instrument:</u></p> <p>There is no specific guidance on classification of financial instrument.</p>	<p><u>Classification of Financial instrument:</u></p> <p>IFRS 9 classifies all financial instrument either to be measured at amortised cost or fair value.</p> <p>Where a financial assets are measured at fair value, gain and losses are either recognised entirely in profit or loss (fair value through profit or loss, FVTPL), or recognised in other comprehensive income (fair value through other comprehensive income, FVTOCI).</p> <p>Two measurement categories continue to exist: FVTPL and amortised cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the fair value option is applied.</p>	Similar to IFRS

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
17	Impairment	<p><u>Frequency of impairment testing:</u></p> <p>An entity should test the assets or a cash generating unit for impairment at the end of each reporting period if the impairment indicators exist. However, an entity should test the following assets for impairment annually irrespective of whether the impairment indicators exist or not:</p> <ul style="list-style-type: none"> • an intangible asset not yet available for use; and • an intangible asset with an estimated useful life of more than ten years. <p>Cash Generating Unit (“CGU”) is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.</p> <p><u>Level of impairment testing:</u></p> <p>Tested at CGU level.</p> <p><u>Measurement of impairment loss on goodwill:</u></p> <p>There are different amortization/impairment models for goodwill depending on the relevant accounting standard applicable to the transaction.</p> <p>Goodwill on consolidation under AS 21 is not amortized and an assessment whether there is any indication of the goodwill being impaired is carried out at every balance sheet date. Goodwill arising on amalgamation under AS 14 is amortized over a period not exceeding five years unless somewhat longer period can be justified. Such goodwill is tested for impairment when there is any indication of impairment pursuant to AS 28.</p>	<p><u>Frequency of impairment testing:</u></p> <p>Similar to Indian GAAP. However, an entity should test the following assets for impairment annually irrespective of whether the impairment indicators exist or not:</p> <ul style="list-style-type: none"> • an intangible asset not yet available for use; • an intangible asset with an indefinite useful life; and • goodwill acquired in a business Combination. <p>Similar to Indian GAAP</p> <p><u>Level of impairment testing:</u></p> <p>Similar to Indian GAAP.</p> <p><u>Measurement of impairment loss on goodwill:</u></p> <p>Similar to Indian GAAP. The impairment test is a one-step process. If the recoverable amount is below the carrying amount, an impairment loss is recognised. Recoverable amount is the higher of value in use and fair value less costs to sell. Value in use is future discounted cash flows from an asset, or cash-generating unit.</p> <p><u>Measurement of impairment loss for other non-financial assets:</u></p> <p>Similar to Indian GAAP</p> <p><u>Reversal of impairment loss of Goodwill:</u></p> <p>Reversal of impairment is permitted except for those relating to goodwill.</p>	Similar to IFRS

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
		<p><u>Measurement of impairment loss for other non-financial assets:</u></p> <p>Impairment loss is recognized if the asset's or CGU's carrying amount exceeds its recoverable amount of the CGU (higher of fair values less costs to sell and value in use, which is based on the net present value of future cash flows).</p> <p><u>Reversal of impairment loss of Goodwill:</u></p> <p>Reversal of impairment loss is recognized in profit and loss. An impairment loss recognized for goodwill should not be reversed in a subsequent period unless certain conditions are satisfied.</p> <p><u>Measurement of reversal of impairment loss:</u></p> <p>Entity should increase the value of the asset to its current recoverable amount. However, current recoverable amount should not exceed the carrying amount of the asset that would have existed if no impairment loss had been recognized.</p>		
18	Provisions, contingent liabilities and contingent assets	<p><u>Recognition:</u></p> <p>A provision is recognized for a present obligation arising from past event, if the liability is considered probable and can be reliably estimated. Probable means more likely than not. Constructive obligations are not recognized.</p> <p><u>Measurement:</u></p> <p>The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date.</p> <p>The amount of a provision is not discounted to its present value.</p>	<p><u>Recognition:</u></p> <p>Similar to Indian GAAP except that constructive obligations are also recognized.</p> <p><u>Measurement:</u></p> <p>Similar to Indian GAAP</p> <p>Where the effect of the time value of money is material, the provision shall be discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.</p>	Similar to IFRS

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
19	Fair value	<p>There is no framework for measuring fair value for financial reporting. For example, unlike IFRS 15.</p> <p>(a) Inputs to Valuation techniques (that is., fair value hierarchy);</p> <p>(b) Concepts such as highest and best use, most advantageous market and principal market; or</p> <p>(c) Fair value disclosures.</p>	<p>Establishes a single framework for measuring fair value for financial reporting.</p>	Similar to IFRS
20	Hedge Accounting	<p>Hedge accounting is done as per the Guidance note on Accounting for Derivative Contracts issued by The Institute of Chartered Accountants of India (ICAI) in 2021.</p> <p>At the inception of hedge, the hedge relationship, the risk management objective and strategy for undertaking the hedge should be formally designated and documented to apply hedge accounting.</p> <p>The documentation includes the risk management objective and strategy for undertaking hedge, the hedging/economic relationship, identification of the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.</p> <p>The effective portion of the gain or loss on the hedging instrument is recognized directly under shareholders fund in the "Hedge reserve", while any ineffective portion is recognized immediately in the statement of profit and loss.</p>	<p>Hedge accounting is done as per IFRS 9, Financial instruments.</p> <p>At the inception of hedge, the hedge relationship, the risk management objective and strategy for undertaking the hedge should be formally designated and documented to apply hedge accounting.</p> <p>The documentation includes the risk management objective and strategy for undertaking hedge, the hedging/economic relationship, identification of the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.</p> <p>The effective portion of the gain or loss on the hedging instrument is recognised in Other Comprehensive Income (OCI) in the Effective portion of cash flow hedges, while any ineffective portion is recognised immediately in the statement of profit and loss. The Effective portion of cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.</p>	Similar to IFRS

Sr. No	Accounting Standard	Treatment as per Indian GAAP	Treatment as per IFRS	Treatment as per Ind AS
21	Non Controlling interest	Minority interest are presented in the consolidated balance sheet separately from liabilities and equity of the parent's shareholders. Excess of loss applicable to minority over the minority interest in the equity of the subsidiary and any further losses applicable to the minority are adjusted against majority interest except to the extent the minority has binding obligation to, and is able to, make good the losses.	Non-controlling interests are interest are presented in the consolidated balance sheet within equity, separately from equity of owners of the parent. Profit or loss and each component of other comprehensive income should be attributable to the owners of the parent and the non-controlling interest, even if it results in the non-controlling interest having a deficit balance.	"The Group has contractual obligation/ rights to repurchase shares issued to non-controlling interests, to be settled in cash by the Group, is recognised at present value of the redemption amount as a financial liability and is reclassified from equity. Changes in carrying amount of the redemption amount are recognised in the statement of profit and loss."

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INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE COMBINED IND AS FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF CONTINUUM GREEN ENERGY (INDIA) PRIVATE LIMITED

Report on the Audit of the Special Purpose Combined Ind AS Financial Statements

Opinion

We have audited the accompanying Special Purpose Combined Ind AS Financial Statements of Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewable Private Limited (individually considered as "Indian Identified Entities" and together referred to as "Restricted Group 2"), subsidiaries of Continuum Green Energy (India) Private Limited (the "Parent"), which comprise the Special Purpose Combined Balance Sheet as at March 31, 2024, the Special Purpose Combined Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Combined Statement of Cash Flow and the Special Purpose Combined Statements of Changes in Equity for the year ended March 31, 2024, including a summary of material accounting policies and other explanatory information (collectively, the "Special Purpose Combined Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Combined Ind AS Financial Statements is prepared, in all material respects, in accordance with the basis of preparation as set out in Note 2 of the Special Purpose Combined Ind AS Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Combined Ind AS Financial Statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Combined Ind AS Financial Statements section of our report. We are independent of each Indian Identified Entity in accordance with the Code of Ethics issued by the ICAI, and we have fulfilled our other responsibilities in accordance with the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Combined Ind AS Financial Statements.

Emphasis of Matter – Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the Special Purpose Combined Ind AS Financial Statements, which describes the basis of preparation and combination. The Special Purpose Combined Ind AS Financial Statements have been prepared by the management of the Parent solely for the purpose of inclusion in the Supplement to Preliminary Offering Memorandum (the "SOM") and the Final Offering Memorandum (the "FOM") (together referred as the "Offering Documents") to be prepared by the Parent in connection with proposed issue of USD Senior secured notes by the Restricted Group 2 and to be listed on the Global Securities Market – India International Exchange (the "INX"). As a result, the Special Purpose Combined Ind AS Financial Statements may not be suitable for any other purpose. The Special Purpose Combined Ind AS Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of inclusion in Offering Documents and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

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Regd. Office: One International Center, Tower 3, 32nd floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400 013, Maharashtra, India.
Deloitte Haskins & Sells LLP is registered with Limited Liability having LLP identification No: AAB-8737

Responsibilities of Management and Those Charged with Governance for the Special Purpose Combined Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation and presentation of these Special Purpose Combined Ind AS Financial Statements that are in accordance with the basis of preparation set out in Note 2 to the Special Purpose Combined Ind AS Financial Statements for the purpose set out in Emphasis of Matter - "Basis of preparation and restriction on distribution and use" paragraph above.

The respective Board of Directors of the companies included in the Restricted Group 2 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding of the assets of the Restricted Group 2 and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Combined Ind AS 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 Special Purpose Combined Ind AS Financial Statements by the Board of Directors of the Parent, as aforesaid.

In preparing the Special Purpose Combined Ind AS Financial Statements, the respective management and the Board of Directors of the companies included in the Restricted Group 2 are responsible for assessing ability of respective Indian Identified Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective Indian Identified Entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Restricted Group 2 are also responsible for overseeing the financial reporting process of the Restricted Group 2.

Auditor's Responsibility for the Audit of the Special Purpose Combined Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Combined Ind AS 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 Special Purpose Combined Ind AS 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 Special Purpose Combined Ind AS 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Restricted Group 2's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Parent.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Indian Identified Entities' ability to continue as a going concern. 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 Special Purpose Combined Ind AS 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 Indian Identified Entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Combined Ind AS Financial Statements, including the disclosures, and whether the Special Purpose Combined Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Combined Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Combined Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Combined Ind AS Financial Statements.

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings 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.

Other matter

The transition date opening balance sheet as at April 1, 2022 included in these Special Purpose Combined Ind AS financial statements, are based on the previously issued special purpose combined Indian GAAP financial statements as at and for the year ended March 31, 2022 prepared in accordance with the Companies (Accounting Standards) Rules, 2021 (as amended) which were audited by the predecessor auditor, on which the predecessor auditors expressed an unqualified opinion dated May 18, 2024. The adjustments to the transition date opening balance sheet as at April 1, 2022 arising on transition to Ind AS have been audited by us.

Our opinion is not qualified in respect of this matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)



Mehul Parekh
Partner
(Membership No. 121513)
(UDIN: 24121513BKEPIB7742)

Place: Mumbai
Date: June 10, 2024

CONTINUUM RESTRICTED GROUP 2
Special Purpose Combined Balance sheet as at March 31, 2024
All amounts are INR in millions unless otherwise stated

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
ASSETS				
1) Non-current assets				
a) Property, plant and equipment	4	40,251	39,287	30,495
b) Capital work-in-progress	5	-	2,817	8,290
c) Goodwill		315	315	315
d) Right-of-use assets	6	415	426	261
e) Intangible assets	7	7,496	7,947	8,401
f) Financial assets				
i) Investments	8	154	140	206
ii) Trade receivables	9	335	811	-
iii) Unbilled revenue		315	308	139
iv) Loans	10	7,554	5,151	4,920
v) Other financial assets	11	110	116	68
g) Income tax assets (net)	13	145	132	90
h) Other assets	14	50	61	43
Total non-current assets		57,140	57,511	53,228
2) Current assets				
a) Financial assets				
i) Trade receivables	9	1,173	1,349	4,494
ii) Unbilled revenue		1,163	776	625
iii) Cash and cash equivalents	15	2,017	3,217	3,409
iv) Bank balances other than (iii) above	16	2,088	2,114	2,259
v) Loans	10	186	179	180
vi) Other financial assets	11	55	96	180
b) Other assets	14	317	206	132
Total current assets		6,999	7,937	11,279
Total assets		64,139	65,448	64,507
EQUITY & LIABILITIES				
Equity				
a) Combined share capital	17	6,373	6,298	6,050
b) Combined other equity	18	(3,060)	(1,247)	(1,604)
Total equity attributable to owners of the Group		3,313	5,051	4,446
Liabilities				
1) Non-current liabilities				
a) Financial liabilities				
i) Borrowings	19	47,941	49,550	47,857
ii) Lease liabilities	6.2	200	198	90
iii) Other financial liabilities	20	102	108	88
b) Provisions	21	25	19	17
c) Deferred tax liabilities (net)	12	1,983	1,433	815
d) Other non current liabilities	23	21	26	26
Total non-current liabilities		50,272	51,334	48,893
2) Current liabilities				
a) Financial liabilities				
i) Borrowings	19	9,556	7,923	9,360
ii) Lease liabilities	6.2	18	18	18
iii) Trade payables	22			
(a) Total outstanding dues of micro and small enterprises		4	4	10
(b) Total outstanding dues of other than micro and small enterprises		427	202	150
iv) Other financial liabilities	20	470	841	1,551
b) Provisions	21	49	46	51
c) Other current liabilities	23	30	29	28
Total current liabilities		10,554	9,063	11,168
Total equity and liabilities		64,139	65,448	64,507
The accompanying material accounting policies and notes form an integral part of the special purpose combined financial statements.	1-48			

In terms of our report attached of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants



Mehul Parekh
Partner


Place: Mumbai
Date: June 10th, 2024



For and on behalf of Board of Directors of
Continuum Green Energy (India) Private Limited
(For Restricted Group 2)



Arvind Bansal
Director
DIN : 00139337
Place:
Date: June 7th, 2024



Nilesh Patil
Financial Controller

Place:
Date: June 7th, 2024



Raja Parthasarathy
Director
DIN : 02182373
Place:
Date: June 7th, 2024



Mahendra Malviya
Company Secretary
Membership No. : A27547

Place:
Date: June 7th, 2024



CONTINUUM RESTRICTED GROUP 2
Special Purpose Combined Statement of Profit and Loss for the year ended March 31, 2024
All amounts are INR in millions unless otherwise stated

Particulars		Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
	Income			
I.	Revenue from operations	24	11,055	9,198
II.	Other income	25	1,445	1,614
III.	Total income (I+II)		12,500	10,812
	Expenses			
IV.	(a) Operating & maintenance expenses	26	1,703	1,505
	(b) Employee benefits expenses	27	238	171
	(c) Finance costs	28	7,245	5,895
	(d) Depreciation and amortisation expenses	29	2,310	2,051
	(e) Other expenses	30	1,061	802
	Total expenses		12,557	10,424
V.	(Loss)/Profit before exceptional items and Tax (III-IV)		(57)	388
VI.	Exceptional Items	31	264	-
VII.	(Loss)/Profit before tax (V-VI)		(321)	388
VIII.	Tax expenses	32.1		
	(a) Current tax		-	-
	(b) Tax related to earlier years		5	2
	(c) Deferred tax		788	470
	Total tax expenses		793	472
IX.	Loss after tax (VII-VIII)		(1,114)	(84)
X.	Other comprehensive income/(loss)			
	(A) Items that will not be reclassified subsequently to profit or loss:			
	i) Remeasurement of net defined benefit liability	32.2	(1)	0
	ii) Income tax relating to above		0	(0)
	(B) Items that may be reclassified subsequently to profit or loss:			
	(i) Net change in fair values of investments other than equity shares carried at fair value through OCI	32.2	-	-
	ii) Income tax relating to above		-	-
	Other comprehensive income/(loss) for the year, net of tax		(1)	0
XI.	Total comprehensive (loss) for the year (IX+X)		(1,115)	(84)
	The accompanying material accounting policies and notes form an integral part of the special purpose combined financial statements.	1-48		

In terms of our report attached of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants




Mehul Parekh
Partner

Place: Mumbai
Date: June 10th, 2024

For and on behalf of Board of Directors of
Continuum Green Energy (India) Private Limited
(For Restricted Group 2)



Arvind Bansal
Director
DIN : 00139337
Place:
Date: June 7th, 2024



Nilesh Patil
Financial Controller

Place:
Date: June 7th, 2024



Raja Parthasarathy
Director
DIN : 02182373
Place:
Date: June 7th, 2024



Mahendra Malviya
Company Secretary
Membership No. : A27547

Place:
Date: June 7th, 2024



CONTINUUM RESTRICTED GROUP 2

Special Purpose Combined Statement of Cashflows for the year ended March 31, 2024

All amounts are INR in millions unless otherwise stated

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities		
(Loss)/Profit before tax	(321)	388
Adjustments for:		
Depreciation and amortisation expenses	2,310	2,051
Interest income	(1,341)	(1,325)
Finance costs related to financial institutions and others	1,088	501
Finance costs related to related party	6,157	5,394
Net loss on financial assets measured at FVTPL	102	95
Unwinding income on long term trade receivables	(75)	(66)
Provision for doubtful receivable	19	-
Sundry balance written back	(0)	(138)
Net (gain)/loss on disposal of property, plant & equipment	(0)	0
Net loss on extinguishment of financial liability	4	3
Sundry balances written off	-	1
Net loss on financial instrument measured at amortised cost	-	2
Operating profit before change in working capital	7,943	6,906
Movements in working capital:		
Decrease in trade and other receivables	352	2,508
(Increase) in financial and other assets	(55)	(86)
Increase in trade and other payables	226	63
Increase/ (Decrease) in provisions	8	(3)
Increase/ (Decrease) in financial and other liabilities	24	(78)
Cash generated from operations	8,498	9,310
Income taxes paid	(19)	(42)
Net cash generated by operating activities (A)	8,479	9,268
Cash flows from investing activities		
Purchase of property, plant and equipment including capital advances	(387)	(5,003)
Proceeds from redemption of optionally convertible redeemable preference shares	-	400
Purchase of intangibles	(4)	(1)
Sale of property, plant and equipment	1	0
Proceeds from / (Investment in) bank deposits (net)	21	200
Loan given to related parties	(2,111)	(987)
Loan received back from related parties	63	681
Payment made on acquisition of right of use asset	(9)	(78)
Interest income	484	618
Net cash (used) in by investing activities (B)	(1,942)	(4,170)
Cash flows from financing activities		
Repayment of non convertible debentures	(3,300)	(2,284)
Repayment of loans taken from banks	-	(2,654)
Proceeds from issue of Optionally Convertible Debentures	-	474
Loans taken from financial institutions	874	6,170
Loan repaid to financial institutions	(65)	(23)
Loan taken/(Repayment) for Working capital	382	(2,035)
Loans taken from related party	203	1,127
Loan repaid to related party	(627)	(159)
Finance costs paid to related party	(4,079)	(4,929)
Finance cost paid to financial institutions	(1,107)	(959)
Payment of lease liabilities	(18)	(18)
Net cash (used) in financing activities (C)	(7,737)	(5,290)
Net (decrease) in cash and cash equivalents (A+B+C)	(1,200)	(192)
Cash and cash equivalents at the beginning of the year	3,217	3,409
Cash and cash equivalents at the end of the year (refer note 15)	2,017	3,217



CONTINUUM RESTRICTED GROUP 2

Special Purpose Combined Statement of Cashflows for the year ended March 31, 2024

All amounts are INR in millions unless otherwise stated

Refer note 19.18 for reconciliation of changes in liabilities arising from financing activities.

The accompanying material accounting policies and notes form an integral part of the special purpose combined financial statements.

1-48

Note:

Details of significant non-cash transactions pertaining to financing / investing activities

During the year, unsecured loan from parent was converted to 22,710,000 (March 31, 2023: 25,265,000) optionally convertible debentures and to 7,570,000 (March 31, 2023: 24,235,000) equity shares.

The above special purpose combined cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS - 7) "Statement of Cash Flows".

In terms of our report attached of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants



Mehul Parekh
Partner

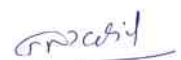
Place: Mumbai
Date: June 10th, 2024



For and on behalf of Board of Directors of
Continuum Green Energy (India) Private Limited
(For Restricted Group 2)



Arvind Bansal
Director
DIN : 00139337
Place:
Date: June 7th, 2024



Nilesh Patil
Financial Controller

Place:
Date: June 7th, 2024



Raja Parthasarathy
Director
DIN : 02182373
Place:
Date: June 7th, 2024



Mahendra Malviya
Company Secretary
Membership No. : A27547
Place:
Date: June 7th, 2024



CONTINUUM RESTRICTED GROUP 2
Special Purpose Combined Statement of Changes in Equity for the year ended March 31, 2024
All amounts are INR in millions unless otherwise stated

A) Combined share capital

For the year ended March 31, 2024			
Balance as at April 1, 2023	Changes in equity share capital during the year	Changes due to transaction with non-controlling shareholders	Balance as at March 31, 2024
6,298	76	(1)	6,373

For the year ended March 31, 2023			
Balance as at April 1, 2022	Changes in equity share capital during the year	Changes due to transaction with non-controlling shareholders	Balance as at March 31, 2023
6,050	242	6	6,298

B) Combined Other equity

Particulars	Equity component of compulsory convertible debenture	Retained earnings	Net assets attributable to parent	Deemed contribution from parent	Deemed distribution to parent	Remeasurement of defined benefit plan	Total
Balance as at April 01, 2022	2,449	(3,811)	315	1,608	(2,165)	(0)	(1,604)
Changes during the year				977	(581)		396
OCD issued during the year	192	-	-	-	-	-	192
Loss for the year	-	(84)	-	-	-	-	(84)
Gain on extinguishment of equity component of OCRPS	-	(0)	-	-	-	-	(0)
Remeasurement of net defined benefit liability (net of tax)	-	-	-	-	-	0	0
Transaction with non-controlling shareholders	-	1	-	-	-	-	1
Deferred tax impact on above	(48)	-	-	(246)	146	(0)	(148)
Balance as at March 31, 2023	2,593	(3,894)	315	2,339	(2,600)	0	(1,247)
Balance at April 1, 2023	2,593	(3,894)	315	2,339	(2,600)	0	(1,247)
Changes during the year				153	(1,140)		(987)
OCD issued during the year	45	-	-	-	-	-	45
Loss for the year	-	(1,114)	-	-	-	-	(1,114)
Remeasurement of net defined benefit liability (net of tax)	-	-	-	-	-	(1)	(1)
Transaction with non-controlling shareholders	-	6	-	-	-	-	6
Deferred tax impact on above	(11)	-	-	(38)	287	0	238
Balance as at March 31, 2024	2,627	(5,002)	315	2,454	(3,453)	(1)	(3,060)

The accompanying material accounting policies and notes form an integral part of the special purpose combined financial statements.

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In terms of our report attached of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh

Mehul Parekh
Partner

Place: Mumbai
Date: June 10th, 2024



For and on behalf of Board of Directors of
Continuum Green Energy (India) Private Limited
(For Restricted Group 2)

Arvind Bansal

Arvind Bansal
Director
DIN : 00139337
Place:
Date: June 7th, 2024

Nilesh Patil

Nilesh Patil
Financial Controller

Place:
Date: June 7th, 2024

Raja Parthasarathy

Raja Parthasarathy
Director
DIN : 02182373
Place:
Date: June 7th, 2024

M. Malviya

Mahendra Malviya
Company Secretary
Membership No. : A27547
Place:
Date: June 7th, 2024



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

1. Corporate Information

Continuum Green Energy Limited (erstwhile known as Continuum Wind Energy Limited) ("CGEL") a Singapore holding company, through its 100% owned Indian subsidiary Continuum Green Energy (India) Private Limited (erstwhile known as Continuum Wind Energy (India) Private Limited) ("CGE IPL") owns, 100% in following Indian Subsidiaries except Watsun Infrabuild Private Limited where it holds majority shareholding:

- Bothe Windfarm Development Private Limited ("Bothe")
- DJ Energy Private Limited ("DJEPL")
- Uttar Urja Projects Private Limited ("UUPPL")
- Watsun Infrabuild Private Limited ("Watsun")
- Trinethra Wind and Hydro Power Private Limited ("Trinethra")
- Renewables Trinethra Private Limited ("RTPL")
- Kutch Windfarm Development Private Limited ("KWDPL")
- Continuum Trinethra Renewables Private Limited ("CTRPL")

Bothe, DJEPL, UUPPL, Watsun, Trinethra, RTPL, KWDPL and CTRPL (together referred to as "Continuum Restricted Group 2" or "Restricted Group 2" and individually considered as "Indian Identified Entities") are subsidiaries of Continuum Green Energy (India) Private Limited (the "Parent").

Restricted Group 2 is not a separate entity but constituted as a group of Indian Identified Entities for the purpose of preparation of the Special Purpose Combined Ind AS Financial Statements.

The Restricted Group 2 is engaged in the business of generation and sale of electricity from renewable energy sources in India. The Restricted Group 2 has entered/enters into long term power purchase agreements with various governments agencies and private institutions to sell electricity generated from its wind farms/solar plants [with operational capacity of approx. 991 megawatts ("MW")] in the states of Maharashtra, Madhya Pradesh, Gujarat and Tamil Nadu, India.

Indian Identified Entities are domiciled in India and Corporate office of these Indian Identified Entities is located at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai - 400076, India.

2. Basis of Preparation

The Special Purpose Combined Ind AS Financial Statements of the Restricted Group 2, comprises the special purpose combined balance sheet, the special purpose combined statement of profit and loss and the special purpose combined statement of cash flow, special purpose combined statement of changes in equity and the summary of material accounting policies and explanatory notes (referred as the "Special Purpose Combined Ind AS Financial Statements").

In accordance with the notification dated February 16, 2015, issued by Ministry of Corporate Affairs, the Restricted Group 2 has voluntarily adopted Indian Accounting Standards notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") with effect from April 01, 2023. Accordingly, the transition date for adoption of Ind AS is April 01, 2022 for reporting under requirements of the Act. The Special Purpose Combined Ind AS Financial Statements have been prepared in accordance with "recognition and measurement principles of Indian Accounting Standards as notified under the Companies (Indian Accounting Standards) Rules, 2015 (except Ind AS-33 on Earning Per Share) and other accounting principles generally accepted in India and the Guidance Note on Combined and Carveout Financial Statements issued by the Institute of Chartered Accountants of India (ICAI). These financial statements are prepared considering that the Special Purpose Financial Statements prepared and audited during the respective years were Ind AS and thus, the Special Purpose Combined Financial Statements are prepared on the principles of Ind AS. Also refer Note 3A for the Basis of Combination.



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

The Special Purpose Combined Ind AS Financial Statements are special purpose financial statements and have been prepared by the management of the Parent for the purpose of inclusion in the Supplemental Preliminary Offering Memorandum (the "SPOM") and the Final Offering Memorandum (the "FOM") (together referred as the "Offering Documents") to be prepared by the Restricted Group 2 in connection with proposed issue of USD Senior secured notes by the Restricted Group 2 and to be listed on the Global Securities Market – India International Exchange (the "INX"). As a result, the Special Purpose Combined Ind AS Financial Statements may not be suitable for any other purpose.

The Special Purpose Combined Ind AS Financial Statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest Million, unless otherwise stated.

The Special Purpose Combined Ind AS Financial Statements are authorized by the Board of Directors of the Parent on June 07, 2024.

3A. Basis of Combination

As required by the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, the details of various entities comprised in the Special Purpose Combined Ind AS Financial Statements are given below:

Name	Principal activities	Control w.e.f.	Country of Incorporation	% of interest held by CGEL as at		
				March 31, 2024	March 31, 2023	April 01, 2022
Bothe Windfarm Development Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%	100%
DJ Energy Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%	100%
Uttar Urja Projects Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%	100%
Watsun Infrabuild Private Limited	Generation and sale of wind / solar energy	30-May-16	India	72.35%	72.36%	71.24%
Trinethra Wind and Hydro Power Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%	100%
Renewables Trinethra Private Limited	Generation and sale of wind energy	13-Jun-19	India	100%	100%	100%
Kutch Windfarm Development Private Limited	Generation and sale of wind energy	24-Oct-18	India	100%	100%	100%
Continuum Trinethra Renewables Private Limited	Generation and sale of wind / solar energy	17-Jul-20	India	100%	100%	100%

The Special Purpose Combined Ind AS Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

Accordingly, these Special Purpose Combined Ind AS Financial Statements are prepared on a basis that combines the assets, liabilities revenues and expenses of each of Indian Identified Entities, which are stated below:

- a. The financial statements of Indian Identified Entities were combined by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows of each Indian Identified Entities.
- b. Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between Indian Identified Entities (unrealized gains and losses resulting from transactions between Indian Identified Entities) are eliminated in full.
- c. Combined Shareholders' Funds represents aggregate amount of share capital and reserves and surplus of Indian Identified Entities as part of Restricted Group 2.
- d. Earnings per Share (EPS) is not disclosed at Restricted Group 2 level since Restricted Group 2 does not constitute a separate legal group of Indian Identified Entities as explained above.

Basis of Accounting

The Restricted Group 2 maintains its accounts on an accrual basis following historical cost convention, except for certain assets and liabilities that are measured at fair value in accordance with Ind AS.

The Restricted Group 2 has prepared the financial statements on the basis that it will continue to operate as a going concern.

In preparing this special purpose combined financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimates are revised and in any future periods affected.

The areas involving critical estimates or judgements are:

- Determination of useful lives of property, plant and equipment and intangibles
- Impairment test of non-financial assets
- Recognition of deferred tax assets
- Recognition and measurement of provisions and contingencies
- Fair value of financial instruments
- Impairment of financial assets
- Measurement of defined benefit obligations
- Revenue recognition
- Recognition of service concession arrangements
- Determination of incremental borrowing rate for leases
- Provision for expected credit losses of trade receivables
- Decommissioning liabilities
- Share based payments



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

3B. Material Accounting Policies

(a) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Restricted Group 2's normal operating cycle and other criteria set out in Schedule III to the Companies Act 2013. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Restricted Group 2 has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Advance tax paid is classified as non-current assets.

(b) Redemption liability (non-controlling interests)

The Group has contractual obligation/rights to repurchase shares issued to non-controlling interests, to be settled in cash by the Group which is recognised at present value of the redemption amount as a financial liability and is reclassified from equity. Changes in carrying amount of the redemption amount are recognised in the Combined Statement of Profit and Loss.

(c) Revenue from contract with customers

i) Sale of electricity

Revenue from the sale of electricity is recognized on the basis of the number of units of power generated and supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the licensed distribution or transmission utilities and at the rates prevailing on the date of supply to grid as determined by the power purchase agreements entered into with such distribution companies ("Discoms")/ customers under group captive mechanism / open access sale / third party power trader or as per the eligible rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of unsigned PPA's and the surplus power as per the rate prescribed by relevant state regulatory commission to state discoms.

Revenue is measured based on the transaction price, which is the consideration, adjusted for variable discounts and other incentives, if any, as specified in the contract with the customer or on account of change in law. 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 or consideration payable to the customer, the Restricted Group 2 estimates the amount of consideration to which it will be entitled in exchange for transferring the goods/services 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.

Active and reactive charges are recorded as operating expenses and not adjusted against sale of power.

ii) Service concession arrangements

For fulfilling the obligations under power purchase agreements, the Restricted Group 2 is entitled to charge the users of the service, when service is performed as per the performance obligation. The consideration received, or receivable is allocated and recognized by reference to the relative fair values of the services provided; typically:



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

1. A construction component – which represents fair value of consideration transferred to acquire the asset.
2. Service revenue for operation services - which represents sale of electricity as stated above.

iii) Contract balances

A trade 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 and the amount is billable.

Unbilled revenue income represents the revenue that the Restricted Group 2 recognizes where the PPA is signed but invoice is raised subsequently.

Advance from customer represents a contract liability. Contract liability is the obligation to transfer goods or services to a customer for which the Restricted Group 2 has received consideration (or an amount of consideration is due) from the customer.

(d) Service concession arrangements

The Restricted Group 2 constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix D to Ind AS 115 – Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Restricted Group 2 receives a right (i.e. a license) to charge users of the public service. The financial asset model is used when the Restricted Group 2 has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are consolidated to account separately for each component. If the Restricted Group 2 performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received, or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Restricted Group 2 manages concession arrangements which include constructing wind turbine infrastructure for generation of electricity followed by a period in which the Restricted Group 2 maintains and services the infrastructure. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided.

The right to consideration gives rise to an intangible asset and accordingly, intangible asset model is applied. Income from the concession arrangements earned under the intangible asset model consists of the (i) fair value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and (ii) payments actually received from the users for operation services.

The intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the entity, starting from the date when the right to operate starts to be used. Based on these principles, the intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession, i.e., 25 years.

Any asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

(e) Government grants

i) Generation Based Incentive

Generation Based Incentive (“GBI”) income is earned and recognized on the eligible projects which sell electricity to licensed distribution utilities at tariffs determined by relevant State Electricity Regulatory Commissions (“SERCs”). GBI is paid at a fixed price of INR 0.50/kwh of electricity units sold subject to a cap of INR 10 million/MW of capacity installed for the electricity fed into the grid for a period not less than four years and a maximum of ten years. GBI is paid by Government of India and, hence, carries a sovereign risk. GBI income is recognized at the same time as the revenue in relation to sale of electricity generation is recognized.

ii) International Renewable Energy Certificates

International RECs (I-RECs) are initially recognized at nominal value and revenue from sale of I-RECs is recognized in the period in which such I-RECs are traded on electricity exchanges. Unlike GBI, I-RECs are not restricted and are recognized to the extent of generation of electricity units.

iii) Verified Carbon Units

Revenue from Verified Carbon Units (“VCU”) is recognised upon issuance and sale of VCUs. Any unsold VCUs which are granted to the Restricted Group 2 are accrued at a nominal value.

(f) Taxes

i) Current Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income taxes are recognized in the statement of profit and loss except to the extent that the tax relates to items recognized outside profit and loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred Tax

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

Deferred tax liabilities are recognized for all temporary differences, except:

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

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit 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 realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(g) Property, plant and equipment

All items of property, plant and equipment, including freehold land, are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

The Restricted Group 2 provides depreciation on Straight line basis (SLM) and Written down value (WDV) basis on all assets over useful life estimated by the management. The Group has used the following useful life to provide depreciation on its property, plant and equipment.

Category of property, plant and equipment	SLM/WDV	Useful life
Building	SLM	30 Years
Building - Other	WDV	3 Years
Plant and equipment*	WDV	6 - 15 years
	WDV	3-25 Years
	SLM	3 - 40 years
Furniture and fixtures	WDV	10 Years
Vehicles	WDV	10 Years
Office equipment	WDV	5 Years
Computer	WDV	3 Years

* Based on the technical estimate, the useful life of the Plant and equipment and Networking equipment are different than the useful life as indicated in Schedule II to the Companies Act 2013.



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

Temporary structures are depreciated fully in the year in which they are capitalised.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets.

Cost of assets not ready for intended use, as on the end of the reporting period, is shown as capital work in progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

(h) Goodwill

Goodwill attributable to Indian Identified Entities represents the difference between the cost of investment in Indian Identified Entities, and CGE IPL's share of net assets at the time of acquisition of share in Indian Identified Entities.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset, until such time as the asset is substantially ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(j) Leases

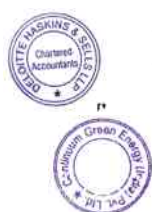
Restricted Group 2 as a lessee

The Restricted Group 2 applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Restricted Group 2 recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Restricted Group 2 recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Category of lease	Useful life
Premises	3 to 5 years
Land	20 to 30 years



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Restricted Group 2 recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Restricted Group 2 and payments of penalties for terminating the lease, if the lease term reflects the Restricted Group 2 exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Restricted Group 2 uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Restricted Group 2 applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

(k) Provisions

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(l) Impairment of non-financial assets

Management performs impairment assessment at the cash-generating unit ("CGU") level annually or whenever there are changes in circumstances or events indicate that, the carrying value of the property, plant and equipment may have suffered an impairment loss.

When indicators of impairment exist, the recoverable amount of each CGU is determined based on value-in-use computations. The key assumptions in the value-in-use computations are the plant load factor, projected revenue growth, EBITDA margins, and the discount rate.

(m) Retirement and other employee benefits

Retirement benefits in the form of a defined contribution scheme (Provident Funds) are provided to the employees. The contributions are charged to the statement of profit and loss for the year when the



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

contributions are due. The Restricted Group 2 has no obligation, other than the contribution payable to such defined contribution scheme.

The Restricted Group 2 operates only one defined benefit plan for its employees, referred to as the Gratuity plan. The costs of providing this benefit are determined on the basis of actuarial valuation at each year end. The actuarial valuation is carried out using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Interest is calculated by applying the discount rate to the defined benefit liability. The Restricted Group 2 recognizes the following changes in the defined benefit obligation under 'employee benefit expense' in 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

The Restricted Group 2 has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulated compensated absences which is expected to be utilized beyond 12 months is determined by actuarial valuation. Expense on accumulating compensated absences, which is expected to be utilized within 12 months, is recognized in the period in which the absences occur.

(n) Share based payments

Certain eligible employees of the Restricted Group 2 are entitled to receive cash settled stock based awards pursuant to PSUOS 2016 administered by Continuum Green Energy Limited. For the Restricted Group 2, these are treated as equity settled transactions.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in equity (capital contribution from CGEL), over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

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When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

(o) Financial instruments

i) Financial Assets

Initial recognition

With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value it recognizes through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115. In case of investment in financial instruments issued by other entities within the Group or loans given to related parties which are not on market terms, the difference between the transaction value and the fair value is recorded as a deemed distribution from parent.

Subsequent measurement

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. Gains/losses arising from modification of contractual terms are included in profit or loss as a separate line item.

The Restricted Group 2's financial assets at amortised cost include trade receivables and loans to related parties.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried at fair value with net changes in fair value, including interest income, recognised in the statement of profit and loss.

The Company's financial assets at FVTPL include investments in optionally convertible redeemable preference shares.

Derecognition

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit and loss. In case of early repayment of interest free loans by related parties, this difference is recorded as a deemed contribution from parent.



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

ii) Impairment of financial assets

The Restricted Group 2 assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. The Restricted Group 2 recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Restricted Group 2 expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Restricted Group 2 applies a simplified approach in calculating ECLs. Therefore, the Restricted Group 2 does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Trade receivables of the Restricted Group 2 are mainly from high creditworthy C&I customers and State Electricity Distribution Company (DISCOM) which is Government entity. Delayed payments carries interest as per the terms of agreements with C&I customers and DISCOM.

The Restricted Group 2 considers a financial asset to be in default when internal or external information indicates that the Restricted Group 2 is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Restricted Group 2. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

iii) Financial liabilities

Initial recognition

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit and loss, directly attributable transaction costs.

In case of financial instruments issued to other entities within the Group which are not at market terms and interest free borrowings from related parties, the difference between the transaction value and the fair value is recorded as a capital contribution or a distribution / debit to equity.

Subsequent measurement

Financial liabilities at fair value through profit or loss

The Restricted Group 2 measures compulsory convertible debentures which do not meet the fixed to fixed criteria under Ind AS 32 and separated embedded derivatives at FVTPL. Financial liabilities at fair value through profit or loss are carried at fair value with net changes in fair value, including interest expense, recognised in the statement of profit and loss.

Financial liabilities at amortised cost

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation, is included as finance costs in the statement of profit and loss. Gains/ losses arising from modification of contractual terms are included in profit or loss as a separate line item.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. On de-recognition of a financial liability in its entirety, the difference between the carrying amount and the sum of the consideration paid is recognised in profit and loss.



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

In case of early repayment of interest free loans to related parties, this difference is recorded as a distribution / debit to equity. Waivers of interest received from the parent company are recorded as capital contribution.

iv) **Embedded derivatives**

The Restricted Group 2 generally separates the derivatives embedded in host contracts which are not financial assets within the scope of Ind AS 109, when their risks and characteristics are not closely related to those of the host contract and the host contract is not measured at FVTPL. Separated embedded derivatives are measured at FVTPL.

v) **Compound financial instruments**

Compound financial instruments issued by the Restricted Group 2 include compulsory convertible debentures and optionally convertible debentures issued to the parent company. Compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification.

vi) **Financial guarantee contracts**

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised, less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115. The Restricted Group 2 estimates fair value of the financial guarantee based on the present value of the probability weighted cash flows that may arise under the guarantee. In cases where the Restricted Group 2 is the borrower, it views the unit of account being as the guaranteed loan, in which case the fair value is the face value of the of the proceeds received.

(p) **Fair value measurement**

The Restricted Group 2 measures financial instruments such as separated embedded derivatives, investments in optionally convertible redeemable preference shares and interest free loans given to related parties, at fair value at each reporting date.

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

The Restricted Group 2 uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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.



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

(q) New and amended standards

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023 as below:

i) Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

ii) Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

iii) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The above amendments have been considered by the Restricted Group 2 in preparation of the special purpose combined financial statements. The amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(r) New and amended standards issued but not effective

There are no new or amended standards issued but not effective as at the end of the reporting period which may have a significant impact on the financial statements of the Restricted Group 2.

(s) Transition to Ind AS

The Restricted Group 2 has prepared the opening balance sheet as per Ind AS as at the transition date by recognizing, derecognizing or reclassifying items of assets and liabilities from the previous GAAP to Ind AS as per the requirements set out by Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain optional exemptions availed by the Group as detailed below.

i) Deemed cost for property, plant and equipment

The Restricted Group 2 has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii) Leases

The Restricted Group 2 has applied paragraphs 9-11 of Ind AS 116 to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date. Following is the summary of practical expedients elected on initial application (on a lease-by-lease basis):



CONTINUUM RESTRICTED GROUP 2

Notes to the special purpose combined financial statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

iii) Share based payment

The Restricted Group 2 has elected not to apply Ind AS 102 *Share-based payment* to equity instruments that vested before date of transition to Ind AS.

iv) Decommissioning liabilities

The Restricted Group 2 has elected not to apply the requirements for *Changes in Existing Decommissioning, Restoration and Similar Liabilities* as per appendix A to Ind AS 16 for changes in such liabilities that occurred before the date of transition to Ind AS.

v) Service concession arrangement

The Restricted Group 2 has accounted the service concession arrangement as per Appendix C of Ind AS 115, Service Concession Arrangement and accordingly derecognized all property, plant and equipment related to power plant and recognized intangible asset of Power Purchase Arrangements at previous carrying amount of property, plant and equipment as on transition date.

vi) Revenue from contracts with customers

The Restricted Group 2 has availed the practical expedient to not apply Ind AS 115 retrospectively on completed contracts.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

4 Property, plant and equipment

Particulars	Land	Buildings	Plant and Equipment*	Furniture & fixtures	Computers	Office equipment	Vehicles	Total
I. Cost/deemed cost								
Balance as at April 1, 2022	1,106	9	29,374	2	3	1	0	30,495
Additions	0	1	10,370	1	3	1	-	10,376
Disposals, transfers and adjustments	-	-	(0)	(0)	(0)	(0)	(0)	(0)
Balance as at March 31, 2023	1,106	10	39,744	3	6	2	0	40,871
Additions	-	1	2,791	1	5	1	0	2,799
Disposals, transfers and adjustments	-	-	(0)	-	-	-	-	(0)
Balance as at March 31, 2024	1,106	11	42,535	4	11	3	0	43,670
II. Accumulated depreciation								
Balance as at April 1, 2022	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	0	1,580	1	3	0	0	1,584
Disposals, transfers and adjustments	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	0	1,580	1	3	0	0	1,584
Depreciation expense for the year	-	1	1,829	1	3	1	0	1,835
Disposals, transfers and adjustments	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	-	1	3,409	2	6	1	0	3,419
III. Net carrying amount (I-II)								
Balance as at March 31, 2024	1,106	10	39,126	2	5	2	0	40,251
Balance as at March 31, 2023	1,106	10	38,164	2	3	2	0	39,287
Balance as at April 1, 2022	1,106	9	29,374	2	3	1	0	30,495

*Plant and equipment includes Plant and machinery - Wind Turbine Generator (WTG), Solar Panels including inverters and related assets, Networking Equipment, Sub Station, 33KV Line and other enabling assets.

4.1 There are no impairment losses recognised during FY2022-23 and FY2023-24.

4.2 The net finance cost capitalised includes interest expense of INR 2 (March 31, 2023: INR 364) and other borrowing cost of INR 0 (March 31, 2023: 82).

4.3 The Restricted Group 2 has not revalued its property, plant and equipment as on each reporting period and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

4.4 The Restricted Group 2 has elected to continue with the carrying value of all property, plant and equipment as of April 01, 2022 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

4.5 The title deeds of immovable properties (other than properties where the Group is a lessee and the lease arrangement are duly executed in the favour of the lessee) are held in the name of the Restricted Group 2.

4.6 Balance as per previous GAAP	Land	Building	Plant & Equipment*	Furniture & fixtures	Office Equipment	Computer	Vehicle	Total
Gross block as at April 1, 2022	1,285	11	47,863	9	5	13	1	49,187
Less: Accumulated depreciation	19	2	10,095	7	4	10	1	10,138
Net Block as at April 1, 2022	1,266	9	37,768	2	1	3	0	39,049
Less: Recognised as ROU on transition date	153	-	-	-	-	-	-	153
Less: Recognised as Intangibles on transition date	7	0	8,394	-	-	-	-	8,401
Balance as at April 1, 2022	1,106	9	29,374	2	1	3	0	30,495



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

5 Capital work-in-progress

Particulars	Plant and machinery	Total
Balance as at April 1, 2022	8,290	8,290
Balance as at March 31, 2023	2,817	2,817
Balance as at March 31, 2024	-	-

5.1 CWIP ageing schedule is as below:

As at March 31, 2024

Particulars	Amount in Capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-

As at March 31, 2023

Particulars	Amount in Capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Rajkot 3	2,817	-	-	-	2,817

As at April 1, 2022

Particulars	Amount in Capital-work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Rajkot 3	8,290	0	-	-	8,290

5.2 Details of projects as on the reporting periods which has exceeded cost as compared to its original plan or where completion is overdue.

As at March 31, 2023

Particulars	To be completed in (in case of timeline delays)				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Rajkot 3	2,817	-	-	-	2,817

Notes:

1 Rajkot 3 - 240 MW project in the State of Gujarat was originally scheduled to be commissioned in FY 2022-23.

2 As on March 31, 2024 and April 1, 2022 there are no projects which are overdue and hence no disclosures has been provided for.

5.3 There are no projects as on each reporting date where activity had been suspended.

5.4 Details of borrowing cost capitalized in CWIP

Borrowing cost of INR 7 (March 31, 2023: INR 512) pertaining to plant and machinery has been capitalized in capital work-in-progress during the year.

Borrowing cost includes interest and other costs on borrowings made specifically in relation to the qualifying asset. Refer note 19 for summary of borrowing arrangements.



CONTINUUM RESTRICTED GROUP 2**Notes to the Special Purpose Combined Financial Statements as at March 31, 2024****All amounts are INR in millions unless otherwise stated****5.5 Details of other costs capitalized**

During the year, the Restricted Group 2 has capitalised the following expenses to the cost of property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes else where in these special purpose combined financial statements are net of amounts capitalised by the Restricted Group 2.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amortisation of Right to Use Assets (ROU)	-	8
Interest on lease liability	-	15
Pre-operative expenses	-	9
Legal and professional fees	-	14
Rates & taxes	-	10
Travelling, lodging & boarding expenses	-	5
Security charges	-	16
Site expenses	-	3
	-	80



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

6 Right-of-use assets

Particulars	Premises	Leasehold land	Total
I. Cost			
Balance as at April 1, 2022	107	154	261
Additions	0	185	185
Balance as at March 31, 2023	107	339	446
Additions	-	9	9
Balance as at March 31, 2024	107	348	455
II. Accumulated amortisation			
Balance as at April 1, 2022	-	-	-
Amortisation expense for the year	7	13	20
Balance as at March 31, 2023	7	13	20
Amortisation expense for the year	7	13	20
Balance as at March 31, 2024	14	26	40
III. Net block balance (I-II)			
As on March 31, 2024	93	322	415
As on March 31, 2023	100	326	426
As on April 01, 2022	107	154	261

6.1 Details of lease liabilities

Particulars	Amount
Balance as at April 1, 2022	108
Recognised during the year	106
Finance cost accrued during the year	20
Payment of lease liabilities	(18)
As at March 31, 2023	216
Recognised during the year	0
Finance cost accrued during the year	20
Payment of lease liabilities	(18)
As at March 31, 2024	218

6.2 Classification of lease liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current	200	198	90
Current	18	18	18
Total	218	216	108



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

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6.3 The Restricted Group 2 has taken premises and land on lease for an lease term ranging between 3-30 years (as at March 31, 2023: 3-30 years; as at April 01, 2022: 3- 30 years).

6.4 Amount recognised in special purpose combined statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
- Amortisation expenses on right-of-use assets	20	12
- Interest expenses on lease liability	20	5
- Expenses related to short term leases (refer note 30)	22	5

6.5 The total cash outflows for leases amounts to INR 40 (March 31, 2023: INR 23) (includes cash outflow for short term and long term leases).

6.6 Amortisation amounting to INR 0 (March 31, 2023: INR 8) has been included in capital work in progress. (Refer Note 5.5)

6.7 Interest expenses on lease liability amounting to INR 9 (March 31, 2023: INR 15) has been included in capital work in progress (Refer note 5.5)

6.8 The maturity analysis of lease liabilities is presented in note 39.5



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

7 Intangible assets

Particulars	Rights under service concession arrangement	Total
I. Cost/deemed cost		
Balance as at April 1, 2022	8,401	8,401
Additions	1	1
Disposals, transfers and adjustments	(0)	(0)
Balance as at March 31, 2023	8,402	8,402
Additions	4	4
Disposals, transfers and adjustments	-	-
Balance as at March 31, 2024	8,406	8,406
II. Accumulated amortisation		
Balance as at April 1, 2022	-	-
Amortisation expense for the year	455	455
Disposals, transfers and adjustments	-	-
Balance as at March 31, 2023	455	455
Amortisation expense for the year	455	455
Disposals, transfers and adjustments	-	-
Balance as at March 31, 2024	910	910
III. Net carrying amount (I-II)		
Balance as at March 31, 2024	7,496	7,496
Balance as at March 31, 2023	7,947	7,947
Balance as at April 1, 2022	8,401	8,401

7.1 The Restricted Group 2 has not revalued its intangible assets as on each reporting year and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

7.2 Refer note 42 for first time adoption options availed by the Restricted Group 2 on the transition to Ind AS.



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8 Investments

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Non-current						
A. Unquoted investments						
Investments at fair value through profit or loss						
Investments in optionally convertible preference shares						
Optionally convertible redeemable preference shares of INR 10 each fully paid up in Srijan Energy Systems Private Limited (SESPL)	63,830,000	154	63,830,000	140	63,830,000	127
Optionally convertible redeemable preference shares of INR 10 each fully paid up in Continuum MP Windfarm Development Private Limited (CMPWDPL)	-	-	-	-	40,000,000	79
Total		154		140		206

8.1 Aggregate amount of unquoted investments:

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Aggregate carrying value of unquoted investments	154	140	206

8.2 Terms of Optionally Convertible Redeemable Preference Shares (OCRPS)

- Each OCRPS shall have a face value of INR 10/- (Indian Rupees ten only);
- OCRPS shall carry a preferential right vis-à-vis Equity Shares of the Restricted Group 2 with respect to payment of dividend and proceeds of liquidation;
- OCRPS shall carry dividend at the rate of 0.1% per annum from the date of the allotment on a cumulative basis;
- Each OCRPS will be convertible into one ordinary share of the company of face value INR 10/- (Indian Rupees ten only), at any time at the option of the holder of the OCRPS provided that the holder is in compliance with any laws applicable to it, for conversion of its investment into ordinary shares;
- OCRPS may be redeemed by the Restricted Group 2 at any time, subject to a prior notice of minimum 30 (thirty) days, either from surplus profits of the company or from proceeds of a fresh issue of share capital or as provided under applicable law from time to time;
- OCRPS does not carry any voting rights as per the provisions of Section 47(2) of the Companies Act, 2013. (Till June 2021: OCRPS were carrying voting rights)
During the previous year Investment in OCRPS of CMPWDPL has been redeemed by the Restricted Group 2 at cost;
Details of fair value of the investment in OCRPS are disclosed in note 40.



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CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

9 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current			
Unsecured, considered good	335	811	-
Total (i)	335	811	-
Current			
Unsecured, considered good	1,173	1,349	4,494
Unsecured, credit impaired	15	-	-
	1,188	1,349	4,494
Less: Expected credit loss allowance	(15)	-	-
Total (ii)	1,173	1,349	4,494
Total (i+ii)	1,508	2,160	4,494

9.1 The average credit period on sale of goods ranges between 7-60 days.

9.2 The Restricted Group 2 has used a practical expedient for computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

9.3 Trade receivables from related parties are disclosed separately under note 38.

9.4 Ministry of Power has notified the Late Payment Surcharge Rules, 2022 (“LPS 2022”) on June 03, 2022. As per LPS 2022, discoms had an option, which was to be exercised by July 02, 2022 to reschedule all outstanding dues as on June 03, 2022, plus late payment surcharge calculated till that date, into certain number of equal monthly instalments payable on 5th of each calendar month starting from August 2022. Madhya Pradesh Power Management Company Limited (MPPMCL) has exercised an option on July 01, 2022 to pay the outstanding receivables due to the company in 40 equated monthly installments without interest. Accordingly, the company has recorded the modification in terms of the contract and the resultant loss primarily due to the extended interest free credit period has been recognised as a finance cost in the special purpose combined statement of profit or loss. Unwinding income on these trade receivables of INR 76 (2023: INR 66) is recognised as “Unwinding income of financial assets” under ‘Finance income’. Trade receivables outstanding of INR 335 as of March 31, 2024 (2023: INR 811), from customers opting for EMI pursuant to LPS Rules, which are not due within the next twelve months from the end of the reporting date, are disclosed as non-current.

9.5 Trade receivables of the Restricted Group 2 are majorly from State Electricity Distribution Company (DISCOMs) and high creditworthy Commercial and Industrial (C&I) customers. Delayed payments carries interest as per the terms of agreements with DISCOMs and C&I customers. Accordingly in relation to these dues, the Restricted Group 2 does not foresee any credit risk. However, loss allowance is estimated for doubtful receivables on case to case basis.

9.6 Movement in the expected credit loss allowance

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at beginning of the year	-	-
Movement in expected credit loss allowance*	15	-
Balance at end of the year	15	-

*This includes specific provision made towards doubtful receivables.



CONTINUUM RESTRICTED GROUP 2
Notes to the Special Purpose Combined Financial Statements as at March 31, 2024
All amounts are INR in millions unless otherwise stated

9.7 Ageing of receivables

As on March 31, 2024

Particulars	Outstanding for following periods from due date of invoice						Total
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed							
- considered good	1,199	245	40	23	-	1	1,508
- credit impaired	-	7	6	-	2	-	15
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
	1,199	252	46	23	2	1	1,523
Less: Expected credit loss allowance	-	(7)	(6)	-	(2)	-	(15)
Total	1,199	245	40	23	-	1	1,508

As on March 31, 2023

Particulars	Outstanding for following periods from due date of invoice						Total
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed							
- considered good	1,542	576	2	38	1	1	2,160
- credit impaired	-	-	-	-	-	-	-
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Total	1,542	576	2	38	1	1	2,160

As on April 1, 2022

Particulars	Outstanding for following periods from due date of invoice						Total
	Not due	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed							
- considered good	309	2,173	2,003	8	1	-	4,494
- credit impaired	-	-	-	-	-	-	-
Disputed							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Total	309	2,173	2,003	8	1	-	4,494



CONTINUUM RESTRICTED GROUP 2
Notes to the Special Purpose Combined Financial Statements as at March 31, 2024
All amounts are INR in millions unless otherwise stated

10 Loans

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current - unsecured, considered good unless otherwise stated			
Measured at amortized cost			
Loans to related parties (Refer note 38)	7,554	5,151	4,920
Total	7,554	5,151	4,920
Current-unsecured, considered good unless otherwise stated			
Measured at amortized cost			
Loans to related parties (Refer note 38)	186	179	180
Total	186	179	180

10.1 Loan given to parent carries an interest rate at the rate of 0.75% p.a over the applicable lending rate payable by the Restricted Group 2 to its Senior Debt Lender which is currently 13.40 % (March 31, 2023: 12.12 % p.a ; April 1, 2022: 12.12%). Principal and interest on the loan will be paid at in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but not later than 15 years from the date of loan given.

Loan given to Srijan Energy Systems Private Limited (SESPL) is repayable at will of the borrower, in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but not later than 15 years from the date of borrowing and carries an interest rate equals to of 0.75% p.a over the applicable lending rate payable by the Lender to its Senior Debt Lender which is currently 13.40 % (March 31, 2023: 12.12 % p.a ; April 1, 2022: 12.12%)

Loan given to Continuum MP Windfarm Development Private Limited (CMWDPL) and Skyzen Infrabuild Private Limited (SIPL) has been repaid during the FY 2022-23 along with interest.

10.2 Details of fair value of the loans carried at amortised cost is disclosed in note 40.4.

11 Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current - unsecured, considered good unless otherwise stated			
Measured at amortized cost			
Deposits with banks			
- Long term deposits with banks with remaining maturity period more than 12 months (refer note 11.1 and 11.2)	43	46	51
Security deposits	14	13	17
Accrued interest on overdue trade receivables	18	57	-
Other Receivables	35	-	-
Total	110	116	68
Current - unsecured, considered good unless otherwise stated			
Measured at amortized cost			
Deposits with banks			
- Short term deposits with banks with remaining maturity period upto 12 months (refer note 11.1 and 11.2)	1	0	40
Security deposits	1	0	100
Accrued Interest on overdue Trade receivable	37	92	38
Dues from related party	2	2	2
Other receivables	14	2	-
Total	55	96	180

11.1 Deposits includes deposits created towards Debt Service Reserve Account as required under lender's agreement thereof amounting to INR 9 (March 31, 2023: INR 12; April 01, 2022: Nil) by the Restricted Group 2

11.2 Lien has been marked against fixed deposits which have been offered as margin money against issuance and standby letter of credit issued by various banks.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

12 Deferred tax liabilities(net)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Restricted Group 2 intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 1, 2022
Deferred tax asset	0	0	-
Deferred tax liabilities	1,983	1,433	815
Total	1,983	1,433	815

12.1 Deferred tax (liabilities)/assets in relation to the year ended March 31, 2024

Particulars	Opening balance as on April 1, 2023	Recognised in profit or loss (expense)/ credit	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on March 31, 2024
Property, plant and equipment	(2,211)	(724)	-	-	(2,935)
Intangible assets	(1,998)	113	-	-	(1,885)
Right-to-use assets	(110)	5	-	-	(105)
Leases liabilities	54	1	-	-	55
Other financial assets	31	(19)	-	-	12
Investments	126	(4)	-	-	122
Other financial liabilities	(1)	0	-	-	(1)
Loans	686	2	-	154	842
Provisions	16	2	0	-	18
Borrowings	(936)	(19)	-	83	(872)
Impact of carry forward tax losses	225	(221)	-	-	4
Impact of unabsorbed depreciation losses	2,685	76	-	-	2,761
Total	(1,433)	(788)	0	237	(1,983)

Deferred tax (liabilities)/assets in relation to the year ended March 31, 2023

Particulars	Opening balance as on April 1, 2022	Recognised in profit or loss (expense)/ credit	Recognised in other comprehensive income	Recognised directly in equity	Closing balance as on March 31, 2023
Property, plant and equipment	(1,438)	(773)	-	-	(2,211)
Intangible assets	(2,114)	116	-	-	(1,998)
Right-to-use assets	(66)	(44)	-	-	(110)
Leases liabilities	27	27	-	-	54
Other financial assets	-	31	-	-	31
Investments	210	(5)	-	(79)	126
Other financial liabilities	(1)	-	-	-	(1)
Loans	589	48	-	49	686
Provisions	17	(1)	(0)	-	16
Borrowings	(827)	9	-	(118)	(936)
Impact of carry forward tax losses	80	145	-	-	225
Impact of unabsorbed depreciation losses	2,708	(23)	-	-	2,685
Total	(815)	(470)	(0)	(148)	(1,433)



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CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

13 Income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Advance tax (net of provisions Nil; March 31, 2023: Nil; April 01, 2022: Nil)	145	132	90
Total	145	132	90

14 Other assets

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current - unsecured, considered good unless otherwise stated			
Balances with government authorities (other than income taxes)	5	10	9
Deposits with regulatory authorities	7	9	1
Capital advances	34	37	24
Prepaid expenses	4	5	9
	50	61	43
Current - unsecured, considered good unless otherwise stated			
Advances to suppliers & employees	37	7	4
Balances with government authorities (other than income taxes)	18	-	2
Prepaid expenses	171	199	126
Stores and spares (refer note 14.1 below)	91	-	-
Other advances	0	-	0
Total	317	206	132

14.1 This comprises of stores & spares components which certain Indian Identified Entities have stored to minimise generation losses in case of any breakdown



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

15 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Balances with banks			
- In current accounts	234	1,209	42
- In bank deposits with original maturity of less than three months (refer note 15.1)	1,783	2,008	3,367
Total	2,017	3,217	3,409

15.1 Bank deposits include deposits created towards Debt Service Reserve as required under debenture trust deed amounting to INR 301; (March 31, 2023: INR 0; April 01, 2022: INR 0);.

16 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Bank deposits with original maturity of more than three months but less than twelve months (refer note 16.1 and 16.2)	2,088	2,114	2,259
Total	2,088	2,114	2,259

16.1 Bank deposits of Nil (March 31, 2023: INR 5; April 01, 2022: Nil) are held as lien against bank guarantee.

16.2 Bank deposits include deposits created towards Debt Service Reserve as required under debenture trust deed amounting to INR 1,445; (March 31, 2023: INR 1,519; April 01, 2022: INR 1,654);.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

17 Combined share capital

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 1, 2022	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Share Capital	63,730,000	6,373	62,980,000	6,298	60,500,000	6,050
	63,730,000	6,373	62,980,000	6,298	60,500,000	6,050

Combined share capital represents the aggregate amount of share capital of Indian Identified Entities forming part of Restricted Group 2 as at year end and does not necessarily represent legal share capital for the purpose of the Restricted Group 2.



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CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

18 Combined other equity

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Equity component of compulsory convertible debentures	2,627	2,593	2,449
Retained earnings	(5,002)	(3,894)	(3,811)
Deemed contribution from parent	2,454	2,339	1,608
Deemed distribution to parent	(3,453)	(2,600)	(2,165)
Remeasurement of defined benefit plan	(1)	0	(0)
Net assets attributable to parent	315	315	315
Total	(3,060)	(1,247)	(1,604)

18.1 Equity component of compound financial instrument

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at beginning of the year	2,593	2,449
Changes on account of Optionally Convertible Debentures issued during the year	45	192
Deferred tax impact on above	(11)	(48)
Balance at end of the year	2,627	2,593

This covers the equity component of the issued Optionally convertible debentures. The liability component is reflected in financial liabilities. Refer note 19.

18.2 Retained earnings

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at beginning of the year	(3,894)	(3,811)
Add: Loss for the year	(1,114)	(84)
Transaction with non-controlling shareholders	6	1
Balance at end of the year	(5,002)	(3,894)

Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end less any transfers to General Reserve, dividends or other distributions to shareholders. Retained earnings is a free reserve available to the Restricted Group 2.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

18.3 Deemed distribution to parent

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at beginning of the year	(2,600)	(2,165)
Changes during the year		
Early repayment of interest free borrowings to parent	(461)	(44)
Early settlement of interest free borrowings from parent by conversion to equity shares / OCDs	(219)	(267)
On account of Loans given to parent	(460)	(270)
Deferred tax impact on above	287	146
Balance at end of the year	(3,453)	(2,600)

Deemed distribution to parent is created on account of indirect benefits provided to the Parent.

18.4 Deemed contribution from parent

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at beginning of the year	2,339	1,608
Changes during the year		
On account of interest free loan received from Parent	153	662
Early redemption of investment in OCRPS	-	315
Deferred tax impact on above	(38)	(246)
Balance at end of the year	2,454	2,339

The deemed contribution from parent is created on account of indirect benefits received from the Parent.

18.4 Remeasurement of defined benefit plan

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at beginning of the year	0	(0)
Remeasurement of defined benefit obligation	(1)	0
Deferred tax impact on above	0	(0)
Balance at end of the year	(1)	0

Includes re-measurement (loss)/gain on defined benefit plans, net of taxes that will not be reclassified to the special purpose combined statement of profit and loss.

18.5 Net assets attributable to parent

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at beginning of the year	315	315
Changes during the year	-	-
Balance at end of the year	315	315

Net assets attributable to parent represents the difference between the cost of investment and CGE IPL's share of net assets at the time of acquisition of share in DJEPL, UUPL and WIPL which are part of Restricted Group 2. It has been reported under other equity of Restricted Group 2 since it represents amount invested by CGE IPL in Restricted Group 2.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

19 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non- current borrowings			
Measured at amortised cost			
Secured			
Term loans from financial institutions (Refer note 19.1 - 19.2)	9,682	9,571	3,495
Term loans from banks	-	-	2,620
4,061 8.75% Non convertible debentures issued to Continuum Energy Levander Pte. Ltd. (March 31, 2023: 4061; April 01, 2022: 4061) of INR 10,000,000/- each (Refer note 19.3)	30,450	32,250	34,534
24,210,900 Non-convertible debentures (March 31, 2023: 24,210,900; April 01, 2022: 24,210,900) of INR 10/- each (Refer note 19.4-19.5)	284	258	235
Unsecured			
Liability component of Compulsory Convertible Debentures (Refer note 19.6-19.9)	3,631	3,809	3,932
Liability component of Optionally Convertible Debentures (Refer note 19.10)	2,565	2,158	1,510
Loan from related parties (refer note 19.15 - 19.16 and note 38)	44	228	103
Measured at FVTPL			
Unsecured			
118,657,500 Compulsory Convertible Debentures (March 31, 2023: 118,657,500 ; April 01, 2022: 118,657,500) of INR 10/- each (Refer note 19.11-19.14)	1,285	1,276	1,428
Total	47,941	49,550	47,857
Current borrowings			
Measured at amortised cost			
Secured			
Current maturities of long term borrowings			
Term loans from financial institutions	738	106	38
4,061 8.75% Non convertible debentures issued to Continuum Energy Levander Pte. Ltd. (March 31, 2023: 4061; April 01, 2022: 4061) of INR 10,000,000/- each (Refer note 19.3)	6,956	6,768	5,997
Non convertible debentures Nil (March 31, 2023: Nil; April 01, 2022: 24,210,900) of INR 10/- each	-	-	7
Working capital loans from banks (Refer note 19.17)	631	249	2,299



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Unsecured			
Current maturities of long term borrowings			
Liability component of Compulsory Convertible Debentures (Refer note 19.6-19.9)	1,014	688	1,019
Measured at FVTPL			
Unsecured			
118,657,500 Compulsory Convertible Debentures (March 31, 2023: 118,657,500 ; April 01, 2022: 118,657,500) of INR 10/- each (Refer note 19.11-19.14)	217	112	-
Total	9,556	7,923	9,360

19.1 Terms of Power Finance Corporation Limited (PFC) Loan availed by CTRPL

- a) A first charge by way of mortgage in a form and manner acceptable to the lender, over all the CTRPL's immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future;
- b) A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
- c) A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future;
- d) A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 1 Quarter(s) of principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of the borrower wherever maintained, both present & future; and
- e) The pledge of equity shares, quasi equity, both present and future, held by the pledgor, to the extent of the specified percentage i.e. 51% (fifty one percent) equity shares, 51% (fifty one percent) and OCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the borrower;
- f) The loan from PFC carries interest rate which is applicable as on date of drawdown, currently it carries interest rate range between 9.00% p.a. to 9.25% p.a. and the principle outstanding is repayable in 180 monthly instalments, commencing from the first standard due date falling 12 months after scheduled commercial operations date (SCOD) whichever is earlier.
- g) Corporate Guarantee (CG) of Continuum Green Energy Limited, Singapore (CGEL). CG would be valid for :
 - (i) till Power Curve Guarantee Test (PCGT)/ Power Guarantee Test (PGT) for the entire Project i.e.199.9 MW (99.90 MW Wind and 100 MWAC / 140 MWDC solar capacity) is completed, to the satisfaction of Lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC Contract,
 - (ii) till not less than 2 (two) year of successful operation in adherence to EBITDA and/or generation as per Banking Base Case, to the satisfaction of Lenders,
 - (iii) till the time all the Securities are created and perfected in the favour of the Lender.

The closing balance of Term Loan as at end of the reporting period includes principal outstanding of INR 9,379 (March 31, 2023: INR 8,571; April 01, 2022: INR 2,434).



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

19.2 Terms of PFC project term loan availed by KWDPL

The KWDPL has tied up term loan facility of INR 1,153 for its 28 MW capacity from PFC.

PFC project term loan is secured by:

- 1 Pari passu first charge by way of mortgage in a form and manner acceptable to the lender, over all the Borrower's immovable properties, and a pari passu first charge on the borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising, the trust & retention account (TRA) including Debt Service Reserve Account of peak 3 (three) months of principal & interest payment (DSRA exclusive to PFC), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present and future;
- 2 Pari passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
- 3 Pari passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future;
- 4 Assignment in favour of the PFC on all the rights, titles, interests, benefits, claims and demands whatsoever of the borrower in the project documents/contracts (including but not limited to Power Purchase Agreements (PPA)/ Memorandum of Understanding (MOU), package/ Construction contracts, O&M related agreements, service contracts, etc.), in the clearances relating to the project, in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents; all insurance contracts and insurance proceeds and assignment of guarantees from EPC contractor (if any) relating to the project duly acknowledged and consented to by the relevant counter-parties to such project documents;
- 5 Corporate guarantee (CG) of Continuum Green Energy Ltd., Singapore (CGEL). The CG shall be valid (i) till Power Curve Guarantee Test (PCGT) for the entire project i.e. 28 MW is completed, to the satisfaction of lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC contract; (ii) till not less than 2 years of successful operation in adherence to EBITDA and/or generation as per base case, to the satisfaction of lenders; (iii) till the time all the securities are created and perfected in the favour of PFC;
- 6 The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 51% (fifty one percent) Equity Shares, 51% (fifty one percent) CCDs and 51% (fifty one percent) NCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Borrower;

Terms of interest:

The loan from PFC carries interest rate range from 8.5% p.a. to 9.00% p.a. payable monthly upto the standard due date.

Terms of repayment:

- a. The loan from PFC is repayable in 180 (One Eighty) structured monthly instalments ranging between 0.42% p.a. to 1% p.a. of loan.
- b. First repayment date will fall due on 12 months after Date of Commencement of Commercial Operation (DCCO) of the project or COD whichever is earlier.

The Company has used borrowing from Financial Institution as applicable for the period from 01 April, 2023 to 31 March, 2024 for the specific purpose for which it was taken at the balance sheet date.

The closing balance of Term Loan as at end of the reporting period includes principal outstanding of INR 1,041 (March 31, 2023: INR 1,106; April 01, 2022: INR 1,098).



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

19.3 Terms of NCDs issued to Continuum Energy Levanter Pte. Ltd. by "6 IIEs" namely WIPL,BWDPL,UUPPL,DJEPL,TWHPPL and RTPL

1. The NCDs are freely transferable. The NCDs are unlisted and unrated.
2. Each NCDs has a face value INR 100,00,000/- (referred to as the "principal amount" of each NCD) and are issued at a discount of INR 2,00,000/- to the principal amount (i.e. at the issue price of INR 98,00,000/-).
3. The NCDs bear interest on their outstanding principal amount at the rate of 8.75 % per annum plus applicable withholding taxes, payable semi-annually on 9 August and 9 February in each year.
4. In addition to interest, each NCD shall accrue a redemption premium at the rate of 2 % per annum plus applicable withholding taxes of the outstanding principal amount till 9 August 2027. The Redemption Premium shall be paid in full by the 6 IIEs on the Maturity Date or otherwise at the date of redemption in full of a NCD to the extent not paid earlier.
5. In accordance with the Debenture Trust Deed (DTD), the NCD holder has a right to redeem all (but not some only) of the NCDs at an amount equal to the principal amount plus the Redemption Premium applicable to the NCDs (together with interest accrued) on giving a notice to the Indian Identified Entity/ Entities and to the NCD Trustee in writing any time on or after (i) the date falling 12 Business Days prior to 9 February 2027 or (ii) the date on which the aggregate principal amount of all outstanding 6 IIEs Issuer NCDs is less than INR 18,500.
The 6 IIEs Issuers include the 6 IIEs i.e. Bothe Windfarm Development Private Limited, Watsun Infrabuild Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Trinethra Wind and Hydro Power Private Limited and Renewables Trinethra Private Limited.
6. The 6 IIEs has a right to redeem all or any part of the NCDs held by NCD holder at an amount equal to the principal amount plus the Voluntary Redemption Premium applicable to the NCDs (together with interest accrued) on giving notice to the NCD holder and the NCD Trustee as prescribed in DTD.
7. The NCDs principal amount are redeemable in semi-annual unequal instalments ranging between 0.25% to 1.25% alongwith mandatory cash sweep (MCS) amount ranging between 1.625% to 3.875% as per the terms of DTD. Unless previously redeemed, or purchased and cancelled, the NCDs will be redeemed at their principal amount (together with accrued but unpaid interest (if any)) on the date falling 15 years from the Initial Issue Date of March 04, 2021.
8. The 6 IIEs has a right to redeem NCDs, in part or full, in certain conditions as per the terms of the DTD.
9. All of the obligations of the 6 IIEs including the payment of the debt are secured by:
 - i. a first ranking exclusive pledge over 100% (one hundred percent) of the equity shares of the each other 6 IIEs Issuer and in the case of the IIE where the parent shall create and perfect a first ranking exclusive pledge over 51% (fifty one percent) of the equity shares of the IIE;
 - ii. a first ranking charge over the moveable and immovable assets (both present and future) of the 6 IIEs in connection with the Project operated by the Companies (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), other than the current assets of the IIEs; PPA, insurance policies and project documents; Issue Proceeds Escrow Account, the Debt Service Reserve Account, the Restricted Surplus Account, the Senior Debt Enforcement Proceeds Account and the Senior Debt Restricted Amortization Account of the Companies.
 - iii. a second ranking charge over the current assets of the IIEs and over the RCF Facility (Working Capital Facility) Restricted amortization Account, the RCF Facility Enforcement Proceeds Account, the Operating Account, the Statutory Dues Account, the Operating and maintenance (O&M) Expenses Account, the Restricted Debt Service Account and the Distribution Account of the Issuer.
10. The NCDs are guaranteed pursuant to the Deed of Corporate Guarantee executed by the other 6 IIEs Issuers as defined above.
11. The closing balance of NCD as at end of the reporting period includes principal outstanding of INR 34,468 (March 31, 2023: INR 37,767; April 01, 2022: INR 40,052).

19.4 Terms of NCDs issued to CGEIPL by KWDPL

- 1 Non convertible debentures (NCDs) are issued to Continuum Green Energy (India) Private Limited (CGEIPL), Parent and are part of the promoter contribution. The salient terms of NCDs are as follows:
- 2 NCDs shall be expressly subordinated to the term loan of the lender and will have no charge/recourse to the assets secured with lender.
- 3 Interest, expenses or statutory dues related to NCDs, accrued and/or payable till commercial operation date ("COD") of the project will not be considered as part of project cost.
- 4 Interest, expenses on NCDs post COD shall be met only out of the dividend distribution account after meeting the debt service reserve account ("DSRA") and all other reserve requirements spelt out by the lender.
- 5 Statutory dues in respect of NCDs post COD shall be met without any recourse to the project or only out of the dividend distribution account after meeting DSRA and all other reserve requirements spelt out by the lender.
- 6 No repayment/redemption of principal of NCDs is permissible till the currency of term loan.
- 7 No amount shall be due and payable under NCDs and no event of default shall be declared during currency of term loan.



CONTINUUM RESTRICTED GROUP 2**Notes to the Special Purpose Combined Financial Statements as at March 31, 2024****All amounts are INR in millions unless otherwise stated**

- 8 The NCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any security interest whatsoever without the lender's prior written permission.
- 9 NCDs shall not contain any terms/conditions contradicting the terms/conditions sanctioned by the lender and in case of any contradiction the same shall be treated to have been modified to that extent and stands aligned with the terms/conditions stipulated by the lender.
- 10 Modification in terms and conditions of the agreement for NCDs will be with prior written permission of the lender.
- 11 NCDs may be redeemed any time after the term loan have been full discharged and shall be otherwise redeemed at the end of 20 years from the date of allotment as the Company is engaged in setting up of infrastructure projects.
- 12 Coupon for the NCDs shall be ten percent per annum compounded annually, on cumulative basis from the date of commissioning of the project.
The closing balance of NCD as at end of the reporting period includes principal outstanding of INR 242 (March 31, 2023: INR 242; April 01, 2022: INR 242).

19.5 NCD issued to CGE IPL by RTPL

28,330,000 Non-convertible debentures issued to CGE IPL have been redeemed as on June 09, 2021. Balance as at April 01, 2022 represents interest accrued and due on these NCDs.

The closing balance of NCD as at end of the reporting period includes principal outstanding of Nil (March 31, 2023: Nil; April 01, 2022: Nil).

19.6 Terms of CFCDs issued to CGE IPL by WIPL, classified as compound financial instruments with liability component measured at amortized cost

1. Debentures shall be compulsorily fully convertible debentures;
2. Debentures shall be convertible into equity shares at anytime at the option of the debenture holders;
3. Debentures shall be compulsorily convertible into equity shares at the end of the 20 years from the date of allotment, if not converted earlier;
4. Debentures shall be convertible into equity shares at par into one equity share of INR 10/- each for each debenture;
5. Coupon for the Debentures shall be ten percent per annum compounded annually, on cumulative basis from the date of commissioning of the project;
6. The equity shares to be issued to the debenture holders upon conversion of debentures shall rank pari passu with the existing equity shares.
7. Interest on CFCDs accrued will be paid in accordance with permitted distribution as defined in the financing documents executed with senior NCD holders of the Company.

Reconciliation of the number of CCDs of INR 10/- each outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	320,750,000	320,750,000
At the end of the year	320,750,000	320,750,000

The closing balance of CFCD as at end of the reporting period includes principal outstanding of INR 2,460 (March 31, 2023: INR 2,237; April 01, 2022: INR 2,523).



CONTINUUM RESTRICTED GROUP 2

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19.7 Terms of CFCDs issued to CGE IPL by BWDPL, classified as compound financial instruments with liability component measured at amortized cost

- 1 Debentures shall be Compulsorily Fully Convertible Debentures;
- 2 Debentures shall be convertible into equity shares at any time at the option of the debenture holders subject to prior intimation to be provided to lender for conversion of CFCDs to ordinary share;
- 3 Debentures shall be convertible into equity shares at par into one equity share for each debenture;
- 4 Coupon for the Debentures shall be ten percent per annum compounded annually, on cumulative basis;
- 5 Coupon for the Debenture, calculated as above, shall be payable subject to the approval of the lenders;
- 6 The equity shares to be issued to the debenture holders upon conversion of debentures shall rank pari passu with the existing equity shares.
- 7
Promoters contribution by way of Compulsorily Fully Convertible Debentures shall not have any charge/ recourse to project assets.
- 8 No interest shall be payable / accruable on such instruments till COD of the project.
- 9 Interest on CFCDs shall be accrued but any dividend/interest/coupon on CFCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of lender.
- 10 CFCDs shall not be redeemed during the currency of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
- 11 Prior intimation to be provided to lender for conversion of CFCDs to ordinary share.
- 12 CFCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the company.
- 13 CFCDs shall be convertible into equity shares at any time after October 25, 2033 at the option of the debenture holders.
- 14 Interest on CFCDs accrued will be paid in accordance with permitted distribution as defined in the financing documents executed with senior NCD holders of the company.

Reconciliation of the number of CCDs of INR 10/- each outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	214,375,000	214,375,000
At the end of the year	214,375,000	214,375,000

The closing balance of CFCD as at end of the reporting period includes principal outstanding of INR 1,335 (March 31, 2023: INR 1,320; April 01, 2022: INR 1,422).



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All amounts are INR in millions unless otherwise stated

19.8 Terms of CCDs issued to CGE IPL by UUPPL, classified as compound financial instruments with liability component measured at amortized cost

- 1 CCDs shall be compulsorily convertible debentures;
- 2 CCDs shall be convertible into equity shares at any time at the option of the debenture holders;
- 3 CCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier,
- 4 CCDs shall be convertible into equity shares at par, or such higher price as required by Applicable Law, into one equity share for each debenture;
- 5 Coupon for the CCDs shall be ten percent per annum compounded annually, on cumulative basis;
- 6 Coupon for the CCDs, calculated as above, shall be payable from the funds lying in the Surplus Account in accordance with the terms of the Project Trust and Retention Accounts Agreement executed on July 24, 2014, as amended from time to time; and
- 7 The equity shares to be issued to the debenture holders upon conversion of CCDs shall rank pari passu with the existing equity shares.
- 8 Interest on CCDs accrued will be paid in accordance with permitted distribution as defined in the financing documents executed with Senior NCD holders of the company.

Reconciliation of the number of CCDs of INR 10/- each outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	63,478,000	63,478,000
At the end of the year	63,478,000	63,478,000

The closing balance of CFCD as at end of the reporting period includes principal outstanding of INR 381 (March 31, 2023: INR 418; April 01, 2022: INR 448).

19.9 Terms of CCDs issued to CGE IPL by DJEPL, classified as compound financial instruments with liability component measured at amortized cost

- 1 CCDs shall be compulsorily convertible debentures;
- 2 CCDs shall be convertible into equity shares at any time at the option of the debenture holders;
- 3 CCDs shall be compulsorily convertible into equity shares of the Company at the end of the 20 years from the date of allotment, if not converted earlier;
- 4 CCDs shall be convertible into equity shares at par, or such higher price as required by Applicable Law, into one equity share for each debenture;
- 5 Coupon for the CCDs shall be ten percent per annum compounded annually, on cumulative basis;
- 6 Coupon for the CCDs, calculated as above, shall be payable from the funds lying in the Surplus Account in accordance with the terms of the Project Trust and Retention Accounts Agreement executed on July 24, 2014, as amended from time to time; and
- 7 The equity shares to be issued to the debenture holders upon conversion of CCDs shall rank pari passu with the existing shares.
- 8 Interest on CCDs accrued will be paid in accordance with permitted distribution as defined in the financing documents executed with Senior NCD holders of the Company.

Reconciliation of the number of CCDs of INR 10/- each outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	79,442,888	79,442,888
At the end of the year	79,442,888	79,442,888

The closing balance of CFCD as at end of the reporting period includes principal outstanding of INR 470 (March 31, 2023: INR 522; April 01, 2022: INR 559).



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19.10 Terms of OCDs issued to CGE IPL by CTRPL, classified as compound financial instruments with liability component measured at amortized cost

- a) Optionally Convertible Debentures or OCDs issued by the Company shall have a face value of INR 10/- each.
- b) Each OCDs shall be convertible into one equity share of INR 10/- each at any time at the option of the Company but at any time not later than 25 years from the date of allotment.
- c) The Company may redeem any or all OCDs at any time at par but at any time not later than 25 years from the date of allotment.
- d) OCDs shall carry a non-cumulative coupon of 9% p.a. payable annually or more frequently at the option of the Company and such coupon shall accrue only after the Company has achieved commercial operations date (COD) of its project.
- e) OCDs shall be unsecured.
- f) Promoter's contributions by way of OCDs shall be expressly subordinated to the facility of the lender and shall have no charge/recourse to the assets secured with the lender;
- g) Any interest/dividend, expenses on OCDs post COD shall be met only out of the Dividend Distribution Account after meeting Debt Service Reserve Account (DSRA) and all other reserve requirements as per the Trust and Retention Account Agreement;
- h) Any statutory dues in respect of OCDs post COD shall be met by the Promoter without any recourse to the Project or only out of the Dividend Distribution Account after meeting DSRA and all other reserve requirements as per the Trust and Retention Account Agreement.
- i) No repayment/redemption of principal amount of such OCDs shall be permissible until the final settlement date.
- j) The OCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any Security Interest whatsoever without the prior written consent of the lender.
- k) Any modification in terms and conditions of OCDs shall be with the prior written consent of the lender;
- l) The subscriber may enforce conversion rights, with the prior written consent of the Lender, subject to maintaining the stipulated pledge and management control requirement as per the sanction letter.
- m) Any interest, expenses or statutory dues related to OCDs, accrued and/or payable till COD of the Project shall not be considered as part of estimated project cost.

Reconciliation of the number of OCDs of INR 10/- each outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	282,280,000	209,575,000
Add: Issued during the year	22,710,000	72,705,000
At the end of the year	304,990,000	282,280,000

The closing balance of FCFD as at end of the reporting period includes principal outstanding of INR 2,565 (March 31, 2023: INR 2,158; April 01, 2022: INR 1,510).

19.11 Terms of CCDs issued to CGE IPL by KWDPL, measured at FVTPL

- 1 CCDs shall be expressly subordinated to the term loan of the lender and will have no charge/recourse to the assets secured with lender.
- 2 Interest, expenses or statutory dues related to CCDs, accrued and/or payable till commercial operation date ("COD") of the project will not be considered as part of project cost.
- 3 Interest, expenses on CCDs post COD shall be met only out of the dividend distribution account after meeting the debt service reserve account ("DSRA") and all other reserve requirements spelt out by the lender.
- 4 Statutory dues in respect of CCDs post COD shall be met without any recourse to the project or only out of the dividend distribution account after meeting DSRA and all other reserve requirements spelt out by the lender.
- 5 No repayment/redemption of principal of such CCDs is permissible till the currency of the term loan.
- 6 No amount shall be due and payable under CCDs and no event of default shall be declared during currency of term loan.
- 7 The CCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any security interest whatsoever without lender's prior written permission.



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- 8 CCDs shall not contain any terms/conditions contradicting the terms/conditions sanctioned by PFC and in case of any contradiction the same shall be treated to have been modified to that extent and stands aligned with the terms/conditions stipulated by the lender.
- 9 Modification in terms and conditions of the agreement for CCDs will be with prior written permission of the lender.
- 10 CCDs holders may enforce conversion rights, with the lender's prior written permission, subject to maintaining the stipulated pledge and management control requirement as per the sanction letter.
- 11 CCDs shall be compulsorily convertible into equity shares at the end of the 20 years from the date of allotment, if not converted earlier.
- 12 Coupon for the CCDs shall be ten percent per annum compounded annually, on cumulative basis from the date of commissioning of the project.
- 13 CCDs shall be converted into fully paid up equity shares of the Company, in case of default under the financing documents of the lender, at the discretion of the lender.
- 14 Details of fair value of these CCDs are disclosed on note 40.
The closing balance of CFCD as at end of the reporting period includes principal outstanding of INR 153 (March 31, 2023: INR 141; April 01, 2022: INR 129).

19.12 Terms of CFCDs issued to CGEIPL by WIPL, measured at FVTPL

1. Debentures shall be Compulsorily Fully convertible Debentures;
 2. Promoter's contribution by way of CFCDs shall not have any charge/ recourse to the assets of the wind/ solar project set up/ proposed to be set up by the company, more particularly mentioned in the sanction letters of the lenders ("Project");
 3. No interest shall be payable/ accruable on such instrument till Commercial Operation Date ("COD") of the project;
 4. Any dividend/interest/coupon on CFCDs shall be out of dividend distribution surplus left in the Project Trust and Retention Account after meeting all reserve requirements and all debt obligation and with prior permission of Lenders of the Project;
 5. CFCDs shall not be redeemed till the all secured obligations of the Lenders of the Project are paid in full, to the Lenders' satisfaction, except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion;
 6. Prior intimation shall be provided to Lenders for conversion of CFCDs to ordinary shares; and after conversion 51% of such equity shares shall be pledged to the lenders of the Project;
 7. CFCDs holders would have no voting rights in any annual general meeting/ extra ordinary general meeting of the Company;
 8. Prior approval of Lenders shall be required for transferring CFCDs to any other party other than the present CFCD holders;
 9. The agreement of CFCD shall not contain any terms/ conditions contradicting the terms/ conditions sanctioned by the Lenders and in case of any contradiction; terms/ conditions stipulated by the Lenders shall prevail;
 10. Any modification in CFCD terms will be with prior written permission of the Lenders;
 11. Interest rate of CFCDs shall be ten percent per annum but at any point of time should not be higher than the interest rate applicable for the project by the Lenders;
 12. CFCDs shall be compulsorily convertible into equity shares at the end of the 20 years from the date of allotment, if not converted earlier. The prior intimation shall be provided to the Lenders for the said conversion;
 13. The equity shares to be issued to the CFCDs holders upon conversion of debentures shall rank pari-passu with the existing equity shares;
 14. Interest on CFCDs accrued will be paid in accordance with permitted distribution as defined in the financing documents executed with Senior NCD holders of the Company.
- Details of fair value of these CCDs are disclosed on note 40.

The closing balance of CFCD as at end of the reporting period includes principal outstanding of INR 513 (March 31, 2023: INR 475; April 01, 2022: INR 507).



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19.13 Terms of CCDs issued to CGEIPL TWHPPPL, measured at FVTPL

1. CCDs shall not have any charge/recourse to Project assets;
2. No interest shall be payable/accruable on CCDs till commercial operation date of the project;
3. Any dividend/interest/coupon on CCDs shall be out of dividend distribution surplus left in the trust and retention account after meeting all reserve requirements and all debt obligation and with prior permission of Lender.
4. CCDs shall not be redeemed during the currency of Lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
5. Prior intimation to be provided to Lender for conversion of CCDs to ordinary shares.
6. CCDs holders would have no voting rights in any annual general meeting/extra ordinary general meeting of the Company.

7. Upon conversion of CCDs, all resultant ordinary shares will have uniform rights and privileges (in all respect) with the existing ordinary shares.
8. Coupon rate shall be 10% per annum compounded annually, on cumulative basis from the date of commissioning of the project.

9. Interest on CCDs accrued will be paid in accordance with permitted distribution as defined in the financing documents executed with senior NCD holders of the Company.

Details of fair value of these CCDs are disclosed on note 40.

The closing balance of CFCD as at end of the reporting period includes principal outstanding of INR 651 (March 31, 2023: INR 602; April 01, 2022: INR 616).

19.14 Terms of CCDs issued to CGEIPL by RTPL, measured at FVTPL

- 1 Promoters Contribution by way of CCD's shall not have any charge/recourse to Project Assets.
- 2 No interest shall be payable/accruable on CCDs till commercial operation date of the project.
- 3 Coupon for the CCD's shall be ten percent per annum compounded annually, on cumulative basis from the commercial operation date of project.
- 4 Any dividend/interest/coupon on CCDs shall be out of dividend distribution surplus left in the trust and retention account after meeting all reserve requirements and all debt obligation and with prior permission of rupee term lender.

- 5 CCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
- 6 Prior intimation to be provided to Lender for conversion of CCDs to ordinary shares.
- 7 Prior approval of the Lender would be required for transferring CCDs to any other party other than the present CCD holders.

- 8 CCDs shall not contain any terms/conditions contradicting the terms/conditions sanctioned by the Lender and in case of any contradiction, terms/conditions stipulated by the Lender shall prevail.
- 9 Upon conversion of CCDs, all resultant ordinary shares will have uniform rights and privileges (in all respect) with the existing ordinary shares.
- 10 CCDs shall be compulsorily convertible into equity shares at the end of the 20 years from the date of allotment, if not converted earlier.

Details of fair value of these CCDs are disclosed on note 40.

The closing balance of CFCD as at end of the reporting period includes principal outstanding of INR 185 (March 31, 2023: INR 171; April 01, 2022: INR 176).

19.15 Terms of loan from related parties by CTRPL

Unsecured loan from Continuum Green Energy (India) Private Limited (CGEIPL) is interest free. These will be paid to parent as per term of finance documents but subordinated to secured liabilities and accordingly classified as non current. This was infused as promotor's contribution as required under finance document with PFC.

19.16 Terms of loan from related parties by KWDPL:

Unsecured loan from Continuum Green Energy (India) Private Limited (CGEIPL) is interest free. These will be paid to parent as per term of finance documents but subordinated to secured liabilities and accordingly classified as non current. This was infused as promotor's contribution as required under finance document with PFC.



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19.17 Terms of working capital facility availed by various Restricted Group 2 entities

The Restricted Group 2 has availed fund based working capital facility from HDFC Bank Limited amounting to INR 150 was undrawn as at March 31, 2024 (March 31, 2023: INR 150, April 1, 2022: INR 150)

The Restricted Group 2 has also availed non- fund based SBLC facility from HDFC Bank Limited amounting to INR 160 out of which INR 149 which was utilised as at March 31, 2024 (March 31, 2023: INR 148, April 1, 2022: INR 80).

Note 1 : Salient terms and security of working capital facility as at March 31, 2024:

6 Indian Identified Entities ("IIEs") comprising of BWDPL, DJEPL, UUPPL, Watsun, Trinethra ,RTPL has availed working capital facility from IndusInd Bank Limited amounting to INR 2,560 out of which INR 631 (March 31, 2023 : INR 249; April 1, 2022 : INR 2,299) was drawdown as working capital.

- 1 First ranking charge by way of hypothecation over present and future current assets of the 6 IIEs as more particularly set out in, and in accordance with the terms of, the Deed of Hypothecation but excluding the Issue Proceeds Escrow Account, Debt Service Reserve Account, Senior Debt Restricted Amortization Account, Restricted Surplus Account;
- 2 a first ranking charge in accordance with the terms of the Deed of Hypothecation, over certain Trust and Retention Accounts as defined under the facility agreement;
- 3 Second charge by way of mortgage over the movable (other than current assets) and immovable assets (both present and future) of the 6 IIEs, in connection with the Project (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), in each case, as more particularly identified in, and in accordance with the terms of the Mortgage Documents;
- 4 Second charge on the Pledged Shares of 6 IIEs held by CGE IPL in accordance with the terms of the Share Pledge Agreement, in case of Watsun, it is 51% of the share capital of Watsun;
- 5 Non disposal undertaking (NDU) is issued in respect of NDU shares as defined in the facility agreement signed with working capital lender;
- 6 Second ranking charge over the Power Purchase Agreements entered into by the Restricted Group 2, Insurance Contracts and other project documents entered into by the Borrower in relation to the Project, in accordance with the terms of the Deed of Hypothecation;
- 7 Second ranking charge over the Senior Debt Enforcement Proceeds Account, in accordance with the terms of the Deed of Hypothecation;
- 8 Guarantee issued by each 6 IIEs in favour of security trustee for the benefit of working capital lender;
- 9 The above facility carries an interest rate of one year MCLR plus 0.30% p.a.
- 10 3 Indian Identified Entities ("IIEs") comprising of BWDPL, DJEPL and UUPPL Working capital CC facility carries an interest rate of one year MCLR+0.30% p.a. and for Working capital demand facility, interest to be decided mutually at the time of drawdown.

A reconciliation of stock statement 6 IIEs with trade receivable as per books of accounts has been disclosed below:

Particulars	March 31, 2024	March 31, 2023
Trade Receivable as per Stock Statement submitted to IBL (A)	1,485	2,193
Add: Generation Based Incentive (GBI) (B)	44	30
Trade Receivable as per Financial Statements (A+B)	1,529	2,223



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19.18 Changes in liabilities arising from financing activities

Particulars	As at April 01, 2023	Financing cash flows (i)	Accruals (ii)	Other Adjustments Note (iii)	Fair value adjustments	As at March 31, 2024
Working capital loan from bank	249	346	36	-	-	631
Term loan from banks and financial institutions (v)	9,677	(195)	938	-	-	10,420
Loans from related parties	228	(423)	15	224	-	44
Non-convertible debentures	39,276	(7,027)	5,441	-	-	37,690
Compulsory convertible debentures	5,885	(356)	502	-	116	6,147
Optionally convertible debentures	2,158	-	225	182	-	2,565
Lease liabilities (iv)	216	(18)	20	0	-	218
Other borrowing cost	-	(62)	62	-	-	-
Total liabilities from financing activities	57,689	(7,737)	7,240	406	116	57,715

Particulars	As at April 01, 2022	Financing cash flows (i)	Accruals (ii)	Other Adjustments Note (iii)	Fair value adjustments	As at March 31, 2023
Working capital loan from bank	2,299	(2,110)	60	-	-	249
Term loan from banks and financial institutions (v)	6,153	2,666	858	-	-	9,677
Loans from related parties	103	969	4	(848)	-	228
Non-convertible debentures	40,773	(6,052)	4,555	-	-	39,276
Compulsory convertible debentures	6,379	(1,164)	555	-	115	5,885
Optionally convertible debentures	1,510	474	113	61	-	2,158
Lease liabilities (iv)	108	(18)	20	106	-	216
Other borrowing cost	-	(56)	56	-	-	-
Total liabilities from financing activities	57,325	(5,290)	6,221	(681)	115	57,689

(i) The cash flows make up the net amount of proceeds from and repayments of borrowings, interest and other liabilities arising from financing activities in the special purpose combined cash flow statement.

(ii) Includes interest & redemption premium accruals and amortization of discounts & borrowing costs.

(iii) Other adjustments comprise of conversion of loans from related parties to equity shares & OCDs, equity component of OCDs issued during the year, impact of capital contribution arising from interest free loans taken from related parties and deemed distribution arising from early repayment of interest free loans from related parties.

(iv) Accruals pertaining to lease liabilities and term loans also include amounts that have been capitalized in capital work in progress.

(v) Term loans from financial institution as at March 31, 2024 include unamortized borrowing costs of INR 157 (March 31, 2023: INR 87; April 01, 2022: INR 92).



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

20 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current			
Financial liabilities at amortised cost:			
Security deposits from customers (refer note 20.1)	36	47	31
Redemption liability (Refer note 20.3)	66	61	57
Total	102	108	88
Current			
Financial liabilities at amortised cost:			
Security deposits from customers (refer note 20.1)	18	0	14
Creditors for capital supplies/services	193	608	1,229
Dues to related parties (Refer note 38)	259	233	308
Total	470	841	1,551

20.1 Security deposits received from customer are interest free & repayable at the end of contract.

20.2 Details of fair value of the liabilities carried at amortised cost is disclosed in note 40.4.

20.3 The Group has contractual obligation/rights to repurchase shares issued to non-controlling interests, to be settled in cash by the Group, is recognised at present value of the redemption amount as a financial liability and is reclassified from equity. Changes in carrying amount of the redemption amount are recognised in the Combined statement of profit and loss.

21 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current			
Provision for employee benefits			
- Gratuity (refer note 37)	25	19	17
Total	25	19	17
Current			
Provision for employee benefits			
- Gratuity (refer note 37)	3	2	2
- Compensated absences	11	9	7
Provision for contingencies & litigations (refer note 21.1 & 21.2)	35	35	42
Total	49	46	51

21.1 In UUPPL & DJEPL the provision towards litigation and contingencies is made towards Deviation Settlement Mechanism (DSM) charges for the period from August 2018 to August 2020 which is currently sub-judice.

21.2 Provision for contingencies & litigations

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	35	42
Less: Provisions utilised during the year	-	(7)
Balance at the end of the year	35	35
Current	35	35
Non-current	-	-



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

22 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
(a) Total outstanding dues of micro and small enterprises	4	4	10
(b) Total outstanding dues of creditors other than micro and small enterprises	427	202	150
Total	431	206	160

22.1 The credit period on purchases ranges from 30-45 days.

22.2 For Restricted Group 2's liquidity risk management process refer note 39.5.

22.3 Trade payables from related parties are disclosed separately under note 38.

22.4 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

The amounts due to Micro and Small Enterprises as defined in section 22 of the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Restricted Group 2. This has been relied upon by the auditors.

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	4	3	10
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	1	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-	-
(c) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-	-
(d) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-	-
(e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-
(f) Further interest remaining due and payable for earlier periods	-	-	-



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024
All amounts are INR in millions unless otherwise stated

22.5 Ageing of trade payables

As on March 31, 2024

Particulars	Accruals	Not due	Outstanding for following periods from due date of invoice				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	-	-	4	0	-	-	4
- Others	300	18	108	1	0	-	427
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	300	18	113	1	0	-	431

As on March 31, 2023

Particulars	Accruals	Not due	Outstanding for following periods from due date of invoice				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	-	1	3	-	-	-	4
- Others	85	-	117	0	0	-	202
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	85	1	120	0	0	-	206

As on April 1, 2022

Particulars	Accruals	Not due	Outstanding for following periods from due date of invoice				Total
			Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Undisputed dues							
- MSME	-	1	9	-	-	-	10
- Others	62	8	80	-	-	-	150
Disputed dues							
- MSME	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
Total	62	9	89	-	-	-	160



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

23 Other liabilities

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Non-current			
Deferred income on security deposits	21	26	26
Total	21	26	26
Current			
Statutory remittances*	18	22	21
Advances from customers	8	1	2
Deferred Income on security deposits	4	6	5
Total	30	29	28

*Includes tax deducted at source, tax collected at source, employees provident fund, employees profession tax, employee state insurance corporation (ESIC) and goods and services Tax (GST).

24 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of electricity	10,672	8,861
Income from service concession arrangement	4	1
Other operating income		
- Income from International Renewable Energy Certificate (IREC)	23	-
- Generation Based Incentive (GBI)	246	323
- Revenue loss recovered (refer note 24.1)	79	13
- Sale of stores & spares (refer note 24.2)	31	-
Total	11,055	9,198

24.1 Includes the compensation received for lost revenue due to lower machine availability.

24.2 Sale of stores & spares supplied to operation and maintenance contractor.

24.3 The Restricted Group 2 presently recognises its revenue from contract with customers for sale of electricity net of rebates and discount over time for each unit of electricity delivered to customers.

External revenue by timing of revenue	For the year ended March 31, 2024	For the year ended March 31, 2023
Transferred at a point in time	383	337
Transferred over a period of time	10,672	8,861
Total	11,055	9,198

24.4 Contract balances

The following table provides information about receivables and contract asset from contract with customers.

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Contract asset			
Unbilled revenue - Current	1,163	776	625
Unbilled revenue - Non Current	315	308	139
Contract liabilities			
Advance from customers	(8)	(1)	(2)
Receivables			
Trade receivable - Current	1,173	1,349	4,494
Trade receivable - Non Current	335	811	-
Net Amount	2,978	3,243	5,256

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Restricted Groups's obligation to transfer goods or services to a customer for which the Restricted Group 2 has received consideration from the customer in advance.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

24.5 Significant changes in contract liability and unbilled revenue during the year

Advance from customers

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	1	2
Less: Revenue recognised during the year from balances at the beginning of the year	-	(2)
Add: Advance received during the year not recognised as revenue	8	1
Closing Balance	9	1

Unbilled revenue

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	1,084	764
Less: Billed During the year	(842)	(638)
Add: Unbilled during the year	1,240	854
Add/Less: Other Adjustment	(4)	104
Closing Balance	1,478	1,084

24.6 The Group receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional.

24.7 Reconciliation of revenue recognised in the special purpose combined statement of profit and loss with the contracted price:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contracted price with the customers	12,086	9,750
Reduction towards variables considerations (Discounts, rebates, refunds, credits, price concessions)	(1,031)	(552)
Revenue from contract with customers (as per Combined statement of profit and loss account)	11,055	9,198

24.8 There are no performance obligations that are unsatisfied or partially unsatisfied as at March 31, 2024, as at March 31, 2023 and April 1, 2022.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

25 Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income on financial assets measured at amortised cost		
Bank deposits	328	232
Security deposits	1	0
Loans given to related parties (refer note 25.1)	973	592
Overdue trade receivable	39	501
	1,341	1,325
Net gain / (loss) on financial assets measured at FVTPL		
Investment in OCRPS	14	20
	14	20
Other non-operating income		
Interest on income tax refund	4	2
Insurance claim received	2	22
Income arising due to liquidated damages	-	34
Sundry balance written back	-	121
Unwinding income of Financial asset	75	66
Net gain on disposal of property, plant & equipment	0	-
Provision no longer required written back	0	17
Miscellaneous income	9	7
	90	269
Total	1,445	1,614

25.1 Includes INR 229 pertaining to re-estimation of future cash flows, which is primarily on account of change in lending rate due to increase in withholding tax rates with effect from June 2023.

26 Operating and maintenance expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Operating and maintenance expenses (refer note 26.1)	1,071	960
Transmission, open access and other operating charges	628	544
Construction cost under service consession arrangement	4	1
Total	1,703	1,505

26.1 Includes cost of stores & spares of INR 28 for the year ended March 31, 2024 (March 31, 2023: NIL) supplied to operation and maintenance contractor.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

27 Employee benefits expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	217	153
Contributions to provident and other funds (Refer note 37)	11	7
Gratuity (Refer note 37)	5	5
Compensated absences	2	3
Staff welfare expenses	3	3
Total	238	171

28 Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest and finance charges on financial liabilities carried at amortised cost		
- Working capital facility	36	60
- Term loan from financial institutions	931	346
- Non-convertible debentures - Laventer (Refer note 28.1)	5,415	4,532
- Non-convertible debentures - KWDPL (Refer note 28.1)	26	23
- Liability component of compulsory convertible debentures	502	555
- Liability component of optionally convertible debentures	225	113
- Loan from related parties	15	4
- Lease liabilities	20	5
- Redemption liability (Refer 28.2)	7	6
- Security deposits	6	5
Other borrowing cost	62	56
Loss on account of modification of contractual cash flows (Refer note 28.3)	-	190
Total	7,245	5,895

28.1 Includes INR 1,047 pertaining to re-estimation of future cash flows, which are primarily on account of increase in withholding tax rates with effect from July 2023.

28.2 The Group has contractual obligation/rights to repurchase shares issued to non-controlling interests, to be settled in cash by the Group, is recognised at present value of the redemption amount as a financial liability and is reclassified from equity. Changes in carrying amount of the redemption amount are recognised in the combined statement of profit and loss.

28.3 Pertains to Non Current Trade Receivables

29 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Refer note 4)	1,835	1,584
Amortisation of right-of-use assets (Refer note 6)	20	12
Amortisation of intangible assets (Refer note 7)	455	455
Total	2,310	2,051

* Amortisation of right-of-use asset has been capitalised Nil for the year ended March 31, 2024; (March 31, 2023: INR 8). (Refer note 5.5)



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

30 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Allocable common overheads*	355	312
Asset written off	-	0
Allowance for expected credit loss	15	-
Bank and other charges	0	0
Computer expenses	1	-
Commitment charges	72	6
Insurance	137	127
Legal and professional fees	113	108
Payment to auditors	20	11
Provision for balances with government authorities	4	-
Printing and stationary	0	1
Rent	22	5
Rates and taxes	23	19
Repairs and maintenance		
- Plant & machinery	44	11
- Others	44	14
Sundry balances written off	-	1
Travelling, lodging and boarding	52	38
Net loss on disposal of property, plant & equipment	-	0
Net loss on financial liability measured at fair value through profit or loss		
- Compulsory convertible debentures	116	115
Net loss on extinguishment of financial liability	4	3
Net loss on financial instrument measured at amortised cost	-	2
Corporate Social Responsibility expenses	2	2
Miscellaneous expenses	37	27
Total	1,061	802

*Allocable common overheads represent allocation of common expenses incurred by Continuum Green Energy (India) Private Limited, the parent on behalf of its group companies.

31 Exceptional Items

The Restricted Group 2 has made an provision of INR 264 for commitment charges towards short supply of power due to delay in commissioning of Rajkot 3 project which got commissioned during the year. This expense is non-recurring in nature and hence presented as exceptional item.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

32 Current tax and deferred tax

32.1 Income tax expense recognised in special purpose combined statement of profit and loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax:		
Tax related to earlier years	5	2
Total current tax expense	5	2
Deferred tax expense/ (credit)		
In respect of current period	788	470
Total deferred tax expense/(benefit)	788	470
Income tax expense	793	472

32.2 Income Tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Deferred tax		
Remeasurement gain/(loss) on defined benefit plans	0	(0)
Total	0	(0)

32.3 Reconciliation of income tax expense and the accounting profit multiplied by Indian Identified Entities domestic tax rate:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(Loss)/Profit before income tax expense	(321)	388
Income Tax Rate	25.17%	25.17%
Income Tax using the Restricted Group 2 domestic Tax rate #	(81)	98
Effect of items that are not deductible in determining taxable profit	0	4
Effect of items not taxable in determining taxable income	-	(30)
Deferred tax not recognised	791	409
Income tax related to earlier years	79	(12)
Others	3	3
Income tax expense recognised in Special Purpose Combined Statement of Profit or Loss	793	472

The tax rate used for the reconciliations above is the corporate tax rate plus surcharge (as applicable) on corporate tax, education cess and secondary and higher education cess on corporate tax, payable by corporate entities in India on taxable profits under Income Tax Act, 1961.

In pursuance of Section 115BAA of the Income Tax Act, 1961 announced by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, Indian Identified Entities incorporated prior to 1st April 2019, have opted for irrevocable option of shifting to lower tax rate w.e.f FY 19-20. @ 25.17%

32.4 The Restricted Group 2 does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

32.5 Expiry schedule of tax losses where deferred tax assets not recognised

Expiry period (as per local tax laws)	As at March 31, 2024
< 1 year	-
1 year to 5 years	152
> 5 years	-



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

33 Contingent liabilities and commitments

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
(i) Contingent Liabilities			
Income tax demands	-	5	5
(ii) Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	315	466	4,112

33.1 The Restricted Group 2 did not expect any outflow of economic resources in respect of the above and therefore no provision was made in respect thereof.

33.2 BWDPL, WIPL, UUPPL, DJEPL, TWHPPPL and RTPL has, on a joint and several basis, guaranteed the amount of NCDs (including related interest and premium) issued to Continuum Energy Levanter Pte. Ltd. as per the terms of the Deed of Guarantee. Refer note 19.3.

33.3 The Restricted Group 2 does not have any long term contract including derivative contracts for which there are any material foreseeable losses.

34 Unbilled revenue

Out of 199.9 MW capacity, Wind Energy Purchase Agreements (WEPA) have been signed between Bothe and Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 193.4 MW. Due to delay in implementation of policy for renewable energy by the state government and also due to delay in receipt of registration certificates from Maharashtra Energy Development Agency (MEDA) against 3 WTGs, a pre-requisite for execution of WEPAs, WEPAs are not executed for 6.3 MW capacity of these 3 WTGs. Upon receipt of registration certificates, Bothe approached MSEDCL for signing of PPAs towards these WTGs. However, MSEDCL had taken a contrary & arbitrary view and rejected Bothe's valid application for signing PPAs.

Bothe approached MERC where Bothe has received partial favourable order, pursuant to which Bothe has received collection of INR 9 against generation till March 31, 2017 in financial year 2021-22. Bothe has challenged MERC Order in Appellate Tribunal for Electricity (APTEL). Bothe has received a favourable judgement from APTEL where APTEL has upheld the matter and directed MSEDCL to:

- i. immediately sign 6.3 MW PPA with Bothe effective from application date for MEDA registration;
- ii. to pay tariff at Average Power Purchase Price (APPC) for the power supplied from the date of commissioning till application date for MEDA registration and
- iii. to sign PPA w.e.f MEDA registration application date at the rate approved by MERC for WTGs commissioned in financial year 2014-15.

In October 2022; MH Discom has been granted interim stay by Honourable Supreme court against the APTEL judgment, however the Honourable Supreme Court has directed MSEDCL;

- i. to deposit INR 300 with the Honourable Supreme Court;
- ii. to pay Bothe for the electricity supplied to MH Discom at the rate of INR 3.5/ kWh and to deposit the difference amount with Honourable Supreme Court on bi-monthly basis.

The Restricted Group 2 believes that as per the judgement pronounced by APTEL vide order dated August 18, 2022, other facts mentioned above and as per legal opinion of the lawyers, Bothe is rightfully eligible for revenues towards 6.3 MW capacity at MERC stipulated tariff. However, considering that counterparty has approached the higher judicial authority, the Group has recognised the unbilled revenue till balance sheet date at APPC rate and reversed excess provision of INR 119.

35 Segment information

35.1 Consequent to the adoption of Ind AS, the Restricted Group 2 has identified one operating segment viz, "Generation and sale of electricity" which is consistent with the internal reporting provided to the Board of Directors, who has been identified as the chief operating decision maker (CODM). The CODM allocates resources and assesses performance of the operating segment of the Group.

35.2 Geographical information

The Restricted group 2 presently caters to only domestic market i.e., India and hence there is no revenue from external customers outside India nor any of its non-current asset is located outside India.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

35.3 Information about major customers

Revenue from operations which includes sale of electricity and other operating income of INR 12,079 (Year ended March 31, 2023: INR 9,750 ;) out of which sale of electricity to two (year ended March 31, 2023) major customers accounts for 35% (year ended March 31, 2023 : 44%) of the total revenue.

36 Service Concession Arrangements

On 6 August 2014, The two Indian Identified Entities (DJEPL and UUPPL) have entered into a Power Purchase Agreements with the government authorities ("distribution licensee") for supply and sale of electricity.

As per the terms of the arrangements, the Group has obtained the right (a license) to supply the electricity for the period of 25 years to the distribution licensee for supply of electricity to the public at large.

The tenure of arrangements is for 25 years' which equals to the economic useful lives of the assets deputed for the generation of electricity and there is no minimum guaranteed payment. Accordingly, the Group has accounted these arrangements under intangible asset model.

Below are the main features of the concession arrangements:

-Power purchase agreements are entered for 94 MW and 76 MW wind farm projects respectively for DJEPL and UUPL. Tariff prices per Kwh produced are fixed for 25 years of the arrangements which is governed by Indian State Electricity Regulatory Commission (State level regulatory authority or Commission).

-Grantor ("distribution licensee") has guaranteed to take the entire output of the generation from these wind farm projects at fixed rate per unit of output as per power purchase agreement.

-The economic benefit over the entire life of the wind farm project is received by Grantor as it has the right to use these assets over the life of the assets. Also, DJEPL and UUPL does not have substantial residual value of the assets at the completion of concession arrangements.

-Concession arrangements period will end after 25 years from project commissioning date. These projects have been commissioned by November 2015 and December 2015 respectively for DJEPL and UUPPL.

Therefore, DJEPL and UUPL has accounted the same under Appendix C of Ind AS 115, Service Concession Arrangement and accordingly derecognized property, plant and equipment related to service concession and shown as intangible asset at previous carrying amount of these property, plant and equipment as on transition date.

As the construction of these windfarm projects were outsourced by the DJEPL and UUPPL, contracts awarded for the construction activities of the projects were on competitive cost efficiency basis and represents fair value of consideration transferred. Hence, no margin has been added in the cost. Accordingly, DJEPL and UUPPL has considered revenue equals to cost incurred. For the year ended 31 March 2024 total construction cost incurred is INR 4 (2023 : INR 1) of which INR 4 (2023: INR 1) pertains to DJEPL and INR 0 (2023: NIL) pertains to UUPPL.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

37 Employee benefit plans

37.1 Defined contribution plans:

The Restricted Group 2 participates in Provident fund as defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to provident fund represents the value of contributions payable during the period by the Group at rates specified by the rules of provident fund. The only amounts included in the balance sheet are those relating to the prior months contributions that were not paid until after the end of the reporting period.

(a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Restricted Group 2 are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India (GOI). The Restricted Group 2 has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the special purpose combined statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Restricted Group 2.

Contribution to defined contribution plans, recognised in the special purpose combined statement of profit and loss for the year under employee benefits expense, are as under:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i) Employer's contribution to provident fund	11	7
ii) Employer's contribution to labour welfare fund	0	0
Total	11	7

(b) Defined benefit plans:

Gratuity

The Restricted Group 2 has an obligation towards gratuity, an unfunded defined benefit retirement plan covering all employees. The plan provides for lump sum payment to vested employees at retirement or at death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service. Vesting occurs upon completion of five years of service.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out for the year ended March 31, 2024 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(A) Through its defined benefit plans, the Restricted Group 2 is exposed to a number of risks, the most significant of which are detailed below:

(1) Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

(2) Interest rate risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

(3) Asset liability matching risk:

The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

(4) Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

(B) Principal actuarial assumptions used:

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
1. Discount rate	7.19%	7.39%
2. Salary escalation	10.00%	10.00%
3. Expected return of Assets	NA	NA
4. Rate of employee turnover	12.00%	12.00%
5. Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	

(C) Expenses recognised in combined statement of profit and loss

Particulars	Gratuity	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	4	3
Net interest cost	1	1
Past Service Cost	-	-
Expected contributions by the employees	-	-
(Gains)/losses on curtailments and settlements	-	-
Liability transferred in/ acquisitions	0	0
Liability transferred out/ divestments	(0)	1
Components of defined benefit cost recognised in combined statement of profit or loss	5	5

The current service cost and the net interest expenses for the year are included in the 'Employee benefits expenses' line item in the Special Purpose Combined Statement of profit and loss.

(D) Expenses recognized in the Other Comprehensive Income (OCI)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (gains)/losses on obligation for the year		
- Due to changes in demographic assumptions	-	-
- Due to changes in financial assumptions	0	0
- Due to experience adjustment	1	0
Return on plan assets, excluding interest income	-	-
Net (income)/expense for the period recognized in OCI	1	0

(E) Amount recognised in the combined balance sheet

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Present value of unfunded defined benefit obligation	(28)	(21)	(19)
Fair value of plan assets	-	-	-
Net liability arising from defined benefit obligation	(28)	(21)	(19)



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

(F) Net liability recognised in the combined balance sheet

Recognised under:	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Long term provision (refer note 21)	25	19	17
Short term provision (refer note 21)	3	2	2
Total	28	21	19

(G) Movements in the present value of defined benefit obligation are as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening defined benefit obligation	21	19
Interest cost	2	1
Current service cost	4	3
Liability transferred in/ acquisitions	0	1
Liability transferred out/ divestments	(0)	(0)
(Gains)/losses on curtailments	0	-
Benefits paid directly by the employer	(0)	(2)
Actuarial (gains)/losses on obligations - Due to change in financial assumptions	0	(1)
Actuarial (gains)/losses on obligations - Due to experience	1	0
Closing defined benefit obligation	28	21

(H) Maturity profile of defined benefit obligation:

Projected benefits payable in future years from the date of reporting	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Year 1 cashflow	3	2	2
Year 2 cashflow	3	2	2
Year 3 cashflow	3	2	2
Year 4 cashflow	3	2	2
Year 5 cashflow	3	2	2
Year 6 to year 10 cashflow	13	10	8
Year 11 and above	25	20	18

(I) Sensitivity analysis

The Sensitivity analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the lied assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

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Projected benefits payable in future years from the date of reporting	For the year ended March 31, 2024	For the year ended March 31, 2023
Projected benefit obligation on current assumptions		
Rate of discounting		
Impact of +1% change	(2)	(2)
Impact of -1% change	2	2
Rate of salary increase		
Impact of +1% change	2	1
Impact of -1% change	(2)	(1)
Rate of employee turnover		
Impact of +1% change	(0)	(0)
Impact of -1% change	0	0

(J) Other disclosures

The weighted average duration of the obligations as at March 31, 2024 is 5-11 years (as at March 31, 2023: 5-11 years and as at April 1, 2022: 6-10 years).



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

38 Related party disclosures

38.1 Details of related parties

Description of relationship	Name of the related party	
Ultimate holding company of Indian Identified Entities	Continuum Green Energy Limited, Singapore	
Immediate holding company of Indian Identified Entities	Continuum Green Energy (India) Private Limited (CGEIPL)	
Fellow subsidiaries (where transactions have taken place)	Continuum MP Windfarm Development Private Limited Bhuj Wind Energy Private Limited Dalavaipuram Renewables Private Limited Morjar Renewables Private Limited Srijan Energy Systems Private Limited Continuum Energy Levanter Pte. Ltd.	
Enterprise over which key management personnel ("KMP") have significant influence	Skyzen Infrabuild Private Limited Sandhya Hydro Power Projects Balargha Private Limited	
Key management personnel	Arvind Bansal Raja Parthasarathy Arno Kikkert N V Venkataramanan Marc maria van't Noordende Nilesh Patil Gautam Chopra Ranjeet Kumar Sharma	Director and Chief Executive Officer Director Director Chief Operating Officer Director of the subsidiaries Finance controller and director of Indian Identified Entities Vice president- Projects Development Vice president- Projects-Wind business (upto July 31, 2022)
Relatives of key management personnel	Anjali Bansal	Vice President- Human Resource



CONTINUUM RESTRICTED GROUP 2
Notes to the Special Purpose Combined Financial Statements as at March 31, 2024
All amounts are INR in millions unless otherwise stated

38.2 Transactions during the year with related parties

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	<u>Loan given during the year</u>		
I	Holding company		
	Continuum Green Energy (India) Private Limited	2,111	987
	Total	2,111	987
B	<u>Loans given, received back during the year</u>		
I	Holding company		
	Continuum Green Energy (India) Private Limited	63	58
	Total	63	58
II	Fellow subsidiaries		
	Continuum MP Windfarm Development Private Limited	-	113
	Total	-	113
III	Enterprise over which key management personnel have significant influence		
	Skyzen Infrabuild Private Limited	-	510
	Total	-	510
C	<u>Loan taken during the year</u>		
I	Holding company		
	Continuum Green Energy (India) Private Limited	203	1,127
	Total	203	1,127
D	<u>Loan repaid during the year</u>		
I	Holding company		
	Continuum Green Energy (India) Private Limited	627	159
	Total	627	159
E	<u>Other payable</u>		
I	Fellow subsidiaries		
	Bhuj Wind Energy Private Limited	-	2
	Total	-	2
F	<u>Allocable overheads reimbursable to related parties</u>		
I	Holding company		
	Continuum Green Energy (India) Private Limited	355	312
	Total	355	312
G	<u>Interest income *</u>		
I	Holding company		
	Continuum Green Energy (India) Private Limited	1,041	733
	Total	1,041	733
II	Fellow subsidiaries		
	Srijan Energy Systems Private Limited	19	17
	Continuum MP Windfarm Development Private Limited	-	10
	Total	19	27
III	Enterprises over which the KMP have significant influence		
	Skyzen Infrabuild Private Limited	-	68
	Total	-	68
	Total	1,060	829



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All amounts are INR in millions unless otherwise stated

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
H	<u>Interest Expense*</u>		
I	Holding company		
	Continuum Green Energy (India) Private Limited	821	821
		821	821
II	Fellow subsidiaries		
	Continuum Energy Levanter Pte Ltd.	3,660	3,641
		3,660	3,641
	Total	4,481	4,462
I	<u>Miscellaneous income</u>		
I	Fellow subsidiaries		
	Continuum Trinethra Renewables Private Limited	-	0
		-	0
	Total	-	0
J	<u>Issue of Optionally convertible debentures</u>		
I	Holding company		
	Continuum Green Energy (India) Private Limited	-	474
		-	474
K	<u>Conversion of Intercorporate borrowing into Optionally convertible debentures</u>		
I	Holding company		
	Continuum Green Energy (India) Private Limited	227	253
		227	253
L	Interest on optionally convertible debentures		
I	Holding company		
	Continuum Green Energy (India) Private Limited	217	-
		217	-
M	<u>Conversion of Intercorporate borrowing into share capital</u>		
I	Holding company		
	Continuum Green Energy (India) Private Limited	76	242
		76	242
	Total	76	242



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Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
N	<u>Redemption of Investment in OCRPS</u>		
I	Fellow Subsidiaries		
	Continuum MP Windfarm Development Private Limited	-	400
	Total	-	400
O	<u>Repayment of non convertible debentures</u>		
I	Fellow subsidiaries		
	Continuum Energy Levanter Pte Ltd.	3,300	2,284
	Total	3,300	2,284
P	<u>Redemption premium on non convertible debentures*</u>		
I	Fellow subsidiaries		
	Continuum Energy Levanter Pte Ltd.	837	834
	Total	837	834
Q	<u>Rent Expenses</u>		
I	Fellow Subsidiaries		
	Morjar Renewables Private Limited	12	-
	Total	12	-
R	<u>Reimbursement of expenses incurred on behalf of the company</u>		
I	Key management personnel		
	Key management personnel	-	0
	Total	-	0
S	<u>Transfer of material</u>		
I	Fellow Subsidiaries		
	Continuum Trinethra Renewable Private Limited	-	0
	Dalavaipuram Renewables Private Limited	0	-
	Total	0	0

* These amounts are based on contractual terms of respective financial instruments and do not include adjustments on account of effective interest rates, fair value changes, etc.

The transactions with related parties are made in the normal course of business. All the related party transactions are reviewed and approved by board of directors.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024
All amounts are INR in millions unless otherwise stated

38.3 Amounts outstanding with related parties

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
A	Loan receivable			
I	Holding company			
	Continuum Green Energy (India) Private Limited	8,544	6,497	5,568
	Total	8,544	6,497	5,568
II	Fellow subsidiaries			
	Srijan Energy Systems Private Limited	143	143	143
	Continuum MP Windfarm Development Private Limited	-	-	113
	Total	143	143	256
III	Enterprise over which key management personnel have significant influence			
	Skyzen Infrabuild Private Limited	-	-	510
	Total	-	-	510
	Total	8,687	6,640	6,334
B	Loan payable			
I	Holding company			
	Continuum Green Energy (India) Private Limited	166	893	421
	Total	166	893	421
C	Reimbursement for allocable overheads Payable			
I	Holding company			
	Continuum Green Energy (India) Private Limited	243	231	304
	Total	243	231	304
D	Interest receivable*			
I	Holding company			
	Continuum Green Energy (India) Private Limited	2,382	1,491	882
	Total	2,382	1,491	882
II	Fellow subsidiaries			
	Srijan Energy Systems Private Limited	64	47	32
	Continuum MP Windfarm Development Private Limited	-	-	25
	Total	64	47	57
III	Enterprises over which the KMP have significant influence			
	Skyzen Infrabuild Private Limited	-	-	166
	Total	-	-	166
	Total	2,446	1,538	1,105
E	Rent receivable			
I	Fellow Subsidiaries			
	Dalavaipuram Renewables Private Limited	0	0	-
	Total	0	0	-
F	Interest payable*			
I	Holding company			
	Continuum Green Energy (India) Private Limited	1,076	443	794
	Total	1,076	443	794
G	Other payable			
I	Fellow subsidiaries			
	Bhuj Wind Energy Private Limited	2	2	-
	Total	2	2	-
H	Investment in OCRPS			
I	Fellow Subsidiaries			
	Srijan Energy Systems Private Limited	638	638	638
	Continuum MP Windfarm Development Private Limited	-	-	400
	Total	638	638	1,038
I	Non convertible debentures			
I	Holding company			
	Continuum Green Energy (India) Private Limited	49	25	1
	Total	49	25	1
II	Fellow Subsidiaries			
	Continuum Energy Levanter Pte Ltd.	34,468	37,767	40,052
	Total	34,517	37,792	40,052



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Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

S. No.	Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
J	<u>Optionally convertible debentures</u>			
I	<u>Holding company</u>			
	Continuum Green Energy (India) Private Limited	3,050	2,823	2,096
	Total	3,050	2,823	2,096
K	<u>Rent Payable</u>			
I	<u>Fellow Subsidiaries</u>			
	Morjar Renewables Private Limited	14	-	-
	Total	3,064	2,823	2,096
L	<u>Interest accrued but not due on non convertible debentures*</u>			
I	<u>Fellow Subsidiaries</u>			
	Continuum Energy Levanter Pte Ltd.	513	505	535
	Total	513	505	535
M	<u>Liability towards premium on redemption of NCD*</u>			
I	<u>Fellow Subsidiaries</u>			
	Continuum Energy Levanter Pte Ltd.	2,397	1,624	876
	Total	2,397	1,624	876
N	<u>Other receivables</u>			
I	<u>Holding company</u>			
	Continuum Green Energy (India) Private Limited	-	-	-
I	<u>Fellow Subsidiaries</u>			
	Dalavaipuram Renewables Private Limited	0	-	-
	Total	0	-	-
II	<u>Enterprises over which KMP has significant influence</u>			
	Sandhya Hydro Power Projects Balargha Private Limited	-	1	1
	Total	0	1	1

* These amounts are based on contractual terms of respective financial instruments and do not include adjustments on account of effective interest rates, fair value changes, etc.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

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39 Financial instruments and risk management

39.1 Capital risk management

The Restricted Group 2 manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Restricted Group 2 consists of net debt offset by cash and bank balances and total equity of the Restricted Group 2 .

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Long term and short term debts*	57,715	57,689	57,325
Less: Cash and cash equivalents	(2,017)	(3,217)	(3,409)
Net debt	55,698	54,472	53,916
Total Equity	3,313	5,051	4,446
Debt to equity ratio	17.42	11.42	12.89
Net debt to equity ratio	16.81	10.78	12.13

* Debt comprises of current and non-current borrowings (including liability component of CCD amounting to INR 8,712; (March 31, 2023: 8,044; April 01, 2022: 7,889;) and lease liabilities. The Restricted Group 2 has not defaulted on any loans payable and there has been no breach of any loan covenants. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024, and March 31, 2023.

39.2 Categories of financial instruments

The following table provides categorisation of all financial instruments

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Financial Assets			
Measured at fair value through profit and loss (FVTPL)			
(a) Investment in optionally convertible redeemable preference shares	154	140	206
	154	140	206
Measured at amortised cost			
(a) Trade receivable	1,508	2,160	4,494
(b) Unbilled Revenue	1,478	1,084	764
(c) Cash and cash equivalent	2,017	3,217	3,409
(d) Bank balances other than (c) above	2,088	2,114	2,259
(e) Loans	7,740	5,330	5,100
(f) Other financial assets	165	212	248
	14,996	14,117	16,274
Total financial assets	15,150	14,257	16,480

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Financial Liabilities			
Measured at fair value through profit and loss (FVTPL)			
(a) Compulsory convertible debentures	1,502	1,388	1,428
Measured at amortised cost			
(a) Borrowings	55,995	56,085	55,789
(b) Lease liabilities	218	216	108
(c) Trade payables	431	206	160
(d) Other financial liabilities	572	949	1,639
Total financial liabilities	57,216	57,456	57,696
Total	58,718	58,844	59,124

39.3 Financial risk management objectives

The Restricted Group 2 principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's principal financial assets comprise cash and bank balance, trade and other receivables that derive directly from its operations.

The Restricted Group 2 is exposed to various financial risks such as market risk, credit risk and liquidity risk. The Restricted Group 2 senior management team oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:



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Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

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39.3.1 Market risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency receivables, payables and loans and borrowings.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2024, March 31, 2023, and April 01, 2022.

39.3.1.1 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 exposure to the risk of changes in market interest rates relates primarily to the Restricted Group 2 long term and short term debt obligations/ loan given with floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The following table provides amount of the Restricted Group 2 floating rate borrowings/ loan given:

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Floating rate loans given to related parties	8,688	6,640	6,334
Floating rate borrowings	11,160	9,970	8,511
Total	19,848	16,610	14,845

Interest Rate Sensitivity Analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings taken at floating rates. With all other variables held constant, the Restricted Group 2 loss before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Interest rate sensitivity analysis	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Impact on Profit/(Loss) before tax for the year		
Floating rate loans given to related parties		
Increase by 50 Basis Points	43	33
Decrease by 50 Basis Points	(43)	33
Floating rate borrowings		
Increase by 50 Basis Points	56	50
Decrease by 50 Basis Points	(56)	(50)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in the prior years.

39.3.1.2 Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Restricted Group 2 does not have any exposure to foreign currency risk.

39.4 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Restricted Group 2 is exposed to credit risk from its operating activities (primarily trade receivables).

a. Trade receivables

The Restricted Group 2 has adopted a policy of only dealing with counterparties that have sufficient credit rating. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Restricted Group 2 grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group has applied a simplified approach under Expected Credit Loss (ECL) model for measurement and recognition of impairment losses on trade receivables.

b. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Parent's Board of Directors on an annual basis. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

c. Financial guarantees

Financial guarantees have been provided to the debenture trustees of non-convertible debentures issued by other Restricted Group Issuers (Refer note 19.1). The Restricted Group 2 maximum exposure in this respect is the maximum amount the Restricted Group 2 could have to pay if the guarantee is called on. In this regard, the Restricted Group 2 does not foresee any significant credit risk exposure.



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39.5 Liquidity risk management

Liquidity risk is the risk that the Restricted Group 2 will not be able to meet its financial obligations as they become due. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Restricted Group 2 regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs.

Liquidity risk table

The table below summarises the maturity profile of the Restricted Group 2 financial liabilities based on contractual undiscounted payments.

Particulars	Upto1 year	1-5 years	More than 5 years	Total
March 31, 2024				
Term loans from bank & financial institutions - principal	692	2,404	7,436	10,532
Term loans from bank & financial institutions - interest	46	-	-	46
Working capital loan from banks- principal	629	-	-	629
Working capital loan from banks - interest	2	-	-	2
Loans from related parties - principal	-	1,397	166	1,563
OCD issued to related parties - interest	-	1,453	5,026	6,479
8.75% Non convertible debentures issued to Continuum Energy Levander Pte. Ltd. - principal	3,452	31,016	-	34,468
NCD issued to CGE IPL- principal	-	-	242	242
8.75% Non convertible debentures issued to Continuum Energy Levander Pte. Ltd. - interest & premium	3,504	8,438	-	11,942
NCD issued to CGE IPL- interest	-	158	315	473
CCD issued to related parties - interest	1,401	3,220	5,986	10,607
Lease liabilities	19	79	551	649
Trade payables	431	-	-	431
Other financial liabilities	521	29	37	587
Total	10,697	48,194	19,759	78,650
March 31, 2023				
Term loans from bank & financial institutions - principal	409	2,092	7,224	9,725
Term loans from bank & financial institutions - interest	41	-	-	41
Working capital loan from banks- principal	247	-	-	247
Working capital loan from banks - interest	2	-	-	2
Loans from related parties - principal	-	759	893	1,652
Loans from related parties - interest	-	-	-	-
OCD issued to related parties - interest	-	1,096	4,872	5,968
8.75% Non convertible debentures issued to Continuum Energy Levander Pte. Ltd. - principal	3,300	34,467	-	37,767
NCD issued to CGE IPL- principal	-	-	242	242
8.75% Non convertible debentures issued to Continuum Energy Levander Pte. Ltd. - interest & premium	3,469	10,856	-	14,325
NCD issued to CGE IPL- interest	-	134	340	474
CCD issued to related parties - interest	971	3,208	6,785	10,964
Lease liabilities	18	77	572	667
Trade payables	206	-	-	206
Other financial liabilities	877	40	43	960
Total	9,540	52,729	20,971	83,240
April 01, 2022				
Term loans from bank & financial institutions - principal	227	1,341	4,661	6,229
Term loans from bank & financial institutions - interest	15	-	-	15
Working capital loan from banks- principal	2,282	-	-	2,282
Working capital loan from banks - interest	17	-	-	17
Loans from related parties - principal	-	973	421	1,394
Loans from related parties - interest	-	-	-	-
OCD issued to related parties - interest	-	707	3,817	4,524
8.75% Non convertible debentures issued to Continuum Energy Levander Pte. Ltd. - principal	2,284	37,767	-	40,051
NCD issued to CGE IPL- principal	-	-	242	242
8.75% Non convertible debentures issued to Continuum Energy Levander Pte. Ltd. - interest & premium	3,712	14,289	-	18,001
NCD issued to CGE IPL- interest	-	110	364	474
CCD issued to related parties - interest	1,189	3,356	7,582	12,127
Lease liabilities	18	75	592	685
Trade payables	160	-	-	160
Other financial liabilities	1,585	18	48	1,651
Total	11,489	58,636	17,727	87,852

The above table details the Restricted Group 2 remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.



Note on management of negative working capital

The Restricted Group 2 has current liabilities higher than current assets by INR 3,904. (as at March 31, 2023 by INR 1,398 and as at April 01, 2022 by INR 249).

Taking into consideration, all projects of Restricted Group 2 are now fully operational and having positive cashflows from operations along with long term PPAs, the Board of Directors have concluded that Restricted Group 2 can generate sufficient future cash flows to be able to meet its current obligations, as and when due, in the foreseeable future and it also has INR 1861 as undrawn working capital facility. Accordingly, the financial statements have been prepared on a going concern basis.



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40 Fair Value Measurement

40.1 Fair value of the financial assets that are measured at fair value on a recurring basis

Financial assets/ financial liabilities measured at fair value	Fair value as at			Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2024	March 31, 2023	April 1, 2022		
A) Financial assets					
Investment in optionally convertible redeemable preference shares	154	140	206	Level 3	Discounted cash flow method - Future cash flows are based on terms of the loan discounted at a rate that reflects market risk
B) Financial liabilities					
Compulsory convertible debenture issued	1,502	1,388	1,428	Level 3	Face value of the instrument along with interest accrued at market rates, considering holder's option to convert at any time

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their short term nature.

40.2 Reconciliation of Level 3 fair value measurement:

Investment in optionally convertible redeemable preference shares

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Opening balance	140	206
Additional investment/obligation	-	-
Gain/(Loss) recognised in the Combined statement of profit and loss	14	20
Capital contribution arising on early redemption	-	314
Disposals/settlements	-	(400)
Closing balance	154	140

Compulsory convertible debenture issued

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Opening balance	1,388	1,428
Additional investment/obligation	-	-
(Gain)/Loss recognised in the Combined statement of profit and loss	116	115
Disposals/settlements	(2)	(155)
Closing balance	1,502	1,388

40.3 Valuation techniques and key inputs

The above fair values were calculated based on cash flows discounted using a current lending rate.

Particulars	Valuation technique	Significant unobservable inputs	Change	Sensitivity of the input to fair value
Investment in OCRPS	Discounted cashflows	Discount rate	0.50%	0.50% increase / decrease in the discount rate would decrease / increase the fair value by INR 10 / INR 11 (Previous year: INR 10 / INR 11).
Compulsory convertible debentures	Interest at market rates	Interest rate	0.50%	0.50% increase / decrease in the rate would increase / decrease the fair value by INR 2 / INR 2 (Previous year: INR 2 / INR 2).

40.4 Fair value of financial assets and financial liabilities that are measured at amortised cost:

The management believes the carrying amounts of financial assets and financial liabilities measured at amortised cost approximate their fair values.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

41 Share based payments**Phantom Stock Units Option Scheme (PSUOS), 2016**

Certain eligible employees of the Group are entitled to receive cash settled stock based awards pursuant to PSUOS 2016 administered by Continuum Green Energy Limited (CGEL). The scheme was approved by the Board of Directors of CGEL which was made effective from 19 July 2016. Under the terms of the Scheme, up to 3 million of Phantom Stocks Units were made available to eligible employees of the Group which entitle them to receive, cash equivalent to the difference between fair market value of the shares relevant to the date of settlement and the exercise price of the shares underlying the option, subject to maximum vesting period of 4 years during which the employee has to remain in continuous employment with the group. Since the Company has no obligation to settle the Phantom Stock Units, this is classified as an equity settled share based payment.

According to the Scheme, the employee selected by the Board of CGEL from time to time will be entitled to units as per the grant letter issued by the Board, subject to the satisfaction of prescribed vesting conditions. Options granted under this scheme would vest in pre-defined percentage basis upon completion of years of services.

The movement of options outstanding under Phantom Stock Units Option Scheme are summarised below :

Phantom stock units	As at March 31, 2024		As at March 31, 2023	
	No. of Options	Weighted average exercise price	No. of Options	Weighted average exercise price
Balance at the beginning of the year	195,120	130.50	195,120	130.50
Granted during the year	20,995	862.00	-	-
Cancelled during the year	19,086	130.10	-	-
Balance at the end of the year	197,029	221.09	195,120	130.50
Exercisable at the end of the year	197,029	221.09	195,120	130.50
Weighted average fair value	20,995	-	-	-

Valuation method

The fair value is determined using a median of the equity valuations derived from three different methods; i.e., Discounted Cash Flow Method, Transaction Comparable Approach and Trading Comparable Approach.

The expenses recognised for employee services received during the year is shown in the following table:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Expense arising from equity-settled share-based payment transactions	-	-



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

42 Additional regulatory information as required by Schedule III to the Companies Act, 2013

- 42.1 The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.
- 42.2 The Group has not traded or invested in Crypto currency or Virtual Currency during each reporting year.
- 42.3 There were no Scheme of Arrangements entered by the Group during each reporting period, which required approval from the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- 42.4 The Group did not have transactions with Companies struck off under Companies Act, 2013 or Companies Act, 1956.
- 42.5 The Restricted Group 2 has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Restricted Group 2 (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 42.6 The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- 42.7 None of the entity of the Group has been declared willful defaulter by any bank or financial institution or government or any government authority.
- 42.8 The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.
- 42.9 The Group does not have any Loans or advances to promoters, directors, KMPs and related parties , either severally or jointly with any other person, that are
- (a) repayable on demand or
 - (b) without specifying any terms or period of repayment



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

43 First-time adoption of Ind-AS

43.1 Reconciliation of total equity as at March 31, 2023 and April 01, 2022

Sr no.	Particulars	Note	As at March 31, 2023	As at April 1, 2022
I	Total equity (shareholder's funds) under previous GAAP		4,543	4,494
II	Ind AS Adjustments:			
	Depreciation and interest on ROU asset and lease liability	b.	(2)	(0)
	Impact of compulsory convertible debentures issued	c.	2,500	2,373
	Impact of optionally convertible debentures issued	d.	665	586
	Impact of non-convertible debentures issued	e.	357	275
	Impact of interest free loans from related parties (Deemed contribution)	f.	980	318
	Impact of interest free loans from related parties (Deemed distribution arising from early repayment)	f.	(311)	-
	Impact of interest free loans from related parties (Interest as per EIR)	f.	(4)	(0)
	Impact of investment in OCRPS	g.	(498)	(833)
	Impact of loans to related parties (Measurement at amortized cost)	h.	(2,848)	(2,339)
	Security deposit from customers	i.	5	4
	Securities deposit to customer	j.	(56)	(0)
	Service concession arrangement	k.	4	-
	Trade receivables	l.	(68)	-
	Deferred tax impact	m.	(156)	(394)
	Transaction with non-controlling shareholders	o.	(60)	(37)
	Total adjustment to equity		508	(48)
	Total equity under Ind AS (I + II)		5,051	4,446

43.2 Reconciliation of Total Comprehensive Income for the year ended March 31, 2023

Sr no.	Particulars	Note	For Year ended March 31, 2023
I	Profit after tax as per previous GAAP		(213)
II	Ind AS Adjustments:		
	Gratuity impact as per valuation	a.	-
	Depreciation and interest on ROU asset and lease liability	b.	(2)
	Interest on loan at amortised cost	h.	(4)
	Interest Income on financial asset measured at Amortised cost	h.	(239)
	Impact of compulsory convertible debentures issued	c.	126
	Impact of non-convertible debentures issued	e.	82
	Impact of investment in OCRPS	g.	20
	Security deposit from customers	i.	1
	Security deposit to customer	j.	0
	Service concession arrangement	k.	4
	Impact of optionally convertible debentures issued	d.	(113)
	Trade receivables	l.	(124)
	Deferred tax impact	m.	388
	Transaction with non-controlling shareholders	o.	(10)
	Total adjustment to profit or loss		129
III	Profit after tax under Ind AS (I+II)		(84)
IV	Other comprehensive income		
	Remeasurement of defined benefit plans	a.	0
	Deferred tax impact	m.	(0)
	Total adjustment to other comprehensive income		0
V	Total comprehensive income as per above (III+IV)		(84)

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

43.3 Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2023.

Particulars	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from / (used in) operating activities	9,265	3	9,268
Net cash generated from / (used in) investing activities	(4,181)	11	(4,170)
Net cash generated from / (used in) financing activities	(5,271)	(19)	(5,290)
Net increase/ (decrease) in cash and cash equivalents	(187)	(5)	(192)
Cash and cash equivalents at the start of year	3,404	5	3,409
Cash and cash equivalents at the end of year	3,217	-	3,217

43.4 Notes to first-time adoption:**a. Actuarial gains and losses**

The impact is on account of measurement of employee benefits obligations as per Ind AS 19. Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability / asset, are recognised in the Other Comprehensive Income (OCI) under Ind AS instead of profit or loss.

b. Leases

Under previous GAAP, the lease payment made for the properties taken on lease is recognised as Rent Expenses in the Statement of Profit and Loss for the period. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on balance sheet lease accounting model for lessees. Under Ind AS, the Group should recognise right-to-use asset (ROU asset) and lease liability for the properties taken on lease subject to exemption provided in the Ind AS 116. On application of Ind AS 116, the nature of expenses has changed from lease rent to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability. There is no change in accounting by the lessor.

c. Compulsory convertible debentures

As on transition date, some of the compulsory convertible debentures issued by the Restricted Group 2 are classified as a compound financial instrument. Under previous GAAP, these were presented as a separate line item in the balance sheet at face value. Under Ind AS, the financial instruments are accounted for in accordance with Ind AS 32, by bifurcating the same into equity and liability component.

As on transition date, some of the compulsory convertible debentures issued by the Restricted Group 2 are classified as financial liability, since the conversion ratio is not fixed. Under previous GAAP, these were presented as a separate line item in the balance sheet at face value. Under Ind AS, the financial instruments are accounted for in accordance with Ind AS 109, by measuring the same at fair value through profit and loss.

d. Optionally convertible debentures

As on transition date, the optionally convertible debentures issued by the Restricted Group 2 are classified as a compound financial instrument. Under previous GAAP, these were presented as a separate line item in the balance sheet at face value. Under Ind AS, the financial instruments are accounted for in accordance with Ind AS 32, by bifurcating the same into equity and liability component.

e. Non-convertible debentures

Non-convertible debentures issued by the Restricted Group 2 are classified as financial liabilities measured at amortized cost. Under the previous GAAP, NCDs were recorded at face value along with periodic accruals for interest and premium payable. Under Ind AS, the financial instruments are accounted for in accordance with Ind AS 109, by measuring the same at amortized cost using EIR method.

f. Interest free loans from related parties

The Restricted Group 2 has taken interest free loans with prepayment options from related parties, which have been accounted as financial liabilities measured at amortised cost, with separated embedded derivative (prepayment option) measured separately at fair value through profit or loss.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

g. Investment in OCRPS

Investment in OCRPS is classified as financial asset measured at FVTPL. Under the previous GAAP, investments in OCRPS were recorded at face value. Under Ind AS, the financial instruments are accounted for in accordance with Ind AS 109, by measuring the same at fair value through profit and loss.

h. Loans at amortized cost

The Restricted Group 2 has given loans to a related parties at market terms , which has been accounted as financial asset measured at amortized cost using EIR method.

i. Security deposits from customers

Under previous GAAP, interest free security deposits from customers were recorded at their transaction value. Under Ind AS, there are measured as financial liabilities at amortized cost in accordance with Ind AS 109. The difference between fair value and transaction value of the deposit at initial recognition has been considered as deferred income.

j. Security deposits to customers

Under previous GAAP, interest free security deposits to customers were recorded at their transaction value. Under Ind AS, there are measured as financial assets at amortized cost in accordance with Ind AS 109. The difference between fair value and transaction value of the deposit at initial recognition has been considered as prepaid expense.

k. Service concession arrangement

Under the Previous GAAP, PPE related to power plant were capitalised and depreciation was charged to statement profit and loss. Under Ind AS, PPE related to the power plant considered as service concession arrangement, has been de-recognised and shown as intangible asset.

l. Trade receivables

Ministry of Power has notified the Late Payment Surcharge Rules, 2022 ("LPS 2022") on June 03, 2022. As per LPS 2022, discoms had an option, which was to be exercised by July 02, 2022 to reschedule all outstanding dues as on June 03, 2022, plus late payment surcharge calculated till that date, into certain number of equal monthly instalments payable on 5th of each calendar month starting from August 2022. Madhya Pradesh Power Management Company Limited (MPPMCL) has exercised an option on July 01, 2022 to pay the outstanding receivables due to the restricted Group 2 in 40 equated monthly installments without interest. Accordingly, the Restricted Group 2 has recorded the modification in terms of the contract and the resultant loss primarily due to the extended interest free credit period has been recognised as a finance cost amounting to INR 1036.26 in the statement of profit or loss.

m. Deferred Tax

The previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments has resulted in recognition of temporary differences.

o. Transaction with non-controlling shareholders

The Restricted Group 2 has contractual obligation/rights to repurchase shares issued to non-controlling interests, to be settled in cash by the The Restricted Group 2, is recognised at present value of the redemption amount as a financial liability and is reclassified from equity. Changes in carrying amount of the redemption amount are recognised in the statement of profit and loss.



CONTINUUM RESTRICTED GROUP 2

Notes to the Special Purpose Combined Financial Statements as at March 31, 2024

All amounts are INR in millions unless otherwise stated

44 Significant events after the reporting year

No significant adjusting event occurred between the balance sheet date and the date of approval of these special purpose combined financial statements by the Board of Directors of the Parent requiring adjustment or disclosure.

45 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

46 The previously issued special purpose combined financial statements of the Restricted Group 2 for the year ended March 31, 2022 were prepared in accordance with Companies (Accounting Standards) Rules, 2021 and were audited by the predecessor auditor whose report dated May 18, 2024 expressed an unmodified opinion.

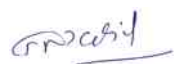
47 Amount less than INR 0.5 appearing in special purpose combined financial statements are disclosed as "0" due to presentation in millions.

48 The financial statements were approved by the Board of Directors in their meeting held on June 7, 2024.

For and on behalf of Board of Directors of
Continuum Green Energy (India) Private Limited
(For Restricted Group 2)



Arvind Bansal
Director
DIN : 00139337



Nilesh Patil
Financial Controller

Place: Mumbai
Date: June 7th, 2024



Raja Parthasarathy
Director
DIN : 02182373



Mahendra Malviya
Company Secretary
Membership No. : A27547



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE BOARD OF DIRECTORS OF CONTINUUM GREEN ENERGY (INDIA) PRIVATE LIMITED

Introduction

1. We have reviewed the accompanying Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements of Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewable Private Limited individually considered as "Indian Identified Entities" and together referred to as "Restricted Group 2"), subsidiaries of Continuum Green Energy (India) Private Limited (the "Parent"), which comprise the Special Purpose Unaudited Combined Balance sheet as at December 31, 2023, the Special Purpose Unaudited Combined Statement of Profit and Loss and the Special Purpose Unaudited Combined Statement of Cash flow for the nine months period ended December 31, 2023 and a summary of significant accounting policies and other explanatory information (collectively, the "Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements") prepared in accordance with the basis of preparation as set out in Note 2 of the Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements.

Management's Responsibility for the Unaudited Special Purpose Combined Indian GAAP Interim Financial Statements

2. The Parent's Board of Directors is responsible for the preparation and presentation of the Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements in accordance with the basis of preparation as set out in Note 2 to the Unaudited Special Purpose Combined Interim Financial Statements. The Board of Directors of the respective companies included in the Restricted Group 2 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (the "Act") for safeguarding the assets of the Restricted Group 2 and 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 designing, implementing and maintaining adequate internal controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements.

Auditors' Responsibility

3. Our responsibility is to express a conclusion on the Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements based on our review. We conducted our review of the Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Deloitte Haskins & Sells LLP

Conclusion

4. Based on our review conducted as stated above in paragraph 3, nothing has come to our attention that causes us to believe that the accompanying Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements as at and for nine months period ended December 31, 2023 are not prepared, in all material respects, in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements.

Basis of Preparation and Combination and Restriction on Use

5. Without modifying our conclusion, we draw attention to Note 2 and 3 to the Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements, which describes the basis of preparation and combination. The Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements are prepared by the management of the Parent solely for the purpose of inclusion in the Preliminary Offering Memorandum (the "POM") and the Final Offering Memorandum (the "FOM") (together referred as the "Offering Documents") to be prepared by the Parent in connection with proposed issue of USD Senior secured notes by the Restricted Group 2 and listed on the Global Securities Market - India International Exchange (the "INX"). These Special Purpose Unaudited Combined Indian GAAP Interim Financial Statements may, therefore, not be suitable for another purpose or to be distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of inclusion in Offering Documents and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, 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 prior consent in writing.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)



Mehul Parekh
Partner
(Membership No. 121513)
(UDIN: 24121513BKEPFF9646)

Place: Mumbai
Date: May 20, 2024

ml

CONTINUUM RESTRICTED GROUP 2
UNAUDITED SPECIAL PURPOSE COMBINED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2023
 (All amounts in INR millions, unless otherwise stated)

	Notes	As at December 31, 2023	As at March 31, 2023
Equity and Liabilities			
Combined shareholders' funds - Restricted Group 2			
Combined share capital	5 (a)	6,373	6,297
Combined reserves and surplus and others	5 (b)	(1,503)	(1,754)
		4,870	4,543
Minority shareholders' fund		63	-
Compulsory fully convertible debentures (CFCDs)	6a	7,967	7,967
Optionally convertible debentures (OCDs)	6b	3,050	2,823
Non-current liabilities			
Long term borrowings	7	43,266	45,261
Deferred tax liability (net)	8	1,948	1,278
Other long term liabilities	9	152	136
Long term provisions	10	25	19
		45,391	46,694
Current liabilities			
Short term borrowings	11	4,861	3,613
Trade payables			
Outstanding dues of micro and small enterprises	12	-	4
Outstanding dues to other than micro and small enterprise	12	190	202
Other current liabilities	12	5,571	3,426
Short term provisions	10	50	46
		10,672	7,291
TOTAL		72,013	69,318
Assets			
Non-current assets			
Property, plant and equipment	13 (a)	48,411	47,451
Goodwill attributable to the Indian Identified Entities	13 (b)	315	315
Capital work in progress	13 (c)	-	2,808
Non-current investments	14	638	638
Long term loans and advances	15	8,772	6,759
Other non current assets	16	3,420	3,192
		61,556	61,163
Current assets			
Trade receivables	17	1,338	1,419
Cash and cash equivalents (CCE)	18 (a)	5,939	3,217
Bank balances other than CCE above	18 (b)	1,463	2,078
Short term loans and advances	15	261	269
Other current assets	19	1,456	1,172
		10,457	8,155
TOTAL		72,013	69,318
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the unaudited special purpose combined interim financial statements.
 As per our report of even date.

For Deloitte Haskins & Sells LLP
 Chartered Accountants

 Mehul Parekh
 Partner

Place : Mumbai
 Date :

20 MAY 2024

For and on behalf of the Board of Directors of
 Continuum Green Energy (India) Private Limited

 
 Arvind Bansal Raja Parthasarathy
 Director Director
 DIN : 00139337 DIN : 02182373

Place : Mumbai
 Date : May 18, 2024

Place : Mumbai
 Date : May 18, 2024


 Nilesh Patil
 Finance Controller


 Mahendra Malviya
 Company Secretary
 Membership No. : A27547

Place : Mumbai
 Date : May 18, 2024

Place : Mumbai
 Date : May 18, 2024

CONTINUUM RESTRICTED GROUP 2
UNAUDITED SPECIAL PURPOSE COMBINED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED
DECEMBER 31, 2023


(All amounts in INR millions, unless otherwise stated)

	Notes	For the period ended December 31, 2023	For the period ended December 31, 2022
Income			
Revenue from operations	20	9,798	7,913
Other income	21	1,056	1,426
Total income (A)		10,854	9,339
Expenses			
Operating and maintenance expenses	22	2,226	1,486
Employee benefits expense	23	177	124
Other expenses	24	655	513
Total expenses (B)		3,058	2,123
Earnings before interest, tax, depreciation and amortisation		7,796	7,216
Depreciation and amortisation expense	13 (a)	1,801	1,490
Finance costs	25	5,007	4,377
Profit before tax		988	1,349
Tax expenses			
Tax pertaining to prior year		4	-
Deferred tax		671	823
Total tax expenses		675	823
Profit after tax		313	526
Share of Profit attributable to shareholders' funds		108	34
Profit for the period		205	492
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the unaudited special purpose combined financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants


Mehul Parekh

Place : Mumbai

Date : **20 MAY 2024**

MP

For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited

Arvind Bansal

DIN : 00139337

Place : Mumbai


Date : May 18, 2024

Raja Parthasarathy

DIN : 02182373

Place : Mumbai

Date : May 18, 2024



Nilesh Patil

Finance Controller

Place : Mumbai

Date : May 18, 2024



Mahendra Malviya

Company Secretary

Membership No. : A27547

Place : Mumbai

Date : May 18, 2024

PM

CONTINUUM RESTRICTED GROUP 2
UNAUDITED SPECIAL PURPOSE COMBINED INTERIM STATEMENT OF CASH FLOW FOR THE PERIOD ENDED DECEMBER 31, 2023

(All amounts in INR millions, unless otherwise stated)

	For the period ended December 31, 2023	For the period ended December 31, 2022
Cash flows from operating activities		
Profit before tax	988	1,349
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	1,801	1,490
Provisions no longer required written back	-	(136)
Finance costs- related parties	4,258	4,111
Finance costs- others	749	266
Interest income	(1,008)	(788)
Operating profit before working capital changes	6,788	6,292
Movements in working capital:		
(Decrease)/Increase in trade payables	(16)	44
Increase /(Decrease) in other liabilities	286	(129)
Increase /(Decrease) in provisions	10	(1)
Decrease in trade receivables	467	1,644
Decrease in loans and advances	13	1
(Increase) in other current assets and other non current assets	(303)	(1,104)
Cash generated from operations	7,245	6,747
Income taxes refund / (paid) (net)	26	(22)
Net cash flows from operating activities (A)	7,271	6,725
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors	(372)	(4,410)
Maturity of / (Investment in) fixed deposits	616	(96)
Loan given to related parties	(2,111)	(722)
Loan repaid by related parties	63	681
Proceeds Received from redemption of investment	-	300
Interest received	383	562
Net cash flows (used in) investing activities (B)	(1,421)	(3,685)
Cash flows from financing activities		
Redemption of non convertible debentures	(1,573)	(761)
(Repayment of) / Proceeds from long term borrowings	(119)	3,705
Proceeds from optionally convertible debentures	-	474
Proceeds from / (Repayment of) short term borrowings (net)	1,248	(1,429)
Finance costs paid to related parties	(1,859)	(2,855)
Finance costs paid to others	(825)	(771)
Net cash (used in)/ from financing activities (C)	(3,128)	(1,636)
Net increase in cash and cash equivalents (A+B+C)	2,722	1,404
Cash and cash equivalents at the beginning of the period	3,217	3,404
Cash and cash equivalents at the end of the period	5,939	4,808



CONTINUUM RESTRICTED GROUP 2
UNAUDITED SPECIAL PURPOSE COMBINED INTERIM STATEMENT OF CASH FLOW FOR THE PERIOD ENDED DECEMBER 31, 2023
 (All amounts in INR millions, unless otherwise stated)

	For the period ended December 31, 2023	For the period ended December 31, 2022
Reconciliation of cash and cash equivalents with the balance sheet:		
Components of cash and cash equivalents		
Cash on hand	-	-
Balance in current account	834	374
Balance in deposit account	5,105	4,434
Cash and cash equivalents at the end of the period	5,939	4,808

Summary of significant accounting policies

Note:

- I) The above cash flow statement has been prepared under the indirect method as set out in the accounting standard (AS-3) on cash flow statement.
- II) Figures in brackets are outflows.
- III) Income tax paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- IV) During the period ended CTRPL has converted intercorporate borrowings received from Continuum Green Energy (India) Private Limited into optionally convertible debentures of INR 227 and into equity share capital of INR 76.

The accompanying notes are an integral part of the unaudited special purpose combined interim financial statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants



Mehul Parekh
Partner

Place : Mumbai

Date : **20 MAY 2024**



For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited



Arvind Bansal
Director
DIN : 00139337

Place : Mumbai
Date : May 18, 2024

Raja Parthasarathy
Director
DIN : 02182373

Place : Mumbai
Date : May 18, 2024



Nilesh Patil
Finance Controller

Place : Mumbai
Date : May 18, 2024



Mahendra Malviya
Company Secretary
Membership No. : A27547

Place : Mumbai
Date : May 18, 2024



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE UNAUDITED SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS

1 Background and purpose of special purpose combined interim financial statements

Continuum Green Energy Limited (erstwhile known as Continuum Wind Energy Limited) ("CGEL") a Singapore holding company, through its 100% owned Indian subsidiary Continuum Green Energy (India) Private Limited (erstwhile known as Continuum Wind Energy (India) Private Limited) ("CGE IPL") owns, 100% in following Indian Subsidiaries except Watsun Infrabuild Private Limited where it holds majority share holding:

- Bothe Windfarm Development Private Limited ("Bothe")
- DJ Energy Private Limited ("DJEPL")
- Uttar Urja Projects Private Limited ("UUPPL")
- Watsun Infrabuild Private Limited ("Watsun")
- Trinethra Wind and Hydro Power Private Limited ("Trinethra")
- Renewables Trinethra Private Limited ("RTPL")
- Kutch Windfarm Development Private Limited ("KWDPL")
- Continuum Trinethra Renewables Private Limited ("CTRPL")

Bothe, DJEPL, UUPPL, Watsun, Trinethra, RTPL, KWDPL and CTRPL (together referred to as "Continuum Restricted Group 2" and individually considered as "Indian Identified Entities") are subsidiaries of Continuum Green Energy (India) Private Limited (the "Parent").

Restricted Group 2 is not a separate entity but constituted as a group of Indian Identified Entities for the purpose of preparation of the Special Purpose Combined Indian GAAP Interim Financial Statements.

The Restricted Group 2 is engaged in the business of generation and sale of electricity from renewable energy sources in India. The Restricted Group 2 has entered/enters into long term power purchase agreements with various governments agencies and private institutions to sell electricity generated from its wind farms/solar plants [with operational capacity of approx. 991 megawatts ("MW")] in the states of Maharashtra, Madhya Pradesh, Gujarat and Tamil Nadu, India.

The Indian Identified Entities are domiciled in India and Corporate office of these Indian Identified Entities is located at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai - 400076, India.

2 Basis of preparation

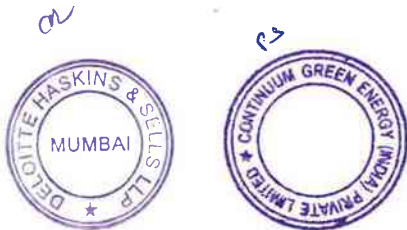
The Special Purpose Combined Indian GAAP Interim Financial Statements of the Restricted Group 2, comprises the special purpose combined interim balance sheet as at December 31, 2023, the special purpose combined interim statement of profit and loss and the special purpose combined interim statement of cash flow and a summary of significant accounting policies and other explanatory information for the period ended (referred as the "Special Purpose Combined Indian GAAP Interim Financial Statements").

The Special Purpose Combined Indian GAAP Interim Financial Statements have been prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act (the "Act"), read with the Companies (Accounts) Rules, 2021, the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India (the "Guidance Note") other accounting principles generally accepted in India. These financial statements are prepared considering that the Financial Statements prepared and audited during the respective years were Indian GAAP and thus, the Combined Financial Statements are prepared on the principles of Indian GAAP. Also refer Note 3 for the Basis of Combination.

The Special Purpose Combined Indian GAAP Interim Financial Statements are special purpose financial statements and have been prepared by the management of the Parent for the purpose of inclusion in the Preliminary Offering Memorandum (the "POM") and the Final Offering Memorandum (the "FOM") (together referred as the "Offering Documents") to be prepared by the Continuum Green Energy (India) Private Limited in connection with proposed issue of USD Senior secured notes by the Restricted Group 2 and to be listed on the Global Securities Market – India International Exchange (the "INX"). As a result, the Special Purpose Combined Indian GAAP Financial Statements may not be suitable for any other purpose.

The Special Purpose Combined Indian GAAP Interim Financial Statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest Million, unless otherwise stated.

The Special Purpose Combined Indian GAAP Interim Financial Statements are authorized by the Board of Directors of the Parent on May 18, 2024.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE UNAUDITED SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS

3 Basis of Combination

As required by the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, the details of various entities comprised in the special purpose combined Indian GAAP Interim financial statements are as given below:

Name	Principal activities	Control w.e.f.	Country of Incorporation	% of interest held by CGEL as at	
				December 31, 2023	March 31, 2023
Bothe Windfarm Development Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%
DJ Energy Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%
Uttar Urja Projects Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%
Watsun Infrabuild Private Limited	Generation and sale of wind / solar energy	30-May-16	India	72.35%	72.36%
Trinethra Wind and Hydro Power Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%
Renewables Trinethra Private Limited	Generation and sale of wind energy	13-Jun-19	India	100%	100%
Kutch Windfarm Development Private Limited	Generation and sale of wind energy	24-Oct-18	India	100%	100%
Continuum Trinethra Renewables Private Limited	Generation and sale of wind / solar energy	17-Jul-20	India	100%	100%

The Special Purpose Combined Indian GAAP Interim Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Accordingly, these Special Purpose Combined Indian GAAP Interim Financial Statements are prepared on a basis that combines the assets, liabilities revenues and expenses of each of Indian Identified Entities, which are stated below:

- a. The financial statements of Indian Identified Entities were combined by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows of each Indian Identified Entities
- b. Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between Indian Identified Entities (unrealized gains and losses resulting from transactions between Indian Identified Entities) are eliminated in full.
- c. Combined Shareholders' Funds represents aggregate amount of share capital and reserves and surplus of Indian Identified Entities as part of Restricted Group 2.
- d. Minority Interest in the net assets of Indian Identified Entities is identified and presented separately from Combined Shareholders' Funds as Minority interest in the Special Purpose Combined Balance Sheet. Minority interest in the net assets of Indian Identified Entities consists of:
 - The amount of equity attributable to minority at the date on which investment in Indian Identified Entity is made; and
 - The minority share movements in equity since the date of such investment in Indian Identified Entity.
 Share of loss attributable to Minority interest is identified and presented separately as Minority interest in the Unaudited Special Purpose Combined interim Statement of Profit and Loss.
- e. Earnings per Share (EPS) is not disclosed at Restricted Group 2 level since Restricted Group 2 does not constitute a separate legal group of Indian Identified Entities as explained above.

4 Summary of significant accounting policies

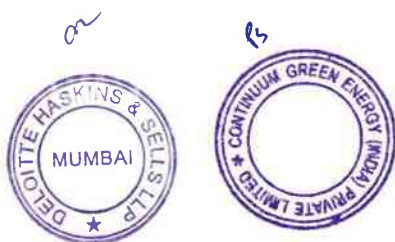
The accounting policies adopted in the preparation of the special purpose combined Indian GAAP interim financial statements are consistent with those adopted in the previous year and have been consistently applied to all the periods presented in the special purpose combined interim financial statements.

a. Use of estimates

The preparation of special purpose combined interim financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting year or period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future years.

b. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Restricted Group 2 and the revenue can be reliably measured. The specific recognition criteria described below must also be met before revenue is recognized.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE UNAUDITED SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS

Sale of Electricity

Revenue from the sale of electricity is recognized on the basis of the number of units of power generated and supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the licensed distribution or transmission utilities and Indian Identified Entities or credit reports provided by discoms at the rates prevailing on the date of supply to grid as determined by the power purchase agreements entered into with such discoms/customers under group captive mechanism / Open access sale / third party power trader or as per the average power purchase cost (APPC) rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of Bothe's unsigned PPA's and the surplus power as per the rate prescribed by relevant state regulatory commission to State distribution utilities ("State discoms").

Unbilled revenue represents the revenue that Bothe recognises at eligible rates for the arrangement where Bothe has all approvals in place except that PPA is pending to be signed between Bothe and State discom.

Accrued revenue represents the revenue that the Restricted Group recognizes where the PPA is signed but invoiced to customer subsequently.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest earned on temporary investment of borrowed funds, to the extent eligible for adjustment to capital cost is adjusted in the cost of property, plant and equipment. Interest from customers on delayed payment is recognised only upon its reasonable certainty of receipt. Interest income is included under the head "other income" in the special purpose combined interim statement of profit and loss.

Insurance claims

Insurance claims are accounted after the same are approved by the insurance company.

c. Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) Restricted Group 2 will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Generation Based Incentive (GBI)

Generation Based Incentive ("GBI") income is earned and recognized on the projects which sell electricity to licensed distribution utilities at tariffs determined by relevant State Electricity Regulatory Commissions ("SERCs"). GBI is paid at a fixed price of INR 0.50/kwh of electricity units sold subject to a cap of INR 10 million/MW of capacity installed for the electricity fed into the grid for a period not less than four years and a maximum of ten years.

Sale of Verified Carbon Units (VCUs)

Revenue from VCUs is recognised upon issuance and sale of VCUs. Any unsold VCUs which are granted to the Restricted Group are accrued at a nominal value.

d. Foreign currency transactions and translations

Initial recognition

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on translation/ settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

e. Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the property, plant and equipment. Any subsequent expenses related to a property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

Restricted Group 2 identifies and determines cost of each component/part of the asset separately, if it has a cost that is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining life.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE UNAUDITED SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS

Capital Work-In-Progress:

Costs and direct expenses incurred for construction of assets or assets to be acquired and for assets not ready for use are disclosed under "Capital Work-in-Progress".

f. Depreciation on property, plant and equipment

The Restricted Group 2 provides depreciation on Straight line method and written down value method on the basis of useful life estimated by the management. The Restricted Group 2 has used the following useful life to provide depreciation on its property plant and equipment.

Category of property, plant and equipment	SLM/WDV	Useful life
Leasehold land	SLM	Over the lease term
Building	SLM	30 Years
Building - Other	WDV	3 Years
Plant and equipment*	WDV	6 - 25 Years
	SLM	3 - 40 Years
Furniture and fixtures	WDV	10 Years
Vehicles	WDV	10 Years
Office equipment	WDV	5 Years
Computer	WDV	3 Years

*Based on the technical estimate, the useful life of the Plant and equipment is different than the useful life as indicated in Schedule II to the Companies Act, 2013.

Temporary structures are depreciated fully in the year in which they are capitalised.

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

g. Goodwill

Goodwill attributable to Indian Identified Entities represents the difference between the cost of investment in Indian Identified Entities, and CGEIP's share of net assets at the time of acquisition of share in Indian Identified Entities.

h. Borrowing costs

Borrowing cost includes Interest and amortisation of ancillary cost incurred in connection with the arrangement of borrowings.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing cost are expensed in the period they occur.

i. Impairment

Restricted Group 2 assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Restricted Group 2 estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Restricted Group's 2 of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, Restricted Group 2 estimates the asset's or cash-generating unit's recoverable amount. Previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

j. Leases

Where Restricted Group 2 is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE UNAUDITED SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS

k. Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at costs. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the special purpose combined interim financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged/credited to the special purpose combined interim statement of profit and loss.

l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where Restricted Group 2 operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where Restricted Group 2 has unabsorbed depreciation and / or carry forward tax losses, deferred tax assets in excess of deferred tax liability are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

m. Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss for the year when the contributions are due. Restricted Group 2 has no obligation, other than the contribution payable to the provident fund.

Restricted Group 2 operates only one defined benefit plan for its employees i.e. gratuity. The costs of providing this benefit are determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. Restricted Group 2 measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Restricted Group 2 treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. Restricted Group 2 presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Restricted Group 2 has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

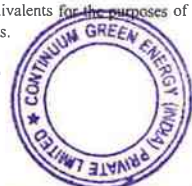
n. Provisions

A provision is recognised when Restricted Group 2 has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where Restricted Group 2 expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

o. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE UNAUDITED SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS

p. Other bank balances

It includes deposits having remaining maturity of less than twelve months as on reporting date which can be readily convertible to cash with insignificant risk of changes in value.

q. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Restricted Group 2 or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Restricted Group 2 does not recognise a contingent liability but discloses its existence in the special purpose combined interim financial statements.

r. Current and non-current classification

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
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after 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
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

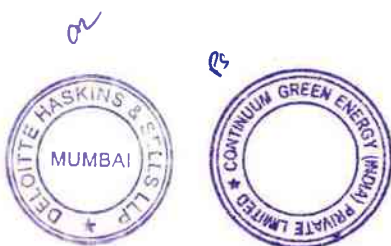
Restricted Group 2 classifies all other liabilities as non-current.

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

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, Restricted Group 2 has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

s. Measurement of EBITDA

As per the Guidance Note on the Schedule III to the Companies Act, 2013, Restricted Group 2 has opted to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. Restricted Group 2 measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, Restricted Group 2 does not include depreciation and amortization expense, finance costs and tax expense.



CONTINUUM RESTRICTED GROUP 2
UNAUDITED NOTES TO THE SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

5 Combined shareholders' funds - Restricted Group 2

a) Combined share capital

	As at December 31, 2023	As at March 31, 2023
Share capital*	6,373	6,297
	<u>6,373</u>	<u>6,297</u>

b) Combined reserves and surplus and others

	As at December 31, 2023	As at March 31, 2023
Deficit in the statement of profit and loss (refer note i)*	(1,818)	(2,069)
Net assets attributable to parent*	315	315
	<u>(1,503)</u>	<u>(1,754)</u>

Note:

i Deficit in the statement of profit and loss

Balance as per last financial statements	(2,070)	(1,871)
Adjustment on account of minority interest	47	(50)
Profit for the period/year	205	(148)
Net deficit in the statement of profit and loss	<u>(1,818)</u>	<u>(2,069)</u>

* Share capital and reserves and surplus represents the aggregate amount of share capital and reserves and surplus of Indian Identified Entities forming part of Restricted Group 2 as at year end and does not necessarily represent legal share capital for the purpose of the Restricted Group 2. Net assets attributable to parent represents the difference between the cost of investment and CGEIPL's share of net assets at the time of acquisition of share in certain entities which are part of Restricted Group 2. It has been reported under shareholder's fund of Restricted Group 2 since it represents amount invested by CGEIPL in Restricted Group 2.

6a Compulsory fully convertible debentures (CFCDs/CCDs/Debentures)

	As at December 31, 2023	As at March 31, 2023
10.00% Unsecured CFCDs of INR 10/- each. December 31, 2023; 576,665,000 CFCDs (March 31, 2023; 576,665,000 CFCDs) - Refer Note A	5,767	5,767
10.00% Unsecured CCDs of INR 10/- each. December 31, 2023; 207,685,888 CCDs (March 31, 2023; 207,685,888 CCDs) - Refer Note B	2,077	2,077
Unsecured CCDs of INR 10/- each. December 31, 2023; 12,352,500 (March 31, 2023; 12,352,500). Refer Note - C	123	123
	<u>7,967</u>	<u>7,967</u>

A Details and salient terms of CFCDs:

- CFCDs include CFCDs issued by Bothe 214,375,000 (March 31, 2023; 214,375,000) and Watson 362,290,000 (March 31, 2023; 362,290,000) issued to CGEIPL;
- CFCDs shall be convertible into equity shares at any time at the option of the CFCD holders subject to prior intimation to be provided to Lender for conversion of CFCDs into ordinary shares; in case of Watson, post such conversion 51% of shares so converted shall be pledged with the lender of the project;
- CFCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier;
- CFCDs shall be convertible into equity shares at par into one equity share for each CFCD;
- Coupon for the CFCDs shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the lender;
- Interest on CFCDs shall be accrued but any dividend/interest/coupon on CFCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of lender;
- The equity shares to be issued to the CFCD holders upon conversion of debentures shall rank pari passu with the existing equity shares;
- Promoters contribution by way of Compulsorily Fully Convertible Debentures shall not have any charge/ recourse to project assets;
- Prior approval of the Lender would be required for transferring CFCDs to any other party other than the present CFCD holders;
- No interest shall be payable / accruable on such instruments till COD of the project;
- CFCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion;
- CFCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Indian Identified Entities of the Restricted Group 2;
- Interest on CFCDs accrued will be paid in accordance with "permitted distribution" as defined in the financing documents executed with Senior NCD holder of Restricted Group 2;

B Details and salient terms of CCDs:

- CCDs include CCDs issued by DJEPL 79,442,888 (March 31, 2023; 79,442,888), UUPPL 63,478,000 (March 31, 2023; 63,478,000), Trinethra 50,600,000 (March 31, 2023; 50,600,000) and RTPL 14,165,000 (March 31, 2023; 14,165,000) issued to CGEIPL;
- CCDs shall be convertible into equity shares at any time at the option of the CCD holders subject to prior intimation to be provided to Lender for conversion of CCDs to ordinary share;
- CCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier;
- CCDs shall be convertible into equity shares at par into one equity share for each debenture;
- Coupon for the CCDs shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the lender.
- Interest on CCDs shall be accrued but any dividend/interest/coupon on CCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of lender.
- The equity shares to be issued to the CCD holders upon conversion of debentures shall rank pari passu with the existing equity shares.
- Promoters contribution by way of Compulsorily Convertible Debentures shall not have any charge/ recourse to project assets.
- Prior approval of the Lender would be required for transferring CCDs to any other party other than the present CFCD holders.
- No interest shall be payable / accruable on such instruments till COD of the project.
- CCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
- CCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Identified Subsidiaries of the Continuum Restricted Group.
- Interest on CCDs accrued will be paid in accordance with "permitted distribution" as defined in the financing documents executed with Senior NCD holder of Restricted Group 2.



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C Details and salient terms of CCDs:

1. CCDs issued by Kutch to CGEIPL 1,23,52,500 (March 31,2023; 1,23,52,500)
2. CCDs shall be expressly subordinated to the term loan of the lender and will have no charge/recourse to the assets secured with lender.
3. Interest, expenses or statutory dues related to CCDs, accrued and/or payable till commercial operation date ("COD") of the project will not be considered as part of project cost.
4. Interest, expenses on CCDs post COD shall be met only out of the dividend distribution account after meeting the debt service reserve account ("DSRA") and all other reserve requirements spelled out by the lender.
5. Statutory dues in respect of CCDs post COD shall be met without any recourse to the project or only out of the dividend distribution account after meeting DSRA and all other reserve requirements spelled out by the lender.
6. No repayment/redemption of principal of such CCDs is permissible till the currency of the term loan.
7. No amount shall be due and payable under CCDs and no event of default shall be declared during currency of term loan.
8. The CCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any security interest whatsoever without lender's prior written permission.
9. CCDs shall not contain any terms/conditions contradicting the terms/conditions sanctioned by PFC and in case of any contradiction the same shall be treated to have been modified to that extent and stands aligned with the terms/conditions stipulated by the lender.
10. Modification in terms and conditions of the agreement for CCDs will be with prior written permission of the lender.
11. CCDs holders may enforce conversion rights, with the lender's prior written permission, subject to maintaining the stipulated pledge and management control requirement as per the sanction letter.
12. CCDs shall be compulsorily convertible into equity shares at the end of the 20 years from the date of allotment, if not converted earlier.
13. Coupon for the CCDs shall be ten percent per annum compounded annually, on cumulative basis from the date of commissioning of the project.
14. CCDs shall be converted into fully paid up equity shares of the company, in case of default under the financing documents of the lender, at the discretion of the lender.

6b Optionally convertible debentures (OCDs) (unsecured)

	As at December 31, 2023	As at March 31, 2023
9% Optionally convertible debentures of INR 10/- each December 31, 2023; 304,990,000 (March 31, 2023; 282,280,000)	3,050	2,823
	3,050	2,823

Salient terms of optionally convertible debentures

1. Optionally Convertible Debentures or OCDs issued by CTRPL shall have a face value of INR 10/- each.
2. Each OCDs shall be convertible into one equity share of INR 10/- each at any time at the option of CTRPL but at any time not later than 25 years from the date of allotment.
3. CTRPL may redeem any or all OCDs at any time at par but at any time not later than 25 years from the date of allotment.
4. OCDs shall carry a non-cumulative coupon of 9% p.a. payable annually or more frequently at the option of CTRPL and such coupon shall accrue only after CTRPL has achieved commercial operations date (COD) of its project.
5. OCDs shall be unsecured.
6. Promoter's contributions by way of OCDs shall be expressly subordinated to the facility of the lender and shall have no charge/recourse to the assets secured with the lender;
7. Any interest/dividend, expenses on OCDs post COD shall be met only out of the Dividend Distribution Account after meeting Debt Service Reserve Account (DSRA) and all other reserve requirements as per the Trust and Retention Account Agreement;
8. Any statutory dues in respect of OCDs post COD shall be met by the Promoter without any recourse to the Project or only out of the Dividend Distribution Account after meeting DSRA and all other reserve requirements as per the Trust and Retention Account Agreement.
9. No repayment/redemption of principal amount of such OCDs shall be permissible until the final settlement date.
10. The OCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any Security Interest whatsoever without the prior written consent of the lender.
11. Any modification in terms and conditions of OCDs shall be with the prior written consent of the lender;
12. The subscriber may enforce conversion rights, with the prior written consent of the Lender, subject to maintaining the stipulated pledge and management control requirement as per the sanction letter.
13. Any interest, expenses or statutory dues related to OCDs, accrued and/or payable till COD of the Project shall not be considered as part of estimated project cost.

7 Long term borrowings

Particulars	Non-current		Current	
	As at December 31, 2023	As at March 31, 2023	As at December 31, 2023	As at March 31, 2023
Indian rupee term loans (secured)				
From financial institution (Refer Note 7C and Note 7D)	9,963	9,658	583	66
From related parties (refer Note 30, Note 7E and Note 7F)	166	893	-	-
Non convertible debentures (NCD) (secured)				
4,061 (March 31, 2023 : 4,061) 8.75% Non convertible debentures of INR 100,00,000/- each (refer Note 30 and Note 7A)	32,895	34,468	3,300	3,300
24,210,900 (March 31, 2023 ; 24,210,900) Non Convertible Debenture of INR 10/- each. (refer Note 30 and Note 7B)	242	242	-	-
	43,266	45,261	3,883	3,366
Current maturities disclosed under the head "Short term borrowings" (refer note 11)	-	-	(3,883)	(3,366)
Total long term borrowings	43,266	45,261	-	-

The borrowing has been obtained by respective Indian Identified Entities of Restricted Group 2. The salient terms of the loan and the security thereon are summarised below:

Note 7A: Salient terms and Security details for NCDs outstanding as at December 31, 2023.

Restricted Group 2 (other than Kutch and CTRPL) has issued NCDs of INR 36,195 (March 31, 2023 INR 37,768) to CELPL.



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Terms of Non convertible debentures (NCD) (secured) :

1. The NCDs are freely transferable. The NCDs are unlisted and unrated.
2. Each NCDs has a face value INR 10 (referred to as the "principal amount" of each NCD) and are issued at a discount of 2% of the principal amount (i.e. at the issue price of INR 9.8).
3. The NCDs bear interest on their outstanding principal amount from and including the Initial Issue Date at the rate of 8.75 % per annum plus applicable withholding taxes, payable semi-annually on 9 August and 9 February in each year.
4. In addition to interest, each NCD shall accrue a redemption premium at the rate of 2 % per annum plus applicable withholding taxes of the outstanding principal amount till 9 August 2027. The redemption premium shall be paid in full by Restricted Group 2 on the Maturity Date or otherwise at the date of redemption in full of a NCD to the extent not paid earlier. Each debenture holder shall have the right to require the Issuer to pay in full or in part the accrued but unpaid Redemption Premium in respect of the Debentures held by such Debenture holder at any time prior to the Maturity Date by giving not less than 10 Business Days' nor more than 60 days' notice to the Issuer.
5. In accordance with the Debenture Trust Deed (DTD), the NCD holder has a right to redeem all (but not some only) of the NCDs at an amount equal to the principal amount plus the Redemption Premium applicable to the NCDs (together with interest accrued) on giving a notice to Indian Identified Entities and to the NCD Trustee in writing any time on or after (i) the date falling 12 Business Days prior to 9 February 2027 or (ii) the date on which the aggregate principal amount of all outstanding Restricted Group 2 Issuer NCDs is less than INR 18,500.
6. Restricted Group 2 has a right to redeem all or any part of the NCDs held by NCD holder at an amount equal to the principal amount plus the Voluntary Redemption Premium applicable to the NCDs (together with interest accrued) on giving notice to the NCD holder and the NCD Trustee as prescribed in DTD.
7. Restricted Group 2 has a right to redeem NCDs, in part or full, in certain conditions as per the terms of the DTD.
8. Unless previously redeemed, or purchased and cancelled, the NCDs will be redeemed at their principal amount (together with accrued but unpaid interest (if any)) on the date falling 15 years from the Initial Issue Date.
9. All of the obligations of the company including the payment of the debt are secured by:
 - i. A first ranking exclusive pledge over 100% (one hundred percent) of the equity shares of Restricted Group 2 (other than in the case of Watsun where CGE IPL shall create and perfect a first ranking exclusive pledge over 51% (fifty one percent) of the equity shares of Watsun);
 - ii. A first ranking charge over the moveable and immovable assets (both present and future) of Restricted Group 2 in connection with the Project operated by Indian Identified Entities (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), other than the current assets of Restricted Group 2; PPA, insurance policies and project documents; Issue Proceeds Escrow Account, the Debt Service Reserve Account, the Restricted Surplus Account, the Senior Debt Enforcement Proceeds Account and the Senior Debt Restricted Amortization Account of Restricted Group 2.
 - iii. A second ranking charge over the current assets of Restricted Group 2 and over the RCF Facility (Working Capital Facility) Restricted amortization Account, the RCF Facility Enforcement Proceeds Account, the Operating Account, the Statutory Dues Account, the Operating and maintenance expenses (O&M) Expenses Account, the Restricted Debt Service Account and the Distribution Account of Indian Identified Entities.
10. The NCDs are guaranteed pursuant to the Deed of Guarantee executed by Restricted Group 2 (other than Kutch and CTRPL).

Note 7B: Non convertible debentures (NCDs) are issued to Continuum Green Energy (India) Private Limited (CGE IPL), holding company and are part of the promoter contribution. The salient terms of NCDs are as follows:

KWDPL has issued NCDs of INR 242 (March 31, 2023 INR 242) to CGE IPL.

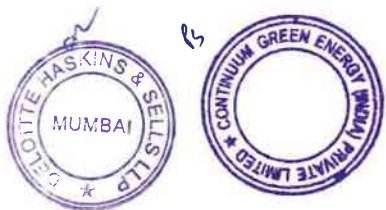
1. NCDs shall be expressly subordinated to the term loan of the lender and will have no charge/recourse to the assets secured with lender.
2. Interest, expenses or statutory dues related to NCDs, accrued and/or payable till commercial operation date ("COD") of the project will not be considered as part of project cost.
3. Interest, expenses on NCDs post COD shall be met only out of the dividend distribution account after meeting the debt service reserve account ("DSRA") and all other reserve requirements spelt out by the lender.
4. Statutory dues in respect of NCDs post COD shall be met without any recourse to the project or only out of the dividend distribution account after meeting DSRA and all other reserve requirements spelt out by the lender.
5. No repayment/redemption of principal of NCDs is permissible till the currency of term loan.
6. No amount shall be due and payable under NCDs and no event of default shall be declared during currency of term loan.
7. The NCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any security interest whatsoever without the lender's prior written permission.
8. NCDs shall not contain any terms/conditions contradicting the terms/conditions sanctioned by the lender and in case of any contradiction the same shall be treated to have been modified to that extent and stands aligned with the terms/conditions stipulated by the lender.
9. Modification in terms and conditions of the agreement for NCDs will be with prior written permission of the lender.
10. NCDs may be redeemed any time after the term loan have been full discharged and shall be otherwise redeemed at the end of 20 years from the date of allotment as the company is engaged in setting up of infrastructure projects.
11. Coupon for the NCDs shall be ten percent per annum compounded annually, on cumulative basis from the date of commissioning of the project.

Note 7C: PFC project term loan

Kutch ("borrower") has tied up term loan facility of INR 1,153, utilized INR 1,057 (March 2023 INR 1,109) for its 28 MW capacity from PFC.

PFC project term loan is secured by:

1. Pari passu first charge by way of mortgage in a form and manner acceptable to the lender, over all the Borrower's immovable properties, and a pari passu first charge on the borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising, the trust & retention account (TRA) including Debt Service Reserve Account of peak 3 (three) months of principal & interest payment (DSRA exclusive to PFC), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present and future;
2. Pari passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
3. Pari passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future;
4. Assignment in favour of the PFC on all the rights, titles, interests, benefits, claims and demands whatsoever of the borrower in the project documents/contracts (including but not limited to Power Purchase Agreements (PPA)/ Memorandum of Understanding (MOU), package/ Construction contracts, O&M related agreements, service contracts, etc.), in the clearances relating to the project, in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents; all insurance contracts and insurance proceeds and assignment of guarantees from EPC contractor (if any) relating to the project duly acknowledged and consented to by the relevant counter-parties to such project
5. Corporate guarantee (CG) of Continuum Green Energy Ltd., Singapore (CGEL). The CG shall be valid (i) till Power Curve Guarantee Test (PCGT) for the entire project i.e. 28 MW is completed, to the satisfaction of lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC contract; (ii) till not less than 2 years of successful operation in adherence to EBITDA and/or generation as per base case, to the satisfaction of lenders; (iii) till the time all the securities are created and perfected in the favour of PFC.
6. The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 51% (fifty one percent) Equity Shares, 51% (fifty one percent) CCDs and 51% (fifty one percent) NCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Borrower;



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Terms of interest:

The loan from PFC carries interest rate range from 8.75% to 9.00% p.a. payable monthly upto the standard due date.

Terms of repayment:

a The loan from PFC is repayable in 180 (One Eighty) structured monthly instalments ranging between 0.42% to 1% of loan.

b First repayment date will fall due on 12 months after Date of Commencement of Commercial Operation (DCCO) of the project or COD whichever is earlier.

Kutch has used borrowing from Financial Institution as applicable for the period from 01 April, 2022 to 31 March, 2023 for the specific purpose for which it was taken at the balance sheet date.

Note 7D: Power Finance Corporation Limited (PFC) project term loan is secured by:

CTRPL has tied up term loan facility of INR 9,489 (March 2023 INR 8,615) for its 240 MW capacity from PFC.

1. A first charge by way of mortgage in a form and manner acceptable to the lender, over all the borrower's immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future;
2. A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
3. A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future;
4. A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 1 Quarter(s) of principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of the borrower wherever maintained, both present & future; and
5. The pledge of equity shares, quasi equity, both present and future, held by the pledgor, to the extent of the specified percentage i.e. 51% (fifty one percent) equity shares, 51% (fifty one percent) and OCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the borrower;
6. The loan from PFC carries interest rate which is applicable as on date of drawdown, currently it carries interest rate range between 9.00% to 9.25% and the principle outstanding is repayable in 180 monthly instalments, commencing from the first standard due date falling 12 months after scheduled commercial operations date (SCOD) whichever is earlier.
7. Corporate Guarantee (CG) of Continuum Green Energy Limited, Singapore (CGEL). CG would be valid for :
 - (i) till Power Curve Guarantee Test (PCGT)/ Power Guarantee Test (PGT) for the entire Project i.e. 199.9 MW (99.90 MW Wind and 100 MWAC / 140 MWDC solar capacity) is completed, to the satisfaction of Lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC Contract,
 - (ii) till not less than 2 (two) year of successful operation in adherence to EBITDA and/or generation as per Banking Base Case, to the satisfaction of Lenders,
 - (iii) till the time all the Securities are created and perfected in the favour of the Lender.

Note 7E: Terms of unsecured loan from holding company

Kutch has borrowed Loan from CGEIPPL amounting to INR 14 (March 31, 2023 INR 7)

Loan from holding company is interest free. Principal of the loan will be paid at will of the borrower in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but no later than 15 years from the date of loan granted.

Note 7F: Terms of unsecured loan from holding company

CTRPL has borrowed Loan from CGEIPPL amounting to INR 152 (March 31, 2023 INR 886)

Unsecured loan from Continuum Green Energy (India) Private Limited (CGEIPPL) of INR 152 (March 23 INR 886) is interest free. These will be paid to holding company as per term of finance documents but subordinated to secured liabilities and accordingly classified as non current. This was infused as promotor's contribution as required under finance document with PFC.

8 Deferred tax liability (net)

Particulars	As at	As at
	December 31, 2023	March 31, 2023
Deferred tax liability		
Property, plant and equipment: Impact of difference between book depreciation and tax depreciation	4,464	4,109
Gross deferred tax liability	<u>4,464</u>	<u>4,109</u>
Deferred tax asset (refer note below)		
Impact of carry forward tax losses	48	230
Impact of unabsorbed depreciation	2,458	2,594
Provision for employee benefits	10	7
Gross deferred tax asset	<u>2,516</u>	<u>2,831</u>
Net deferred tax liability	<u>1,948</u>	<u>1,278</u>

Note:

Certain subsidiaries of the Restricted Group 2 have created deferred tax asset on unabsorbed depreciation and carry forward tax losses to the extent of deferred tax liability.

9 Other long term liabilities

Particulars	As at	As at
	December 31, 2023	March 31, 2023
Security deposits from customers*	82	79
Interest accrued but not due on debentures (related party) (refer note 30)	65	37
Capital creditors	5	20
	<u>152</u>	<u>136</u>

*Security deposits received from customers are interest free and returnable at the end of the power purchase agreement.



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10 Provisions

	Non Current		Current	
	As at December 31 , 2023	As at March 31, 2023	As at December 31 , 2023	As at March 31, 2023
Provision for employee benefits				
Provision for gratuity (refer note 28)	25	19	2	2
Provision for leave benefits	-	-	13	9
	<u>25</u>	<u>19</u>	<u>15</u>	<u>11</u>
Other provisions				
Provision towards litigation and contingencies (refer note i and ii)	-	-	35	35
	<u>25</u>	<u>19</u>	<u>50</u>	<u>46</u>

Note

i Movement for provision towards litigation and contingencies:

	As at	As at
	December 31 , 2023	March 31, 2023
At the beginning of the period/ year	35	42
Arising during the period /year	-	-
Utilised/transferred during the period/ year	-	(7)
At the end of the period/ year	<u>35</u>	<u>35</u>

ii The above provision is made towards Deviation Settlement Mechanism (DSM) charges for the period from August 2018 to August 2020 which is currently sub-judice.

11 Short term borrowings

	As at	As at
	December 31 , 2023	March 31, 2023
Working capital (secured)		
From banks (refer note I)	978	247
Short term borrowing (unsecured)		
Current maturities of long-term borrowings (refer note 7 and note 30)	3,883	3,366
	<u>4,861</u>	<u>3,613</u>

Note I : Salient terms and security of working capital facility as at December 31, 2023:

Restricted Group 2, comprising of Bothe, DJEPL, UUPPL, Watsun, Trinethra ,RTPL has availed working capital facility from IndusInd Bank Limited amounting to INR 2,560, out of which 978 (March 31, 2023 : INR 247) was drawn as working capital.

1. First ranking charge by way of hypothecation over present and future current assets of the Restricted Group 2 as more particularly set out in, and in accordance with the terms of, the Deed of Hypothecation but excluding the Issue Proceeds Escrow Account, Debt Service Reserve Account, Senior Debt Restricted Amortization Account, Restricted Surplus Account;
2. a first ranking charge in accordance with the terms of the Deed of Hypothecation, over certain Trust and Retention Accounts as defined under the facility agreement;
3. Second charge by way of mortgage over the movable (other than current assets) and immovable assets (both present and future) of the Restricted Group 2, in connection with the Project (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), in each case, as more particularly identified in, and in accordance with the terms of the Mortgage Documents;
4. Second charge on the Pledged Shares of Restricted Group 2 held by CGEPL in accordance with the terms of the Share Pledge Agreement, in case of Watsun, it is 51% of the share capital of Watsun;
5. Non disposal undertaking (NDU) is issued in respect of NDU shares as defined in the facility agreement signed with working capital lender;
6. Second ranking charge over the Power Purchase Agreements entered into by the Restricted Group 2, Insurance Contracts and other project documents entered into by the Borrower in relation to the Project, in accordance with the terms of the Deed of Hypothecation;
7. Second ranking charge over the Senior Debt Enforcement Proceeds Account, in accordance with the terms of the Deed of Hypothecation; and
8. Guarantee issued by each Restricted Group 2 in favour of security trustee for the benefit of working capital lender;
9. The above facility carries an interest rate of one year MCLR plus 0.30% p.a.

A reconciliation of stock statement with trade receivable as per books of accounts has been disclosed below:

Particulars	December 31 ,	March 31, 2023
	2023	
Trade Receivable as per Stock Statement submitted to IBL (A)	1,676	2,192
Add: Generation Based Incentive (GBI)* (B)	66	30
Trade Receivable as per Financial Statements (A+B) **	<u>1,742</u>	<u>2,222</u>

*As per sanction letter with IBL, only receivable from discoms and corporates to be considered while arriving at trade receivables, therefore receivable of GBI income excluded from Trade receivable while submitting stock statement to IBL.

**Trade receivables as per financial statements includes non current trade receivables of INR 471 (March 31, 2023 INR 857) as disclosed in note 16 and current trade receivables of INR 1,271 (March 31, 2023 INR 1,365) as disclosed in note 17.



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12 Trade payables and other current liabilities

	As at December 31, 2023	As at March 31, 2023
Trade payables		
Outstanding dues of micro and small enterprises (refer note 31)	-	4
Outstanding dues to creditors other than micro and small enterprises	190	202
	<u>190</u>	<u>206</u>
Other current liabilities :		
Capital creditors	178	588
Interest accrued but not due on borrowings	46	41
Due to related party (refer note 30)	517	233
Interest accrued but not due on Debentures (related parties) (refer note 30)	2,614	911
Interest accrued but not due on working capital	-	2
Liability towards premium on redemption of NCDs (related parties) (refer note 30)	2,190	1,624
Statutory dues payable (refer note i below)	6	21
Advance received from customers	3	-
Security deposits	11	5
Others	6	1
	<u>5,571</u>	<u>3,426</u>

Note:

i) Includes tax deducted at source, tax collected at source, employees provident fund, employees profession tax, Goods and Service Tax (GST) and Employees State Insurance Contribution.

Trade payable ageing schedule

As at December 31, 2023

	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed total outstanding dues of micro enterprises and small	-	0#	0#	-	-	-	-
(ii) Undisputed total outstanding dues of creditors other than micro enterprises and small enterprises	167	-	23	0#	0#	-	190
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	<u>167</u>	<u>0#</u>	<u>23</u>	<u>0#</u>	<u>0#</u>	<u>-</u>	<u>190</u>

As at March 31, 2023

	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed total outstanding dues of micro enterprises and small	-	1	3	-	-	-	4
(ii) Undisputed total outstanding dues of creditors other than micro enterprises and small enterprises	85	-	117	0#	-	-	202
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	<u>85</u>	<u>1</u>	<u>120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206</u>

or



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 (All amounts in INR millions, unless otherwise stated)

13 (a) Property, plant and equipment

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and equipment	Furnitures and fixtures	Vehicles	Office equipments	Computer	Total
Cost									
As at April 1, 2022	1,106	179	11	47,863	7	1	1	4	49,185
Additions during the year	0#	78	1	10,371	1	-	-	1	10,455
Sales/disposals/adjustments	-	-	-	0#	1	0#	1	1	3
As at March 31, 2023	1,106	257	12	58,234	7	1	1	4	59,637
Additions during the period	-	9	0#	2,748	0#	0#	1	1	2,760
Sales/disposals/adjustments	-	-	0#	1	-	-	-	-	1
As at December 31, 2023	1,106	266	12	60,981	7	1	1	5	62,397
Depreciation and amortisation									
As at April 1, 2022	-	19	2	10,095	7	0#	0#	4	10,137
Charge for the year	-	12	1	2,035	1	-	-	0#	2,052
Sales/disposals/adjustments	-	-	-	0#	1	0#	1	1	3
As at March 31, 2023	-	31	3	12,130	7	0#	0#	3	12,186
Charge for the period	-	10	0#	1,788	-	0#	0#	0#	1,800
As at December 31, 2023	-	41	3	13,918	7	0#	0#	3	13,986
Net block									
As at March 31, 2023	1,106	226	9	46,104	-	-	-	1	47,451
As at December 31, 2023	1,106	225	9	47,063	-	0#	0#	2	48,411

Note:

** The Finance cost net capitalized during the year includes interest expenses of INR 116.7 (March 31, 2023; INR 364.4) and other borrowing cost of INR Nil (March 31, 2023; INR 81.7).
 ** Plant and equipment includes Plant and machinery - Wind Turbine Generator (WTG), Solar Panels including inverters and related assets, Networking Equipment, Sub Station, 33KV Line and other enabling assets.



CONTINUUM RESTRICTED GROUP 2
UNAUDITED NOTES TO THE SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

13 (b) Goodwill attributable to the Indian Identified Entities

Particulars	Goodwill
Cost	
As at April 1, 2022	315
Additions during the year	-
Sales/disposals/adjustments	-
As at March 31, 2023	315
Additions during the period	-
Sales/disposals/adjustments	-
As at December 31, 2023	315
Amortization	
As at April 1, 2022	-
Charge for the year	-
Sales/disposals/adjustments	-
As at March 31, 2023	-
Charge for the period	-
Sales/disposals/adjustments	-
As at December 31, 2023	-
Net block	
As at March 31, 2023	315
As at December 31, 2023	315

Note:

Goodwill attributable to Identified Subsidiaries represents the difference between the cost of investment in DJEPL, UUPPL and Wastun, and CGEPL's share of net assets at the time of acquisition of share in these companies.

13 (c) Capital Work in Progress

	As at December 31, 2023	As at March 31, 2023
Capital work in progress	-	2,808
	-	2,808

Capital work-in-progress ageing schedule

As at December 31, 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
	-	-	-	-	-

Capital work-in-progress ageing schedule

As at March 31, 2023

	Amount in CWIP for the year				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,808	-	-	-	2,808
	2,808	-	-	-	2,808

14 Non-current investments

(valued at cost, unless stated otherwise)

	As at December 31, 2023	As at March 31, 2023
Investment in fellow subsidiaries :		
Investment in Optionally Convertible Redeemable Preference shares (OCRPS) (unquoted) 63,800,000 (March 31, 2023: 63,800,000) 0.01% OCRPS of INR 10/- each fully paid up in Srijan Energy Systems Private Limited (SESPL) (refer note 30)	638	638
	638	638

Salient terms of Optionally Convertible Redeemable Preference Shares (OCRPS)

- 1 Each OCRPS shall have a face value of INR 10/- (Indian Rupees ten only);
- 2 OCRPS shall carry a preferential right vis-à-vis Equity Shares of SESPL with respect to payment of dividend and proceeds of liquidation;
- 3 OCRPS shall carry dividend at the rate of 0.10% per annum from the date of the allotment on a cumulative basis;
- 4 Each OCRPS will be convertible into one ordinary share of SESPL of face value INR 10/- (Indian Rupees ten only), at any time at the option of the holder of the OCRPS provided that the holder is in compliance with any laws applicable to it, for conversion of its investment into ordinary shares;
- 5 OCRPS may be redeemed by SESPL and CMPWDPL at any time, subject to a prior notice of minimum 30 (thirty) days, either from surplus profits of SESPL and CMPWDPL or from proceeds of a fresh issue of share capital or as provided under applicable law from time to time
- 6 OCRPS shall not carry any voting rights under Section 47 of the Companies Act, 2013.



CONTINUUM RESTRICTED GROUP 2
UNAUDITED NOTES TO THE SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

15 Loans and advances

Unsecured, considered good unless stated otherwise

	Non-current		Current	
	As at December 31, 2023	As at March 31, 2023	As at December 31, 2023	As at March 31, 2023
Capital advances	37	37	-	-
	37	37	-	-
Loans and advances to related parties (refer note 30 and note i and ii below) *	8,620	6,577	68	63
Advances to vendor	-	-	60	2
Other advances	-	0#	14	5
	8,620	6,577	142	70
Other loans and advances				
Advance income tax (net of provision for tax)	102	132	-	-
Prepaid expenses	3	3	119	199
Balances with statutory/ government authorities	10	10	-	-
Imprest to staff	-	-	0#	0#
Loan to employee	-	-	0#	-
	115	145	119	199
	8,772	6,759	261	269

* The Restricted Group 2 has no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment.

Notes:

- i) Loan given to CGEIPL carries an interest rate equals to 12.12% p.a. till June 30, 2023. Further it is increased to 13.40% p.a. w.e.f. July 1, 2023. Principal and interest on the loan will be paid at in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but not later than 15 years from the date of loan given. Provided that, loan given to CGEIPL by DJEPL and UUPPL amounting to INR 875 (March 31, 2023, INR 938) which is repayable in 9 yearly unequal instalments ranging from 4.87% to 29.31% and interest on the said loan is to be paid annually in the month of September for each year.
- ii) Loan given to SESPL carries an interest rate equals to 12.12% p.a. till June 30, 2023. Further it is increased to 13.40% p.a. w.e.f. July 1, 2023. Principal and interest of the loan will be paid at in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but not later than 15 years from the date of loan given.

16 Other non-current asset

Unsecured, considered good unless stated otherwise

	As at December 31, 2023	As at March 31, 2023
Deposit with Regulatory Authorities	16	17
Fixed deposit with remaining maturity for more than 12 months (refer note 18b)	44	45
Security deposit for leased assets	7	7
Unamortised ancillary borrowing cost	149	81
Unamortised discount on issue of NCDs	291	394
Interest on unsecured loans receivable (refer note 30)	2,097	1,421
Long term trade receivables (refer note iv below)	471	857
Accrued interest on Overdue trade receivables (refer note i)	33	62
	3,108	2,884
Unbilled revenue		
Unbilled revenue (refer note ii)	418	414
Allowance for doubtful unbilled revenue (refer note iii)	(106)	(106)
	312	308
Total	3,420	3,192

Notes:

- i) Government of India ("GoI") has notified the Late Payment Surcharge Rules, 2022 ("LPS 2022") on June 03, 2022. As per LPS 2022, discoms had an option, which was to be exercised by July 02, 2022 to reschedule all outstanding dues as on June 03, 2022, plus late payment surcharge calculated till that date, into certain number of equal monthly instalments payable on 5th of each calendar month starting from August 2022. MPPMCL has exercised an option on July 01, 2022 and rescheduled the dues into 40 equal monthly instalments covering all outstanding dues upto June 03, 2022. Accordingly, in line with applicable accounting standards monthly instalments receivables from discoms, as applicable have been classified as current or non current.
- ii) Out of 199.7 MW capacity, Wind Energy Purchase Agreements (WEPA) have been signed between Bothe and Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 193.4 MW. Due to delay in implementation of policy for renewable energy by the state government and also due to delay in receipt of registration certificates from Maharashtra Energy Development Agency (MEDA) against 3 WTGs, a pre-requisite for execution of WEPAs, WEPAs are not executed for 6.3 MW capacity of these 3 WTGs. Upon receipt of registration certificates, Bothe approached MSEDCL for signing of PPAs towards these WTGs. However, MSEDCL had taken a contrary & arbitrary view and rejected Bothe's valid application for signing PPAs. Bothe approached MERC where Bothe has received partial favourable order, pursuant to which Bothe has received collection of INR 91 against generation till March 31, 2017 in financial year 2021-22. Bothe has challenged MERC Order in Appellate Tribunal for Electricity (APTEL). Bothe has received a favourable judgement from APTEL where APTEL has upheld the matter and directed MSEDCL to:
 - i. immediately sign 6.3 MW PPA with Bothe effective from application date for MEDA registration;
 - ii. to pay tariff at Average Power Purchase Price (APPC) for the power supplied from the date of commissioning till application date for MEDA registration and
 - iii. to sign PPA w.e.f. MEDA registration application date at the rate approved by MERC for WTGs commissioned in financial year 2014-15.

In October 2022; MH Discom approached Honourable Supreme Court and Honourable Supreme Court had granted interim stay against the APTEL judgment, however the Honourable Supreme Court has directed MSEDCL;

- i. to deposit INR 300 with the Honourable Supreme Court;
- ii. to pay Bothe for the electricity supplied to MH Discom at the rate of INR 3.5 / kWh and to deposit the differential amount with the Honourable Supreme Court on bi-monthly basis.

The Group believes that with the APTEL judgement and other facts as considered above, Bothe is rightfully eligible for revenues towards 6.3 MW capacity, however, since counterparty may explore further legal remedies as per Electricity Act, 2003, the Group has continued to make provision against such revenues and as at December 31, 2023, such outstanding provision is INR 106 for the year ended March 31, 2023; INR 106).



CONTINUUM RESTRICTED GROUP 2
UNAUDITED NOTES TO THE SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

	December 31, 2023	March 31, 2023
iii Movement in Allowance for doubtful unbilled revenue		
At the beginning of the period/year	106	225
Arising during the period/year	-	-
Utilised/reversed during the period/year	-	(119)
At the end of the period/year	<u>106</u>	<u>106</u>
iv The long term trade receivables is outstanding from due date of payment for a period of 6 months amounting to INR Nil (March 31, 2023; Nil) for the period 1-2 years amounting to INR 471 (March 31, 2023; 857)		

17 Trade receivables

	As at December 31, 2023	As at March 31, 2023
Trade receivables - unsecured, considered good	1,338	1,419
	<u>1,338</u>	<u>1,419</u>

Trade receivables Ageing Schedule

As at December 31, 2023	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	871	430	11	19	3	1	1,335
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	3	-	-	-	3
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
Total	<u>871</u>	<u>430</u>	<u>14</u>	<u>19</u>	<u>3</u>	<u>1</u>	<u>1,338</u>

As at March 31, 2023	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	800	577	2	37	2	1	1,419
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
Total	<u>800</u>	<u>577</u>	<u>2</u>	<u>37</u>	<u>2</u>	<u>1</u>	<u>1,419</u>

	Non-current		Current	
	As at December 31, 2023	As at March 31, 2023	As at December 31, 2023	As at March 31, 2023
18 (a) Cash and cash equivalents				
Cash on hand	-	-	-	-
Balances with banks :				
- Current account	-	-	834	1,210
- Deposits with original maturity of less than 3 months	-	-	5,105	2,007
Total	<u>-</u>	<u>-</u>	<u>5,939</u>	<u>3,217</u>
	Non-current		Current	
	As at December 31, 2023	As at March 31, 2023	As at December 31, 2023	As at March 31, 2023
18 (b) Other bank balances				
- Deposits with remaining maturity upto a period of 12 months (refer note i below)	-	-	1,463	2,078
- Deposits with remaining maturity for more than 12 months	44	45	-	-
	<u>44</u>	<u>45</u>	<u>1,463</u>	<u>2,078</u>
Amount disclosed under other non-current assets (refer note 16)	(44)	(45)	-	-
Total	<u>-</u>	<u>-</u>	<u>7,402</u>	<u>5,295</u>

i Includes deposits created towards Debt Service Reserve as required under debenture trust deed amounting to INR 1,375 (March 31, 2023; INR 1,947) by the Restricted Group 2.



CONTINUUM RESTRICTED GROUP 2
UNAUDITED NOTES TO THE SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

19 Other current assets

Unsecured, considered good unless stated otherwise

	As at December 31, 2023	As at March 31, 2023
Accrued income	1,054	776
Accrued interest		
On bank deposits	14	38
On unsecured loan to related party (refer note 30)	89	116
Security Deposits	-	0#
Balance with statutory/ government authorities (net)	11	-
Unamortised ancillary borrowing cost	11	6
Unamortised discount on issue of NCDs	136	136
Stores and Spares	69	-
Accrued interest on overdue trade receivables (refer note below)	48	97
Other receivable	24	3
Total	1,456	1,172

Note: Accrued income represents revenue earned as at year end and billed to the customers subsequent to the year end.

20 Revenue from operations

	For the period ended December 31, 2023	For the period ended December 31, 2022
Revenue from operations		
Sale of electricity	9,494	7,614
Income from International Renewable Energy Certificate (IREC)	9	-
Generation Based Incentive (GBI)	205	286
Sale of Stores & Spares	25	-
Revenue loss recovered*	65	13
Total	9,798	7,913

Note:

* During the period, three of the Indian Indefied Entities of the Restricted Group 2 has accounted for revenue loss recovered 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.

21 Other income

	For the period ended December 31, 2023	For the period ended December 31, 2022
Interest income on :		
Bank deposits	238	150
On unsecured loan to related parties (refer note 30)	770	638
Overdue trade receivable	33	447
Income tax refund	4	1
Provisions no longer required written back	-	136
Insurance claim received	2	19
Income arising due to liquidated damages	7	34
Miscellaneous income	2	1
Total	1,056	1,426

22 Operating and maintenance expenses

	For the period ended December 31, 2023	For the period ended December 31, 2022
Operation and maintenance expenses	865	692
Transmission, open access and other operating charges	1,336	794
Cost of material sold	25	-
Total	2,226	1,486

23 Employee benefits expense

	For the period ended December 31, 2023	For the period ended December 31, 2022
Salary, wages and bonus	157	110
Contribution to provident fund / other fund (refer note 28)	8	4
Gratuity expenses (refer note 28)	6	5
Leave benefits	4	3
Staff welfare expenses	2	2
Total	177	124



CONTINUUM RESTRICTED GROUP 2
UNAUDITED NOTES TO THE SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

24 Other expenses

	For the period ended December 31, 2023	For the period ended December 31, 2022
Rent (refer note 27)	25	5
Insurance expense	103	92
Rates and taxes	20	12
Travelling, lodging and boarding	37	24
Legal and professional fees	85	80
Payment to auditor (including GST)	8	5
Repairs and maintenance plant and machinery	27	7
Repairs and maintenance others	39	7
Site related expenses	6	2
Repairs and maintenance	-	4
Allocable common overheads (refer note 30) *	270	230
Rebate and discount	9	6
Miscellaneous expenses	26	39
	655	513

* Allocable common overheads represent allocation of common expenses incurred by CGEIPL on behalf of its group companies.

25 Finance costs

	For the period ended December 31, 2023	For the period ended December 31, 2022
Interest on working capital	19	53
Interest on Term loan	678	168
Interest on OCDs (refer note 30)	149	-
Interest on NCDs (refer note 30)	2,772	2,772
Interest on CCDs / CFCDs (refer note 30)	599	599
Redemption premium on NCDs (refer note 30)	630	631
Other borrowing costs	160	154
	5,007	4,377

* Finance cost are net of amount capitalised by the Company (refer note 29).

26 Segment reporting

Restricted group 2 is involved in the business of generation and sale of electricity as its primary business activity and accordingly management believes that it does not carry out any material activity outside its primary business and hence no separate disclosure has been made as per AS 17 for 'Segment reporting'.

27 Leases

Operating lease: Restricted Group 2 as lessee

- a) Restricted Group 2 has entered into commercial lease on office premises. These leases have an average life of between one to five years with no renewal option included in the contracts. Further, certain Indian Identified Entities have been awarded land for development of windfarm and solarfarm project on lease of 20 years.
- b) Operating lease payment recognised in the special purpose combined statement of profit and loss amounting to INR 25 (December 31, 2022; INR 5) (refer note 24).
- c) Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at December 31, 2023	As at December 31, 2022
Within one year	6	14
After one year but not more than five years	58	42
More than five years	611	445
	675	501

28 Employee Benefits

a) **Defined Contribution Plan**

Amount recognised and included in Note 23 "Contribution to Provident and other Funds" - INR 8 (December 31, 2022; INR 4).

b) **Defined Benefit Plan**

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to receive gratuity calculated @ 15 days (for 26 days a month) of last drawn salary for number of years of their completed year of service. The gratuity plan is unfunded.

The following table summarises the components of net benefit expense recognised in the special purpose combined statement of profit and loss and amounts recognised in the balance sheet:

i) **Expenses recognised:**

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022
Current service cost	3	3
Past service cost	-	-
Interest cost	1	1
Actuarial loss	2	1
Net benefit expense	6	5



P^s



CONTINUUM RESTRICTED GROUP 2
UNAUDITED NOTES TO THE SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS
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ii) Amount recognized in the balance sheet:

Particulars	As at	As at
	December 31, 2023	March 31, 2023
Present value of defined benefit obligation	27	21
Fair value of plan assets	-	-
Plan liability	27	21

iii) The changes in the present value of the defined benefit obligation are as follows:

Particulars	As at	As at
	December 31, 2023	March 31, 2023
Opening defined benefit obligation	21	19
Current service cost	3	2
Past service cost	-	-
Interest cost on benefit obligation	1	1
Liability transferred in/(out) (net)	-	1
Benefits paid	-	(2)
Actuarial loss	2	0#
Closing defined benefit obligation*	27	21
*Note:		
Non-current (refer note 10)	25	19
Current (refer note 10)	2	2
Total	27	21

Indicates amount less than 0.5 millions

iv) The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	As at	As at
	December 31, 2023	March 31, 2023
Discount rate	7.43%	7.39%
Rate of Salary Increase	10.00%	10.00%
Expected rate of return on planned assets	Not applicable	Not applicable
Rate of employee turnover	12.00%	12.00%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured lives Mortality 2012-14	Indian Assured lives Mortality 2012-14

v) Amount for the current and previous four periods are as follows:

	April to December 2023	April to March 2023	April to March 2022	April to March 2021	April to March 2020
Defined benefit obligation	27	21	19	17	14
Plan assets	-	-	-	-	-
Surplus/ (Deficit)	27	21	19	17	14
Experience adjustment on plan liabilities	2	-	0#	0#	1
Experience adjustment on plan assets	-	-	-	-	-

The estimates of future salary increases, considered in actuarial valuation take into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

29 Capitalisation of expenditure

The Restricted Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes else where in these special purpose combined financial statements are net of amounts capitalised by the Restricted Group.

	For the period ended December 31, 2023	For the period ended December 31, 2022
Lease rent	-	1
Insurance expense	-	6
Interest cost	7	240
Legal and professional fees	-	9
Site expenses	-	2
Rates & taxes	-	4
Travelling, lodging and boarding	-	3
Security charges	-	9
Other borrowing cost	-	46
Pre-operative expenses	-	7
	7	327



CONTINUUM RESTRICTED GROUP 2
UNAUDITED NOTES TO THE SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

30 Related party disclosure

a) Names of the related parties and related party relationship

Related parties where control exists (refer note 2 in basis of preparation)

Ultimate holding company of Indian Identified Entities	Continuum Green Energy Limited, Singapore
Immediate Holding company of the Indian Identified Entities	Continuum Green Energy (India) Private Limited (CGE IPL)
Fellow subsidiaries with whom transaction have taken place during the period*	Continuum Energy Levanter Pte. Limited (CELPL) Continuum MP Windfarm Development Private Limited Bhuj Wind Energy Private Limited Srijan Energy Systems Private Limited Morjar Renewable Private Limited
Enterprise over which key managerial person have significant influence	Skyzen Infrabuild Private Limited Sandhya Hydro Power Projects Balargha Private Limited
Key management personnel :	Arvind Bansal Director of CGE IPL Raja Parthasarathy Director of CGE IPL & Indian Identified Entities (except Kutch) Arno Kikkert Director of CGE IPL and Indian Identified Entities (except Kutch and CTRPL) N V Venkataramanan Chief Operating Officer of CGE IPL and Director of Kutch and CTRPL Marc Maria Van't Noordende Director of Indian Identified Entities (resigned on September 07, 2022) Gautam Chopra Vice President - Project development of CGE IPL Ranjeet Kumar Sharma Vice President - Projects wind business of CGE IPL (Upto July 31, 2022) Nilesh Patil Finance Controller and Director of Indian Identified Entities (except Kutch and CTRPL)

* These are subsidiaries that have not been combined as a part of the Restricted Group 2 for which related party disclosures have been made in the Special Purpose Combined Financial Statements at Restricted Group 2 Level.

b) Related party transactions during the period ended

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Intercompany borrowing received by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	203 (367)	-	-	203 (367)
Intercompany borrowing repaid by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	627 (100)	-	-	627 (100)
Intercompany borrowing given by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	2,111 (722)	-	-	2,111 (722)
Intercompany borrowing given by the Restricted Group 2, repaid				
Continuum Green Energy (India) Private Limited	63 (58)	-	-	63 (58)
Continuum MP Windfarm Development Private Limited	-	(113)	-	(113)
Skyzen Infrabuild Private Limited	-	-	(510)	(510)
Issue of Optionally convertible debentures				
Continuum Green Energy (India) Private Limited	(474)	-	-	(474)
Conversion of Intercompany borrowing into Optionally convertible debentures				
Continuum Green Energy (India) Private Limited	227 (253)	-	-	227 (253)
Conversion of Intercompany borrowing into Issue of share capital				
Continuum Green Energy (India) Private Limited	76 (242)	-	-	76 (242)
Reimbursement of Common overheads				
Continuum Green Energy (India) Private Limited	270 (230)	-	-	270 (230)
Interest income on borrowing given by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	756 (547)	-	-	756 (547)
Srijan Energy Systems Private Limited	-	14 (13)	-	14 (13)
Continuum MP Windfarm Development Private Limited	-	(10)	-	(10)
Skyzen Infrabuild Private Limited	-	-	(68)	(68)



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UNAUDITED NOTES TO THE SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Interest expenses on CFCDs/CCDs				
Continuum Green Energy (India) Private Limited	599 (599)	- -	- -	599 (599)
Interest expenses on Debentures				
Continuum Green Energy (India) Private Limited	167 (18)	- -	- -	167 (18)
Continuum Energy Levanter Pte. Limited	-	2,754 (2,754)	- -	2,754 (2,754)
Sale of material				
Sandhya Hydro Power Projects Balargha Private Limited	-	-	1	1
Redemption premium on NCDs				
Continuum Energy Levanter Pte. Limited	-	630 (631)	- -	630 (631)
Redemption of Non convertible debentures				
Continuum Energy Levanter Pte. Limited	-	1,573 (761)	- -	1,573 (761)
Rent Charges				
Morjar Renewables Private Limited	-	14	-	14

c) **Period end balances**

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Reimbursement of common overheads payable				
Continuum Green Energy (India) Private Limited	501 (231)	- -	- -	501 (231)
Other payables				
Bhuj Wind Energy Private Limited	-	2 (2)	- -	2 (2)
Rent Payable				
Morjar Renewables Private Limited	-	14	-	14
Payable towards intercorporate borrowings				
Continuum Green Energy (India) Private Limited	166 (893)	- -	- -	166 (893)
Payable towards OCDs				
Continuum Green Energy (India) Private Limited	3,050 (2,823)	- -	- -	3,050 (2,823)
Payable towards interest expenses on Debenture				
Continuum Green Energy (India) Private Limited	1,209 (443)	- -	- -	1,209 (443)
Continuum Energy Levanter Pte. Limited	-	1,470 (505)	- -	1,470 (505)
Liability towards premium on redemption of NCDs				
Continuum Energy Levanter Pte. Limited	-	2,190 (1,624)	- -	2,190 (1,624)
Payable towards NCDs				
Continuum Energy Levanter Pte. Limited	-	36,195 (37,768)	- -	36,195 (37,768)
Continuum Green Energy (India) Private Limited	242 (242)	- -	- -	242 (242)
Intercorporate borrowing receivable				
Continuum Green Energy (India) Private Limited	8,546 (6,497)	- -	- -	8,546 (6,497)
Srijan Energy Systems Private Limited	-	143 (143)	- -	143 (143)
Investment in Optionally Convertible Redeemable Preference Shares				
Srijan Energy Systems Private Limited	-	638 (638)	- -	638 (638)



RS



CONTINUUM RESTRICTED GROUP 2
UNAUDITED NOTES TO THE SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Other receivable				
Sandhya Hydro Power Projects Balargha Private Limited	-	-	(1)	(1)
Interest Receivable on Intercompany borrowing				
Continuum Green Energy (India) Private Limited	2,125 (1,490)	-	-	2,125 (1,490)
Srijan Energy Systems Private Limited	-	61 (47)	-	61 (47)

31 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Sr. No.	Particulars	December 31, 2023	March 31, 2023
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year.	1	4
2	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	0#	-
3	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid).	0#	0#
4	The amount of interest accrued and remaining unpaid at the end of accounting year.	0#	0#
5	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

32 Capital and other commitments

Capital commitments and other commitments remaining to be executed as on December 31, 2023 is INR 336 (March 31, 2023; INR 466).

33 Expenditure in Foreign Currency (accrual basis)

Professional fees

	For the period ended December 31, 2023	For the period ended December 31, 2022
Professional fees	4	5
	4	5

34 Contingent liabilities

Income tax demand

	As at December 31, 2023	As at March 31, 2023
Income tax demand	-	5
	-	5



CONTINUUM RESTRICTED GROUP 2
UNAUDITED NOTES TO THE SPECIAL PURPOSE COMBINED INTERIM FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

- 35 Other Statutory Information
- i) The Restricted Group 2 does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.
 - ii) The Restricted Group 2 does not have any transactions with companies struck off.
 - iii) The Restricted Group 2 has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
 - iv) The Restricted Group 2 has not traded or invested in Crypto currency or Virtual Currency during the period.
 - v) The Restricted Group 2 has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - vi) The Restricted Group 2 has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - vii) The Restricted Group 2 does not have any undisclosed income which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
 - viii) The Restricted Group 2 has not entered in Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
 - ix) The Restricted Group 2 has not been declared wilful defaulter by any bank or financial institutions or other lender.
- 36 Subsequent event
 No events occurred from the Balance sheet date which has material impact on the special purpose combined financial statements at that date or for the period then ended.
- 37 Amount less than INR 0.5 appearing in the special purpose combined financial statements are disclosed as "0M" due to presentation in millions.
- 38 Previous period / year comparatives
 Previous period / year figures have been regrouped / reclassified, where ever necessary, to confirm to current year's classification.

For and on behalf of the Board of Directors of
 Continuum Green Energy (India) Private Limited

AM
 ES



Arvind Bansal
 Director
 DIN : 00139337

Place : Mumbai
 Date : May 18, 2024



Raja Parthasarathy
 Director
 DIN : 02182373

Place : Mumbai
 Date : May 18, 2024



Nilesh Patil
 Finance Controller

Place : Mumbai
 Date : May 18, 2024



Mahendra Malviya
 Company Secretary
 Membership No. : A27547

Place : Mumbai
 Date : May 18, 2024



**INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE COMBINED INDIAN GAAP
FINANCIAL STATEMENTS**

TO THE BOARD OF DIRECTORS OF CONTINUUM GREEN ENERGY (INDIA) PRIVATE LIMITED

Report on the Audit of the Special Purpose Combined Indian GAAP Financial Statements

Opinion

We have audited the accompanying Special Purpose Combined Indian GAAP Financial Statements of Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind, Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewable Private Limited (individually considered as "Indian Identified Entities" and together referred to as "Restricted Group 2"), subsidiaries of Continuum Green Energy (India) Private Limited (the "Parent"), which comprise the Special Purpose Combined Balance Sheet as at March 31, 2023, the Special Purpose Combined Statement of Profit and Loss and the Special Purpose Combined Statement of Cash Flow for the year ended March 31, 2023, and a summary of significant accounting policies and other explanatory information (collectively, the "Special Purpose Combined Indian GAAP Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Combined Indian GAAP Financial Statements is prepared, in all material respects, in accordance with the basis of preparation as set out in Note 2 of the Special Purpose Combined Indian GAAP Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Combined Indian GAAP Financial Statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Combined Indian GAAP Financial Statements section of our report. We are independent of each Indian Identified Entity in accordance with the Code of Ethics issued by the ICAI, and we have fulfilled our other responsibilities in accordance with the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Combined Indian GAAP Financial Statements.

Emphasis of Matter – Basis of Accounting and Restriction on Use

We draw attention to Note 2 and 3 to the Special Purpose Combined Indian GAAP Financial Statements, which describes the basis of preparation and combination. The Special Purpose Combined Indian GAAP Financial Statements have been prepared by the management of the Parent solely for the purpose of inclusion in the Preliminary Offering Memorandum (the "POM") and the Final Offering Memorandum (the "FOM") (together referred as the "Offering Documents") to be prepared by the Parent in connection with proposed issue of USD Senior secured notes by the Restricted Group 2 and to be listed on the Global Securities Market – India International Exchange (the "INX"). As a result, the Special Purpose Combined Indian GAAP Financial Statements may not be suitable for any other purpose. The Special Purpose Combined Indian GAAP Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of inclusion in Offering Documents and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.



Deloitte Haskins & Sells LLP

Responsibilities of Management and Those Charged with Governance for the Special Purpose Combined Indian GAAP Financial Statements

The Parent's Board of Directors is responsible for the preparation and presentation of these Special Purpose Combined Indian GAAP Financial Statements that are in accordance with the basis of preparation set out in Note 2 to the Special Purpose Combined Indian GAAP Financial Statements for the purpose set out in Emphasis of Matter - "Basis of preparation and restriction on distribution and use" paragraph above.

The respective Board of Directors of the companies included in the Restricted Group 2 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding of the assets of the Restricted Group 2 and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Combined Indian GAAP 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 Special Purpose Combined Indian GAAP Financial Statements by the Board of Directors of the Parent, as aforesaid.

In preparing the Special Purpose Combined Indian GAAP Financial Statements, the respective management and the Board of Directors of the companies included in the Restricted Group 2 are responsible for assessing ability of respective Indian Identified Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective Indian Identified Entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Restricted Group 2 are also responsible for overseeing the financial reporting process of the Restricted Group 2.

Auditor's Responsibility for the Audit of the Special Purpose Combined Indian GAAP Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Combined Indian GAAP 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 Special Purpose Combined Indian GAAP 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 Special Purpose Combined Indian GAAP 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the 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 the management of the Parent.



Deloitte Haskins & Sells LLP

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Indian Identified Entities' ability to continue as a going concern. 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 Special Purpose Combined Indian GAAP 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 Indian Identified Entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Combined Indian GAAP Financial Statements, including the disclosures, and whether the Special Purpose Combined Indian GAAP Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Combined Indian GAAP Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Combined Indian GAAP Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Combined Indian GAAP Financial Statements.

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings 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.

Other Matter

The comparative financial information as at and for the year ended March 31, 2022 included in the Special Purpose Combined Indian GAAP Financial Statements were audited by the predecessor auditor (the "Predecessor Auditor"). The report of the Predecessor Auditors on the comparative financial information as at and for the year ended March 31, 2022 dated May 18, 2024 expressed unmodified opinion.

Our opinion is not modified in respect of this matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)



Mehul Parekh
Partner
(Membership No. 121513)
(UDIN: 24121513BKEPFE2305)

Place: Mumbai
Date: May 20, 2024

or

CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED BALANCE SHEET AS AT MARCH 31, 2023
 (All amounts in INR millions, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
Equity and Liabilities			
Combined shareholders' funds - Restricted Group 2			
Combined share capital	5 (a)	6,297	6,050
Combined reserves and surplus and others	5 (b)	(1,754)	(1,556)
		<u>4,543</u>	<u>4,494</u>
Minority shareholders' fund			21
Compulsory fully convertible debentures (CFCDs)	6a	7,967	7,967
Optionally convertible debentures (OCDs)	6b	2,823	2,096
Non-current liabilities			
Long term borrowings	7	45,261	44,571
Deferred tax liability (net)	8	1,278	420
Other long term liabilities	9	136	121
Long term provisions	10	19	17
		<u>46,694</u>	<u>45,129</u>
Current liabilities			
Short term borrowings	11	3,613	4,654
Trade Payables			
Outstanding dues of micro and small enterprises	12	4	10
Outstanding dues to other than micro and small enterprises	12	202	148
Other Current Liabilities	12	3,426	3,757
Short term provisions	10	46	51
		<u>7,291</u>	<u>8,620</u>
TOTAL		<u>69,318</u>	<u>68,327</u>
Assets			
Non-current assets			
Property, plant and equipment	13 (a)	47,451	39,048
Goodwill attributable to the Indian Identified Entities	13 (b)	315	315
Capital work in progress	13 (c)	2,808	8,290
Non-current investments	14	638	1,038
Long term loans and advances	15	6,759	6,403
Other non current assets	16	3,192	1,814
		<u>61,163</u>	<u>56,908</u>
Current assets			
Trade receivables	17	1,419	4,494
Cash and cash equivalents (CCE)	18 (a)	3,217	3,404
Bank balances other than CCE above	18 (b)	2,078	2,276
Short term loans and advances	15	269	189
Other current assets	19	1,172	1,056
		<u>8,155</u>	<u>11,419</u>
TOTAL		<u>69,318</u>	<u>68,327</u>


Summary of significant accounting policies

4

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.



As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants



Mehul Parekh
Partner

Place : Mumbai
Date : **20 MAY 2024**

For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited

 
Arvind Bansal Raja Parthasarathy
Director Director
DIN : 00139337 DIN : 02182373

Place : Mumbai Place : Mumbai
Date : May 18, 2024 Date : May 18, 2024

 
Nilesh Patil Mahendra Malviya
Finance Controller Company Secretary
Membership No. : A27547

Place : Mumbai Place : Mumbai
Date : May 18, 2024 Date : May 18, 2024

CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023
 (All amounts in INR millions, unless otherwise stated)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	20	9,749	9,191
Other income	21	1,761	965
Total income (A)		11,510	10,156
Expenses			
Operating and maintenance expenses	22	2,044	1,645
Employee benefits expense	23	170	152
Other expenses	24	701	654
Total expenses (B)		2,915	2,451
Earnings before interest, tax, depreciation and amortisation (EBITDA) (A-B)			
		8,595	7,705
Depreciation and amortisation expense	13 (a)	2,052	1,847
Finance costs	25	5,897	5,625
Profit before tax		646	233
Tax expenses			
Current Tax		2	-
Deferred Tax		857	305
Total tax expenses		859	305
(Loss) after tax		(213)	(72)
Share of (loss) attributable to minority shareholders' fund		(65)	(40)
Loss for the year		(148)	(32)
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants


Mehul Parekh
Partner

Place : Mumbai

Date : **20 MAY 2024**

For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited

 
Arvind Bansal Raja Parthasarathy
Director Director
DIN : 00139337 DIN : 02182373

Place : Mumbai
Date : May 18, 2024

Place : Mumbai
Date : May 18, 2024


Nilesh Patil
Finance Controller


Mahendra Malviya
Company Secretary
Membership No. : A27547

Place : Mumbai
Date : May 18, 2024

Place : Mumbai
Date : May 18, 2024

CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023
 (All amounts in INR millions, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	646	233
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	2,052	1,847
Loss on sale of property, plant and equipments	1	-
Provisions no longer required written back	(136)	-
Finance costs - related parties	5,434	5,518
Finance costs - others	463	107
Interest income	(1,062)	(874)
Operating profit before working capital changes	7,398	6,831
Movements in working capital:		
Increase/ (Decrease) in trade payables	65	(56)
(Decrease)/Increase in other liabilities	(72)	248
(Decrease) in provisions	(3)	(2)
Decrease / (Increase) in trade receivables	2,218	(954)
(Increase) in loans and advances	(74)	(60)
(Increase) / Decrease in other current assets and other non current asse	(225)	15
Cash generated from operations	9,307	6,022
Income taxes (paid) (net)	(42)	(23)
Net cash flows from operating activities (A)	9,265	5,999
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors	(5,098)	(8,678)
Redemption of Optionally Convertible Redeemable Preference Shares	400	-
Maturity / (Investment in) of fixed deposits	204	(2,295)
Loan given to related parties	(987)	(109)
Loan repaid by related parties	681	337
Interest received	619	172
Net cash flows (used in) investing activities (B)	(4,181)	(10,573)
Cash flows from financing activities		
Redemption of non convertible debentures	(2,283)	(842)
Proceeds of long term borrowings	4,484	9,757
(Repayment) of / proceeds from short term borrowings (net)	(2,057)	2,329
Proceeds from issue of Optionally convertible debentures	474	-
Finance costs paid to others	(959)	(223)
Finance costs paid to related parties	(4,930)	(3,547)
Net cash (used in) / from financing activities (C)	(5,271)	7,474
Net increase in cash and cash equivalents (A+B+C)	(187)	2,900
Cash and cash equivalents at the beginning of the year	3,404	504
Cash and cash equivalents at the end of the year	3,217	3,404



CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023
 (All amounts in INR millions, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Reconciliation of cash and cash equivalents with the balance sheet:		
Components of cash and cash equivalents		
Cash on hand	-	-
Balance in current account	1,210	42
Balance in deposit account	2,007	3,362
Cash and cash equivalents at the end of the period [refer note 18]	3,217	3,404

Summary of significant accounting policies (refer note 4)

Note:

- I) The above cash flow statement has been prepared under the indirect method as set out in the accounting standard (AS-3) on cash flow statement.
- II) Figures in brackets are outflows.
- III) Income tax paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- IV) During the year the CTRPL has converted intercorporate borrowings received from Continuum Green Energy (India) Private Limited into optionally convertible debentures of INR 253 and into equity share capital of INR 242.

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.

As per our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants



Mehul Parekh
Partner

Place : Mumbai

Date : **20 MAY 2024**

For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited



Arvind Bansal
Director
DIN : 00139337

Place : Mumbai

Date : May 18, 2024



Raja Parthasarathy
Director
DIN : 02182373

Place : Mumbai

Date : May 18, 2024



Nilesh Patil
Finance Controller

Place : Mumbai

Date : May 18, 2024



Mahendra Malviya
Company Secretary
Membership No. : A27547

Place : Mumbai

Date : May 18, 2024

CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS

1 Background

Continuum Green Energy Limited (erstwhile known as Continuum Wind Energy Limited) ("CGEL") a Singapore holding company, through its 100% owned Indian subsidiary Continuum Green Energy (India) Private Limited (erstwhile known as Continuum Wind Energy (India) Private Limited) ("CGE IPL") owns, 100% in following Indian Subsidiaries except Watsun Infrabuild Private Limited where it holds majority share holding:

- Bothe Windfarm Development Private Limited ("Bothe")
- DJ Energy Private Limited ("DJEPL")
- Uttar Urja Projects Private Limited ("UUPPL")
- Watsun Infrabuild Private Limited ("Watsun")
- Trinethra Wind and Hydro Power Private Limited ("Trinethra")
- Renewables Trinethra Private Limited ("RTPL")
- Kutch Windfarm Development Private Limited ("KWDPL")
- Continuum Trinethra Renewables Private Limited ("CTRPL")

Bothe, DJEPL, UUPPL, Watsun, Trinethra, RTPL, KWDPL and CTRPL (together referred to as "Continuum Restricted Group 2" and individually considered as "Indian Identified Entities") are subsidiaries of Continuum Green Energy (India) Private Limited (the "Parent").

Restricted Group 2 is not a separate entity but constituted as a group of Indian Identified Entities for the purpose of preparation of the Special Purpose Combined Indian GAAP Financial Statements.

The Restricted Group 2 is engaged in the business of generation and sale of electricity from renewable energy sources in India. The Restricted Group 2 has entered/enters into long term power purchase agreements with various governments agencies and private institutions to sell electricity generated from its wind farms/solar plants [with operational capacity of approx. 991 megawatts ("MW")] in the states of Maharashtra, Madhya Pradesh, Gujarat and Tamil Nadu, India.

Indian Identified Entities are domiciled in India and Corporate office of these Identified Entities is located at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai - 400076, India.

2 Basis of preparation

The special purpose combined Indian GAAP financial statements of the Restricted Group 2, comprises the special purpose combined balance sheet as at March 31, 2023, the special purpose combined statement of profit and loss and the special purpose statement of cash flow and a summary of significant accounting policies and other explanatory information for the period then ended (referred as the "Special Purpose Combined Indian GAAP Financial Statements").

The Special Purpose Combined Indian GAAP Financial Statements have been prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act (the "Act"), read with the Companies (Accounts) Rules, 2021, the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India (the "Guidance Note") other accounting principles generally accepted in India. These financial statements are prepared considering that the Financial Statements prepared and audited during the respective years were Indian GAAP and thus, the Combined Financial Statements are prepared on the principles of Indian GAAP. Also refer Note 3 for the Basis of Combination.

The Special Purpose Combined Indian GAAP Financial Statements are special purpose financial statements and have been prepared by the management of the Parent for the purpose of inclusion in the Preliminary Offering Memorandum (the "POM") and the Final Offering Memorandum (the "FOM") (together referred as the "Offering Documents") to be prepared by the Continuum Green Energy (India) Private Limited in connection with proposed issue of USD Senior secured notes by the Restricted Group 2 and to be listed on the Global Securities Market – India International Exchange (the "INX"). As a result, the Special Purpose Combined Indian GAAP Financial Statements may not be suitable for any other purpose.

The Special Purpose Combined Indian GAAP Financial Statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest Million, unless otherwise stated.

The Special Purpose Combined Indian GAAP Financial Statements are authorized by the Board of Directors of the Parent on May 18, 2024.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS

3 Basis of Combination

As required by the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, the details of various entities comprised in the Special Purpose Combined Indian GAAP Financial Statements are given below:

Name	Principal activities	Control w.e.f.	Country of Incorporation	% of interest held by CGEL as at	
				March 31, 2023	March 31, 2022
Bothe Windfarm Development Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%
DJ Energy Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%
Uttar Urja Projects Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%
Watsun Infrabuild Private Limited	Generation and sale of wind / solar energy	30-May-16	India	72.36%	71.24%
Trinethra Wind and Hydro Power Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%
Renewables Trinethra Private Limited	Generation and sale of wind energy	13-Jun-19	India	100%	100%
Kutch Windfarm Development Private Limited	Generation and sale of wind energy	24-Oct-18	India	100%	100%
Continuum Trinethra Renewables Private Limited	Generation and sale of wind / solar energy	17-Jul-20	India	100%	100%

The Special Purpose Combined Indian GAAP Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Accordingly, these Special Purpose Combined Indian GAAP Financial Statements are prepared on a basis that combines the assets, liabilities revenues and expenses of each of Indian Identified Entities, which are stated below:

- a. The financial statements of Indian Identified Entities were combined by combining/adding like items of assets, liabilities, equity, income, expenses and cash flows of each Indian Identified Entities
- b. Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between Indian Identified Entities (unrealized gains and losses resulting from transactions between Indian Identified Entities) are eliminated in full.
- c. Combined Shareholders' Funds represents aggregate amount of share capital and reserves and surplus of Indian Identified Entities as part of Restricted Group 2.
- d. Minority Interest in the net assets of Indian Identified Entities is identified and presented separately from Combined Shareholders' Funds as Minority interest in the Special Purpose Combined Balance Sheet. Minority interest in the net assets of Indian Identified Entities consists of:
 - The amount of equity attributable to minority at the date on which investment in Indian Identified Entity is made; and
 - The minority share movements in equity since the date of such investment in Indian Identified Entity.
 Share of loss attributable to Minority interest is identified and presented separately as Minority interest in the Special Purpose Combined Statement of Profit and Loss.
- e. Earnings per Share (EPS) is not disclosed at Restricted Group 2 level since Restricted Group 2 does not constitute a separate legal group of Indian Identified Entities as explained above.

4 Summary of significant accounting policies

The accounting policies adopted in the preparation of the special purpose combined Indian GAAP financial statements are consistent with those adopted in the previous year and have been consistently applied to all the year presented in the special purpose combined financial statements.

a. Use of estimates

The preparation of special purpose combined Indian GAAP financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future years.

b. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Restricted Group 2 and the revenue can be reliably measured. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Electricity

Revenue from the sale of electricity is recognized on the basis of the number of units of power generated and supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the licensed distribution or transmission utilities and Indian Identified Entities or credit reports provided by discoms at the rates prevailing on the date of supply to grid as determined by the power purchase agreements entered into with such discoms/customers under group captive mechanism / Open access sale / third party power trader or as per the average power purchase cost (APPC) rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of Bothe's unsigned PPA's and the surplus power as per the rate prescribed by relevant state regulatory commission to State distribution utilities ("State discoms").

Unbilled revenue represents the revenue that Bothe recognises at eligible rates for the arrangement where Bothe has all approvals in place except that PPA is pending to be signed between Bothe and State discom.

Accrued revenue represents the revenue that the Restricted Group recognizes where the PPA is signed but invoiced to customer subsequently.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest earned on temporary investment of borrowed funds, to the extent eligible for adjustment to capital cost is adjusted in the cost of property, plant and equipment. Interest from customers on delayed payment is recognised only upon its reasonable certainty of receipt. Interest income is included under the head "other income" in the special purpose combined statement of profit and loss.

Insurance claims

Insurance claims are accounted after the same are approved by the insurance company.

c. Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) Restricted Group 2 will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the Grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Generation Based Incentive (GBI)

Generation Based Incentive ("GBI") income is earned and recognized on the projects which sell electricity to licensed distribution utilities at tariffs determined by relevant State Electricity Regulatory Commissions ("SERCs"). GBI is paid at a fixed price of INR 0.50/kwh of electricity units sold subject to a cap of INR 10 million/MW of capacity installed for the electricity fed into the grid for a period not less than four years and a maximum of ten years.

Sale of Verified Carbon Units (VCUs)

Revenue from VCUs is recognised upon issuance and sale of VCUs. Any unsold VCUs which are granted to the Restricted Group are accrued at a nominal value.

d. Foreign currency transactions and translations

Initial recognition

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on translation/ settlement of foreign currency monetary items are recognized as income or as expenses in the year in which they arise. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

e. Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the property, plant and equipment. Any subsequent expenses related to a property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

Restricted Group 2 identifies and determines cost of each component/part of the asset separately, if it has a cost that is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining life.

Capital Work-In-Progress:

Costs and direct expenses incurred for construction of assets or assets to be acquired and for assets not ready for use are disclosed under "Capital Work- in- Progress".

f. Depreciation on property, plant and equipment

Restricted Group 2 provides depreciation on Straight line basis on plant & equipments and written down value basis on all other assets on the basis of useful life estimated by the management. Restricted Group 2 has used the following useful life to provide depreciation on its property plant and equipment.

Category of property, plant and equipment	SLM/WDV	Useful life
Leasehold land	SLM	Over the lease term
Building	SLM	30 Years
Building - Other	WDV	3 Years
Plant and equipment*	WDV	6 - 15 years
	SLM	3 - 40 years
Furniture and fixtures	WDV	10 Years
Vehicles	WDV	10 Years
Office equipment	WDV	5 Years
Computer	WDV	3 Years

*Based on the technical estimate, the useful life of the Plant and equipment are different than the useful life as indicated in Schedule II to the Companies Act, 2013.

Temporary structures are depreciated fully in the year in which they are capitalised.

The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and are updated prospectively, if appropriate.



CONTINUUM RESTRICTED GROUP 2
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g. Goodwill

Goodwill attributable to Indian Identified Entities represents the difference between the cost of investment in Indian Identified Entities, and CGEIP's share of net assets at the time of acquisition of share in Indian Identified Entities.

h. Borrowing costs

Borrowing cost includes Interest and amortisation of ancillary cost incurred in connection with the arrangement of borrowings.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing cost are expensed in the period they occur.

i. Impairment

Restricted Group 2 assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, Restricted Group 2 estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Restricted Group's 2 of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, Restricted Group 2 estimates the asset's or cash-generating unit's recoverable amount. Previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

j. Leases

Where Restricted Group 2 is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

k. Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at costs. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the special purpose combined Indian GAAP financial statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged/credited to the special purpose combined statement of profit and loss.

l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where Restricted Group 2 operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where Restricted Group 2 has unabsorbed depreciation and / or carry forward tax losses, deferred tax assets in excess of deferred tax liability are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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



CONTINUUM RESTRICTED GROUP 2
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m. Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss for the year when the contributions are due. Restricted Group 2 has no obligation, other than the contribution payable to the provident fund.

Restricted Group 2 operates only one defined benefit plan for its employees i.e. gratuity. The costs of providing this benefit are determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. Restricted Group 2 measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Restricted Group 2 treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. Restricted Group 2 presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Restricted Group 2 has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

n. Provisions

A provision is recognised when Restricted Group 2 has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where Restricted Group 2 expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

o. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

p. Other bank balances

It includes deposits having remaining maturity of less than twelve months as on reporting date which can be readily convertible to cash with insignificant risk of changes in value.

q. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Restricted Group 2 or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Restricted Group 2 does not recognise a contingent liability but discloses its existence in the special purpose combined Indian GAAP financial statements.

r. Current and non-current classification

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
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after 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
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Restricted Group 2 classifies all other liabilities as non-current.

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

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, Restricted Group 2 has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

s. Measurement of EBITDA

As per the Guidance Note on the Schedule III to the Companies Act, 2013, Restricted Group 2 has opted to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. Restricted Group 2 measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, Restricted Group 2 does not include depreciation and amortization expense, finance costs and tax expense.



CONTINUUM RESTRICTED GROUP 2
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 (All amounts in INR millions, unless otherwise stated)

5 Combined shareholders' funds - Restricted Group 2

a) Combined share capital

	As at March 31, 2023	As at March 31, 2022
Share capital*	6,297	6,050
	<u>6,297</u>	<u>6,050</u>

b) Combined reserves and surplus and others

	As at March 31, 2023	As at March 31, 2022
Deficit in the statement of profit and loss (refer note i)*	(2,069)	(1,871)
Net assets attributable to parent*	315	315
	<u>(1,754)</u>	<u>(1,556)</u>

Note:

i Deficit in the statement of profit and loss

Balance as per last financial statements	(1,871)	(1,839)
Adjustment on account of minority interest	(50)	-
Loss for the year	<u>(148)</u>	<u>(32)</u>
Net deficit in the statement of profit and loss	<u>(2,069)</u>	<u>(1,871)</u>

* Share capital and reserves and surplus represents the aggregate amount of share capital and reserves and surplus of Indian Identified Entities forming part of Restricted Group 2 as at year end and does not necessarily represent legal share capital for the purpose of the Restricted Group 2. Net assets attributable to parent represents the difference between the cost of investment and CGE IPL's share of net assets at the time of acquisition of share in certain entities which are part of Restricted Group 2. It has been reported under shareholder's fund of Restricted Group 2 since it represents amount invested by CGE IPL in Restricted Group 2.

6a Compulsory fully convertible debentures (CFCDs/CCDs/Debentures)

	As at March 31, 2023	As at March 31, 2022
10.00% Unsecured CFCDs of INR 10/- each. March 31, 2023; 576,665,000 CFCDs (March 31, 2022; 576,665,000 CFCDs) Refer Note - A	5,767	5,767
10.00% Unsecured CCDs of INR 10/- each. March 31, 2023; 207,685,888 CCDs (March 31, 2022; 207,685,888 CCDs) Refer Note - B	2,077	2,077
Unsecured CCDs of INR 10/- each. March 31, 2023; 12,352,500 (March 31, 2022; 12,352,500), Refer Note - C	123	123
	<u>7,967</u>	<u>7,967</u>

A Details and salient terms of CFCDs:

- CFCDs include CFCDs issued by Bothe 214,375,000 (March 31, 2022; 214,375,000) and Watson 362,290,000 (March 31, 2022; 362,290,000) issued to CGE IPL;
- CFCDs shall be convertible into equity shares at any time at the option of the CFCD holders subject to prior intimation to be provided to Lender for conversion of CFCDs into ordinary shares; in case of Watson, post such conversion 51% of shares so converted shall be pledged with the lender of the project;
- CFCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier;
- CFCDs shall be convertible into equity shares at par into one equity share for each CFCD;
- Coupon for the CFCDs shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the lender;
- Interest on CFCDs shall be accrued but any dividend/interest/coupon on CFCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of lender;
- The equity shares to be issued to the CFCD holders upon conversion of debentures shall rank pari passu with the existing equity shares;
- Promoters contribution by way of Compulsorily Fully Convertible Debentures shall not have any charge/ recourse to project assets;
- Prior approval of the Lender would be required for transferring CFCDs to any other party other than the present CFCD holders;
- No interest shall be payable / accruable on such instruments till COD of the project;
- CFCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion;
- CFCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Indian Identified Entities of the Restricted Group 2;
- Interest on CFCDs accrued will be paid in accordance with "permitted distribution" as defined in the financing documents executed with Senior NCD holder of Restricted Group 2;

B Details and salient terms of CCDs:

- CCDs include CCDs issued by DJEPL 79,442,888 (March 31, 2022; 79,442,888), UUPPL 63,478,000 (March 31, 2022; 63,478,000), Trinethra 50,600,000 (March 31, 2022; 50,600,000) and RTPL 14,165,000 (March 31, 2022; 14,165,000) issued to CGE IPL;
- CCDs shall be convertible into equity shares at any time at the option of the CCD holders subject to prior intimation to be provided to Lender for conversion of CCDs to ordinary share;
- CCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier;
- CCDs shall be convertible into equity shares at par into one equity share for each debenture;
- Coupon for the CCDs shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the lender;
- Interest on CCDs shall be accrued but any dividend/interest/coupon on CCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of lender;
- The equity shares to be issued to the CCD holders upon conversion of debentures shall rank pari passu with the existing equity shares;
- Promoters contribution by way of Compulsorily Convertible Debentures shall not have any charge/ recourse to project assets;
- Prior approval of the Lender would be required for transferring CCDs to any other party other than the present CFCD holders;
- No interest shall be payable / accruable on such instruments till COD of the project;
- CCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
- CCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Identified Subsidiaries of the Continuum Restricted Group.

Interest on CCDs accrued will be paid in accordance with "permitted distribution" as defined in the financing documents executed with Senior NCD holder of Restricted Group



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C Details and salient terms of CCDs:

1. CCDs issued by Kutch to CGE IPL 1,23,52,500 (March 31,2022; 1,23,52,500)
2. CCDs shall be expressly subordinated to the term loan of the lender and will have no charge/recourse to the assets secured with lender.
3. Interest, expenses or statutory dues related to CCDs, accrued and/or payable till commercial operation date ("COD") of the project will not be considered as part of project cost.
4. Interest, expenses on CCDs post COD shall be met only out of the dividend distribution account after meeting the debt service reserve account ("DSRA") and all other reserve requirements spelt out by the lender.
5. Statutory dues in respect of CCDs post COD shall be met without any recourse to the project or only out of the dividend distribution account after meeting DSRA and all other reserve requirements spelt out by the lender.
6. No repayment/redemption of principal of such CCDs is permissible till the currency of the term loan.
7. No amount shall be due and payable under CCDs and no event of default shall be declared during currency of term loan.
8. The CCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any security interest whatsoever without lender's prior written permission.
9. CCDs shall not contain any terms/conditions contradicting the terms/conditions sanctioned by PFC and in case of any contradiction the same shall be treated to have been modified to that extent and stands aligned with the terms/conditions stipulated by the lender.
10. Modification in terms and conditions of the agreement for CCDs will be with prior written permission of the lender.
11. CCDs holders may enforce conversion rights, with the lender's prior written permission, subject to maintaining the stipulated pledge and management control requirement as per the sanction letter.
12. CCDs shall be compulsorily convertible into equity shares at the end of the 20 years from the date of allotment, if not converted earlier.
13. Coupon for the CCDs shall be ten percent per annum compounded annually, on cumulative basis from the date of commissioning of the project.
14. CCDs shall be converted into fully paid up equity shares of the company, in case of default under the financing documents of the lender, at the discretion of the lender.

6b Optionally convertible debentures (OCDs)

	As at March 31, 2023	As at March 31, 2022
9% Unsecured optionally convertible debentures of INR 10/- each March 31, 2023; 282,280,000 (March 31, 2022; 209,575,000)	2,823	2,096
	2,823	2,096

Salient terms of optionally convertible debentures

1. Optionally Convertible Debentures or OCDs issued by CTRPL shall have a face value of INR 10/- each.
2. Each OCDs shall be convertible into one equity share of INR 10/- each at any time at the option of CTRPL but at any time not later than 25 years from the date of allotment.
3. CTRPL may redeem any or all OCDs at any time at par but at any time not later than 25 years from the date of allotment.
4. OCDs shall carry a non-cumulative coupon of 9% p.a. payable annually or more frequently at the option of CTRPL and such coupon shall accrue only after CTRPL has achieved commercial operations date (COD) of its project.
5. OCDs shall be unsecured.
6. Promoter's contributions by way of OCDs shall be expressly subordinated to the facility of the lender and shall have no charge/recourse to the assets secured with the lender;
7. Any interest/dividend, expenses on OCDs post COD shall be met only out of the Dividend Distribution Account after meeting Debt Service Reserve Account (DSRA) and all other reserve requirements as per the Trust and Retention Account Agreement;
8. Any statutory dues in respect of OCDs post COD shall be met by the Promoter without any recourse to the Project or only out of the Dividend Distribution Account after meeting DSRA and all other reserve requirements as per the Trust and Retention Account Agreement.
9. No repayment/redemption of principal amount of such OCDs shall be permissible until the final settlement date.
10. The OCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any Security Interest whatsoever without the prior written consent of the lender.
11. Any modification in terms and conditions of OCDs shall be with the prior written consent of the lender;
12. The subscriber may enforce conversion rights, with the prior written consent of the Lender, subject to maintaining the stipulated pledge and management control requirement as per the sanction letter.
13. Any interest, expenses or statutory dues related to OCDs, accrued and/or payable till COD of the Project shall not be considered as part of estimated project cost.

7 Long term borrowings

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Indian rupee term loans (secured)				
From banks (Refer Note 7E)	-	2,654	-	-
From financial institution (Refer Note 7C and Note 7D)	9,658	3,553	66	22
From related parties (refer note 7F, note 7G and note 30)	893	355	-	66
Non convertible debentures (NCD) (secured)				
4,061 (March 31, 2022 : 4,061) 8.75% Non convertible debentures of INR 100,00,000/- each (refer note 7A and note 30)	34,468	37,767	3,300	2,284
24,210,900 (March 31, 2022 ; 24,210,900) Non Convertible Debenture of INR 10/- each, (refer Note 7B and note 30)	242	242	-	-
	45,261	44,571	3,366	2,372
Current maturities disclosed under the head "Short term borrowings" (refer Note 11)	-	-	(3,366)	(2,372)
Total long term borrowings	45,261	44,571	-	-



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The borrowing has been obtained by respective Indian Identified Entities of Restricted Group 2. The salient terms of the loan and the security thereon are summarised in Note 7A: Salient terms and Security details for NCDs outstanding as at March 31, 2023.

Restricted Group 2 (other than Kutch and CTRPL) has issued NCDs of INR 37,768 (March 31, 2022 INR 40,051) to CELPL.

Terms of Non convertible debentures (NCD) (secured) :

1. The NCDs are freely transferable. The NCDs are unlisted and unrated.
2. Each NCDs has a face value INR 10 (referred to as the "principal amount" of each NCD) and are issued at a discount of 2% of the principal amount (i.e. at the issue price of INR 9.8).
3. The NCDs bear interest on their outstanding principal amount from and including the Initial Issue Date at the rate of 8.75 % per annum plus applicable withholding taxes, payable semi-annually on 9 August and 9 February in each year.
4. In addition to interest, each NCD shall accrue a redemption premium at the rate of 2 % per annum plus applicable withholding taxes of the outstanding principal amount till 9 August 2027. The redemption premium shall be paid in full by Restricted Group 2 on the Maturity Date or otherwise at the date of redemption in full of a NCD to the extent not paid earlier. Each debenture holder shall have the right to require the Issuer to pay in full or in part the accrued but unpaid Redemption Premium in respect of the Debentures held by such Debenture holder at any time prior to the Maturity Date by giving not less than 10 Business Days' nor more than 60 days' notice to the Issuer.
5. In accordance with the Debenture Trust Deed (DTD), the NCD holder has a right to redeem all (but not some only) of the NCDs at an amount equal to the principal amount plus the Redemption Premium applicable to the NCDs (together with interest accrued) on giving a notice to Indian Identified Entities and to the NCD Trustee in writing any time on or after (i) the date falling 12 Business Days prior to 9 February 2027 or (ii) the date on which the aggregate principal amount of all outstanding Restricted Group 2 Issuer NCDs is less than INR 18,500.
6. Restricted Group 2 has a right to redeem all or any part of the NCDs held by NCD holder at an amount equal to the principal amount plus the Voluntary Redemption Premium applicable to the NCDs (together with interest accrued) on giving notice to the NCD holder and the NCD Trustee as prescribed in DTD.
7. Restricted Group 2 has a right to redeem NCDs, in part or full, in certain conditions as per the terms of the DTD.
8. Unless previously redeemed, or purchased and cancelled, the NCDs will be redeemed at their principal amount (together with accrued but unpaid interest (if any)) on the date falling 15 years from the Initial Issue Date.
9. All of the obligations of the company including the payment of the debt are secured by:
 - i. A first ranking exclusive pledge over 100% (one hundred percent) of the equity shares of Restricted Group 2 (other than in the case of Watsun where CGE IPL shall create and perfect a first ranking exclusive pledge over 51% (fifty one percent) of the equity shares of Watsun);
 - ii. A first ranking charge over the moveable and immovable assets (both present and future) of Restricted Group 2 in connection with the Project operated by Indian Identified Entities (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), other than the current assets of Restricted Group 2; PPA, insurance policies and project documents; Issue Proceeds Escrow Account, the Debt Service Reserve Account, the Restricted Surplus Account, the Senior Debt Enforcement Proceeds Account and the Senior Debt Restricted Amortization Account of Restricted Group 2.
 - iii. A second ranking charge over the current assets of Restricted Group 2 and over the RCF Facility (Working Capital Facility) Restricted amortization Account, the RCF Facility Enforcement Proceeds Account, the Operating Account, the Statutory Dues Account, the Operating and maintenance expenses (O&M) Expenses Account, the Restricted Debt Service Account and the Distribution Account of Indian Identified Entities.
10. The NCDs are guaranteed pursuant to the Deed of Guarantee executed by Restricted Group 2 (other than Kutch and CTRPL).

Note 7B: Non convertible debentures (NCDs) are issued to Continuum Green Energy (India) Private Limited (CGE IPL), holding company and are part of the promoter contribution. The salient terms of NCDs are as follows:

KWDPL has issued NCDs of INR 242 (March 31, 2022 INR 242) to CGE IPL.

1. NCDs shall be expressly subordinated to the term loan of the lender and will have no charge/recourse to the assets secured with lender.
2. Interest, expenses or statutory dues related to NCDs, accrued and/or payable till commercial operation date ("COD") of the project will not be considered as part of project cost.
3. Interest, expenses on NCDs post COD shall be met only out of the dividend distribution account after meeting the debt service reserve account ("DSRA") and all other reserve requirements spelt out by the lender.
4. Statutory dues in respect of NCDs post COD shall be met without any recourse to the project or only out of the dividend distribution account after meeting DSRA and all other reserve requirements spelt out by the lender.
5. No repayment/redemption of principal of NCDs is permissible till the currency of term loan.
6. No amount shall be due and payable under NCDs and no event of default shall be declared during currency of term loan.
7. The NCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any security interest whatsoever without the lender's prior written permission.
8. NCDs shall not contain any terms/conditions contradicting the terms/conditions sanctioned by the lender and in case of any contradiction the same shall be treated to have been modified to that extent and stands aligned with the terms/conditions stipulated by the lender.
9. Modification in terms and conditions of the agreement for NCDs will be with prior written permission of the lender.
10. NCDs may be redeemed any time after the term loan have been full discharged and shall be otherwise redeemed at the end of 20 years from the date of allotment as the company is engaged in setting up of infrastructure projects.
11. Coupon for the NCDs shall be ten percent per annum compounded annually, on cumulative basis from the date of commissioning of the project.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

Note 7C: PFC project term loan

Kutch ("borrower") has tied up term loan facility of INR 1,153, utilized INR 1,109 (March 2022 INR 1,100) for its 28 MW capacity from PFC.

PFC project term loan is secured by:

1. Pari passu first charge by way of mortgage in a form and manner acceptable to the lender, over all the Borrower's immovable properties, and a pari passu first charge on the borrower's operating cash flows, book debts, receivables, commissions, revenues of whatsoever nature and wherever arising, the trust & retention account (TRA) including Debt Service Reserve Account of peak 3 (three) months of principal & interest payment (DSRA exclusive to PFC), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present and future;
2. Pari passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
3. Pari passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future;
4. Assignment in favour of the PFC on all the rights, titles, interests, benefits, claims and demands whatsoever of the borrower in the project documents/contracts (including but not limited to Power Purchase Agreements (PPA)/ Memorandum of Understanding (MOU), package/ Construction contracts, O&M related agreements, service contracts, etc.), in the clearances relating to the project, in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents; all insurance contracts and insurance proceeds and assignment of guarantees from EPC contractor (if any) relating to the project duly acknowledged and consented to by the relevant counter-parties to such project documents;
5. Corporate guarantee (CG) of Continuum Green Energy Ltd., Singapore (CGEL). The CG shall be valid (i) till Power Curve Guarantee Test (PCGT) for the entire project i.e. 28 MW is completed, to the satisfaction of lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC contract; (ii) till not less than 2 years of successful operation in adherence to EBITDA and/or generation as per base case, to the satisfaction of lenders; (iii) till the time all the securities are created and perfected in the favour of PFC;
6. The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 51% (fifty one percent) Equity Shares, 51% (fifty one percent) CCDs and 51% (fifty one percent) NCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Borrower;

Terms of interest:

The loan from PFC carries interest rate range from 8.75% to 9.00% p.a. payable monthly upto the standard due date.

Terms of repayment:

- a. The loan from PFC is repayable in 180 (One Eighty) structured monthly instalments ranging between 0.42% to 1% of loan,
 - b. First repayment date will fall due on 12 months after Date of Commencement of Commercial Operation (DCCO) of the project or COD whichever is earlier.
- Kutch has used borrowing from Financial Institution as applicable for the period from 01 April, 2022 to 31 March, 2023 for the specific purpose for which it was taken at the balance sheet date.

Note 7D: Power Finance Corporation Limited (PFC) project term loan is secured by:

CTRPL has tied up term loan facility of INR 8,615, utilized INR 8,615 (March 2022 INR 2,475) for its 240 MW capacity from PFC.

1. A first charge by way of mortgage in a form and manner acceptable to the lender, over all the borrower's immovable properties (in case of leasehold land mortgage of leasehold rights), both present and future;
2. A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future;
3. A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future;
4. A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 1 Quarter(s) of principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of the borrower wherever maintained, both present & future; and
5. The pledge of equity shares, quasi equity, both present and future, held by the pledgor, to the extent of the specified percentage i.e. 51% (fifty one percent) equity shares, 51% (fifty one percent) and OCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the borrower;
6. The loan from PFC carries interest rate which is applicable as on date of drawdown, currently it carries interest rate range between 9.00% to 9.25% and the principle outstanding is repayable in 180 monthly instalments, commencing from the first standard due date falling 12 months after scheduled commercial operations date (SCOD) whichever is earlier.
7. Corporate Guarantee (CG) of Continuum Green Energy Limited, Singapore (CGEL). CG would be valid for :
 (i) till Power Curve Guarantee Test (PCGT)/ Power Guarantee Test (PGT) for the entire Project i.e. 199.9 MW (99.90 MW Wind and 100 MWAC / 140 MWDC solar capacity) is completed, to the satisfaction of Lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC Contract,
 (ii) till not less than 2 (two) year of successful operation in adherence to EBITDA and/or generation as per Banking Base Case, to the satisfaction of Lenders,
 (iii) till the time all the Securities are created and perfected in the favour of the Lender.

Note 7E: From banks

The CTRPL has obtained the term loan facility of INR 8,783 for its 240 MW capacity project from Power Finance Corporation Ltd (PFC). The loan facility includes non-fund based facility of INR 3,587 against which PFC has provided undertaking in favour of HDFC bank limited basis, for which HDFC bank limited has issued Letter of Credit facility (LC facility) for equivalent amount in favour of the project suppliers. LC facility has been issued for the period of one year from date of discounting of LC. Upon completion of LC period, LC will get converted into term loan facility of PFC.

During the year, suppliers have presented and encashed Bills of Exchange (BOEs) with bank and corresponding liability is accounted for as borrowings by the company against the supplier balances. Such borrowings on account of discounting of those BOEs under the existing LCs have been eventually got converted into term loan on 14th December 2022, hence previous year amount has been classified on the basis of repayment terms of the term loan availed from PFC.

During the year, the CTRPL has taken disbursement against BOEs discounted and hence such BoEs discounted with banks amounts as at March 31, 2023 to INR Nil (March 31, 2022 INR 2,654) at prevailing MCLR rate of the said banks.

Note 7F: Terms of unsecured loan from holding company

Kutch has borrowed Loan from CGE IPL amounting to INR 7 (March 31, 2022 Nil)

Loan from holding company is interest free. Principal of the loan will be paid at will of the borrower in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but no later than 15 years from the date of loan granted.

Note 7G: Terms of unsecured loan from holding company

CTRPL has borrowed Loan from CGE IPL amounting to INR 886 (March 31, 2022 INR 421)

Unsecured loan from Continuum Green Energy (India) Private Limited (CGE IPL) of INR 886 (March 22 INR 421) is interest free. These will be paid to holding company as per terms of finance documents but subordinated to secured liabilities and accordingly classified as non current. This was infused as promotor's contribution as required under finance document with PFC



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

8 Deferred tax liability (net)

	As at March 31, 2023	As at March 31, 2022
Deferred tax liability		
Opening Balance		
Property, plant and equipment: Impact of difference between book depreciation and tax depreciation	4,109	3,564
Gross deferred tax liability	4,109	3,564
Deferred tax asset (refer note below)		
Impact of carry forward tax losses	230	256
Impact of unabsorbed depreciation	2,594	2,888
Provision for employee benefits	7	-
Gross deferred tax asset	2,831	3,144
Net deferred tax liability	1,278	420

Note:

Certain subsidiaries of the Restricted Group 2 have created deferred tax asset on unabsorbed depreciation and carry forward tax losses to the extent of deferred tax liability.

9 Other long term liabilities

	As at March 31, 2023	As at March 31, 2022
Security deposits from customers*	79	71
Due to related party (refer note 30)	-	16
Interest accrued but not due on debentures (related party) (refer note 30)	37	1
Capital creditors	20	33
	136	121

*Security deposits received from customers are interest free and returnable at the end of the power purchase agreement.

10 Provisions

	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits				
Provision for gratuity (refer note 28)	19	17	2	2
Provision for leave benefits	-	-	9	7
	19	17	11	9
Other provisions				
Provision towards litigation and contingencies (refer note i and ii)	-	-	35	42
	19	17	46	51

Note

i Movement for provision towards litigation and contingencies:

	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	42	38
Arising during the year	-	12
Utilised/transferred during the year	(7)	(8)
At the end of the year	35	42

ii The above provision is made towards Deviation Settlement Mechanism (DSM) charges for the period from August 2018 to August 2020 which is currently sub-judice.

11 Short term borrowings

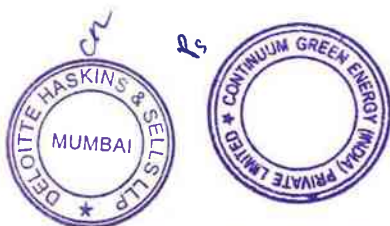
	As at March 31, 2023	As at March 31, 2022
Working capital (secured)		
From banks (refer note below)	247	2,282
Short term borrowing (unsecured)		
Current maturities of long-term borrowings (refer note 7 and note 30)	3,366	2,372
	3,613	4,654

Note:

Salient terms and security of working capital facility as at March 31, 2023:

Restricted Group 2 (other than Kutch and CTRLPL) has availed working capital facility from IndusInd Bank Limited amounting to INR 2,560 out of which 247 (March 31, 2022 : 2,282) was drawn as working capital.

1. First ranking charge by way of hypothecation over present and future current assets of the Restricted Group 2 as more particularly set out in, and in accordance with the terms of, the Deed of Hypothecation but excluding the Issue Proceeds Escrow Account, Debt Service Reserve Account, Senior Debt Restricted Amortization Account, Restricted Surplus Account;
2. a first ranking charge in accordance with the terms of the Deed of Hypothecation, over certain Trust and Retention Accounts as defined under the facility agreement;
3. Second charge by way of mortgage over the movable (other than current assets) and immovable assets (both present and future) of the Restricted Group 2, in connection with the Project (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), in each case, as more particularly identified in, and in accordance with the terms of the Mortgage Documents;
4. Second charge on the Pledged Shares of Restricted Group 2 held by CGFIPL in accordance with the terms of the Share Pledge Agreement, in case of Watson, it is 51% of the share capital of Watson;
5. Non disposal undertaking (NDU) is issued in respect of NDU shares as defined in the facility agreement signed with working capital lender;
6. Second ranking charge over the Power Purchase Agreements entered into by the Restricted Group 2, Insurance Contracts and other project documents entered into by the Borrower in relation to the Project, in accordance with the terms of the Deed of Hypothecation;
7. Second ranking charge over the Senior Debt Enforcement Proceeds Account, in accordance with the terms of the Deed of Hypothecation; and
8. Guarantee issued by each Restricted Group 2 in favour of security trustee for the benefit of working capital lender;
9. The above facility carries an interest rate of one year MCLR plus 0.30% p.a.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

The Restricted Group 2 has used the borrowings from banks as applicable during FY 2021-22 and for FY 2022-23 for the specific purpose for which it was taken.

A reconciliation of stock statement with trade receivable as per books of accounts has been disclosed below:

Particulars	March 31, 2023	March 31, 2022
Trade Receivable as per Stock Statement submitted to IBL (A)	2,192	4,228
Add: Generation Based Incentive (GBI)* (B)	30	119
Trade Receivable as per Financial Statements (A+B) **	2,222	4,347

*As per sanction letter with IBL, only receivable from discoms and corporates to be considered while arriving at trade receivables, therefore receivable of GBI income excluded from Trade receivable while submitting stock statement to IBL.

**Trade receivables as per financial statements includes non current trade receivables of INR 857 (March 31, 2022 INR Nil) as disclosed in note 16 and current trade receivables of INR 1,365 (March 31, 2022 INR 4,487) as disclosed in note 17.

12 Trade payables and other current liabilities

	As at March 31, 2023	As at March 31, 2022
Trade payables		
Outstanding dues of micro and small enterprises (refer note 31)	4	10
Outstanding dues to creditors other than micro and small enterprises	202	148
	206	158
Other current liabilities :		
Capital creditors	588	1,198
Interest accrued but not due on borrowings	41	15
Due to related party (refer note 30)	233	287
Interest accrued but not due on Debentures (related parties) (refer note 30)	911	1,328
Interest accrued but not due on working capital	2	17
Liability towards premium on redemption of NCDs (related parties) (refer note 30)	1,624	876
Statutory dues payable (refer note i below)	21	21
Security deposits	5	-
Others	1	15
	3,426	3,757

Note:

i) Includes tax deducted at source, tax collected at source, employees provident fund, employees profession tax, Goods and Service Tax (GST) and Employees State Insurance Contribution.

Trade payable ageing schedule

As at March 31, 2023

	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed total outstanding dues of micro enterprises and small enterprises	-	1	3	-	-	-	4
(ii) Undisputed total outstanding dues of creditors other than micro enterprises and small enterprises	85	-	117	0#	-	-	202
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	85	1	120	-	-	-	206

As at March 31, 2022

	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed total outstanding dues of micro enterprises and small enterprises	-	1	9	-	-	-	10
(ii) Undisputed total outstanding dues of creditors other than micro enterprises and small enterprises	60	8	80	-	-	-	148
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	60	9	89	-	-	-	158



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

13 (a) Property, plant and equipment

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and equipment*	Furniture and fixtures	Vehicles	Office equipments	Computer	Total
Cost									
As at April 1, 2021	1,105	146	11	46,318	7	1	4	10	47,602
Additions during the year	1	33	-	1,545	0#	-	0#	4	1,583
Sales/disposals/adjustments	0#	-	-	-	-	0#	0#	0#	0#
As at March 31, 2022	1,106	179	11	47,863	7	1	4	14	49,185
Additions during the year	0#	78	1	10,371	1	-	1	3	10,455
Sales/disposals/adjustments	-	-	-	0#	1	0#	1	1	3
As at March 31, 2023	1,106	257	12	58,234	7	1	4	16	59,637
Depreciation and amortisation									
As at April 1, 2021	-	11	1	8,259	7	0#	4	8	8,290
Charge for the year	-	8	1	1,836	-	0#	0#	2	1,847
Sales/disposals/adjustments	-	-	-	-	-	-	-	0#	-
As at March 31, 2022	-	19	2	10,095	7	0#	4	10	10,137
Charge for the year	-	12	1	2,035	1	-	0#	3	2,052
Sales/disposals/adjustments	-	-	-	0#	1	0#	1	1	3
As at March 31, 2023	-	31	3	12,130	7	0#	3	12	12,186
Net block									
As at March 31, 2022	1,106	160	9	37,768	-	1	0#	4	39,048
As at March 31, 2023	1,106	226	9	46,104	-	1	1	4	47,451

Indicates amount less than 0.5 millions

Note:

** The Finance cost net capitalized during the year includes interest expenses of INR 364.4 (March 31, 2022; INR 2.8) and other borrowing cost of INR 81.7 (March 31, 2022; INR 0.1).

* Plant and equipment includes Plant and machinery - Wind Turbine Generator (WTG), Solar Panels including inverters and related assets, Networking Equipment, Sub Station, 33KV Line and other enabling assets.

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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

13 (b) Goodwill attributable to the Indian Identified Entities

Particulars	Goodwill
Cost	
As at April 1, 2021	315
Additions during the year	-
Sales/disposals/adjustments	-
As at March 31, 2022	315
Additions during the year	-
Sales/disposals/adjustments	-
As at March 31, 2023	315
Amortization	
As at April 1, 2021	-
Charge for the year	-
Sales/disposals/adjustments	-
As at March 31, 2022	-
Charge for the year	-
Sales/disposals/adjustments	-
As at March 31, 2023	-
Net block	
As at March 31, 2022	315
As at March 31, 2023	315

Note:

Goodwill attributable to Identified Subsidiaries represents the difference between the cost of investment in DJEPL, UUPPL and Wastun, and CGEIP's share of net assets at the time of acquisition of share in these companies.

13 (c) Capital Work in Progress

	As at March 31, 2023	As at March 31, 2022
Capital work in progress	2,808	8,290
	<u>2,808</u>	<u>8,290</u>

Capital work-in-progress ageing schedule

As at March 31, 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,808	-	-	-	2,808
	<u>2,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,808</u>

As at March 31, 2022

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8,290	-	-	-	8,290
	<u>8,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,290</u>

14 Non-current investments

(valued at cost, unless stated otherwise)

Investment in fellow subsidiaries :

	As at March 31, 2023	As at March 31, 2022
Investment in Optionally Convertible Redeemable Preference shares (OCRPS) (unquoted)		
63,800,000 (March 31, 2022: 63,800,000) 0.01% OCRPS of INR 10/- each fully paid up in Srijan Energy Systems Private Limited (SESPL) (refer note 30)	638	638
Nil (March 31, 2022: 40,000,000) 0.01% OCRPS of INR 10/- each fully paid up in Continuum MP Windfarm Development Private Limited (CMPWDPL) (refer note 30)	-	400
	<u>638</u>	<u>1,038</u>

Salient terms of Optionally Convertible Redeemable Preference Shares (OCRPS)

- 1 Each OCRPS shall have a face value of INR 10/- (Indian Rupees ten only);
- 2 OCRPS shall carry a preferential right vis-à-vis Equity Shares of SESPL with respect to payment of dividend and proceeds of liquidation;
- 3 OCRPS shall carry dividend at the rate of 0.10% per annum from the date of the allotment on a cumulative basis;
- 4 Each OCRPS will be convertible into one ordinary share of SESPL of face value INR 10/- (Indian Rupees ten only), at any time at the option of the holder of the OCRPS provided that the holder is in compliance with any laws applicable to it, for conversion of its investment into ordinary shares;
- 5 OCRPS may be redeemed by SESPL and CMPWDPL at any time, subject to a prior notice of minimum 30 (thirty) days, either from surplus profits of SESPL and CMPWDPL or from proceeds of a fresh issue of share capital or as provided under applicable law from time to time
- 6 OCRPS shall not carry any voting rights under Section 47 of the Companies Act, 2013; and
- 7 During the year OCRPS in CMPWDPL has been redeemed at cost.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

15 Loans and advances

Unsecured, considered good unless stated otherwise

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital advances	37	24	-	-
	<u>37</u>	<u>24</u>	<u>-</u>	<u>-</u>
Loans and advances to related parties (refer note 30 and note i, ii and iii below) *	6,577	6,275	63	58
Advances to vendor	-	-	2	3
Other advances	0#	0#	5	2
	<u>6,577</u>	<u>6,275</u>	<u>70</u>	<u>63</u>
Other loans and advances				
Advance income tax (net of provision for tax)	132	90	-	-
Prepaid expenses	3	3	199	126
Balances with statutory/ government authorities	10	11	-	-
Imprest to staff	-	-	0#	0#
	<u>145</u>	<u>104</u>	<u>199</u>	<u>126</u>
	<u>6,759</u>	<u>6,403</u>	<u>269</u>	<u>189</u>

* The Restricted Group 2 has no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment.

Notes:

- i) Loan given to CGEPL carries an interest rate equals to 12.12% p.a. principal and interest on the loan will be paid at in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but not later than 15 years from the date of loan given. Provided that, loan given to CGEPL by DJEPL and UUPPL amounting to INR 938 (March 31, 2022, INR 996) which is repayable in 9 yearly unequal installments ranging from 4.87% to 29.31% and interest on the said loan is to be paid annually in the month of September for each year.
- ii) Loan given to CMPWDPL and SESPL carries an interest rate equals to 12.12% p.a. principal and interest of the loan will be paid at in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but not later than 15 years from the date of loan given.
- iii) Loan given to Skyzen Infrabuild Private Limited (SIPL) is repayable on or before October 9, 2025 along with predefined repayment amounts. During the year, the loan amount of INR 510 and interest accrued thereon has been repaid by Skyzen Infrabuild Private Limited.

16 Other non-current asset

Unsecured, considered good unless stated otherwise

	As at March 31, 2023	As at March 31, 2022
Fixed deposit with remaining maturity for more than 12 months (refer note 18(b))	45	51
Deposit with regulatory authorities	17	25
Security deposit for leased assets	7	1
Unamortised ancillary cost of arranging borrowings	81	87
Unamortised discount on issue of NCDs	394	529
Interest on unsecured loans receivable (refer note 30)	1,421	983
Long term trade receivables (refer note iv below)	857	-
Accrued interest on Overdue trade receivables (refer note i)	62	-
	<u>2,884</u>	<u>1,676</u>
Unbilled revenue		
Unbilled revenue (refer note ii)	414	363
Allowance for doubtful unbilled revenue (refer note iii)	(106)	(225)
	<u>308</u>	<u>138</u>
Total	<u>3,192</u>	<u>1,814</u>

Notes:

- i) Government of India ("GoI") has notified the Late Payment Surcharge Rules, 2022 ("LPS 2022") on June 03, 2022. As per LPS 2022, discoms had an option, which was to be exercised by July 02, 2022 to reschedule all outstanding dues as on June 03, 2022, plus late payment surcharge calculated till that date, into certain number of equal monthly instalments payable on 5th of each calendar month starting from August 2022. MPPMCL has exercised an option on July 01, 2022 and rescheduled the dues into 40 equal monthly instalments covering all outstanding dues upto June 03, 2022. Accordingly, in line with applicable accounting standards monthly instalments receivables from discoms, as applicable have been classified as current or non current.
- ii) Out of 199.9 MW capacity, Wind Energy Purchase Agreements (WEPA) have been signed between Bothe and Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 193.4 MW. Due to delay in implementation of policy for renewable energy by the state government and also due to delay in receipt of registration certificates from Maharashtra Energy Development Agency (MEDA) against 3 WTGs, a pre-requisite for execution of WEPAs, WEPAs are not executed for 6.3 MW capacity of these 3 WTGs. Upon receipt of registration certificates, Bothe approached MSEDCL for signing of PPAs towards these WTGs. However, MSEDCL had taken a contrary & arbitrary view and rejected Bothe's valid application for signing PPAs.
Bothe approached MERC where Bothe has received partial favourable order, pursuant to which Bothe has received collection of INR 91 against generation till March 31, 2017 in financial year 2021-22. Bothe has challenged MERC Order in Appellate Tribunal for Electricity (APTEL). Bothe has received a favourable judgement from APTEL where APTEL has upheld the matter and directed MSEDCL to:
 - i. immediately sign 6.3 MW PPA with Bothe effective from application date for MEDA registration;
 - ii. to pay tariff at Average Power Purchase Price (APPC) for the power supplied from the date of commissioning till application date for MEDA registration and
 - iii. to sign PPA w.e.f MEDA registration application date at the rate approved by MERC for WTGs commissioned in financial year 2014-15.
The Group believes that as per the judgement pronounced by APTEL vide order dated August 18, 2022, other facts mentioned above and as per legal opinion of the lawyers, Bothe is rightfully eligible for revenues towards 6.3 MW capacity at MERC stipulated tariff. However, considering that counterparty has approached the higher judicial authority, the Group has recognised the unbilled revenue till balance sheet date at APPC rate and reversed excess provision of INR 119.

	March 31, 2023	March 31, 2022
iii) Movement in Allowance for doubtful unbilled revenue		
At the beginning of the year	225	176
Arising during the year	-	49
Utilised/reversed during the year	(119)	-
At the end of the year	<u>106</u>	<u>225</u>

- iv) The long term trade receivables is outstanding from due date of payment for a period of 6 months amounting to INR Nil (March 31, 2022; Nil) for the period 1-2 years amounting to INR 857 (March 31, 2022; Nil)



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

17 Trade receivables

	As at March 31, 2023	As at March 31, 2022
Trade receivables - unsecured, considered good	1,419	4,494
	<u>1,419</u>	<u>4,494</u>

Trade receivables Ageing Schedule

As at March 31, 2023

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	800	577	2	37	2	1	1,419
Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Total	800	577	2	37	2	1	1,419

As at March 31, 2022

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	308	2,173	2,003	9	1	-	4,494
Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Total	308	2,173	2,003	9	1	-	4,494

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
18 (a) Cash and cash equivalents				
Cash on hand	-	-	-	-
Balances with banks :				
- Current account	-	-	1,210	42
- Deposits with original maturity of less than 3 months	-	-	2,007	3,362
Total	-	-	3,217	3,404

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
18 (b) Other bank balances				
- Deposits with remaining maturity upto a period of 12 months (refer note i and ii below)	-	-	2,078	2,276
- Deposits with remaining maturity for more than 12 months	45	51	-	-
	<u>45</u>	<u>51</u>	<u>2,078</u>	<u>2,276</u>
Amount disclosed under other non-current assets (refer note 16)	(45)	(51)	-	-
Total	-	-	5,295	5,680

- i Includes deposits created towards Debt Service Reserve as required under debenture trust deed amounting to INR 1,947 (March 31, 2022; INR 2,120) by the Restricted Group 2.
- ii Deposit amounting to INR 5 (March 31, 2022; Nil) on which lien has been marked against letter of credit issued by various banks.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

19 Other current assets

Unsecured, considered good unless stated otherwise

	As at March 31, 2023	As at March 31, 2022
Accrued income	776	625
Accrued interest		
On bank deposits	38	28
On unsecured loan to related party (refer note 30)	116	121
Security Deposits	0#	99
Unamortised discount on issue of NCDs	136	137
Unamortised ancillary cost of arranging borrowings	6	6
Accrued interest on overdue trade receivables (refer note 16(ii))	97	40
Other receivable	3	-
Total	1,172	1,056

Note: Accrued income represents revenue earned as at year end and billed to the customers subsequent to the year end.

20 Revenue from operations

	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations		
Sale of electricity	9,413	8,675
Other operating revenue		
Generation Based Incentive (GBI)	323	346
Sale of Verified Carbon Units (VCUs)	-	170
Revenue loss recovered*	13	-
Total	9,749	9,191

Note:

* During the year, one of the subsidiary of the Restricted Group 2 has accounted for revenue loss recovered 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.

21 Other income

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on :		
Bank deposits	233	71
On unsecured loan to related parties (refer note 30)	829	803
Overdue trade receivable	501	38
Income tax refund	2	1
Provisions no longer required written back	136	-
Insurance claim received	22	29
Income arising due to liquidated damages	34	-
Miscellaneous income	4	23
Total	1,761	965

22 Operating and maintenance expenses

	For the year ended March 31, 2023	For the year ended March 31, 2022
Operation and maintenance expenses	970	784
Transmission, open access and other operating charges	1,074	861
Total	2,044	1,645

23 Employee benefits expense

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salary, wages and bonus	153	138
Contribution to provident fund / other fund (refer note 28)	7	5
Gratuity expenses (refer note 28)	4	4
Leave benefits	3	2
Staff welfare expenses	3	3
Total	170	152



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

24 Other expenses*

	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent (refer note 27)	9	6
Insurance expense	127	107
Rates and taxes	18	26
Travelling, lodging and boarding	38	29
Legal and professional fees	108	125
Payment to auditor (including GST)	11	9
Repairs and maintenance plant and machinery	11	3
Repairs and maintenance others	12	10
Site related expenses	2	-
Provision towards litigation and contingencies	-	49
Loss on sale of Fixed Assets	1	-
Allocable common overheads (refer note 30) **	312	235
Rebate and discount	8	24
Miscellaneous expenses	44	31
	701	654

*Other expense disclosed are net off amount capitalised by the company. (refer note 29)

** Allocable common overheads represent allocation of common expenses incurred by CGEIPL on behalf of its group companies.

25 Finance costs*

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on working capital	60	93
Interest on term loans	339	-
Interest on NCDs (refer note 30)	3,665	3,741
Interest on CCDs / CFCDs (refer note 30)	797	785
Redemption premium on NCDs (refer note 30)	834	856
Other borrowing costs	202	150
	5,897	5,625

*Finance costs disclosed are net off amount capitalised by the company. (refer note 29)

26 Segment reporting

Restricted group 2 is involved in the business of generation and sale of electricity as its primary business activity and accordingly management believes that it does not carry out any material activity outside its primary business and hence no separate disclosure has been made as per AS 17 for 'Segment reporting'.

27 Leases

Operating lease: Restricted Group 2 as lessee

- a) Restricted Group 2 has entered into commercial lease on office premises. These leases have an average life of between one to five years with no renewal option included in the contracts. Further, certain Indian Identified Entities has been awarded land for development of windfarm project on lease of 20 years.
- b) Operating lease payment recognised in the special purpose combined statement of profit and loss amounting to INR 9 (March 31, 2022; INR 6) (refer note 24).
- c) Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at March 31, 2023	As at March 31, 2022
Within one year	9	8
After one year but not more than five years	23	23
More than five years	198	220
	230	251

28 Employee Benefits

a) Defined Contribution Plan

Amount recognised and included in Note 23 "Contribution to Provident and other Funds" - INR 7 (March 31, 2022; INR 5).

b) Defined Benefit Plan

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to receive gratuity calculated @ 15 days (for 26 days a month) of last drawn salary for number of years of their completed year of service. The gratuity plan is unfunded.

The following table summarises the components of net benefit expense recognised in the special purpose combined statement of profit and loss and amounts recognised in the balance sheet:

i) Expenses recognised:

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Current service cost	3	3
Interest cost	1	1
Actuarial loss	-	-
Net benefit expense	4	4

ii) Amount recognized in the balance sheet:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	21	19
Fair value of plan assets	-	-
Plan liability	21	19



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

iii) The changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation	19	17
Current service cost	2	3
Past service cost	-	-
Interest cost on benefit obligation	1	1
Liability transferred in/(out) (net)	1	0#
Benefits paid	(2)	(2)
Actuarial loss	-	-
Closing defined benefit obligation*	21	19
*Note:		
Non-current (refer note 10)	19	17
Current (refer note 10)	2	2
Total	21	19

iv) The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.39%	6.84%
Rate of Salary Increase	10.00%	10.00%
Expected rate of return on planned assets	Not applicable	Not applicable
Rate of employee turnover	12.00%	12.00%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured lives Mortality 2012-14	Indian Assured lives Mortality 2012-14

v) Amount for the current and previous four periods are as follows:

	April to March 2023	April to March 2022	April to March 2021	April to March 2020	April to March 2019
Defined benefit obligation	21	19	17	14	9
Plan assets	-	-	-	-	-
Surplus/ (Deficit)	21	19	17	14	9
Experience adjustment on plan liabilities	-	0#	0#	1	1
Experience adjustment on plan assets	-	-	-	-	-

The estimates of future salary increases, considered in actuarial valuation take into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

29 Capitalisation of expenditure

The Restricted Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes else where in these special purpose combined financial statements are net of amounts capitalised by the Restricted Group.

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on term loan	-	3
Security charges	16	2
Interest expense	452	31
Legal and professional fees	14	26
Lease Rent	1	1
Site development expenses	3	1
Site expenses	-	4
Rates & taxes	10	6
Pre-operative expenses	9	1
Travelling, lodging and boarding	5	2
Other borrowing cost	60	34
	570	111



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

30 Related party disclosure

a) Names of the related parties and related party relationship

Related parties where control exists (refer note 2 in basis of preparation)

Ultimate holding company of Indian Identified Entities	Continuum Green Energy Limited, Singapore	
Immediate Holding company of the Indian Identified Entities	Continuum Green Energy (India) Private Limited (CGE IPL)	
Fellow subsidiaries with whom transaction have taken place during the period*	Continuum Energy Levanter Pte. Limited (CELPL) Continuum MP Windfarm Development Private Limited Bhuj Wind Energy Private Limited Srijan Energy Systems Private Limited	
Enterprise over which key managerial person have	Skyzen Infrabuild Private Limited Sandhya Hydro Power Projects Balargha Private Limited	
Key management personnel	Arvind Bansal Raja Parthasarathy Arno Kikkert N V Venkataramanan Marc maria van't Noordende Tarun Bhargava Gautam Chopra Ranjeet Kumar Sharma Nilesh Patil	Director of CGE IPL Director of CGE IPL & Indian Identified Entities (except Kutch) Director of CGE IPL and Indian Identified Entities (except in Kutch and CTRPL) Chief Operating Officer of CGE IPL, Director and Chief Executive Officer of the Indian Subsidiaries (upto March 07, 2022) Director of Indian Identified Entities (resigned on September 07, 2022) Chief Financial Officer of CGE IPL and Indian Subsidiaries (upto September 08, 2021) Vice President - Project development of CGE IPL Vice President - Projects wind business of CGE IPL (Upto July 31, 2022) Finance Controller and Director (w.e.f March 02, 2022) of Indian Identified Entities (except in Kutch and CTRPL)

* These are subsidiaries that have not been combined as a part of the Restricted Group 2 for which related party disclosures have been made in the Special Purpose Combined Financial Statements at Restricted Group 2 Level.

b) Related party transactions during the year ended

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Intercompany borrowing received by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	1,127 (4,471)	- -	- -	1,127 (4,471)
Intercompany borrowing repaid by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	159 (853)	- -	- -	159 (853)
Srijan Energy Systems Private Limited	-	(43)	-	(43)
Intercompany borrowing given by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	987 (109)	- -	- -	987 (109)
Intercompany borrowing given by the Restricted Group 2, repaid				
Continuum Green Energy (India) Private Limited	58 (337)	- -	- -	58 (337)
Skyzen Infrabuild Private Limited	-	-	510	510
Continuum MP Windfarm Development Private Limited	-	113	-	113
Issue of OCDs				
Continuum Green Energy (India) Private Limited	474 -	- -	- -	474 -
Conversion of Intercompany borrowing into optionally convertible debentures				
Continuum Green Energy (India) Private Limited	253 (2,096)	- -	- -	253 (2,096)
Conversion of Intercompany borrowing into share capital				
Continuum Green Energy (India) Private Limited	242 (827)	- -	- -	242 (827)
Reimbursement of Common overheads				
Continuum Green Energy (India) Private Limited	312 (235)	- -	- -	312 (235)



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Interest income on borrowing given by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	734 (684)	-	-	734 (684)
Skyzen Infrabuild Private Limited	-	-	68 (88)	68 (88)
Srijan Energy Systems Private Limited	-	17 (17)	-	17 (17)
Continuum MP Windfarm Development Private Limited	-	10 (14)	-	10 (14)
Interest expenses on Debentures				
Continuum Green Energy (India) Private Limited	821 (791)	-	-	821 (791)
Continuum Energy Levanter Pte. Limited	-	3,641 (3,735)	-	3,641 (3,735)
Sale of material				
Sandhya Hydro Power Projects Balargha Private Limited	-	-	(1)	(1)
Redemption premium on NCDs				
Continuum Energy Levanter Pte. Limited	-	834 (856)	-	834 (856)
Issue of NCDs				
Continuum Green Energy (India) Private Limited	(242)	-	-	(242)
Redemption of NCDs				
Continuum Energy Levanter Pte. Limited	-	2,283 (559)	-	2,283 (559)
Continuum Green Energy (India) Private Limited	(283)	-	-	(283)
Redemption of Investment in OCRPS				
Continuum MP Windfarm Development Private Limited	-	400	-	400

c) **Year end balances**

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Reimbursement of common overheads payable				
Continuum Green Energy (India) Private Limited	231 (303)	-	-	231 (303)
Payable towards intercorporate borrowings				
Continuum Green Energy (India) Private Limited	893 (421)	-	-	893 (421)
Payable towards interest expenses on debenture				
Continuum Green Energy (India) Private Limited	443 (794)	-	-	443 (794)
Continuum Energy Levanter Pte. Limited	-	505 (535)	-	505 (535)
OCDs				
Continuum Green Energy (India) Private Limited	2,823 (2,096)	-	-	2,823 (2,096)
Liability towards premium on redemption of NCDs				
Continuum Energy Levanter Pte. Limited	-	1,624 (876)	-	1,624 (876)
Payable towards NCDs				
Continuum Energy Levanter Pte. Limited	-	37,768 (40,051)	-	37,768 (40,051)
Continuum Green Energy (India) Private Limited	242 (242)	-	-	242 (242)
Intercorporate borrowing receivable				
Continuum Green Energy (India) Private Limited	6,497 (5,568)	-	-	6,497 (5,568)



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Skyzen Infrabuild Private Limited	-	-	(510)	(510)
Srijan Energy Systems Private Limited	-	143	-	143
Continuum MP Windfarm Development Private Limited	-	(142)	-	(142)
Investment in OCRPS	-	(113)	-	(113)
Srijan Energy Systems Private Limited	-	638	-	638
Continuum MP Windfarm Development Private Limited	-	(638)	-	(638)
Other receivable	-	(400)	-	(400)
Sandhya Hydro Power Projects Balargha Private Limited	-	-	1	1
Other payables	-	-	(1)	(1)
Bhuj Wind Energy Private Limited	-	2	-	2
Interest receivable on intercorporate borrowing	1,490	-	-	1,490
Continuum Green Energy (India) Private Limited	(882)	-	-	(882)
Skyzen Infrabuild Private Limited	-	-	(166)	(166)
Srijan Energy Systems Private Limited	-	47	-	47
Continuum MP Windfarm Development Private Limited	-	(31)	-	(31)
	-	(25)	-	(25)

31 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Sr. No.	Particulars	March 31, 2023	March 31, 2022
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year.	4	10
2	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
3	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid).	0#	-
4	The amount of interest accrued and remaining unpaid at the end of accounting year.	0#	-
5	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

32 Capital and other commitments

Capital commitments and other commitments remaining to be executed as on March 31, 2023 is INR 466 (March 31, 2022: INR 362).

33 Expenditure in Foreign Currency (accrual basis)

Professional fees

For the year ended	For the year ended
March 31, 2023	March 31, 2022
5	6
5	6

34 Contingent liabilities

Income tax demand

As at	As at
March 31, 2023	March 31, 2022
5	5
5	5



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
(All amounts in INR millions, unless otherwise stated)

35 Other Statutory Information

- i) The Restricted Group 2 does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.
- ii) The Restricted Group 2 does not have any transactions with companies struck off.
- iii) The Restricted Group 2 has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- iv) The Restricted Group 2 has not traded or invested in Crypto currency or Virtual Currency during the period.
- v) The Restricted Group 2 has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi) The Restricted Group 2 has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- vii) The Restricted Group 2 does not have any undisclosed income which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- viii) The Restricted Group 2 has not entered in Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- ix) The Restricted Group 2 has not been declared wilful defaulter by any bank or financial institutions or other lender.

36 Subsequent event

No events occurred from the Balance sheet date which has material impact on the special purpose combined financial statements at that date or for the period then ended.

37 The financial statements of the Restricted Group 2 for the year ended March 31, 2022 are audited by the SRBC & CO LLP Chartered Accountants, the predecessor auditor.

38 Amount less than INR 0.5 appearing in the special purpose combined financial statements are disclosed as "0#" due to presentation in millions.

39 Previous year comparatives

Previous year figures have been regrouped / reclassified, where ever necessary, to confirm to current year's classification.

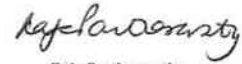
For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited

cm



Arvind Bansal
Director
DIN : 00139337

Place : Mumbai
Date : May 18, 2024



Raja Parthasarathy
Director
DIN : 02182373

Place : Mumbai
Date : May 18, 2024



Nilesch Patil
Finance Controller

Place : Mumbai
Date : May 18, 2024



Mahendra Malviya
Company Secretary
Membership No. : A27547

Place : Mumbai
Date : May 18, 2024



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Continuum Green Energy (India) Private Limited (the 'Holding Company')

Opinion

We have audited the Special Purpose Combined Financial Statements of Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited (together referred to as the "Restricted Group 2" and individually considered as "Indian Identified Entities"), which comprise the Special Purpose Combined Balance Sheet as at March 31, 2022, the Special Purpose Combined Statement of Profit and Loss and the Special Purpose Combined Cash Flow Statement for the year ended March 31, 2022 and Notes to the Special Purpose Combined Financial Statements including a summary of significant accounting policies and other explanatory information (collectively, the "Special Purpose Combined Financial Statements").

In our opinion, the accompanying Special Purpose Combined Financial Statements of the Restricted Group 2 for the year ended March 31, 2022 are prepared, in all material respects, in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Combined Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Combined Financial Statements in accordance with the Standards on Auditing (SAs), specified under section 143 (10) of the companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of this report. We are independent of the Restricted Group 2 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 these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Combined Financial Statements.

Emphasis of Matter

We draw attention to Note 2 to the Special Purpose Combined Financial Statements, which states that the Restricted Group 2 has not formed a separate group of entities during the years ended March 31, 2022; the basis of preparation, including the approach to and the purpose for preparing the Special Purpose Combined Financial Statements, as stated in Note 1, there in. Accordingly, the Special Purpose Combined Financial Statements may not be suitable for another purpose. Further, the Special Purpose Combined Financial Statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group 2 that would have occurred if it had operated as a separate standalone entity during the period presented. Our report on the Special Purpose Combined Financial Statements has been issued solely for the purpose of proposed issuance of Notes by Identified Entities as stated in Note 1 of the Special Purpose Combined Financial Statements and for inclusion in the Offering Memorandum in relation to Proposed Issuance of Notes

Our opinion is not modified in relation to the above matter.

h.



Page 2 of 3

Independent auditor's report on the Special Purpose Combined Financial Statements for the years ended March 31, 2022**Responsibilities of management and those charged with governance for the Special Purpose Combined Financial Statements**

The management of the Holding Company is responsible for the preparation of the Special purpose Combined Financial Statements in accordance with basis of preparation set out in Note 2 to the Special Purpose Combined Financial Statements. This responsibility also includes safeguarding of the assets of the Restricted Group 2 and for preventing and detecting frauds and other irregularities; 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 the accuracy and completeness of the accounting records, relevant to the preparation of the special purpose combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Combined Financial Statements, the Management of the Holding Company is responsible for assessing the entities forming part of the Restricted Group 2's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any entity forming part of the Restricted Group 2 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Restricted Group 2's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Combined Financial Statements of the Restricted Group 2 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 Special Purpose Combined Financial Statements.

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

- Identify and assess the risks of material misstatement of the Special Purpose 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 the effectiveness of the Restricted Group 2's internal control.

1.



Page 3 of 3

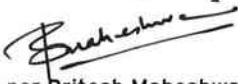
Independent auditor's report on the Special Purpose Combined Financial Statements for the years ended March 31, 2022

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entities forming part of Restricted Group 2's ability to continue as a going concern. 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 Special Purpose 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 entities forming part of Restricted Group to cease to continue as a going concern.

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, action taken to eliminate threats or safeguards applied.

For **SRBC & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003


per **Pritesh Maheshwari**
Partner
Membership Number: 118746
UDIN: 24118746BKFZUJ8588

Place of Signature: Mumbai
Date: May 18, 2024





**CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED BALANCE SHEET**
(All amounts in INR millions, unless otherwise stated)

Notes	As at March 31, 2022	As at March 31, 2021
Equity and Liabilities		
Combined shareholders' funds - Restricted Group 2		
Combined share capital	5 (a) 6,050	5,227
Combined reserves and surplus	5 (b) (1,556)	(1,524)
	4,494	3,703
Minority shareholders' funds	21	58
Compulsory fully convertible debentures (CFCDs)	6 (a) 7,967	7,844
Optionally convertible debentures (OCDs)	6 (b) 2,096	-
Non-current liabilities		
Long term borrowings	7 44,571	40,428
Deferred tax liability (net)	8 420	116
Other long term liabilities	9 121	149
Long term provisions	10 17	14
	45,129	40,707
Current liabilities		
Short term borrowings	11 4,654	599
Trade payables		
Outstanding dues of micro and small enterprises	12 10	4
Outstanding dues to other than micro and small enterprises	12 148	210
Other current liabilities	12 3,757	586
Short term provisions	10 51	56
	8,620	1,455
TOTAL	68,327	53,767
Assets		
Non-current assets		
Property, plant and equipment	13 (a) 39,048	39,312
Goodwill attributable to the Indian Identified Entities	13 (b) 315	315
Capital work in progress	13 (c) 8,290	81
Non-current investments	14 1,038	1,038
Long term loans and advances	15 6,403	6,641
Other non current assets	16 1,814	1,241
	56,908	48,628
Current assets		
Trade receivables	17 4,494	3,540
Cash and bank balances	18 5,680	536
Short term loans and advances	15 189	128
Other current assets	19 1,056	935
	11,419	5,139
TOTAL	68,327	53,767
Summary of significant accounting policies	4	

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.

As per our report of even date

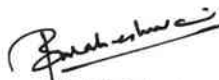
For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No. : 324982E/E300003

For and on behalf of the Board of Directors of

Continuum Green Energy (India) Private Limited



per **Pritesh Maheshwari**
Partner
Membership No. : 118746

Place: Mumbai
Date:

18 MAY 2024





Arvind Bansal
Director
DIN : 00139337

Place: Mumbai
Date: May 18, 2024



Nilesh Patil
Finance Controller

Place: Mumbai
Date: May 18, 2024



Raja Parthasarathy
Director
DIN : 02182373

Place: Mumbai
Date: May 18, 2024



Mahendra Malviya
Company Secretary
Membership No. : A27547

Place: Mumbai
Date: May 18, 2024

CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED STATEMENT OF PROFIT AND LOSS
 (All amounts in INR millions, unless otherwise stated)


	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	20	9,191	7,661
Other income	21	965	614
Total income (A)		10,156	8,275
Expenses			
Operating and maintenance expenses	22	1,645	1,352
Employee benefits expense	23	152	115
Other expenses	24	654	586
Total expenses (B)		2,451	2,053
Earnings before interest, tax, depreciation and amortisation (EBITDA) (A-B)			
Depreciation and amortisation expense	13 (a)	7,705	6,222
Finance costs	25	1,847	1,788
		5,625	5,773
Profit / (loss) before tax		233	(1,339)
Tax expenses			
Current tax		-	-
Deferred tax charge / (credit)		305	(201)
Total tax expenses / (credit)		305	(201)
(Loss) after tax		(72)	(1,138)
Share of (loss) attributable to minority shareholders' funds		(40)	(30)
(Loss) for the year		(32)	(1,108)
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.

As per our report of even date.

For SRBC & CO LLP
 Chartered Accountants
 ICAI Firm Registration No. : 324982E-E300003

For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited


 per Pritesh Maheshwari
 Partner
 Membership No. : 118746

Place : Mumbai

Date : 18 MAI 2024




 Arvind Bansal
 Director
 DIN : 00139337

Place : Mumbai

Date : May 18, 2024


 Nilesh Patil
 Finance Controller


Place : Mumbai

Date : May 18, 2024


 Raja Parthasarathy
 Director
 DIN : 02182373

Place : Mumbai

Date : May 18, 2024


 Mahendra Malviya
 Company Secretary
 Membership No. : A27547

Place : Mumbai

Date : May 18, 2024

CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED CASH FLOW STATEMENT
 (All amounts in INR millions, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit / (loss) before tax	233	(1,339)
Adjustment to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation expense	1,847	1,788
Provisions no longer required written back	-	(31)
Finance costs - related parties	5,518	897
Finance costs - others	107	4,876
Profit on sale of mutual funds	-	(6)
Interest (income)	(874)	(576)
Operating profit before working capital changes	6,831	5,609
Movements in working capital:		
(Decrease) / Increase in trade payables	(56)	74
Increase / (Decrease) in other liabilities	248	(432)
(Decrease) / Increase in provisions	(2)	26
(Increase) in trade receivables	(954)	(2,133)
(Increase) / Decrease in loans and advances	(60)	84
Decrease / (Increase) in other current assets and non current assets	15	(71)
Cash generated from operations	6,022	3,157
Direct taxes paid (net)	(23)	(20)
Net cash flows from operating activities (A)	5,999	3,137
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors	(8,678)	(603)
Proceeds on redemption of mutual funds	-	56
(Investment in) / withdrawal of fixed deposits	(2,295)	2,726
Loan repaid by related party	337	56
Loan given to related party	(109)	(3,015)
Interest received	172	327
Net cash (used in) investing activities (B)	(10,573)	(453)
Cash flows from financing activities		
Proceeds from non convertible debentures	-	40,610
Redemption of non convertible debentures	(842)	-
Proceeds from / (repayment) of long term borrowings	9,757	(33,844)
Proceeds from / (repayment) of short term borrowings (net)	2,329	(3,310)
Finance costs paid to others	(223)	(5,221)
Finance costs paid to related parties	(3,547)	(1,508)
Net cash (used in) financing activities (C)	7,474	(3,273)
Net increase (decrease) in cash and cash equivalents (A+B+C)	2,900	(589)
Cash and cash equivalents at the beginning of the year	504	1,093
Cash and cash equivalents at the end of the year	3,404	504



b

CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED CASH FLOW STATEMENT
 (All amounts in INR millions, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Reconciliation of cash and cash equivalents with the balance sheet:		
Components of cash and cash equivalents		
Cash on hand	-	-
Balance in current account	42	504
Balance in deposit account	3,362	-
Cash and cash equivalents at the end of the year (refer note 18 and note IV below)	3,404	504
Summary of significant accounting policies (refer note 4)		

Note:

- I) The above cash flow statement has been prepared under the indirect method as set out in the accounting standard (AS-3) on cash flow statement.
- II) Figures in brackets are outflows
- III) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- IV) The cash and cash equivalent of INR 3,404 (March 31, 2021; INR 504) and other bank balance of INR 2,276 (March 31, 2021; INR 32) forms part of the cash and bank balance of INR 5,680 (March 31, 2021; INR 536) as disclosed in note 18.

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.

As per our report of even date


For SRBC & CO LLP
 Chartered Accountants
 ICAI Firm Registration No. : 324982E/E300003

For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited


 per Paritosh Maheshwari
 Partner
 Membership No. : 118746

Place : Mumbai
 Date :

18 MAY 2024


Arvind Bansal
 Director
 DIN : 00139337

Place : Mumbai
 Date : May 18, 2024


Raja Parthasarathy
 Director
 DIN : 02182373

Place : Mumbai
 Date : May 18, 2024


Nilesh Patil
 Finance Controller

Place : Mumbai
 Date : May 18, 2024


Mahendra Malviya
 Company Secretary
 Membership No. : A27547

Place : Mumbai
 Date : May 18, 2024



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
(All amounts in INR millions, unless otherwise stated)

1 Background and purpose of Special Purpose Combined Financial Statements

Continuum Green Energy Limited (erstwhile known as Continuum Wind Energy Limited) ("CGEL") a Singapore holding company, through its 100% owned Indian subsidiary Continuum Green Energy (India) Private Limited (erstwhile known as Continuum Wind Energy (India) Private Limited) ("CGE IPL") owns, 100% in all its Indian Subsidiaries including following Indian Subsidiaries except Watsun where it holds majority share holding:

- Bothe Windfarm Development Private Limited ("Bothe")
- DJ Energy Private Limited ("DJEPL")
- Uttar Urja Projects Private Limited ("UUPPL")
- Watsun Infrabuild Private Limited ("Watsun")
- Trinethra Wind and Hydro Power Private Limited ("Trinethra")
- Renewables Trinethra Private Limited ("RTPL")
- Kutch Windfarm Development Private Limited ("KWDPL")
- Continuum Trinethra Renewables Private Limited ("CTRPL")

These Special Purpose Combined Financial Statements comprises of Bothe, DJEPL, UUPPL, Watsun, Trinethra, RTPL, KWDPL and CTRPL together considered as the "Restricted Group 2" and individually considered as the "Indian Identified Entities".

The Restricted Group 2 is engaged in the business of generation and sale of electricity from renewable energy sources in India. The Restricted Group 2 has entered into long term power purchase agreements with various governments agencies and private institutions to sell electricity generated from its wind farms/solar plants [with operational capacity of approx. 991 megawatts ("MW")] in the states of Maharashtra, Madhya Pradesh, Gujarat and Tamil Nadu, India.

The Indian Identified Entities are domiciled in India and Corporate office of these Indian Identified Entities are located at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai - 400076, India.

The management of CGE IPL is responsible for the preparation of these Special Purpose Combined Financial Statements of the Restricted Group 2.

These Special Purpose Combined Financial Statements for the year ended March 31, 2022 has been prepared solely for the purpose of submission to India International Exchange (IFSC) Limited, GIFT City (the "India INX").

2 Basis of preparation

The Special Purpose Combined Financial Statements of the Restricted Group 2 comprises the special purpose combined balance sheet as at March 31, 2022, the special purpose combined statement of profit and loss, the special purpose combined cash flow statement and notes to the Special Purpose Combined Financial Statements including a summary of significant accounting policies and other explanatory information for the year ended March 31, 2022.

The Restricted Group 2 does not constitute a separate legal entity/group of the Indian Identified Entities for the purpose of preparation of the separate or consolidated financial statements as per the requirements of Accounting Standards notified under section 133 of Companies Act, 2013 and the Companies (Accounting Standards) Rules, 2021 (as amended) Division I of Schedule III to the Companies Act, 2013 ('Schedule III') and other applicable requirements for the year ended on March 31, 2022 (hereinafter referred to as 'Indian GAAP'). Except for the year ended March 31, 2021, the Restricted Group 2 has not prepared Special Purpose Combined Financial Statements in past. Individually, the Indian Identified Entities within the Restricted Group 2 reported their financial statements in accordance with Indian GAAP. Taking into account the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("the Guidance Note") and the specifics to be considered in preparing Special Purpose Combined Financial Statements and are explained below, these Financial Statements have been prepared in accordance with the recognition, measurement and disclosure principles specified in Indian GAAP. However, since the Restricted Group 2 does not constitute a separate legal group and does not have share capital, these Financial statements do not comply disclosure requirement of AS 20 Earnings Per Share and they also do not provide specific information related to share capital and reserves and surplus as required by Division I of Schedule III.

In the preparation of these Special Purpose Combined Financial Statements, assets and liabilities pertaining to the Indian Identified Entities have been measured at the carrying amounts used in their individual financial statements after making suitable consolidation adjustments that gets included in CGE IPL's consolidated financial statements prepared under Indian GAAP. These consolidation adjustments include goodwill on consolidation and minority interest (MI) recorded by CGE IPL for the Indian Identified Entities. Accordingly, in preparing these Special Purpose Combined Financial Statements, procedures applicable to the preparation of consolidated financial statements as required by AS 21, Consolidated Financial Statements, and to the extent relevant, have been followed.

These Special Purpose Combined Financial Statements have been prepared on the accrual and going concern basis of respective Indian Identified Entities, using the historical cost convention. The Special Purpose Combined Financial Statements have been prepared using uniform accounting policies for like-to-like transactions and other events in similar circumstances. The Financial Statements of all the Indian Identified Entities used for the purpose of combination are drawn up to the same reporting date i.e. year ended on March 31 each year. These Special Purpose Combined Financial Statements do not include all disclosures as required under the Companies Act, 2013(as amended) and Division I of Schedule III to the extent these disclosures are not required to be given in the consolidated financial statements.

The Special Purpose Combined Indian GAAP Financial Statements are approved by the Board of Directors of the Parent on May 18, 2024.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

Scope of combination

As required by the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, the details of various entities comprised in the Special Purpose Combined Financial Statements are given below:

Name	Principal activities	Control w.e.f.	Country of Incorporation	% of interest held by CGEL as at	
				31-Mar-2022	31-Mar-2021
Bothe Windfarm Development Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%
DJ Energy Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%
Uttar Urja Projects Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%
Watson Infrabuild Private Limited	Generation and sale of wind / solar energy	30-May-16	India	71.24%	72.15%
Trinethra Wind and Hydro Power Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%
Renewables Trinethra Private Limited	Generation and sale of wind energy	13-Jun-19	India	100%	100%
Kutch Windfarm Development Private Limited	Generation and sale of wind energy	24-Oct-18	India	100%	100%
Continuum Trinethra Renewables Private Limited	Generation and sale of wind / solar energy	17-Jul-20	India	100%	100%

3 Basis of combination

Indian GAAP does not provide specific guidance for the preparation of combined financial statements and, accordingly, in preparing these Special Purpose Combined Financial Statements, accounting conventions commonly used for the preparation of Consolidated Financial Statements in accordance with AS 21 have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same these Financial Statements are prepared on a basis that combines the results and assets and liabilities of each of the Indian Identified Entities and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business.

Accordingly, intra-group balances within the Restricted Group 2, income and expenses, unrealized gains and losses resulting from transactions between the Restricted Group 2 entities have been eliminated in the Special Purpose Combined Financial Statements.

Minority Interest in the net assets of the Indian Identified Entities is identified and presented in the special purpose combined balance sheet separately from liabilities and equity of the Combined shareholders funds as Minority shareholders' funds. Minority interest in the net assets of the Indian Identified Entities consists of:

- (a) The amount of equity attributable to minority at the date on which investment in the Indian Identified Entities is made; and
- (b) The minority share movements in equity since the date of such investment in Indian Identified Entity.

Minority interest's share in Net Profit / Loss for the year of the Indian Identified Entities is identified and presented separately as Minority shareholder's funds.

Transactions with other entities which are directly or indirectly controlled by CGEL or entities over which KMP have significant influence are disclosed as transaction with related parties (refer Note 30).

The Special Purpose Combined Financial Statements include allocations of direct and indirect costs related to the operations of the Indian Identified Entities made by CGEIPL to depict the business on a standalone basis till March 31, 2022. Indirect costs relate to certain support functions those are sourced on a centralized basis within CGEIPL and such costs are allocated basis projected capacity of subsidiary company based on their project completion stage.

The management believes that the methodology used for allocation of common overheads reflects its best estimate of how the benefits arise from relevant activities.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
(All amounts in INR millions, unless otherwise stated)

4 Summary of significant accounting policies

The policies set out below have been consistently applied to all periods presented in the Special Purpose Combined Financial Statements.

a. Use of estimates

The preparation of Special Purpose Combined Financial Statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Restricted Group 2 and the revenue can be reliably measured. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Electricity

Revenue from the sale of electricity is recognized on the basis of the number of units of power generated and supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the licensed distribution or transmission utilities and the Indian Identified Entities at the rates prevailing on the date of supply to grid as determined by the power purchase agreements entered into with such discoms/customers under group captive mechanism / Open access sale / third party power trader or as per the average power purchase cost (APPC) rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of Bothe's unsigned power purchase agreement's (PPA's) and the surplus power as per the rate prescribed by relevant state regulatory commission to State distribution utilities ("State discoms").

Active and reactive charges are recorded as operating expenses and not adjusted against sale of electricity.

Unbilled revenue represents the revenue that Bothe recognises at eligible rates for the arrangement where Bothe has all approvals in place except that PPA is pending to be signed between Bothe and State discom.

Accrued revenue represents the revenue that the Restricted Group 2 recognizes where the PPA is signed but invoiced to customer subsequently.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest earned on temporary investment of borrowed funds, to the extent eligible for adjustment to capital cost has been adjusted in the cost of property, plant and equipment. Interest earned from customers on delayed payment are accounted on receipt basis. Interest income is included under the head "other income" in the special purpose combined statement of profit and loss.

Insurance claims

Receipts from insurance claims are accounted after the same are approved by the insurance company.

c. Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Restricted Group 2 will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Sale of GBI

Generation Based Incentive ("GBI") income is earned and recognized on certain projects which sell electricity to licensed distribution utilities at tariffs determined by relevant State Electricity Regulatory Commissions ("SERCs"). GBI is paid at a fixed price of INR 0.50/kwh of electricity units sold subject to a cap of INR 10 million/MW of capacity installed for the electricity fed into the grid for a period not less than four years and a maximum of ten years.

Sale of Verified Carbon Units (VCUs)

Revenue from VCUs is recognised upon issuance and sale of VCUs. Any unsold VCUs which are granted to the Restricted Group 2 are accrued at a nominal value.

d. Foreign currency transactions and translations

Initial recognition

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on translation/ settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

e. Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the property, plant and equipment. Any subsequent expenses related to a property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Restricted Group 2 identifies and determines cost of each component/part of the asset separately, if it has a cost that is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining life.

Capital Work-In-Progress:

Costs and Direct expenses incurred for construction of assets or assets to be acquired and for assets not ready for use are disclosed under "Capital Work-in-Progress".

f. Depreciation on property, plant and equipment

The Restricted Group 2 provides depreciation on Straight line method and written down value method on the basis of useful life estimated by the management. The Restricted Group 2 has used the following useful life to provide depreciation on its property plant and equipment.

Category of property, plant and equipment	SLM/WDV	Useful life
Leasehold land	SLM	over the lease term
Building	SLM	30 Years
Plant and equipment*	WDV	3 - 15 Years
	SLM	25 - 40 Years
Furniture and fixtures	WDV	10 Years
Vehicles	WDV	10 Years
Office equipment	WDV	15 Years
Computer	WDV	3 Years
Electrical fittings*	SLM	8 and 25 Years

*Based on the technical estimate, the useful life of the Plant and equipment and electrical fittings are different than the useful life as indicated in Schedule II to the Companies Act, 2013.

Temporary structures are depreciated fully in the year in which they are capitalised.

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

g. Goodwill attributable to the Indian Identified Entities

Goodwill attributable to the Indian Identified Entities represents the difference between the cost of investment in the Indian Identified Entities, and CGEIP's share of net assets at the time of acquisition of share in the Indian Identified Entities.

h. Borrowing costs

Borrowing cost includes Interest and amortisation of ancillary cost incurred in connection with the arrangement of borrowings.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing cost are expensed in the period they occur.

i. Impairment

The Restricted Group 2 assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Restricted Group 2 estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or the Restricted Group's 2 of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Restricted Group 2 estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
(All amounts in INR millions, unless otherwise stated)

j. Leases

Where Restricted Group 2 is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

k. Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at costs. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the Special Purpose Combined Financial Statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged/credited to the special purpose combined statement of profit and loss.

l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where Restricted Group 2 operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to the same taxable entity and the same taxation authority. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Restricted Group 2 has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

m. Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss for the year when the contributions are due. Restricted Group 2 has no obligation, other than the contribution payable to the provident fund.

The Restricted Group 2 operates only one defined benefit plan for its employees i.e. gratuity. The costs of providing this benefit are determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. The Restricted Group 2 measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Restricted Group 2 treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Restricted Group 2 presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Restricted Group 2 has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

n. Provisions

A provision is recognised when the Restricted Group 2 has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Restricted Group 2 expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
(All amounts in INR millions, unless otherwise stated)

o. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of less than 3 months.

Other bank balances

It includes deposits having remaining maturity upto a period of 12 months as on reporting date which can be readily convertible to cash with insignificant risk of changes in value.

p. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Restricted Group 2 or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Restricted Group 2 does not recognise a contingent liability but discloses its existence in the Special Purpose Combined Financial Statements.

q. 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
- It is due to be settled within 12 months after the reporting period; or
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after 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
- 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.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Restricted Group 2 has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

r. Measurement of EBITDA

As per the Guidance Note on the Schedule III to the Companies Act, 2013, the Restricted Group 2 has opted to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Restricted Group 2 measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Restricted Group 2 does not include depreciation and amortization expense, finance costs and tax expense.



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

5 Combined shareholders' funds - Restricted Group 2

a) Combined share capital

	As at March 31, 2022	As at March 31, 2021
Share capital*	6,050	5,227
	6,050	5,227

b) Combined reserves and surplus

	As at March 31, 2022	As at March 31, 2021
Deficit in the statement of profit and loss (refer note 1)*	(1,871)	(1,839)
Other adjustments to reserves*	315	315
	(1,556)	(1,524)

Note:

i) Deficit in the statement of profit and loss

Balance as per last financial statements	(1,839)	(732)
Adjustment on account of minority shareholders' funds	-	1
Profit / (loss) for the year	(32)	(1,108)
Net deficit in the statement of profit and loss	(1,871)	(1,839)

* Share capital and reserves and surplus represents the aggregate amount of share capital and reserves and surplus of the Indian Identified Entities forming part of the Restricted Group 2 as at year end and does not necessarily represent legal share capital for the purpose of the Restricted Group 2. Other adjustments to reserves represents the difference between the cost of investment and CGEIP's share of net assets at the time of acquisition of share in certain entities which are part of the Restricted Group 2. It has been reported under shareholder's fund of the Restricted Group 2 since it represents amount invested by CGEIP in the Restricted Group 2.

6 (a) Compulsory fully convertible debentures (CFCDs/CCDs/Debentures)

	As at March 31, 2022	As at March 31, 2021
10.00% Unsecured CFCDs of INR 10 - each	5,767	5,767
March 31, 2022: 576,665,000 CFCDs (March 31, 2021: 576,665,000 CFCDs) Refer Note - A		
10.00% Unsecured CCDs of INR 10 - each	2,077	2,077
March 31, 2022: 207,685,888 CCDs (March 31, 2021: 207,685,888 CCDs) Refer Note - B		
Unsecured CCDs of INR 10 - each	123	-
March 31, 2022: 1,23,52,500 (March 31, 2021: Nil) Refer Note - C		
	7,967	7,844

A Details and salient terms of CFCDs:

- CFCDs include CFCDs issued by Bothe 214,375,000 (March 31, 2021: 214,375,000) and Watson 362,290,000 (March 31, 2021: 362,290,000) issued to CGEIP.
- Debentures shall be convertible into equity shares at any time at the option of the debenture holders subject to prior intimation to be provided to Lender for conversion of CFCDs into ordinary shares; in case of Watson, post such conversion 51% of shares so converted shall be pledged with the lenders of the project.
- CFCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier.
- Debentures shall be convertible into equity shares at par into one equity share for each debenture.
- Coupon for the Debentures shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the lender.
- Interest on CFCDs shall be accrued but any dividend/interest/coupon on CFCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of Lenders.
- The equity shares to be issued to the debenture holders upon conversion of debentures shall rank pari passu with the existing equity shares.
- Promoters contribution by way of Compulsorily Fully Convertible Debentures shall not have any charge/recourse to project assets.
- Prior approval of the Lender would be required for transferring CFCDs to any other party other than the present CFCD holders.
- No interest shall be payable / accruable on such instruments till COD of the project.
- CFCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
- CFCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Indian Identified Entities of the Restricted Group 2.
- Interest on CFCDs accrued will be paid in accordance with "permitted distribution" as defined in the financing documents executed with Senior NCD holder of the Restricted Group 2.
- In case of Watson, interest on debentures for the year ended March 31, 2021 have been entirely waived off by CGEIP.

B Details and salient terms of CCDs:

- CCDs include CCDs issued by DJEPL 79,442,888 (March 31, 2021: 79,442,888), UUPPL 63,478,000 (March 31, 2021: 63,478,000), Timehra 50,600,000 (March 31, 2021: 50,600,000) and RTPL 14,165,000 (March 31, 2021: 14,165,000) issued to CGEIP.
- Debentures shall be convertible into equity shares at any time at the option of the debenture holders subject to prior intimation to be provided to Lender for conversion of CCDs to ordinary share.
- CCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier.
- Debentures shall be convertible into equity shares at par into one equity share for each debenture.
- Coupon for the Debentures shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the Lenders.
- Interest on CCDs shall be accrued but any dividend/interest/coupon on CCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of Lenders.
- The equity shares to be issued to the debenture holders upon conversion of debentures shall rank pari passu with the existing equity shares.
- Promoters contribution by way of Compulsorily Convertible Debentures shall not have any charge/recourse to project assets.
- Prior approval of the Lender would be required for transferring CCDs to any other party other than the present CFCD holders.
- No interest shall be payable / accruable on such instruments till COD of the project.
- CCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
- CCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Indian Identified Entities of the Restricted Group 2.
- In case of Watson, interest on debentures for the year ended March 31, 2020 has been entirely waived off by CGEL and CGEIP had waived off the interest on debentures amounting to INR 223.
- Interest on CCDs accrued will be paid in accordance with "permitted distribution" as defined in the financing documents executed with Senior NCD holder of the Restricted Group 2.

C Details and salient terms of CCDs:

- CCDs issued by Kutch to CGEIP 1,23,52,500 (March 31, 2021: Nil)
- CCDs shall be expressly subordinated to the term loan of the lender and will have no charge/recourse to the assets secured with lender.
- Interest, expenses or statutory dues related to CCDs, accrued and or payable till commercial operation date ("COD") of the project will not be considered as part of project cost.
- Interest, expenses on CCDs post COD shall be met only out of the dividend distribution account after meeting the debt service reserve account ("DSRA") and all other reserve requirements spelt out by the lender.
- Statutory dues in respect of CCDs post COD shall be met without any recourse to the project or only out of the dividend distribution account after meeting DSRA and all other reserve requirements spelt out by the lender.
- No repayment/redemption of principal of such CCDs is permissible till the currency of the term loan.
- No amount shall be due and payable under CCDs and no event of default shall be declared during currency of term loan.
- The CCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any security interest whatsoever without lender's prior written permission.
- CCDs shall not contain any terms/conditions contradicting the terms/conditions sanctioned by PFC and in case of any contradiction the same shall be treated to have been modified to that extent and stands aligned with the terms/conditions stipulated by the lender.
- Modification in terms and conditions of the agreement for CCDs will be with prior written permission of the lender.
- CCDs holders may enforce conversion rights, with the lender's prior written permission, subject to maintaining the stipulated pledge and management control requirement as per the sanction letter.
- CCDs shall be compulsorily convertible into equity shares at the end of the 20 years from the date of allotment, if not converted earlier.
- Coupon for the CCDs shall be ten percent per annum compounded annually, on cumulative basis from the date of commissioning of the project.
- CCDs shall be to the maximum of 25% of the total envisaged Promoter's contribution, as stipulated in the sanction letter of the lender.
- Prior approval of lender would be required for any modification of CCDs terms.
- CCDs shall be converted into fully paid up equity shares of the company, in case of default under the financing documents of the lender, at the discretion of the lender.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

6 (b) Optionally convertible debentures (OCDs) (unsecured)

	As at March 31, 2022	As at March 31, 2021
9% Optionally convertible debentures of INR 10/- each March 31, 2022, 20,95,75,000 (March 31, 2021: Nil)	2,096	-
	2,096	-

Salient terms of optionally convertible debentures

- Optionally Convertible Debentures or OCDs issued by CTRPL shall have a face value of INR 10/- each.
- Each OCDs shall be convertible into one equity share of INR 10/- each at any time at the option of CTRPL but at any time not later than 25 years from the date of allotment.
- CTRPL may redeem any or all OCDs at any time at par but at any time not later than 25 years from the date of allotment.
- OCDs shall carry a non-cumulative coupon of 9% p.a. payable annually or more frequently at the option of the Company and such coupon shall accrue only after CTRPL has achieved commercial operations date (COD) of its project.
- OCDs shall be unsecured.
- Promoter's contributions by way of OCDs shall be expressly subordinated to the facility of the lender and shall have no charge recourse to the assets secured with the lender.
- Any interest/dividend, expenses on OCDs post COD shall be met only out of the Dividend Distribution Account after meeting Debt Service Reserve Account (DSRA) and all other reserve requirements as per the Trust and Retention Account Agreement.
- Any statutory dues in respect of OCDs post COD shall be met by the Promoter without any recourse to the Project or only out of the Dividend Distribution Account after meeting DSRA and all other reserve requirements as per the Trust and Retention Account Agreement.
- No repayment/redemption of principal amount of such OCDs shall be permissible until the final settlement date.
- The OCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any Security Interest whatsoever without the prior written consent of the lender.
- Any modification in terms and conditions of OCDs shall be with the prior written consent of the lender.
- The subscriber may enforce conversion rights, with the prior written consent of the Lender, subject to maintaining the stipulated pledge and management control requirement as per the sanction letter.
- Any interest, expenses or statutory dues related to OCDs, accrued and/or payable till COD of the Project shall not be considered as part of estimated project cost.

7 Long term borrowings

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Indian rupee term loans (secured)				
From banks (Refer note 7E)	2,654	-	-	-
From financial institution (Refer note 7D and note 7G)	5,553	-	22	-
From related parties (refer note 7F, note 7H and note 30)	355	93	66	-
Non convertible debentures (NCD) (secured)				
4,061 (March 31, 2021 : 4,061) 8.75% Non convertible debentures of INR 100,00,000 - each (refer note 7A and note 24,210,900 (March 31, 2021 : 24,210,900) Non Convertible Debenture of INR 10/- each (refer note 7B and note 30)	37,767	40,052	2,284	558
	242	-	-	-
Non convertible debentures (NCD) (unsecured)				
Nil (March 31, 2021 : 28,330,000) 10.50% Non convertible debentures of INR 10/- each (refer note 7C and note 30)	-	283	-	-
Current maturities disclosed under the head "Short term borrowings" (refer note 11)	44,571	40,428	2,372	558
	-	-	(2,372)	(558)
Total long term borrowings	44,571	40,428	-	-

The borrowing have been obtained by respective Indian Identified Entities of Restricted Group 2. The salient terms of the loan and the security thereon are summarised below:

Note 7A: Salient terms and Security details for Long term borrowing outstanding as at March 31, 2022.

Restricted Group 2 (other than Kutch and CTRPL) NCDs of INR 40,051 (March 31, 2021 INR 40,610) to CELPL.

Terms of Non convertible debentures (NCD) (secured) :

- The NCDs are freely transferable. The NCDs are unlisted and unratred.
- Each NCDs has a face value INR 10 (referred to as the "principal amount" of each NCD) and are issued at a discount of 2% of the principal amount (i.e. at the issue price of INR 9.8).
- The NCDs bear interest on their outstanding principal amount from and including the Initial Issue Date at the rate of 8.75 % per annum plus applicable withholding taxes, payable semi-annually on 9 August and 9 February in each year.
- In addition to interest, each NCD shall accrue a redemption premium at the rate of 2 % per annum plus applicable withholding taxes of the outstanding principal amount till 9 August 2027. The Redemption Premium shall be paid in full by Restricted Group 2 on the Maturity Date or otherwise at the date of redemption in full of a NCD to the extent not paid earlier. Each Debenture holder shall have the right to require the Issuer to pay in full or in part the accrued but unpaid Redemption Premium in respect of the Debentures held by such Debenture holder at any time prior to the Maturity Date by giving not less than 10 Business Days' nor more than 60 days' notice to the Issuer.
- In accordance with the Debenture Trust Deed (DTD), the NCD holder has a right to redeem all (but not some only) of the NCDs at an amount equal to the principal amount plus the Redemption Premium applicable to the NCDs (together with interest accrued) on giving a notice to Indian Identified Entities and to the NCD Trustee in writing any time on or after (i) the date falling 12 Business Days prior to 9 February 2027 or (ii) the date on which the aggregate principal amount of all outstanding Restricted Group 2 Issuer NCDs is less than INR 18,500.
- Restricted Group 2 has a right to redeem all or any part of the NCDs held by NCD holder at an amount equal to the principal amount plus the Voluntary Redemption Premium applicable to the NCDs (together with interest accrued) on giving notice to the NCD holder and the NCD Trustee as prescribed in DTD.
- The NCDs are redeemable in semi-annual unequal installments over the period of six years ranging between 0.25% to 1.25% alongwith Mandatory Cash Sweep (MCS) amount ranging between 1.625% to 3.875% as per the terms of DTD. Unless previously redeemed, or purchased and cancelled, the NCDs will be redeemed at their principal amount (together with accrued but unpaid interest (if any)) on the date falling 15 years from the Initial Issue Date of March 08, 2021.
- Restricted Group 2 has a right to redeem NCDs, in part or full, in certain conditions as per the terms of the DTD. Unless previously redeemed, or purchased and cancelled, the NCDs will be redeemed at their principal amount (together with accrued but unpaid interest (if any)) on the date falling 15 years from the Initial Issue Date.
- All of the obligations of the company including the payment of the debt are secured by:
 - A first ranking exclusive pledge over 100% (one hundred percent) of the equity shares of Restricted Group 2 (other than in the case of Watson where CGEPL shall create and perfect a first ranking exclusive pledge over 51% (fifty one percent) of the equity shares of Watson);
 - A first ranking charge over the moveable and immovable assets (both present and future) of Restricted Group 2 in connection with the Project operated by Indian Identified Entities (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), other than the current assets of Restricted Group 2: PPA, insurance policies and project documents; Issue Proceeds Escrow Account, the Debt Service Reserve Account, the Restricted Surplus Account, the Senior Debt Enforcement Proceeds Account and the Senior Debt Restricted Amortization Account of Restricted Group 2;
 - A second ranking charge over the current assets of Restricted Group 2 and over the RCF Facility (Working Capital Facility) Restricted amortization Account, the RCF Facility Enforcement Proceeds Account, the Operating Account, the Statutory Dues Account, the Operating and maintenance expenses (O&M) Expenses Account, the Restricted Debt Service Account and the Distribution Account of Indian Identified Entities.
- The NCDs are guaranteed pursuant to the Deed of Guarantee executed by Restricted Group 2 (other than Kutch and CTRPL).



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

Note 7B: Non convertible debentures (NCDs) are issued to Continuum Green Energy (India) Private Limited (CGE/PL) holding company and are part of the promoter contribution. The salient terms of NCDs are as follows:

- KWDPL has issued NCDs of INR 242 (March 31, 2021: INR Nil) to CGE/PL.**
- NCDs shall be expressly subordinated to the term loan of the lender and will have no charge recourse to the assets secured with lender.
 - Interest, expenses or statutory dues related to NCDs, accrued and/or payable till commercial operation date (COD) of the project will not be considered as part of project cost.
 - Interest, expenses on NCDs post COD shall be met only out of the dividend distribution account after meeting the debt service reserve account (DSRA) and all other reserve requirements spell out by the lender.
 - Statutory dues in respect of NCDs post COD shall be met without any recourse to the project or only out of the dividend distribution account after meeting DSRA and all other reserve requirements spell out by the lender.
 - No repayment/redemption of principal of NCDs is permissible till the maturity of term loan.
 - No amount shall be due and payable under NCDs and no event of default shall be declared during currency of term loan.
 - The NCDs or part thereof shall not be transferred and/or assigned and/or be subject to creation of any security interest whatsoever without the lender's prior written permission.
 - NCDs shall not contain any terms/conditions contradicting the terms/conditions sanctioned by the lender and in case of any contradiction the same shall be treated to have been modified to that extent and stand aligned with the terms/conditions stipulated by the lender.
 - Modification in terms and conditions of the agreement for NCDs will be with prior written permission of the lender.
 - NCDs may be redeemed any time after the term loan has been fully discharged and shall be otherwise redeemed at the end of 20 years from the date of allotment as the company is engaged in setting up of infrastructure projects.
 - Coupon for the NCDs shall be ten percent per annum compounded annually, on cumulative basis from the date of commissioning of the project.
 - The NCDs shall be to the maximum of 49% of the total envisaged promoter's contribution, as stipulated in the sanction letter of the lender.
 - Prior approval of lender would be required for any modification of NCDs terms.
 - NCDs shall be converted into fully paid up equity shares of the company, in case of default under the financing documents of the lender, at the discretion of the lender.

Note 7C: Renewables Trinetra Private Limited - NCDs of INR Nil (March 31, 2021: INR 283) from related party.

Salient terms of NCDs:

- NCDs shall be rupee-denominated, redeemable, unsecured, unlisted and unlisted non-convertible debenture.
- No interest payable accumable on such instruments till commercial operation date of the project.
- Coupon for the NCDs shall be ten point five percent per annum compounded annually, on cumulative basis from commercial operation date of the project.
- Any dividend interest coupon on NCDs shall be out of dividend distribution surplus left in the trust and retention account after meeting all reserve requirements and all debt obligation and with prior permission of the lender.
- NCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully).
- Rights under NCDs shall always be subordinated to facility during the tenure of the facility.
- Prior approval of the Lender would be required for transferring NCDs to any other party other than the present NCD holder/s.
- NCDs shall be redeemed at the end of the 20 years from the date of allotment.
- Interest on NCDs accrued will be paid in accordance with permitted distribution as defined in the financing documents executed with Senior NCD holder of Restricted Group 2.
- The said NCDs has been redeemed by way of adjustment against unsecured loan given by the company to CGE/PL on June 09, 2021.

The Restricted Group 2 have used the borrowings from banks and financial institutions as applicable for the FY 2020-21 for the specific purpose for which it was taken.

Note 7D: CTRLPL project term loan INR 2,475 (March 31, 2021: INR Nil) from Power Finance Corporation Limited (PFC) is secured by:

- A first charge by way of mortgage in a form and manner acceptable to the lender, over all the borrower's immovable properties (in case of leasehold land mortgage of leasehold rights): both present and future.
- A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future.
- A first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future.
- A first charge on the Trust & Retention Account (TRA) including Debt Service Reserve Account of 1 Quarter(s) of principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of the borrower wherever maintained, both present & future.
- The pledge of equity shares, quasi equity, both present and future, held by the pledgor, to the extent of the specified percentage i.e. 51% (fifty one percent) equity shares, 51% (fifty one percent) CDTs, five from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the borrower.
- The loan from PFC carries interest rate which is applicable as on date of drawdown, currently it carries interest, rate ranging between 9.00% to 9.25% and the principle outstanding is repayable in 170 monthly instalments, commencing from the first standard due date falling 12 months after scheduled commercial operation date (SCOD) whichever is earlier.
- Corporate Guarantee (CG) of Continuum Green Energy Limited, Singapore (CGEL). CG should be valid for:
 - till Power Curve Guarantee Test (PCGT) Power Guarantee Test (PGT) for the entire Project i.e. 199.9 MW/99.90 MW Wind and 100 MWAC / 140 MWDC solar capacity) is completed, to the satisfaction of Lenders, or in case of shortfall, damages are recovered from the PFC Contractor in accordance with the PFC Contract,
 - till not less than 2 (two) year of successful operation in adherence to EBITDA and/or generation as per Banking Base Case, to the satisfaction of Lenders,
 - till the time all the securities are created and perfected in the favour of the Lender.

Note 7E: In CTRLPL Term loan from banks INR 3,587 (March 31, 2021: INR Nil)

CTRLPL has obtained the term loan facility of INR 8,783 for its 240 MW capacity project from Power Finance Corporation Ltd (PFC). The loan facility includes non-fund based facility of INR 3,587 against which PFC has provided underwriting in favour of HDFC bank limited basis, for which HDFC bank has issued Letter of Credit facility (LC facility) for equivalent amount in favour of the project suppliers. LC facility has been issued for the period of one year from date of discounting of LC. Upon completion of LC period, LC will get converted into term loan facility of PFC. During the year, suppliers have presented and encashed Bills of Exchange (BOEs) with bank and corresponding liability is accounted for as borrowings by the company against the supplier balances. Such borrowings on account of discounting of those BOEs under the existing LCs will eventually get converted into term loan. The same has been classified basis repayment terms of the term loan availed from PFC. As at the March 31, 2022, such BOEs discounted with banks amounts to INR 2,654 at prevailing MCLR rate of the said banks.

Note 7F: In CTRLPL Terms of unsecured term loan INR 355 (March 31, 2021: INR 1)

Unsecured loan from Continuum Green Energy (India) Private Limited (CGE/PL) is interest free. These will be paid to holding company, subordinated to other liabilities and accordingly classified as non-current. This was infused as promoter's contribution as required under finance document with PFC.

Note 7G: KWDPL project term loan INR 1,078 (March 31, 2021: INR Nil) :

KWDPL has tied up term loan facility of INR 12 for its 28 MW capacity from PFC.

PFC project term loan is secured by:

- Part passu first charge by way of mortgage in a form and manner acceptable to the lender, over all the Borrower's immovable properties, and a part passu first charge on the borrower's operating cash flows, book debts, receivables, commissions, revenues of whatever nature and wherever arising, the trust & retention account (TRA) including Debt Service Reserve Account of peak 5 (three) months of principal & interest payment (DSRA exclusive to PFC, any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present and future.
- Part passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the Borrower's movable properties and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future.
- Part passu first charge by way of hypothecation, in a form and manner acceptable to the lender, over all the borrower's intangible, goodwill, uncalled capital, both present and future.
- Assignment in favour of the PFC on all the rights, titles, interests, benefits, claims and demands whatsoever of the borrower in the project documents contracts including but not limited to Power Purchase Agreements (PPA), Memorandum of Understanding (MOU), package Construction contracts, O&M related agreements, service contracts, etc. in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the project documents, all insurance contracts and insurance proceeds and assignment of guarantees from EPC contractor (if any) relating to the project duly acknowledged and consented to by the relevant counter-parties to such project documents.
- Corporate guarantee (CG) of Continuum Green Energy Ltd., Singapore (CGEL). The CG shall be valid (i) till Power Curve Guarantee Test (PCGT) for the entire project i.e. 28 MW is completed, to the satisfaction of lenders, or in case of shortfall, damages are recovered from the EPC Contractor in accordance with the EPC contract; (ii) till not less than 2 years of successful operation in adherence to EBITDA and/or generation as per base case, to the satisfaction of lenders; (iii) till the time all the securities are created and perfected in the favour of PFC.
- The pledge of Equity Shares, Quasi Equity, both present and future, held by the Pledgor, to the extent of the Specified Percentage i.e. 51% (fifty one percent) Equity Shares, 51% (fifty one percent) CDTs and 51% (fifty one percent) NCDs, free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any) of the Borrower.

Terms of Interest:

The loan from PFC carries interest rate of 9%, payable monthly upto the standard due date.

Terms of repayment:

- The loan from PFC is repayable in 180 (One Eighty) structured monthly instalments ranging between 0.42% to 1% of loan.
- 1st repayment date will fall due on 12 months after Date of Commencement of Commercial Operations (DCO) of the project or COD whichever is earlier.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

Note 7H In KWDPL Unsecured loan from CGEPL INR Nil (March 31, 2021; INR 92)

1. Unsecured loan from Continuum Green Energy (India) Private Limited (CGEPL) is interest free and will be paid subject to lenders approval and in accordance with the terms in agreement of Term Loan with the lender of the company and accordingly classified as long term.
2. KWDPL has used borrowing from Financial Institution as applicable for the FY 2021-22 for the specific purpose for which it was taken at the balance sheet date.

8 Deferred tax liability (net)

	As at March 31, 2022	As at March 31, 2021
Deferred tax liability		
Property, plant and equipment: Impact of difference between book depreciation and tax depreciation (refer note below)	3,564	2,899
Gross deferred tax liability	<u>3,564</u>	<u>2,899</u>
Deferred tax asset (refer note below)		
Impact of carry forward tax losses	256	-
Impact of unabsorbed depreciation	2,888	2,783
Gross deferred tax asset	<u>3,144</u>	<u>2,783</u>
Net deferred tax liability	<u>420</u>	<u>116</u>

Note:

Certain Indian Identified Entities of the Restricted Group 2 has created deferred tax asset on unabsorbed depreciation and carry forward tax losses to the extent of deferred tax liability.

9 Other long term liabilities

	As at March 31, 2022	As at March 31, 2021
Security deposits from customers*	71	81
Due to related party (refer note 30)**	16	65
Interest accrued but not due on borrowing (related party) (refer note 30)**	1	3
Capital creditors	33	-
	<u>121</u>	<u>149</u>

*Security Deposits received from customers is interest free and returnable at the end of the power purchase agreement.

** Above payables to related party will be repaid in accordance with "permitted distribution" as defined in financing documents executed with Senior NCD holder of Restricted Group 2 and accordingly classified as long term.

10 Provisions

	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits				
Provision for gratuity (refer note 28)	17	14	2	3
Provision for leave benefits	-	-	7	6
	<u>17</u>	<u>14</u>	<u>9</u>	<u>9</u>
Other Provisions				
Provision towards commitment charges (refer note 1 below)	-	-	-	9
Provision towards litigation and contingencies (refer note 1 below)	-	-	42	38
	<u>17</u>	<u>14</u>	<u>51</u>	<u>56</u>

i Movement for provision towards commitment charges:

	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	9	73
Arising during the year	-	-
Utilised/reversed during the year	(9)	(64)
At the end of the year	<u>-</u>	<u>9</u>

ii Movement for provision towards litigation and contingencies

	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	38	-
Arising during the year	12	38
Utilised/reversed during the year	(8)	-
At the end of the year	<u>42</u>	<u>38</u>

11 Short term borrowings

	As at March 31, 2022	As at March 31, 2021
Working capital (secured)		
From banks	2,282	-
Short term borrowing (unsecured)		
Loan from related parties (refer note 2 below and note 30)	-	41
Current maturities of long term borrowings (refer note 7)	2,372	558
	<u>4,654</u>	<u>599</u>

Note:

1) Salient terms and security of working capital facility as at March 31, 2022.

1. The Restricted Group 2 have availed working capital facility from Indusind Bank Limited amounting to INR 2,560, out of which INR 2,282 (March 31, 2021 : Nil) was drawn as working capital. Restricted Group 2 has also availed non fund based facility of INR 237 (March 31, 2021 : Nil) against various bank guarantee issued in favour of Discoms.
2. First ranking charge by way of hypothecation over present and future current assets of Restricted Group 2 as more particularly set out in, and in accordance with the terms of, the Deed of Hypothecation but excluding the Issue Proceeds Escrow Account, Debt Service Reserve Account, Senior Debt Restricted Amortization Account, Restricted Surplus Account.
3. A first ranking charge in accordance with the terms of the Deed of Hypothecation, over certain Trust and Retention Accounts as defined under the facility agreement.
4. Second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of Restricted Group 2, in connection with the Project (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), in each case, as more particularly identified in, and in accordance with the terms of, the Mortgage Documents.
5. Second charge on the Pledged Shares of the Restricted Group 2 entities held by CGEPL in accordance with the terms of the Share Pledge Agreement, in case of Watson, it is 51% of the share capital of Watson.
6. Non disposal undertaking (NDU) is issued in respect of NDU shares as defined in the facility agreement signed with working capital lender.
7. Second ranking charge over the Power Purchase Agreements entered into by Restricted Group 2, Insurance Contracts and other project documents entered into by the Borrower in relation to the Project, in accordance with the terms of the Deed of Hypothecation.
8. Second ranking charge over the Senior Debt Enforcement Proceeds Account, in accordance with the terms of the Deed of Hypothecation.
9. Guarantee issued by each of the Indian Identified Entities in favour of security trustee for the benefit of working capital lender, and
10. The above facility carries an interest rate of one year MCLR plus 0.30% p.a.



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

2) Terms of loan from related party: Bothe

1. Unsecured loan from CGEPL, is interest free;
2. Unsecured loan from CGEPL, has been repaid during the year.

The Restricted Group 2 has used the borrowings from banks and financial institutions as applicable for the FY 2021-22 and FY 2020-21 for the specific purpose for which it was taken.

The identified subsidiaries has taken working capital facility from IndusInd Bank Ltd (IBL) on the basis of security of current assets in respect to which stock statement is filed with bank. In the below reconciliation, the trade receivable as per stock statement submitted to IBL and as per books of accounts for Bothe, DJEPL and UUPPL have been combined for the purpose of presentation. In case of WIPL, RTPL and TWHPL, stock statement submitted to IBL are in agreement with trade receivable as per books of accounts. A reconciliation of stock statement with trade receivable as per books of accounts has been disclosed below:

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade Receivable as per Stock Statement submitted to IBL (A)	4,228	-
Add: Generation Based Incentive (GBI)* (B)	119	-
Trade Receivable as per Financial Statements of Bothe, DJEPL and UUPPL (A+B)	4,347	-

*As per sanction letter with IBL, only receivable from discounts and corporates to be considered while arriving at trade receivables, therefore receivable of GBI income excluded from Trade receivable while submitting stock statement to IBL.

12 Trade payables and other current liabilities

Particulars	As at	
	March 31, 2022	March 31, 2021
Trade payables		
Outstanding dues of micro and small enterprises (refer note 31)	10	4
Outstanding dues to creditors other than micro and small enterprises	148	210
	158	214
Other current liabilities :		
Capital creditors	1,198	206
Due to related party (refer note 30)	287	-
Interest accrued but not due on borrowings (related parties) (refer note 30)	1,328	296
Interest accrued but not due on term loan	15	-
Interest accrued but not due on working capital	17	-
Liability towards premium on redemption of NCDs (related parties) (refer note 30)	876	68
Statutory dues payable (refer note i below)	21	14
Others	15	2
	3,757	586

Note:

i Includes tax deducted at source, tax collected at source, employees provident fund, employees profession tax, Goods and Service Tax (GST) and Employees State Insurance Corporation.

Trade Payable Ageing Schedule

As at March 31, 2022

	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	1	9	-	-	-	10
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	60	8	80	-	-	-	148
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	60	9	89	-	-	-	158

As at March 31, 2021

	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	5	-	-	-	5
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	119	-	90	-	-	-	209
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	119	-	95	-	-	-	214



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

13 (a) Property, plant and equipment

Particulars	Land	Buildings	Plant and equipment**	Furnitures and fixtures	Vehicles	Office equipments	Computer	Total
Cost								
As at April 1, 2020	1,234	7	42,639	7	1	4	9	43,901
Additions	17	4	3,686	-	-	-	1	3,708
Sales/disposals/adjustments	-	-	7	-	-	-	-	7
As at March 31, 2021	1,251	11	46,318	7	1	4	10	47,602
Additions	34	-	1,545	0#	-	-	4	1,583
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2022	1,285	11	47,863	7	1	4	14	49,185
Depreciation and amortisation								
As at April 1, 2020	4	-	6,481	6	-	4	7	6,502
Charge for the year	7	1	1,778	1	-	-	1	1,788
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2021	11	1	8,259	7	-	4	8	8,290
Charge for the year	8	1	1,836,00	-	-	-	2,00	1,847
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2022	19	2	10,095	7	-	4	10	10,137
Net block								
As at March 31, 2021	1,240	10	38,059	-	1	-	2	39,312
As at March 31, 2022	1,266	9	37,768	0#	1	-	4	39,048

Note:

- * Land: Boche held certain parcel of land by way of registered agreement to sale or irrevocable registered power of attorney or both amounting to INR 189 (March 31, 2021; INR 190).
- * Land includes freehold land amounting to INR 1,114 (March 31, 2021; INR 1,114)
- ** The Finance cost not capitalized during the year includes interest expenses of INR 3 (March 31, 2021; INR 124) and other borrowing cost of INR 0# (March 31, 2021; INR 26).
- ** Plant and equipment includes Plant and machinery - Wind Turbine Generator (WTG), Solar Panels including invertors and related assets, Networking Equipment, Sub Station, 33KV Line and other enabling assets.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

13 (b) Goodwill attributable to the Indian Identified Entities

Particulars	Goodwill
Gross Block	
As at April 1, 2020	315
Additions	-
Sales/disposals/adjustments	-
As at March 31, 2021	315
Additions	-
Sales/disposals/adjustments	-
As at March 31, 2022	315
Amortization	
As at April 1, 2020	-
Charge for the period	-
Sales/disposals/adjustments	-
As at March 31, 2021	-
Charge for the year	-
Sales/disposals/adjustments	-
As at March 31, 2022	-
Net block	
As at March 31, 2021	315
As at March 31, 2022	315

Note:

Goodwill attributable to the Indian Identified Entities represents the difference between the cost of investment in DJEPL, UUPPL and Waston, and CGEPL's share of net assets at the time of acquisition of share in these companies.

13 (c) Capital Work in Progress

	As at March 31, 2022	As at March 31, 2021
Capital work in progress	8,290	81
	<u>8,290</u>	<u>81</u>

Capital work-in-progress ageing schedule

As at March 31, 2022

	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	
Projects in progress	8,290	-	-	-	-	8,290
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,290</u>

As at March 31, 2021

	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	2-3 years	More than 3 years	
Projects in progress	81	-	-	-	-	81
	<u>81</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81</u>

As at the Balance Sheet date there are no temporarily suspended projects or any projects whose cost is over run.

14 Non-current investments

(valued at cost, unless stated otherwise)

	As at March 31, 2022	As at March 31, 2021
Investment in fellow subsidiaries :		
Investment in Optionally Convertible Redeemable Preference shares (OCRPS) (unquoted) 65,800,000 (March 31, 2021: 65,800,000) 0.01% OCRPS of INR 10/- each fully paid-up in Srijan Energy Systems Private Limited (SESPL) (refer note 30)	638	638
40,000,000 (March 31, 2021: 40,000,000) 0.01% OCRPS of INR 10/- each fully paid-up in Continuum MP Windfarm Development Private Limited (CMPWDPL)	400	400
	<u>1,038</u>	<u>1,038</u>

Salient terms of Optionally Convertible Redeemable Preference Shares (OCRPS)

- Each OCRPS shall have a face value of INR 10/- (Indian Rupees ten only);
- OCRPS shall carry a preferential right vis-à-vis Equity Shares of SESPL and CMPWDPL with respect to payment of dividend and proceeds of liquidation;
- OCRPS shall carry dividend at the rate of 0.10% per annum from the date of the allotment on a cumulative basis;
- Each OCRPS will be convertible into one ordinary share of SESPL and CMPWDPL of face value INR 10/- (Indian Rupees ten only), at any time at the option of the holder of the OCRPS provided that the holder is in compliance with any laws applicable to it, for conversion of its investment into ordinary shares;
- OCRPS may be redeemed by SESPL and CMPWDPL, at any time, subject to a prior notice of minimum 30 (thirty) days, either from surplus profits of SESPL and CMPWDPL or from proceeds of a fresh issue of share capital or as provided under applicable law from time to time; and
- OCRPS shall not carry any voting rights under Section 47 of the Companies Act, 2013.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

15 Loans and advances

Unsecured, considered good unless stated otherwise

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Capital advances	24	56	-	-
	24	56	-	-
Advance recoverable in cash or in kind				
Loans and advances to related parties (refer note 30 and note i,ii,iii and iv below)	6,275	6,508	58	53
Advances recoverable from vendor	-	-	3	-
Other advances	10	-	2	4
	6,275	6,508	63	57
Other loans and advances				
Advance income tax (net of provision for tax)	90	67	-	-
Prepaid expenses	3	3	126	71
Balances with statutory government authorities	11	7	-	-
Imprest to staff	-	-	10	-
	104	77	126	71
	6,403	6,641	189	128

Note:

- Loan given to CGEIPPL carries an interest rate equals to 12.12% p.a. Principal and interest on the loan will be paid at in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but not later than 15 years from the date of loan given. Provided that, Loan given to CGEIPPL by DJEPL and UJPL amounting to INR 996 (March 31, 2021, INR 1,050) which is repayable in 10 yearly unequal instalments ranging from 4.57% to 29.31% and interest on the said loan is to be paid annually in the month of September for each year.
- Loan given to CMPWDPL and SESPL carries an interest rate equals to 12.12% p.a. Principal and interest of the loan will be paid at in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but not later than 15 years from the date of loan given.
- Loan given to Skyzen Infrabuild Private Limited (SIPL) is repayable on or before October 9, 2025 along with predefined repayment amounts.
- The Restricted Group 2 has no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment.

16 Other non-current asset

Unsecured, considered good unless stated otherwise

	As at March 31, 2022	As at March 31, 2021
Fixed deposit with remaining maturity for more than 12 months (refer note 18)	51	-
Deposit with regulatory authorities	25	29
Security deposit for leased assets	1	-
Unamortised ancillary cost of arranging borrowings	87	-
Unamortised discount on issue of NCDs	529	665
Interest on unsecured loans receivable (refer note 30)	983	315
	1,676	1,009
Unbilled revenue *		
Unbilled revenue	363	407
Allowance for doubtful unbilled revenue	(225)	(175)
	138	232
	1,814	1,241

- * Unbilled revenue represents amount receivable for sale of electricity towards 6.3 MW for which Wind Energy Purchase agreement (WEPA) has not been signed till date. (refer note 36 a)

17 Trade receivables

Unsecured, considered good unless stated otherwise

	As at March 31, 2022	As at March 31, 2021
Outstanding for a period exceeding six months from the date they are due for payment*	2,013	1,210
Other trade receivables	2,481	2,320
	4,494	3,540

Note :

- * The above trade receivables includes INR 941 (March 31, 2021, INR 1,044) and INR 1,056 (March 31, 2021, INR 159) outstanding from Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Madhya Pradesh Power Management Company Limited (MPPMCL) respectively against sale of electricity.

Trade receivables Ageing Schedule

As at March 31, 2022

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	308	2,173	2,003	9	1	-	4,494
Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Total	308	2,173	2,003	9	1	-	4,494

As at March 31, 2021

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	268	2,062	1,098	112	-	-	3,540
Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – considered doubtful	-	-	-	-	-	-	-
Total	268	2,062	1,098	112	-	-	3,540



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

18 Cash and bank balances

	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalent				
Cash on hand	-	-	-	-
Balances with banks :				
- Current account	-	-	42	504
- Deposits with original maturity of less than 3 months	-	-	3,362	-
Total	-	-	3,404	504
Other bank balance				
- Deposits with remaining maturity upto a period of 12 months (refer note i) below	-	-	2,276	32
- Deposits with remaining maturity for more than 12 months	51	-	-	-
	51	-	2,276	32
Amount disclosed under other non-current assets (refer note 16)	(51)	-	-	-
	-	-	2,276	32
Total	-	-	5,680	536

(i) Includes deposits created towards Debt Service Reserve as required under debenture trust deed amounting to INR 2,120 (March 31, 2021: INR Nil) by the Restricted Group 2.

19 Other current assets

Unsecured, considered good unless stated otherwise

	As at March 31, 2022	As at March 31, 2021
Accrued income (refer note i)	625	585
Accrued interest		
On bank deposits	28	-
On unsecured loan to related party (refer note 30)	121	115
Security deposits	99	99
Unamortised discount on issue of NCDs	137	136
Unamortised ancillary cost of arranging borrowings	6	-
Other receivable	40	-
Total	1,056	935

Note i: Accrued income represents revenue earned as at year end and billed to the customers subsequent to the year end.



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

20 Revenue from operations	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations		
Sale of electricity	8,675	7,332
Other operating revenue		
Generation Based Incentive (GBI)	346	329
Sale of Verified Carbon Units (VCUs)	170	-
Total	9,191	7,661
21 Other income	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on :		
Bank deposits	71	132
On unsecured loan to related parties (refer note 30)	303	444
Overdue trade receivable	38	-
Income tax refund	1	1
Provisions no longer required written back	-	31
Profit on sale of mutual fund units	-	6
Insurance claim received	29	-
Miscellaneous Income	23	-
Total	965	614
22 Operating and maintenance expenses	For the year ended March 31, 2022	For the year ended March 31, 2021
Operation and maintenance expenses	784	681
Transmission, open access and other operating charges	861	671
Total	1,645	1,352
23 Employee benefits expense	For the year ended March 31, 2022	For the year ended March 31, 2021
Salary, wages and bonus	138	103
Contribution to provident fund - other fund (refer note 28)	5	4
Gratuity expenses (refer note 28)	4	4
Leave benefits	2	1
Staff welfare expenses	3	3
Total	152	115
24 Other expenses*	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent (refer note 27)	6	6
Insurance expense	107	94
Rates and taxes	26	14
Travelling, lodging and boarding	29	23
Legal and professional fees	125	94
Payment to auditor (including GST)	9	8
Repairs and maintenance Plant and machinery	3	20
Repairs and maintenance others	10	18
Provision towards litigation and contingencies	49	49
Allocable common overheads (refer note 30) **	235	209
Rebate and discount	24	29
Miscellaneous expenses	31	31
Total	654	586
* Other expenses disclosed are net of amount capitalised by the Restricted Group 2 (refer note 29).		
** Allocable common overheads represent allocation of common expenses incurred by CGEPL on behalf of its group companies.		
25 Finance costs*	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings	93	3,523
Interest on unsecured loan (refer note 30)	-	113
Interest on NCDs (refer note 30)	3,741	298
Interest on CCDs (refer note 30)	785	409
Prepayment premium charges	-	909
Redemption premium on NCDs (refer note 30)	856	68
Other borrowing costs	150	453
Total	5,625	5,773
* Finance cost are net of amount capitalised by the Restricted Group 2 (refer note 29).		
26 Segment reporting		
The Restricted Group 2 is involved in the business of generation and sale of electricity as its primary business activity and accordingly management believes that it does not carry out any material activity outside its primary business and hence no separate disclosure has been made as per AS 17 for 'Segment reporting'.		
27 Leases		
Operating lease: The Restricted Group 2 as lessee		
a) The Restricted Group 2 has entered into commercial lease on office premises. These leases have an average life of between one to five years with no renewal option included in the contracts. Further, certain Indian Identified Entities has been awarded land for development of windfarm and solarfarm projects on lease of 20 years.		
b) Operating lease payment recognised in the special purpose combined statement of profit and loss amounting to INR 6 (March 31, 2021; INR 6) (refer note 24).		
c) Future minimum rentals payable under non-cancellable operating leases are as follows:		
	As at March 31, 2022	As at March 31, 2021
Within one year	8	1
After one year but not more than five years	23	3
More than five years	229	10
	251	14



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

28 Employee Benefits

a) Defined Contribution Plan

Amount recognised and included in Note 23 "Contribution to Provident and other Funds" - INR 5 (March 31, 2021; INR 4).

b) Defined Benefit Plan

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to receive gratuity calculated @ 15 days (for 26 days a month) of last drawn salary, for number of years of their completed year of service. The gratuity plan is unfunded.

The following table summarises the components of net benefit expense recognised in the special purpose combined statement of profit and loss and amounts recognised in the balance sheet:

Expenses recognised:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	3	2
Past services cost	-	-
Interest cost	1	1
Actuarial loss	-	1
Net benefit expense	4	4

Amount recognized in the balance sheet:

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	19	17
Fair value of plan assets	-	-
Plan liability	19	17

The changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening defined benefit obligation	17	14
Current service cost	3	2
Past service cost	-	-
Interest cost on benefit obligation	1	1
Liability transferred in/(out) (net)	0	0
Benefits paid	(2)	(1)
Actuarial loss	0	1
Closing defined benefit obligation*	19	17
* Note:		
Non-current (refer note 10)	17	14
Current (refer note 10)	2	3
Total	19	17

The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.84%	6.49%
Rate of Salary Increase	10.00%	10.00%
Expected rate of return on planned assets	Not applicable	Not applicable
Rate of employee turnover	12.00%	12.00%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured lives Mortality 2012-14	Indian Assured Lives Mortality (2006-08)

The estimates of future salary increases, considered in actuarial valuation take into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

	FY 21-22	FY 20-21	FY 19-20	FY 18-19	FY 17-18
Defined benefit obligation	19	17	14	9	7
Plan assets	-	-	-	-	-
Surplus/ (Deficit)	19	17	14	9	7
Experience adjustment on plan liabilities	0	0	1	1	1
Experience adjustment on plan assets	-	-	-	-	-

29 Capitalisation of expenditure

The Restricted Group 2 has capitalised the following expenses of revenue nature to the cost of property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes else where in these Special Purpose Combined Financial Statements are net of amounts capitalised by the Restricted Group 2.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on term loan	3	29
Legal and professional fees	26	2
Rates and taxes	6	1
Insurance expense	-	0
Lease Rent	1	-
Security charges	2	-
Travelling, lodging & boarding expenses	2	-
Interest cost	31	-
Other Project development expenses	1	-
Site expenses	4	-
Pre-operative expense	1	-
Other borrowing cost	34	-
	111	42



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

30 Related party disclosure

a) **Names of the related parties and related party relationship**

Related parties where control exists (refer note 2 in basis of preparation)

Ultimate holding company of the Indian Identified Entities	: Continuum Green Energy Limited, Singapore
Immediate Holding company of the Indian Identified Entities	Continuum Green Energy (India) Private Limited
Fellow subsidiaries with whom transaction have taken place during the year*	Continuum Energy Levanter Pte. Limited Continuum MP Windfarm Development Private Limited Srijan Energy Systems Private Limited
Enterprise over which key managerial person have significant influence	Skyzen Infrabuild Private Limited Sandhya Hydro Power Projects Balargha Pvt Ltd
Key management personnel	: Arvind Bansal Director of CGE IPL Raja Parthasarathy Director of CGE IPL & Indian Identified Entities(except Kutch) Arno Kikkert Director of CGE IPL N V Venkataramanan Chief Operating Officer of CGE IPL, Director and Chief Executive Officer of the Indian Identified Entities (upto March 07, 2022) Mav: maria van't nootdende Director of the Indian Identified Entities Tartu Bhargava Chief Financial Officer of CGE IPL and Indian Identified Entities (upto September 8, 2021) Gautam Chopra Vice President - Project development of CGE IPL Ranjit Kumar Shanna Vice President - Projects wind business of CGE IPL Nilesh Patil Finance Controller and Additional Director (w.e.f March 02, 2022) of the Indian Identified Entities. (except Kutch and CTRPL)

* These are subsidiaries that have not been combined as a part of the Restricted Group 2 for which related party disclosures have been made at the Restricted Group 2 Level.

b) **Related party transactions during the year ended**

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Intercorporate borrowing received by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	4,471 (76)	-	-	4,471 (76)
Srijan Energy Systems Private Limited	-	(43)	-	(43)
Intercorporate borrowing repaid by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	853 (1,889)	-	-	853 (1,889)
Srijan Energy Systems Private Limited	-	43	-	43
Intercorporate borrowing given by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	109 (3,016)	-	-	109 (3,016)
Intercorporate borrowing given by the Restricted Group 2, repaid				
Continuum Green Energy (India) Private Limited	337 (56)	-	-	337 (56)
Conversion of Intercorporate borrowing into Optionally convertible debentures				
Continuum Green Energy (India) Private Limited	2,096	-	-	2,096
Conversion of Intercorporate borrowing into Issue of share capital				
Continuum Green Energy (India) Private Limited	827	-	-	827
Reimbursement of Common overheads				
Continuum Green Energy (India) Private Limited	235 (209)	-	-	235 (209)
Interest income on borrowing given by the Restricted Group 2				
Continuum Green Energy (India) Private Limited	684 (338)	-	-	684 (338)
Skyzen Infrabuild Private Limited	-	-	88 (77)	88 (77)
Srijan Energy Systems Private Limited	-	17 (16)	-	17 (16)
Continuum MP Windfarm Development Private Limited	-	14 (13)	-	14 (13)
Paid towards statutory dues on behalf of the company & reimbursed				
Continuum Green Energy (India) Private Limited	- (182)	-	-	- (182)
Interest expenses on CCD/CFCDs				
Continuum Green Energy (India) Private Limited	785 (409)	-	-	785 (409)
Interest expenses on NCDs				
Continuum Green Energy (India) Private Limited	6 (2)	-	-	6 (2)
Continuum Energy Levanter Pte. Limited	-	3,735 (296)	-	3,735 (296)
Interest expenses on unsecured loan				
Continuum Green Energy (India) Private Limited	- (113)	-	-	- (113)



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Sale of material				
Sandhya Hydro Power Projects Balargha Pvt Ltd	-	-	1	1
	-	-	-	-
Redemption Premium on NCDs				
Continuum Energy Levanter Pte. Limited	-	856	-	856
	-	(68)	-	(68)
Issue of NCDs				
Continuum Energy Levanter Pte. Limited	-	-	-	-
	-	(40,610)	-	(40,610)
Continuum Green Energy (India) Private Limited	242	-	-	242
	-	-	-	-
Redemption of NCDs				
Continuum Energy Levanter Pte. Limited	-	559	-	559
Continuum Green Energy (India) Private Limited	283	-	-	283
Reimbursement of expense				
Key management personnel	-	-	0 ⁰	0 ⁰
	-	-	0 ⁰	0 ⁰

c) **Year end balances arising from transactions with related parties**

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Reimbursement of common overheads payable				
Continuum Green Energy (India) Private Limited	303	-	-	303
	(66)	-	-	(66)
Payable towards intercorporate borrowings				
Continuum Green Energy (India) Private Limited	421	-	-	421
	(92)	-	-	(92)
Srijan Energy Systems Private Limited	-	-	-	-
	-	(43)	-	(43)
Payable towards interest expenses on debentures				
Continuum Green Energy (India) Private Limited	794	-	-	794
	(3)	-	-	(3)
Continuum Energy Levanter Pte. Limited	-	535	-	535
	-	(296)	-	(296)
Optionally convertible debentures				
Continuum Green Energy (India) Private Limited	2,096	-	-	2,096
	-	-	-	-
Liability towards premium on redemption of NCDs				
Continuum Energy Levanter Pte. Limited	-	876	-	876
	-	(68)	-	(68)
Payable towards NCDs				
Continuum Energy Levanter Pte. Limited	-	40,051	-	40,051
	-	(40,610)	-	(40,610)
Continuum Green Energy (India) Private Limited	242	-	-	242
	-	-	-	-
Intercorporate borrowing receivable				
Continuum Green Energy (India) Private Limited	5,568	-	-	5,568
	(5,795)	-	-	(5,795)
Skyzen Infrabuild Private Limited	-	-	510	510
	-	-	(510)	(510)
Srijan Energy Systems Private Limited	-	142	-	142
	-	(143)	-	(143)
Continuum MP Windfarm Development Private Limited	-	113	-	113
	-	(113)	-	(113)
Other receivable				
Sandhya Hydro Power Projects Balargha Private Limited	-	-	1	1
	-	-	(1)	(1)
Interest receivable on intercorporate borrowing				
Continuum Green Energy (India) Private Limited	882	-	-	882
	(321)	-	-	(321)
Skyzen Infrabuild Private Limited	-	-	166	166
	-	-	(80)	(80)
Srijan Energy Systems Private Limited	-	51	-	51
	-	(15)	-	(15)
Continuum MP Windfarm Development Private Limited	-	25	-	25
	-	(14)	-	(14)



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

Other transactions:

- ii During the year ended March 31, 2021, Bothe has prepaid the secured term loans and accordingly 158,637,477 shares and 165,068,750 CFCDs held by CGEIPL which were pledged in favour of Security Trustee for the benefit of secured term loan lenders of Bothe has been released.
- iii During the year ended March 31, 2021, Bothe has prepaid secured term loan and accordingly corporate guarantee of CGEL of INR 1,156 in favour of Security trustee for the benefit of secured term loan lenders of Bothe stands released.
- iiii During the year ended March 31, 2021, Bothe has prepaid secured loan and accordingly corporate guarantee of CGEL of INR 8,551 in favour of PFC, secured term loan lender of Bothe has been released.
- v During the year ended March 31, 2021, DJEPL has prepaid the secured term loans and accordingly Pledge of 100% of the shares of the company held by CGEIPL in favour of Security Trustee for the benefit of secured term loan lenders of the company and deposit of 100% of CCDs of the company with the Escrow Agent has been released.
- vi During the year ended March 31, 2021, DJEPL has prepaid secured term loan and accordingly, undertaking provided by CGEIPL and CGEL to IFC and IFCL stands released.
- vii During the year ended March 31, 2021, DJEPL has prepaid secured term loan and accordingly, corporate guarantee of INR 1,410 given by CGEIPL to the lender stands released.
- viii During the year ended March 31, 2021, UUPPL has prepaid the secured term loans and accordingly Pledge of 100% of the shares of the company held by CGEIPL in favour of Security Trustee for the benefit of secured term loan lenders of the company and deposit of 100% of CCDs of the company with the Escrow Agent has been released.
- ix During the year ended March 31, 2021, UUPPL has prepaid secured term loan and accordingly, undertaking provided by CGEIPL and CGEL to IFC and IFCL stands released.
- x During the year ended March 31, 2021, UUPPL has prepaid secured term loan and accordingly, corporate guarantee of INR 1,090 given by CGEIPL to the lender has been released.
- xi During the year ended March 31, 2021, Watson has prepaid the secured term loans and accordingly Pledge of 51% of the shares of the company held by CGEIPL in favour of Security Trustee for the benefit of secured term loan lenders of the company and deposit of 100% of CFCDs of the company with the Escrow Agent has been released.
- xii In case of Watson project, corporate guarantee was given by CGEL which shall remain valid (i) until security is perfected, (ii) for the funding cost overrun & (iii) for the DSRA amount till DSRA is created whichever is later. During the year ended March 31, 2021, Watson has prepaid secured term loan and accordingly, the above corporate guarantee given by CGEL to the lender stands released.
- xiii During the year ended March 31, 2021, Trinethra has prepaid the secured term loans and accordingly 40,499,990 shares and 50,600,000 CFCDs held by CGEIPL which were pledged in favour of Security Trustee for the benefit of secured term loan lenders of Trinethra has been released.
- xiv During the year ended March 31, 2021, Trinethra has availed letter of credit facility against which CGEIPL has provided fixed deposit of INR 173 as security and such fixed deposit is outstanding as at March 31, 2022.
- xv During the year ended March 31, 2021, RTPL has prepaid secured term loan and accordingly, the pledge over 100% equity shares (i.e. 14,165,000 shares), 100% CCDs (i.e. 14,165,000 CCDs) and 100% NCDs (i.e. 28,330,000 NCDs) of RTPL held by CGEIPL in favour of the security trustee for the benefit of the secured term loan lender has been released.
- xvi During the year ended March 31, 2021, RTPL has prepaid secured term loan and accordingly, corporate guarantee of INR 2,308 given by CGEL to the lender stands released.
- xvii During the year ended March 31, 2021, RTPL has availed letter of credit facility against which CMPWDPL has provided fixed deposit of INR 13 and CGEIPL has provided fixed deposit of INR 45 as security and such fixed deposit is outstanding as at March 31, 2022.

31 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no micro and small enterprises, to whom the Restricted Group 2 owes dues, which are outstanding for more than 45 days as at March 31, 2022 and March 31, 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Restricted Group 2.

Sr. No.	Particulars	March 31, 2022	March 31, 2021
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year.	10.00	4.00
2	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
3	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
4	The amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
5	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	-	-

32 Capital and other commitments

Capital commitments and other commitments remaining to be executed as on March 31, 2022 is INR 4113 (March 31, 2021; INR 2039).

33 Expenditure in Foreign Currency (accrual basis)

Professional fees
Other borrowing cost

	For the year ended March 31, 2022	For the year ended March 31, 2021
Professional fees	6	7
Other borrowing cost	-	5
	<u>6</u>	<u>12</u>

34 Contingent liabilities

Income tax demand

	As at March 31, 2022	As at March 31, 2021
Income tax demand	5	5

35 The Indian Identified Entities has incurred following expenses towards CSR activities:

- (a) Amount required to be spent during the year
- (b) Amount of expenditure incurred
- (c) Shortfall
- (d) Total of previous years shortfall
- (e) Reason for shortfall
- (f) Nature of CSR activities
- (g) Details of related party transactions

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Amount required to be spent during the year	-	1
(b) Amount of expenditure incurred	-	1
(c) Shortfall	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Not applicable	Not applicable
(f) Nature of CSR activities	Not applicable	Donation to PM Care-fund
(g) Details of related party transactions	Not applicable	Not applicable



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

36 Subsequent event

a. Unbilled Revenue

Out of 199.7 MW capacity Wind Energy Purchase Agreements (WEPA) have been signed between Bothe and Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 193.4 MW. Due to delay in implementation of policy for renewable energy by the state government and also due to delay in receipt of registration certificates from Maharashtra Energy Development Agency (MEDA) against 3 WTGs, a pre-requisite for execution of WEPA, WEPA are not executed for 6.3 MW capacity of these 3 WTGs. Upon receipt of registration certificates, Bothe approached MSEDCL for signing of PPA towards these WTGs. However, MSEDCL had taken a contrary & arbitrary view and rejected Bothe's valid application for signing PPA.

Bothe approached Maharashtra Electricity Regulatory Commission (MERC) where Bothe has received partial favourable order, pursuant to which Bothe has received collection of INR 91 against generation till March 31, 2017 in financial year 2021-22. Bothe has challenged MERC Order in Appellate Tribunal for Electricity (APTEL). Bothe has received a favourable judgement from APTEL where APTEL has upheld the matter and directed MSEDCL to:

- i. immediately sign 6.3 MW PPA with Bothe effective from application date for MEDA registration,
- ii. to pay tariff at Average Power Purchase Price (APPC) for the power supplied from the date of commissioning till application date for MEDA registration and
- iii. to sign PPA with MEDA registration application date at the rate approved by MERC for WTGs commissioned in financial year 2014-15.

Subsequent to year ended March 31, 2022, in October 2022, MSEDCL approached Honourable Supreme Court and Honourable Supreme Court had granted interim stay against the APTEL judgement, however the Honourable Supreme Court has directed MSEDCL:

- i. to deposit INR 300 with the Honourable Supreme Court,
- ii. to pay Bothe for the electricity supplied to MSEDCL at the rate of INR 1.5 / kWh and to deposit the differential amount with the Honourable Supreme Court on bi-monthly basis.

The Group believes that with the APTEL judgement and other facts as considered above, Bothe is rightfully eligible for revenues towards 6.3 MW capacity, accordingly, Bothe has reversed the provision of INR 119.

b. Late Payment Surcharge Rules, 2022

Government of India ("Govt") has notified the Late Payment Surcharge Rules, 2022 ("LPS 2022") on June 03, 2022. As per LPS 2022, discom have an option, exercisable by July 02, 2022, to reschedule all outstanding dues as on June 03, 2022, plus late payment surcharge calculated as per respective PPA till that date, into certain number of month's equal instalments payable on 5th of each calendar month.

Restricted Group 2 has overdues receivables as on June 03, 2022 from Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Madhya Pradesh Power Management Company Limited (MPPMCL).

Subsequent to year ended March 31, 2022, MPPMCL has exercised the option on July 01, 2022 and rescheduled the dues into 40 equal monthly instalments covering all outstanding dues up to June 03, 2022 including late payment surcharges. Based on communication received from MPPCL, UUPPL and DJEPL, companies from Restricted Group 2 have opted for 40 EMI scheme.

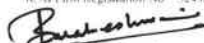
37 Amount less than INR 0.5 appearing in the special purpose combined financial statements are disclosed as "00" due to presentation in millions.

38 Previous year comparatives

Previous year figures have been regrouped / reclassified, where ever necessary, to conform to current year's classification.

As per our report of even date.

For SRBC & COLLP
 Chartered Accountants
 ICAI Firm Registration No. 324982E-300003


 Pritesh Malheshwari
 Partner
 Membership No. 118746

Place: Mumbai
 Date:

18 MAY 2024



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For and on behalf of the Board of Directors of
 Continuum Green Energy (India) Private Limited

 
 Arvind Bansal Raja Parthasarathy
 Director Director
 DIN: 00139337 DIN: 02182373

Place: Mumbai
 Date: May 18, 2024

Place: Mumbai
 Date: May 18, 2024


 Nilesh Patil
 Finance Controller


 Mahendra Malviya
 Company Secretary
 Membership No. A27547

Place: Mumbai
 Date: May 18, 2024

Place: Mumbai
 Date: May 18, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Continuum Green Energy India Private Limited (the 'Holding Company')

Opinion

We have audited the Special Purpose Combined Financial Statements of Bothe Windfarm Development Private Limited, DJ Energy Private Limited, Uttar Urja Projects Private Limited, Watsun Infrabuild Private Limited, Trinethra Wind and Hydro Power Private Limited, Renewables Trinethra Private Limited, Kutch Windfarm Development Private Limited and Continuum Trinethra Renewables Private Limited (together referred to as the "Restricted Group 2" and individually considered as "Indian Identified Entities"), which comprise the Special Purpose Combined Balance Sheets as at March 31, 2021, the Special Purpose Combined Statements of Profit and Loss and the Special Purpose Combined Cash Flow Statements for the year ended March 31, 2021 and Notes to the Special Purpose Combined Financial Statements including a summary of significant accounting policies and other explanatory information (collectively, the "Special Purpose Combined Financial Statements").

In our opinion, the accompanying Special Purpose Combined Financial Statements of the Restricted Group 2 for the year ended March 31, 2021 are prepared, in all material respects, in accordance with the basis of preparation as set out in Note 2 to the Special Purpose Combined Financial Statements.

Basis for Opinion

We conducted our audit of the Special Purpose Combined Financial Statements in accordance with the Standards on Auditing (SAs), specified under section 143 (10) of the companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of this report. We are independent of the Restricted Group 2 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 these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Combined Financial Statements.

Emphasis of Matter

We draw attention to Note 2 to the Special Purpose Combined Financial Statements, which states that the Restricted Group 2 has not formed a separate group of entities during the years ended March 31, 2021; the basis of preparation, including the approach to and the purpose for preparing the Special Purpose Combined Financial Statements, as stated in Note 1, there in. Accordingly, the Special Purpose Combined Financial Statements may not be suitable for another purpose. Further, the Special Purpose Combined Financial Statements may not necessarily be indicative of the financial performances and financial position of the Restricted Group 2 that would have occurred if it had operated as a separate standalone entity during the period presented. Our report on the Special Purpose Combined Financial Statements has been issued solely for the purpose of proposed issuance of Notes by Identified Entities as stated in Note 1 of the Special Purpose Combined Financial Statements and for inclusion in the Offering Memorandum in relation to Proposed Issuance of Notes

Our opinion is not modified in relation to the above matters.



Page 2 of 3

Independent auditor's report on the Special Purpose Combined Financial Statements for the years ended March 31, 2021

Other Matter

The comparative Combined Special Purpose Financial Statements of Restricted Group 2 for the year ended March 31, 2020 included in these special purpose combined financial statements are based on management certified financial information and have not been subject to our audit.

Responsibilities of management and those charged with governance for the Special Purpose Combined Financial Statements

The management of the Holding Company is responsible for the preparation of the Special purpose Combined Financial Statements in accordance with basis of preparation set out in Note 2 to the Special Purpose Combined Financial Statements. This responsibility also includes safeguarding of the asset of the Restricted Group 2 and for preventing and detecting fraud and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation of the special purpose combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Combined Financial Statements, the Management of the Holding Company is responsible for assessing the entities forming part of the Restricted Group 2's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any entity forming part of the Restricted Group 2 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Restricted Group 2's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the Special Purpose Combined Financial Statements of the Restricted Group 2 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 Special Purpose Combined Financial Statements.

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

- Identify and assess the risks of material misstatement of the Special Purpose 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.



SRBC & CO LLP

Chartered Accountants

Page 3 of 3

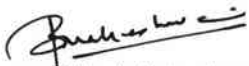
Independent auditor's report on the Special Purpose Combined Financial Statements for the years ended March 31, 2021

- 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 the effectiveness of the Restricted Group 2's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entities forming part of Restricted Group 2's ability to continue as a going concern. 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 Special Purpose 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 entities forming part of Restricted Group to cease to continue as a going concern.

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, action taken to eliminate threats or safeguards applied.

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003


per Pritesh Maheshwari
Partner
Membership Number: 118746
UDIN: 24118746BKFZUI2806

Place of Signature: Mumbai
Date: May 18, 2024





CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED BALANCE SHEET
 (All amounts in INR millions, unless otherwise stated)

Notes	As at March 31, 2021	As at March 31, 2020
Equity and Liabilities		
Combined shareholders' funds - Restricted Group 2		
Combined share capital	5,227	5,235
Combined reserves and surplus	(1,524)	(419)
	3,703	4,816
Minority shareholders' funds	58	81
Compulsory fully convertible debentures (CFCDs)	7,844	7,844
Non-current liabilities		
Long term borrowings	40,428	34,220
Deferred tax liability (net)	116	317
Other long term liabilities	149	509
Long term provisions	14	12
	40,707	35,058
Current liabilities		
Short term borrowings	41	979
Trade payables		
Outstanding dues of micro and small enterprises	4	1
Outstanding dues to other than micro and small enterprises	210	164
Other current liabilities	1,144	3,254
Short term provisions	56	80
	1,455	4,478
TOTAL	53,767	52,277
Assets		
Non-current assets		
Property, plant and equipment	39,312	37,399
Goodwill attributable to the Indian Identified Entities	315	315
Capital work in progress	81	2,373
Non-current investments	1,038	1,088
Long term loans and advances	6,670	4,411
Other non current assets	1,212	752
	48,628	46,338
Current assets		
Trade receivables	3,540	1,407
Cash and bank balances	536	3,555
Short term loans and advances	227	187
Other current assets	836	790
	5,139	5,939
TOTAL	53,767	52,277
Summary of significant accounting policies	4	

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.

As per our report of even date.

For **SRBC & CO LLP**
 Chartered Accountants
 ICAI Firm Registration No. : 324982E E300003


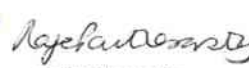

 per Pritesh Maheshwari
 Partner
 Membership No. : 118746

Place : Mumbai
 Date :


18 MAY 2024



For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited

 
 Arvind Bansal Raja Parthasarathy
 Director Director
 DIN : 00139337 DIN : 02182373

Place : Mumbai Place : Mumbai
 Date : May 18, 2024 Date : May 18, 2024

 
 Nitesh Patil Mahendra Malviya
 Finance Controller Company Secretary
 Membership No. : A27547

Place : Mumbai Place : Mumbai
 Date : May 18, 2024 Date : May 18, 2024

CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED STATEMENT OF PROFIT AND LOSS
 (All amounts in INR millions, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	20	7,661	7,755
Other income	21	614	482
Total income (A)		8,275	8,237
Expenses			
Operating and maintenance expenses	22	1,352	982
Employee benefits expense	23	115	112
Other expenses	24	586	748
Total expenses (B)		2,053	1,842
Earnings before interest, tax, depreciation and amortisation (EBITDA) (A-B)			
Depreciation and amortisation expense	13 (a)	6,222	6,395
Finance costs	25	1,788	1,613
		5,773	3,991
(Loss) / profit before tax		(1,339)	791
Tax expenses			
Current tax		-	-
MAT credit entitlement charge		-	256
Deferred tax credit		(201)	(466)
Total tax (credit)		(201)	(210)
(Loss) / profit after tax		(1,138)	1,001
Share of (loss) / profit attributable to minority shareholders' funds		(30)	31
(Loss) / profit for the year		(1,108)	970
Summary of significant accounting policies	4		

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.

As per our report of even date.

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration No. : 324982E/E300003


 per Iritesh Maheshwari
 Partner
 Membership No. : 118746

Place : Mumbai
 Date :

18 MAY 2024



For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited

 
Arvind Bansal **Raja Parthasarathy**
 Director Director
 DIN : 00139337 DIN : 02182373

Place : Mumbai
 Date : May 18, 2024

Place : Mumbai
 Date : May 18, 2024


Nilesh Patil
 Finance Controller


Mahendra Malviya
 Company Secretary
 Membership No. : A27547

Place : Mumbai
 Date : May 18, 2024

Place : Mumbai
 Date : May 18, 2024

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CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED CASH FLOW STATEMENT
(All amounts in INR millions, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
(Loss) / profit before tax	(1,339)	791
Adjustment to reconcile (loss) / profit before tax to net cash flows:		
Depreciation and amortisation expense	1,788	1,613
Provision no longer required written back	(31)	(6)
Finance costs - related parties	897	521
Finance costs - others	4,876	3,464
Profit on sale of mutual funds	(6)	-
Interest (income)	(576)	(352)
Operating profit before working capital changes	5,609	6,031
Movements in working capital:		
Increase in trade payables	80	104
(Decrease) / increase in other liabilities	(432)	460
(Decrease) / Increase in provisions	(22)	7
(Increase) in trade receivables	(2,133)	(394)
Decrease in loans and advances	70	65
(Increase) in other current assets and non current assets	(15)	(290)
Cash generated from operations	3,157	5,983
Direct taxes paid (net)	(20)	(1)
Net cash flows from operating activities (A)	3,137	5,982
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital advances, capital work in progress and capital creditors	(603)	(9,164)
Investment in optionally convertible redeemable preference shares	-	(1,038)
Proceeds on redemption of mutual funds	56	-
Withdrawal of / (investment in) fixed deposits	2,726	(322)
Loan repaid by related party	56	78
Loan given to related party	(3,015)	(2,500)
Interest received	327	364
Net cash (used in) investing activities (B)	(453)	(12,582)
Cash flows from financing activities		
Proceeds from long term borrowings	-	18,702
Proceeds from non convertible debentures	40,610	56
Repayment of long term borrowings	(33,844)	(9,472)
(Repayment) / proceeds of short term borrowings (net)	(3,310)	6
Finance costs paid to others	(5,221)	(3,208)
Finance costs paid to related parties	(1,508)	(451)
Net cash (used in) / flow from financing activities (C)	(3,273)	5,633
Net (decrease) in cash and cash equivalents (A+B+C)	(589)	(967)
Cash and cash equivalents at the beginning of the year	1,093	2,060
Cash and cash equivalents at the end of the year	504	1,093



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CONTINUUM RESTRICTED GROUP 2
SPECIAL PURPOSE COMBINED CASH FLOW STATEMENT
 (All amounts in INR millions, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Reconciliation of cash and cash equivalents with the balance sheet:		
Components of cash and cash equivalents		
Cash on hand	-	-
Balance in current account	504	576
Balance in deposit account	-	517
Cash and cash equivalents at the end of the year (refer note 18 and note IV below)	504	1,093

Summary of significant accounting policies (refer note 4)

Note:

- I) The above cash flow statement has been prepared under the indirect method as set out in the accounting standard (AS-3) on cash flow statement.
- II) Figures in brackets are outflows.
- III) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- IV) The cash and cash equivalent of INR 504 (March 31, 2020; INR 1,093) and other bank balance of INR 32 (March 31, 2020; INR 2,462) forms part of the cash and bank balances of INR 536 (March 31, 2020; INR 3,555) as disclosed in note 18

The accompanying notes are an integral part of the Special Purpose Combined Financial Statements.

As per our report of even date.

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration No. : 324982E/E300003


 per Iritesh Maheshwari
 Partner
 Membership No : 118746

Place : Mumbai
 Date :

18 MAY 2024



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For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited



Arvind Bansal **Raja Parthasarathy**
 Director Director
 DIN : 00139337 DIN : 02182373

Place : Mumbai Place : Mumbai
 Date : May 18, 2024 Date : May 18, 2024

 
Nileshe Patil **Mahendra Malviya**
 Finance Controller Company Secretary
 Membership No. : A27547

Place : Mumbai Place : Mumbai
 Date : May 18, 2024 Date : May 18, 2024

B

CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
(All amounts in INR millions, unless otherwise stated)

1 Background and purpose of Special Purpose Combined Financial Statements

Continuum Green Energy Limited (erstwhile known as Continuum Wind Energy Limited) ("CGEL") a Singapore holding company, through its 100% owned Indian subsidiary Continuum Green Energy (India) Private Limited (erstwhile known as Continuum Wind Energy (India) Private Limited) ("CGE IPL") owns, 100% in all its Indian Subsidiaries including following Indian Subsidiaries except Watsun where it holds majority share holding:

- Bothe Windfarm Development Private Limited ("Bothe")
- DJ Energy Private Limited ("DJEPL")
- Uttar Urja Projects Private Limited ("UUPPL")
- Watsun Infrabuild Private Limited ("Watsun")
- Trinethra Wind and Hydro Power Private Limited ("Trinethra")
- Renewables Trinethra Private Limited ("RTPL")
- Kutch Windfarm Development Private Limited ("KWDPL")
- Continuum Trinethra Renewables Private Limited ("CTRPL")

These Special Purpose Combined Financial Statements comprises of Bothe, DJEPL, UUPPL, Watsun, Trinethra, RTPL, KWDPL and CTRPL together considered as the "Continuum Restricted Group 2 or Restricted Group 2" and individually considered as the "Indian Identified Entities".

The Restricted Group 2 is engaged in the business of generation and sale of electricity from renewable energy sources in India. The Restricted Group 2 has entered/enters into long term power purchase agreements with various governments agencies and private institutions to sell electricity generated from its wind farms/solar plants [with operational capacity of approx. 991 megawatts ("MW")] in the states of Maharashtra, Madhya Pradesh, Gujarat and Tamil Nadu, India.

The Indian Identified Entities are domiciled in India and Corporate office of these Indian Identified Entities are located at 402 & 404, Delphi, C Wing, Hiranandani Business Park, Orchard Avenue, Powai, Mumbai - 400076, India.

The management of CGE IPL is responsible for the preparation of these Special Purpose Combined Financial Statements of the Restricted Group 2.

These Special Purpose Combined Financial Statements for the year ended March 31, 2021 have been prepared solely for the purpose of submission to India international exchange (IFSC) limited, GIFT City (the "India INX").

2 Basis of preparation

The Special Purpose Combined Financial Statements of the Restricted Group 2 comprises the special purpose combined balance sheet as at March 31, 2021, the special purpose combined statement of profit and loss, the special purpose combined cash flow statement and notes to the Special Purpose Combined Financial Statements including a summary of significant accounting policies and other explanatory information for the year ended March 31, 2021.

The Restricted Group 2 does not constitute a separate legal entity/group of the Indian Identified Entities for the purpose of preparation of the separate or consolidated financial statements as per the requirements of Accounting Standards notified under section 133 of Companies Act, 2013 and the Companies (Accounting Standards) Rules, 2016, Division 1 of Schedule III to the Companies Act, 2013 ("Schedule III") and other applicable requirements for the year ended on March 31, 2021 (hereinafter referred to as 'Indian GAAP'). Except for the year ended March 31, 2021, the Restricted Group 2 has not prepared Special Purpose Combined Financial Statements in the past. Individually, the Indian Identified entities with the Restricted Group 2 reported their Financial Statements in accordance with Indian GAAP. Taking into account the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("the Guidance Note") and the specifics to be considered in preparing Special Purpose Combined Financial Statements and are explained below, these Financial Statements have been prepared in accordance with the recognition, measurement and disclosure principles specified in Indian GAAP. However, since the Restricted Group 2 does not constitute a separate legal group and does not have share capital, these Financial statements do not comply disclosure requirement of AS 20 Earnings Per Share and they also do not provide specific information related to share capital and reserves and surplus as required by Division I of Schedule III.

In the preparation of these Special Purpose Combined Financial Statements, assets and liabilities pertaining to the Indian Identified Entities have been measured at the carrying amounts used in their individual financial statements after making suitable consolidation adjustments that gets included in CGE IPL's consolidated financial statements prepared under Indian GAAP. These consolidation adjustments include goodwill on consolidation and minority interest (MI) recorded by CGE IPL for the Indian Identified Entities. Accordingly, in preparing these Special Purpose Combined Financial Statements, procedures applicable to the preparation of consolidated financial statements as required by AS 21, Consolidated Financial Statements, and to the extent relevant, have been followed.

These Special Purpose Combined Financial Statements have been prepared on the accrual and going concern basis of respective Indian Identified Entities, using the historical cost convention. The Special Purpose Combined Financial Statements have been prepared using uniform accounting policies for like-to-like transactions and other events in similar circumstances. The Financial Statements of all the Indian Identified Entities used for the purpose of combination are drawn up to the same reporting date i.e. year ended on March 31 each year. These Special Purpose Combined Financial Statements do not include all disclosures as required under the Companies Act, 2013(as amended) and Division I of Schedule III to the extent these disclosures are not required to be given in the consolidated financial statements.

The Special Purpose Combined Indian GAAP Financial Statements are approved by the Board of Directors of the Parent on 18 May, 2024.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

Scope of combination

As required by the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, the details of various entities comprised in the Special Purpose Combined Financial Statements is as given below:

Name	Principal activities	Control w.e.f.	Country of Incorporation	% of interest held by CGEL as at	
				31-Mar-2021	31-Mar-2020
Bothe Windfarm Development Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%
DJ Energy Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%
Uttar Urja Projects Private Limited	Generation and sale of wind energy	23-Aug-13	India	100%	100%
Watsum Infrabuild Private Limited	Generation and sale of wind / solar energy	30-May-16	India	72.15%	74.24%
Trinethra Wind and Hydro Power Private Limited	Generation and sale of wind energy	18-Jun-12	India	100%	100%
Renewables Trinethra Private Limited	Generation and sale of wind energy	13-Jun-19	India	100%	100%
Kutch Windfarm Development Private Limited	Generation and sale of wind energy	24-Oct-18	India	100%	100%
Continuum Trinethra Renewables Private Limited	Generation and sale of wind / solar energy	17-Jul-20	India	100%	NA

3 Basis of combination

Indian GAAP does not provide specific guidance for the preparation of combined financial statements and, accordingly, in preparing these Special Purpose Combined Financial Statements, accounting conventions commonly used for the preparation of Consolidated Financial Statements in accordance with AS 21 have been applied along with principles of the Guidance Note issued by ICAI. Pursuant to the same these Financial Statements are prepared on a basis that combines the results and assets and liabilities of each of the Indian Identified Entities and include the assets, liabilities, revenues and expenses that management has determined are specifically attributable to the business.

Accordingly, intra-group balances within the Restricted Group 2, income and expenses, unrealized gains and losses resulting from transactions between the Restricted Group 2 entities have been eliminated in the Special Purpose Combined Financial Statements.

Minority Interest in the net assets of the Indian Identified Entities is identified and presented in the special purpose combined balance sheet separately from liabilities and equity of the Combined shareholders funds as Minority shareholders' funds. Minority interest in the net assets of the Indian Identified Entities consists of:

- (a) The amount of equity attributable to minority at the date on which investment in the Indian Identified Entities is made; and
- (b) The minority share movements in equity since the date of such investment in Indian Identified Entity.

Minority interest's share in Net Profit / Loss for the year of the Indian Identified Entities is identified and presented separately as Minority shareholder's funds.

Transactions with other entities which are directly or indirectly controlled by CGEL or entities over which KMP have significant influence are disclosed as transaction with related parties (refer Note 30).

The Special Purpose Combined Financial Statements include allocations of direct and indirect costs related to the operations of the Indian Identified Entities made by CGEIPPL to depict the business on a standalone basis till March 31, 2021. Indirect costs relate to certain support functions those are sourced on a centralized basis within CGEIPPL and such costs are allocated basis projected capacity of subsidiary company based on their project completion stage

The management believes that the methodology used for allocation of common overheads reflects its best estimate of how the benefits arise from relevant activities.

4 Summary of significant accounting policies

The policies set out below have been consistently applied to all periods presented in the Special Purpose Combined Financial Statements.

a. Use of estimates

The preparation of Special Purpose Combined Financial Statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Restricted Group 2 and the revenue can be reliably measured. The specific recognition criteria described below must also be met before revenue is recognized.



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
(All amounts in INR millions, unless otherwise stated)

Sale of Electricity

Revenue from the sale of electricity is recognized on the basis of the number of units of power generated and supplied in accordance with joint meter readings undertaken on a monthly basis by representatives of the licensed distribution or transmission utilities and the Indian Identified Entities at the rates prevailing on the date of supply to grid as determined by the power purchase agreements entered into with such discoms/customers under group captive mechanism / Open access sale / third party power trader or as per the average power purchase cost (APPC) rates prescribed under tariff order issued by Maharashtra Electricity Regulatory Commission (MERC) in case of Bothe's unsigned PPA's and the surplus power as per the rate prescribed by relevant state regulatory commission to State distribution utilities ("State discoms").

Active and reactive charges are recorded as operating expenses and not adjusted against sale of electricity.

Unbilled revenue represents the revenue that Bothe recognises at eligible rates for the arrangement where Bothe has all approvals in place except that PPA is pending to be signed between Bothe and State discom.

Accrued revenue represents the revenue that the Restricted Group 2 recognizes where the PPA is signed but invoiced to customer subsequently.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest earned on temporary investment of borrowed funds, to the extent eligible for adjustment to capital cost has been adjusted in the cost of property, plant and equipment. Interest income is included under the head "other income" in the special purpose combined statement of profit and loss.

Insurance claims

Receipts from insurance claims are accounted after the same are approved by the insurance company.

c. Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) Restricted Group 2 will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Sale of GBI

Generation Based Incentive ("GBI") income is earned and recognized on certain projects which sell electricity to licensed distribution utilities at tariffs determined by relevant State Electricity Regulatory Commissions ("SERCs"). GBI is paid at a fixed price of INR 0.50/kwh of electricity units sold subject to a cap of INR 10 million/MW of capacity installed for the electricity fed into the grid for a period not less than four years and a maximum of ten years.

Sale of Verified Carbon Units (VCUs)

Revenue from VCUs is recognised upon issuance and sale of VCUs. Any unsold VCUs which are granted to the Restricted Group 2 are accrued at a nominal value.

d. Foreign currency transactions and translations

Initial recognition

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on translation/ settlement of foreign currency monetary items are recognized as income or as expenses in the period in which they arise. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

e. Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The costs comprises of the purchase price, borrowings costs if capitalisation criteria are met and directly attributable costs of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the property, plant and equipment. Any subsequent expenses related to a property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Restricted Group 2 identifies and determines cost of each component/part of the asset separately, if it has a cost that is significant to the total cost of the asset and has a useful life that is materially different from that of the remaining life.

Capital Work-In-Progress:

Costs and Direct expenses incurred for construction of assets or assets to be acquired and for assets not ready for use are disclosed under "Capital Work- in-Progress".



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
 (All amounts in INR millions, unless otherwise stated)

f. Depreciation on property, plant and equipment

The Restricted Group 2 provides depreciation on Straight line basis and Written down value basis on all assets on the basis of useful life estimated by the management. Restricted Group 2 has used the following useful life to provide depreciation on its property plant and equipment.

Category of property, plant and equipment	SLM/WDV	Useful life
Leasehold land	SLM	over the lease term
Building	SLM	30 Years
Plant and equipment*	WDV	3 - 15 Years
	SLM	25 - 40 Years
Furniture and fixtures	WDV	10 Years
Vehicles	WDV	10 Years
Office equipment	WDV	15 Years
Computer	WDV	3 Years
Electrical fittings*	SLM	8 and 25 Years

*Based on the technical estimate, the useful life of the Plant and equipment and electrical fittings are different than the useful life as indicated in Schedule II to the Companies Act, 2013.

Temporary structures are depreciated fully in the year in which they are capitalised.

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

g. Goodwill attributable to the Indian Identified Entities

Goodwill attributable to the Indian Identified Entities represents the difference between the cost of investment in the Indian Identified Entities, and CGEPL's share of net assets at the time of acquisition of share in the Indian Identified Entities.

h. Borrowing costs

Borrowing cost includes Interest and amortisation of ancillary cost incurred in connection with the arrangement of borrowings.

Borrowing cost directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing cost are expensed in the period they occur.

i. Impairment

The Restricted Group 2 assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Restricted Group 2 estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or the Restricted Group's 2 of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Restricted Group 2 estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

j. Leases

Where Restricted Group 2 is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

k. Investments

Investments which are readily realisable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at costs. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the Special Purpose Combined Financial Statements at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and the net disposal proceeds is charged/credited to the special purpose combined statement of profit and loss.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
(All amounts in INR millions, unless otherwise stated)

l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdiction where Restricted Group 2 operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to the same taxable entity and the same taxation authority. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Restricted Group 2 has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

m. Retirement and other employee benefits

Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions are charged to the statement of profit and loss for the year when the contributions are due. Restricted Group 2 has no obligation, other than the contribution payable to the provident fund.

The Restricted Group 2 operates only one defined benefit plan for its employees i.e. gratuity. The costs of providing this benefit are determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses of the defined benefit plan are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. The Restricted Group 2 measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Restricted Group 2 treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Restricted Group 2 presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Restricted Group 2 has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

n. Provisions

A provision is recognised when the Restricted Group 2 has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Restricted Group 2 expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

o. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of less than 3 months.

Other bank balances

It includes deposits having remaining maturity upto a period of 12 months as on reporting date which can be readily convertible to cash with insignificant risk of changes in value.

p. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Restricted Group 2 or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle an obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Restricted Group 2 does not recognise a contingent liability but discloses its existence in the Special Purpose Combined Financial Statements.



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE Special Purpose Combined Financial Statements
(All amounts in INR millions, unless otherwise stated)

q. 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
 - It is due to be settled within 12 months after the reporting period; or
 - Expected to be realised within twelve months after the reporting period; or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after 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
- 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.

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Restricted Group 2 has ascertained its operating cycle as twelve months for the purpose of current / non-current classification of assets and liabilities.

r. Measurement of EBITDA

As per the Guidance Note on the Schedule III to the Companies Act, 2013, the Restricted Group 2 has opted to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Restricted Group 2 measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Restricted Group 2 does not include depreciation and amortization expense, finance costs and tax expense.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

5 Combined shareholders' funds - Restricted Group 2

a) Combined share capital

	As at March 31, 2021	As at March 31, 2020
Share capital*	5,227	5,235
	5,227	5,235

b) Combined reserves and surplus

	As at March 31, 2021	As at March 31, 2020
Deficit in the statement of profit and loss (refer note i)*	(1,839)	(734)
Other adjustments to reserves*	315	315
	(1,524)	(419)

Note:

i) Deficit in the statement of profit and loss

Balance as per last financial statements	(734)	(976)
Adjustment on account of minority shareholders' funds	3	2
Amounts utilised for towards issue of bonus shares	-	(730)
(Loss) / profit for the year	(1,108)	970
Net deficit in the statement of profit and loss	(1,839)	(734)

* Share capital and reserves and surplus represents the aggregate amount of share capital and reserves and surplus of the Indian Identified Entities forming part of Restricted Group 2 as at year end and does not necessarily represent legal share capital for the purpose of the Restricted Group 2. Other adjustments to reserves represents the difference between the cost of investment and CGEIP's share of net assets at the time of acquisition of share in certain entities which are part of the Restricted Group 2. It has been reported under shareholder's fund of Restricted Group 2 since it represents amount invested by CGEIP in the Restricted Group 2.

6 Compulsory fully convertible debentures (CFCDs/CCDs/Debtentures)

	As at March 31, 2021	As at March 31, 2020
10.00% Unsecured CFCDs of INR 10 each. March 31, 2021: 576,665,000 CFCDs (March 31, 2020: 576,665,000 CFCDs)	5,767	5,767
10.00% Unsecured CCDs of INR 10 each. March 31, 2021: 207,685,888 CCDs (March 31, 2020: 207,685,888 CCDs)	2,077	2,077
	7,844	7,844

A Details and salient terms of CFCDs:

1. CFCDs include CFCDs issued by Biohe 214,375,000 (March 31, 2020: 214,375,000) and Watson 362,290,000 (March 31, 2020: 362,290,000).
2. Debtentures shall be convertible into equity shares at any time at the option of the debenture holders subject to prior intimation to be provided to Lender for conversion of CFCDs into ordinary shares; in case of Watson, post such conversion 51% of shares so converted shall be pledged with the lenders of the project.
3. CFCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier.
4. Debtentures shall be convertible into equity shares at par into one equity share for each debtenture.
5. Coupon for the Debtentures shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the lender.
6. Interest on CFCDs shall be accrued but any dividend/interest coupon on CFCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of Lenders.
7. The equity shares to be issued to the debenture holders upon conversion of debtentures shall rank pari passu with the existing equity shares.
8. Promoters contribution by way of Compulsorily Fully Convertible Debtentures shall not have any charge/ recourse to project assets.
9. Prior approval of the Lender would be required for transferring CFCDs to any other party other than the present CFCD holders.
10. No interest shall be payable / accruable on such instruments till COD of the project.
11. CFCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
12. CFCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Indian Identified Entities of the Restricted Group 2.
13. Interest on CFCDs accrued will be paid in accordance with "permitted distribution" as defined in the financing documents executed with Senior NCD holder of the Restricted Group 2.
14. In case of Watson, interest on debtentures for the year ended March 31, 2021 has been entirely waived off by CGEIP. For the year ended March 31, 2020 CGEL has waived off Interest on Debtenture entirely and CGEIP had waived off the interest on debtentures amounting to INR 223.

B Details and salient terms of CCDs:

1. CCDs include CCDs issued by DIEPL 79,442,888 (March 31, 2020: 79,442,888), ULPL 63,478,000 (March 31, 2020: 63,478,000), Trimedira 50,600,000 (March 31, 2020: 50,600,000) and RTPL 14,165,000 (March 31, 2020: 14,165,000)
2. Debtentures shall be convertible into equity shares at any time at the option of the debenture holders subject to prior intimation to be provided to Lender for conversion of CCDs to ordinary share.
3. CCDs shall be compulsorily convertible into equity shares of the company at the end of the 20 years from the date of allotment, if not converted earlier.
4. Debtentures shall be convertible into equity shares at par into one equity share for each debtenture.
5. Coupon for the Debtentures shall be ten percent per annum compounded annually, on cumulative basis; but at any point of time should not be higher than the interest rate applicable for the project by the Lenders.
6. Interest on CCDs shall be accrued but any dividend/interest/coupon on CCDs shall be paid out of dividend distribution surplus left in the Trust and Retention Account ("TRA") after meeting all reserve requirements & all debt obligation and with prior permission of Lenders.
7. The equity shares to be issued to the debenture holders upon conversion of debtentures shall rank pari passu with the existing equity shares.
8. Promoters contribution by way of Compulsorily Fully Convertible Debtentures shall not have any charge/ recourse to project assets.
9. Prior approval of the Lender would be required for transferring CCDs to any other party other than the present CFCD holders.
10. No interest shall be payable / accruable on such instruments till COD of the project.
11. CCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully) or by conversion.
12. CCDs holders would have no voting rights in any Annual General Meeting / Extra-ordinary General Meeting of the respective Indian Identified Entities of the Restricted Group 2.
13. Interest on CCDs accrued will be paid in accordance with "permitted distribution" as defined in the financing documents executed with Senior NCD holder of the Restricted Group 2.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

7 Long term borrowings

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Indian rupee term loans (secured)				
From banks (refer note II below)	-	3,392	-	186
From financial institution (refer note II below)	-	28,661	-	2,186
From related parties (refer note II below and note 30)	93	1,884	-	-
Non convertible debentures (NCD) (unsecured)				
4,061 (March 31, 2020 : Nil) 8.75% Non convertible debentures of INR 10 each (refer note I(A) below and note 30)	40,052	-	558	-
28,330,000 (March 31, 2020 : 28,330,000) 10.50% Non convertible debentures of INR 10- each (refer note I(B) below and note 30)	283	283	-	-
	<u>40,428</u>	<u>34,220</u>	<u>558</u>	<u>2,372</u>
Current maturities disclosed under the head "other current liabilities" (refer note 12)	-	-	(558)	(2,372)
Total long term borrowings	40,428	34,220	-	-

The borrowing have been obtained by respective Indian Identified Entities of Restricted Group 2. The salient terms of the loan and the security thereon are summarised below:

Note I Salient terms and Security details for Long term borrowing outstanding as at March 31, 2021.

Note I(A) Restricted Group 2 (other than Kutch and CTRPL) NCDs of INR 40,610 (March 31, 2020: INR Nil) to CELPL.

Terms of Notes:

- The NCDs are freely transferable. The NCDs are unlisted and unrated.
- Each NCDs has a face value INR 10 (referred to as the "principal amount" of each NCD) and are issued at a discount of 2% of the principal amount (i.e. at the issue price of INR 9.8).
- The NCDs bear interest on their outstanding principal amount from and including the Initial Issue Date at the rate of 8.75 % per annum plus applicable withholding taxes, payable semi-annually on 9 August and 9 February in each year.
- In addition to interest, each NCD shall accrue a redemption premium at the rate of 2 % per annum plus applicable withholding taxes of the outstanding principal amount till 9 August 2027. The Redemption Premium shall be paid in full by Restricted Group 2 on the Maturity Date or otherwise at the date of redemption in full of a NCD to the extent not paid earlier. Each Debenture holder shall have the right to require the Issuer to pay in full or in part the accrued but unpaid Redemption Premium in respect of the Debentures held by such Debenture holder at any time prior to the Maturity Date by giving not less than 10 Business Days' nor more than 60 days' notice to the Issuer.
- In accordance with the Debenture Trust Deed (DTD), the NCD holder has a right to redeem all (but not some only) of the NCDs at an amount equal to the principal amount plus the Redemption Premium applicable to the NCDs (together with interest accrued) on giving a notice to Indian Identified Entities and to the NCD Trustee in writing any time on or after (i) the date falling 12 Business Days prior to 9 February 2027 or (ii) the date on which the aggregate principal amount of all outstanding Restricted Group 2 Issuer NCDs is less than INR 18,500.
- Restricted Group 2 has a right to redeem all or any part of the NCDs held by NCD holder at an amount equal to the principal amount plus the Voluntary Redemption Premium applicable to the NCDs (together with interest accrued) on giving notice to the NCD holder and the NCD Trustee as prescribed in DTD.
- The NCDs are redeemable in semi-annual unequal installments over the period of six years ranging between 0.25% to 1.25% alongwith Mandatory Cash Sweep (MCS) amount ranging between 1.625% to 3.875% as per the terms of DTD. Unless previously redeemed, or purchased and cancelled, the NCDs will be redeemed at their principal amount (together with accrued but unpaid interest (if any)) on the date falling 15 years from the Initial Issue Date of March 08, 2021.
- Restricted Group 2 has a right to redeem NCDs, in part or full, in certain conditions as per the terms of the DTD.
- Unless previously redeemed, or purchased and cancelled, the NCDs will be redeemed at their principal amount (together with accrued but unpaid interest (if any)) on the date falling 15 years from the Initial Issue Date of March 08, 2021.
- All of the obligations of the company including the payment of the debt are secured by:
 - A first ranking exclusive pledge over 100% (one hundred percent) of the equity shares of Restricted Group 2 (other than in the case of Watson where CGEIPL shall create and perfect a first ranking exclusive pledge over 51% (fifty one percent) of the equity shares of Watson).
 - A first ranking charge over the moveable and immovable assets (both present and future) of Restricted Group 2 in connection with the Project operated by Indian Identified Entities (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), other than the current assets of Restricted Group 2; PPA, insurance policies and project documents; Issue Proceeds Escrow Account, the Debt Service Reserve Account, the Restricted Surplus Account, the Senior Debt Enforcement Proceeds Account and the Senior Debt Restricted Amortization Account of Restricted Group 2.
 - A second ranking charge over the current assets of Restricted Group 2 and over the RCF Facility (Working Capital Facility) Restricted amortization Account, the RCF Facility Enforcement Proceeds Account, the Operating Account, the Statutory Dues Account, the Operating and maintenance expenses (O&M) Expenses Account, the Restricted Debt Service Account and the Distribution Account of Indian Identified Entities.
- The NCDs are guaranteed pursuant to the Deed of Guarantee executed by Restricted Group 2 (other than Kutch and CTRPL).

Note I(B) Renewables Trinethra Private Limited - NCDs of INR 283 (March 31, 2020: INR 283) to related party.

Salient terms of NCDs:

- NCDs shall be rupee denominated, redeemable, unsecured, unrated and unlisted non-convertible debenture.
- No interest payable/accrueable on such instruments till commercial operation date of the project.
- Coupon for the NCDs shall be ten point five percent per annum compounded annually, on cumulative basis from commercial operation date of the project.
- Any dividend/interest/coupon on NCDs shall be out of dividend distribution surplus left in the trust and retention account after meeting all reserve requirements and all debt obligation and with prior permission of the lender.
- NCDs shall not be redeemed during the tenure of lender's loan except such release is made on fresh infusion of equity (either proportionately or fully).
- Rights under NCDs shall always be subordinated to facility during the tenor of the facility.
- Prior approval of the Lender would be required for transferring NCDs to any other party other than the present NCD holders.
- NCDs shall be redeemed at the end of the 20 years from the date of allotment.
- Interest on NCDs accrued will be paid in accordance with permitted distribution as defined in the financing documents executed with Senior NCD holder of Restricted Group 2.

Note II Salient terms of interest and repayment for long term borrowing outstanding as at March 31, 2020.

During the current year, Restricted Group 2 entities has made the prepayment of below mentioned loans from the proceeds received from NCDs issued to CELPL. Except in case Bothe's term loan from L&T Infrastructure Finance Company Limited (L&T Infra) which was due for schedule repayment in December 2020 and has been paid in accordance with loan agreement.



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

- A Bothe – Term loan of INR Nil (As at March 31, 2020; INR 8,287) from financial institution and related party.**
Salient terms of interest and repayment :
- The Loan from Power Finance Corporation Limited (PFC) carried fixed interest rate of 10.25% p.a. and principal outstanding as at March 31, 2020 is repayable in 53 unequal quarterly instalments ranging between 0.75% to 2.50% of loan.
 - The Loan from L&T carried interest rate of L&T Infra PLR minus 5.25% p.a. and principal outstanding as at March 31, 2020 is repayable on or before the end of the tenure.
- Salient terms of loan from related party:**
- Unsecured loan from CGEIPL is interest free;
 - Unsecured loan from CGEIPL has been repaid subsequent to balance sheet date.
- B DJEPL – term loan of INR Nil (As at March 31, 2020; INR 6,285) from financial institutions and bank.**
Salient terms of interest and repayment :
- i) The effective interest for (payable monthly except IFC):
 - L&T Infrastructure Finance Company Limited (L&T Infra), India Infrastructure Finance Company Limited (IIFCL) and India Infradebt Limited : L&T Infra PLR minus 5.50% p.a.
 - International Finance Corporation (IFC): Fixed interest rate ranging between 10.55% p.a. and 11.1225% p.a. for each tranche of draw down (payable semi-annually).
 - ii) Remaining instalments as at March 31, 2020 are due on a quarterly basis except for IFC:
 - L&T Infra: Ranging from 37 quarters to 60 quarters of unequal instalments ranging between 0.13% to 19.52% of loan.
 - IIFCL: 46 quarters of unequal instalments ranging between 0.72% to 2.76% of loan.
 - India Infradebt: 44 quarters of unequal instalments ranging between 0.48% to 17.60% of loan.
 - IFC: 18 semi-annual repayments in unequal instalments ranging between 1.92% to 7.10% of loan.
- C UUPPL – term loan of INR Nil (As at March 31, 2020; INR 5,108) from financial institutions and bank.**
Salient terms of interest and repayment :
- i) The effective interest for (payable monthly except IFC):
 - L&T Infra, & IIFCL and India Infradebt : L&T Infra PLR minus 5.50% p.a.
 - IFC: Fixed Interest rate ranging between 10.65% p.a. and 11.1725% p.a. for each tranche of draw down (payable semi-annually).
 - ii) Remaining instalments as at March 31, 2020 are due on a quarterly basis except for IFC:
 - L&T Infra: Ranging from 41 to 60 quarters of unequal instalments ranging between 0.13% to 24.66% of loan.
 - IIFCL: 47 quarters of unequal instalments ranging between 1.07% to 2.50% of loan.
 - India Infradebt: 44 quarters of unequal instalments ranging between 0.47% to 24.66% of loan.
 - IFC: 19 semi-annual repayments in unequal instalment ranging between 2.80% to 10.75% of loan.
- D Watson Infrabuild Pvt Ltd- term loan of INR Nil (As at March 31, 2020; INR 9,615) from a bank, financial institution and related party.**
Salient terms of interest and repayment :
- i) The effective interest for (payable monthly):
 - PTC India Financial Services Ltd (PFS), State Bank of India (SBI - Wind) and Indian Renewable Energy Development Agency Ltd (IREDA): 2.30% p.a. above one year SBI MCLR post Commercial date of operation (COD) subject to Watson creating DSRA and achieving investment grade External Credit Rating or above.
 - State Bank of India (SBI - Solar) : 2.30% p.a. above one year SBI MCLR till COD and 1.75% p.a. above one year SBI MCLR post COD subject to completion of security perfection, external credit rating of minimum of "BBB" rating and creation of 2 quarter DSRA.
 - ii) Remaining instalments as on March 31, 2020 are due on quarterly basis:
 - PFS, SBI - Wind, IREDA: 57 quarters (56 quarters of SBI) of structured instalments ranging between 1.07% to 2.48% of loan.
 - SBI - Solar, 56 quarters of structured instalments ranging between 1.07% to 2.48% of loan.
- Salient terms of loan from related party:**
- Unsecured Loan INR 99 is provided for the wind project of the Watson and it carried Nil interest rate. Unsecured Loan INR 352 represents promoter contribution towards funding of Solar project cost. It carried interest equivalent to State bank of India (SBI) facility interest rate but no interest shall be payable/accruable on such loan till commercial operation date of the project.
- E Trinethra Wind and Hydro Power Private Limited - term loan of INR Nil (As at March 31, 2020; INR 5,842) from financial institution and related party.**
Salient terms of interest and repayment:
- 11.00% p.a. (fixed) payable quarterly up to the standard due date immediately following the COD (3 year reset rates);
 - The Loan from PFC is repayable in 60 unequal quarterly instalments ranging between 1.25% to 3.80% of loan.
 - First repayment date will fall due on 15th July 2020 i.e. 12 months from original Scheduled Commercial Operation Date (SCOD) of the project.
- Salient terms of loan from related party:**
- Unsecured loan from CGEIPL amounting to INR 1,113 carried interest rate as applicable for the term loan facility given by the rupee term lender, Power Finance Corporation (PFC) and as part of promoter contribution. Interest on said unsecured loan shall be accrued and paid only after project achieved commercial operation date (COD). The balance unsecured loan of INR 10 was interest free.
- F Renewables Trinethra Private Limited - term loan of INR Nil (March 31, 2020 INR 1,172) from financial institution and related party.**
Salient terms of interest and repayment:
- The loan from PFC carries interest rate of 10.65% p.a. payable monthly upto the standard due date.
 - The loan from PFC is repayable in 180 (One Eighty) structured monthly instalments ranging between 0.33% to 2.67% of loan.
 - First repayment date will fall due on 12 months after Scheduled Commercial Operation Date (SCOD) of the project.
- Salient terms of unsecured loan:**
- Unsecured loan from CGEIPL was interest free and was to be paid subject to lenders approval and in accordance with the terms in agreement of Term Loan with the lender of RTPL.
- G Kutch Windfarm Development Private Limited - term loan of INR 92 (March 31, 2020 INR 0.04) from financial institution and related party.**
Salient terms of unsecured loan:
- Unsecured loan from CGEIPL is interest free;
 - Unsecured loan from Srijan Energy Systems Private Limited is interest free;
- H Continuum Trinethra Renewables Private Limited - term loan of INR 0.50 (March 31, 2020 INR Nil) from financial institution and related party.**
Salient terms of unsecured loan:
- Unsecured loan from CGEIPL is interest free.
- I** During the year ended March 31, 2020, the term loan lender of Bothe, DJEPL, UUPPL, Watson and Trinethra has approved deferment of payment of term loan instalment and interest falling due between March 01, 2020 and May 31, 2020 in accordance with Reserve Bank of India's Circular no. RBI/2019-20/186 dated March 27, 2020. Accordingly, these Indian Identified Entities have classified current maturities of long term borrowings and interest accrued but not due on these borrowings in their financial statements basis the aforementioned circular and approval from lenders as at March 31, 2020.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

8 Deferred tax liability (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax liability		
Property, plant and equipment: Impact of difference between book depreciation and tax depreciation (refer note below)	2,899	2,035
Gross deferred tax liability	<u>2,899</u>	<u>2,035</u>
Deferred tax asset		
Impact of unabsorbed depreciation (refer note below)	2,783	1,718
Gross deferred tax asset	<u>2,783</u>	<u>1,718</u>
Net deferred tax liability	<u>116</u>	<u>317</u>

Note:
 Certain Indian Identified Entities of the Restricted Group 2 has created deferred tax asset on unabsorbed depreciation to the extent of deferred tax liability.

9 Other long term liabilities

	As at March 31, 2021	As at March 31, 2020
Security deposits from customers*	81	76
Due to related party (refer note 30)**	65	225
Interest accrued but not due on borrowing (related party) (refer note 30)**	3	208
	<u>149</u>	<u>509</u>

*Security Deposits received from customers is interest free and payable at the end of the power purchase agreement

** Above payables to related party will be repaid in accordance with "permitted distribution" as defined in financing documents executed with Senior NCD holder of Restricted Group 2 and accordingly classified as long term

10 Provisions

	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits				
Provision for gratuity (refer note 28)	14	12	3	2
Provision for leave benefits	-	-	6	5
	<u>14</u>	<u>12</u>	<u>9</u>	<u>7</u>
Other Provisions				
Provision towards commitment charges (refer note 1 below)	-	-	9	73
Provision towards litigation and contingencies (refer note 11 below)	-	-	38	-
	<u>14</u>	<u>12</u>	<u>56</u>	<u>80</u>

Note:
 1) Movement for provision towards commitment charges

	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	73	-
Arising during the year	-	73
Utilised/reversed during the year	(64)	-
Provision no longer required/written back	-	-
At the end of the year	<u>9</u>	<u>73</u>

11) Provision for litigation and contingencies made during the year amounting to INR 38 (March 31, 2020, INR NIL) and balances of Provision for litigation and contingencies as at March 31, 2021 is of INR 38 (March 31, 2020, INR NIL)

11 Short term borrowings

	As at March 31, 2021	As at March 31, 2020
Working capital (secured)		
From banks	-	327
From financial institution	-	631
Short term borrowing (unsecured)		
From related party (refer note 30)	41	21
	<u>41</u>	<u>979</u>

Note:

11) Salient terms and security of undrawn working capital facility as at March 31, 2021.

- The Restricted Group 2 (other than Kutch and CTRPL) have availed working capital facility from Indusind Bank Limited amounting to INR 2,560, which was undrawn as at March 31, 2021
- First ranking charge by way of hypothecation over present and future current assets of Restricted Group 2 as more particularly set out in, and in accordance with the terms of, the Deed of Hypothecation but excluding the Issue Proceeds Escrow Account, Debt Service Reserve Account, Senior Debt Restricted Amortization Account, Restricted Surplus Account
 - A first ranking charge in accordance with the terms of the Deed of Hypothecation, over certain Trust and Retention Accounts as defined under the facility agreement
 - Second charge by way of mortgage over the moveable (other than current assets) and immovable assets (both present and future) of Restricted Group 2, in connection with the Project (including leasehold rights, but excluding immovable property in respect of which only a right to use has been provided), in each case, as more particularly identified in, and in accordance with the terms of, the Mortgage Documents,
 - Second charge on the Pledged Shares of the Restricted Group 2 entities held by CGEIPL in accordance with the terms of the Share Pledge Agreement, in case of Watson, it is 51% of the share capital of Watson,
 - Non disposal undertaking (NDU) is issued in respect of NDU shares as defined in the facility agreement signed with working capital lender.
 - Second ranking charge over the Power Purchase Agreements entered into by Restricted Group 2, Insurance Contracts and other project documents entered into by the Borrower in relation to the Project, in accordance with the terms of the Deed of Hypothecation
 - Second ranking charge over the Senior Debt Enforcement Proceeds Account, in accordance with the terms of the Deed of Hypothecation, and
 - Guarantee issued by each of the Indian Identified Entities in favour of security trustee for the benefit of working capital lender
 - The above facility carries an interest rate of one year MCLR plus 0.30% p.a



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

2) **Salient terms and security of short term borrowing outstanding as at March 31, 2020.**

During the current year, Bothe, DJEPL and UUPPL have repaid the below mentioned short term borrowings from the proceeds received from NCDs issued to CELPL.

The Salient terms of the loan and the security thereon are summarized below.

Bothe - working capital loan of INR Nil (As at March 31, 2020, INR 635) from bank and financial institution

Security

- Interest rate for State Bank of India was SBI's one year MCLR + 1.75 % p.a. whereas Interest rate for L&T Finance Limited PLR minus 5.5% p.a.
- Loan was repayable on demand

DJEPL - working capital loan of INR Nil (As at March 31, 2020, INR 192) from financial institution and related party.

- The interest on cash credit facility carried an interest rate of L&T Finance Limited PLR minus 4.75% p.a., payable on monthly basis
- Loan was repayable on demand
- Loan from related party was interest free

UUPPL - working capital loan of INR Nil (As at March 31, 2020, INR 152) from financial institution

- The interest on cash credit facility carried an interest rate of L&T Finance Limited PLR minus 4.75% p.a., payable on monthly basis
- Loan was repayable on demand

12 **Trade payables and other current liabilities**

	As at March 31, 2021	As at March 31, 2020
Trade payables		
Outstanding dues of micro and small enterprises (refer note 31)	4	1
Outstanding dues to creditors other than micro and small enterprises	210	164
	214	165
Other liabilities :		
Capital creditors	206	10
Current maturities of long term borrowings (refer note 7)	558	2,372
Due to related party (refer note 30)	-	204
Interest accrued but not due on borrowings	-	344
Interest accrued but not due on borrowings (related parties) (refer note 30)	296	234
Liability towards premium on redemption of NCDs (related parties) (refer note 30)	68	-
Statutory dues payable (refer note below)	14	64
Others	2	20
	1,144	3,254

Note:

Includes tax deducted at source, tax collected at source, employees provident fund, employees profession tax, Goods and Service Tax (GST) and Employees State Insurance Corporation.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

13 (a) Property, plant and equipment

Particulars	Land*	Buildings	Plant and equipment**	Furnitures and fixtures	Vehicles	Office equipments	Computer	Total
Cost								
As at April 1, 2019	1,112	7	35,507	7	1	4	8	36,646
Additions	122	-	7,132	-	-	-	1	7,255
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2020	1,234	7	42,639	7	1	4	9	43,901
Additions	17	4	3,686	-	-	-	1	3,708
Sales/disposals/adjustments	-	-	7	-	-	-	-	7
As at March 31, 2021	1,251	11	46,318	7	1	4	10	47,602
Depreciation and amortisation								
As at April 1, 2019	-	-	4,874	5	-	4	6	4,889
Charge for the year	4	-	1,607	1	-	-	1	1,613
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2020	4	-	6,481	6	-	4	7	6,502
Charge for the year	7	1	1,778	1	-	-	1	1,788
Sales/disposals/adjustments	-	-	-	-	-	-	-	-
As at March 31, 2021	11	1	8,259	7	-	4	8	8,290
Net block								
As at March 31, 2020	1,230	7	36,158	1	1	-	2	37,399
As at March 31, 2021	1,240	10	38,059	-	1	-	2	39,312

* Land: Both held certain parcel of land by way of registered agreement to sale or irrevocable registered power of attorney or both amounting to INR 190 (March 31, 2020; INR 204).

* Land includes freehold land amounting to INR 1,114 (March 31, 2020; INR 1,113)

** The Finance cost net capitalized during the year includes interest expenses of INR 124 (March 31, 2020; INR 7) and other borrowing cost of INR 26 (March 31, 2020; INR 17).

** Plant and equipment includes Plant and machinery - Wind Turbine Generator (WTG), Solar Panels including invertors and related assets, Networking Equipment, Sub Station, 33KV Line and other enabling assets.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

13 (b) Goodwill attributable to the Indian Identified Entities

Particulars	Goodwill
Gross Block	
As at April 1, 2019	315
Additions	-
Sales/disposals/adjustments	-
As at March 31, 2020	315
Additions	-
Sales/disposals/adjustments	-
As at March 31, 2021	315
Amortization	
As at April 1, 2019	-
Charge for the year	-
Sales/disposals/adjustments	-
As at March 31, 2020	-
Charge for the year	-
Sales/disposals/adjustments	-
As at March 31, 2021	-
Net block	
As at March 31, 2020	315
As at March 31, 2021	315

Note:

Goodwill attributable to Indian Identified Entities represents the difference between the cost of investment in DJEPL, UUPPL and Watun, and CGEIPL's share of net assets at the time of acquisition of share in these companies.

14 Non-current investments

(valued at cost, unless stated otherwise)

	As at March 31, 2021	As at March 31, 2020
Investment in fellow subsidiaries :		
Investment in Optionally Convertible Redeemable Preference shares (OCRPS) (unquoted)		
65,800,000 (March 31, 2020: 63,800,000) 0.01% OCRPS of Rs. 10 each fully paidup in Srijan Energy Systems Private Limited (SESPL) (refer note 30)	638	638
40,000,000 (March 31, 2020: 40,000,000) 0.01% OCRPS of Rs. 10 each fully paidup in Continuum MP Windfarm Development Private Limited (CMPWDPL) (refer note 30)	400	400
Investment in mutual funds (quoted) *	-	50
	1,038	1,088

* During the year ended March 31, 2021, Watun has sold its investment in mutual funds. Market value of mutual funds as at March 31, 2020 was INR 54. Investment in mutual fund for the year ended March 31, 2020 was towards Debt Service Reserve Account as required under lender's agreement.

Salient terms of Optionally Convertible Redeemable Preference Shares (OCRPS)

1. Each OCRPS shall have a face value of INR 10/- (Indian Rupees ten only).
2. OCRPS shall carry a preferential right vis-à-vis Equity Shares of SESPL and CMPWDPL with respect to payment of dividend and proceeds of liquidation.
3. OCRPS shall carry dividend at the rate of 0.10% per annum from the date of the allotment on a cumulative basis.
4. Each OCRPS will be convertible into one ordinary share of SESPL and CMPWDPL of face value INR 10/- (Indian Rupees ten only), at any time at the option of the holder of the OCRPS provided that the holder is in compliance with any laws applicable to it, for conversion of its investment into ordinary shares.
5. OCRPS may be redeemed by SESPL and CMPWDPL at any time, subject to a prior notice of minimum 30 (thirty) days, either from surplus profits of SESPL and CMPWDPL or from proceeds of a fresh issue of share capital or as provided under applicable law from time to time, and
6. OCRPS shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013, as amended from time to time.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

15 Loans and advances

Unsecured, considered good unless stated otherwise

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital advances	56	666	-	-
Security deposit	29	119	99	-
	<u>85</u>	<u>785</u>	<u>99</u>	<u>-</u>
Advance recoverable in cash or in kind				
Loans and advances to related parties (refer note 30 and note 1(i), (ii) and (v) below)	6,508	3,550	53	52
Advances recoverable from vendor	-	-	-	14
Other advances	-	-	4	52
	<u>6,508</u>	<u>3,550</u>	<u>57</u>	<u>118</u>
Other loans and advances				
Advance income tax (net of provision for tax)	67	47	-	-
Prepaid expenses	3	22	71	68
Balances with statutory/ government authorities	7	7	-	-
Imprest to staff	-	-	-	1
	<u>77</u>	<u>76</u>	<u>71</u>	<u>69</u>
	<u>6,670</u>	<u>4,411</u>	<u>227</u>	<u>187</u>

Note:

- i) Loan given to CGEIPPL carries an interest rate equals to 12.12% p.a. Principal and interest of the loan will be paid at in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but not later than 15 years from the date of loan given. Provided that, Loan given to CGEIPPL by DJEPL and UUPPL amounting to INR 1,050 (March 31, 2020, INR 1,101) which is repayable in 11 yearly unequal instalments ranging from 4.21% to 29.31% and interest on the said loan is to be paid annually in the month of September for each year.
- ii) Loan given to CMPWDPL and SESPL carries an interest rate equals to 12.12% p.a. Principal and interest of the loan will be paid at in one or more parts, without any prepayment penalty, at any time prior to the expiry of 15 (fifteen) years but not later than 15 years from the date of loan given.
- iii) Loan given to Skyzen Infra Build Private Limited (SIPL) is repayable on or before October 9, 2022 along with predefined interest amounts.
- iv) The Restricted Group 2 has no loans and advances which are either repayable on demand or are without specifying any terms or period of repayment.

16 Other non-current asset

Unsecured, considered good unless stated otherwise

	As at March 31, 2021	As at March 31, 2020
Fixed deposit with remaining maturity for more than 12 months (refer note 18)*	-	296
Unamortised discount on issue of NCDs	665	-
Unamortised ancillary borrowing cost	-	221
Interest on unsecured loans receivable (refer note 30)	315	5
	<u>980</u>	<u>522</u>
Unbilled revenue**		
Unbilled revenue	407	357
Allowance for doubtful unbilled revenue	(175)	(127)
	<u>1,212</u>	<u>752</u>

* Includes deposits amounting to INR Nil (March 31, 2020, INR 6) on which lien has been marked against letter of credit issued by ICICI bank by Restricted Group 2.

** Unbilled revenue represents amount receivable for sale of electricity towards 6.3 MW for which Wind Energy Purchase agreement (WEPA) has not been signed at year end (refer note 37).

17 Trade receivables

Unsecured, considered good unless stated otherwise

	As at March 31, 2021	As at March 31, 2020
Outstanding for a period exceeding six months from the date they are due for payment*	1,210	1
Other trade receivables	2,330	1,406
	<u>3,540</u>	<u>1,407</u>

* The above trade receivables includes INR 1,044 (March 2020 INR NIL) and INR 159 (March 2020 INR NIL) outstanding from Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Madhya Pradesh Power Management Company Limited (MPPMCL) respectively against sale of electricity.



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

18 Cash and bank balances

	Non-current As at March 31, 2021	Non-current As at March 31, 2020	Current As at March 31, 2021	Current As at March 31, 2020
Cash and cash equivalent				
Cash on hand	-	-	-	-
Balances with banks :				
- Current account	-	-	504	576
- Deposits with original maturity of less than 3 months	-	-	-	517
Total	-	-	504	1,093
Other bank balance				
- Deposits with remaining maturity upto a period of 12 months*	-	-	32	2,462
- Deposits with remaining maturity for more than 12 months	-	296	-	-
	-	296	32	2,462
Amount disclosed under other non-current assets (refer note 16)	-	(296)	-	-
	-	-	32	2,462
Total	-	-	536	3,555

* Includes deposits amounting to INR 32 (March 31, 2020; INR 338) on which lien has been marked against bank guarantees and letter of credits issued by various banks.

* Includes deposits created towards Debt Service Reserve Account as required under lender's agreement amounting to INR Nil (March 31, 2020; INR 1,539) by the Restricted Group 2.

19 Other current assets

Unsecured, considered good unless stated otherwise.

	As at March 31, 2021	As at March 31, 2020
Accrued income (refer note below)	585	568
Accrued interest		
On bank deposits	-	48
On unsecured loan to related party (refer note 30)	115	128
Others	-	3
Unamortised discount on issue of NCDs	136	-
Unamortised ancillary borrowing cost	-	43
Total	836	790

Note: Accrued income represents revenue earned as at year end and billed to the customers subsequent to the year end.

20 Revenue from operations

	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations		
Sale of electricity	7,332	7,366
Other operating revenue		
Generation Based Incentive (GBI)	329	589
Total	7,661	7,955

Note:

Watson has commissioned its solar project on June 26, 2020 and started supply of electricity. However, Watson has signed wheeling agreement with the Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) effective from March 1, 2021 and accordingly, Watson has started recognition of revenue and billed to customers / TANGEDCO from March 1, 2021.

21 Other income

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income on :		
Bank deposits	132	210
On unsecured loan to related parties (refer note 30)	444	148
Income tax refund	1	4
Profit on sale of mutual fund units	6	-
Balance written back	31	6
Insurance claim received	-	7
Income arising due to liquidated damages*	-	105
Miscellaneous Income	-	2
Total	614	482

* During the year ended March 31, 2020; one of the Indian Identified Entity has claimed liquidated damages from contractor towards delay in execution of its 101.2 MW project in accordance with the terms of the contracts entered with said contractor.

22 Operating and maintenance expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Operation and maintenance expenses	681	524
Transmission, open access and other operating charges	671	458
Total	1,352	982



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

23 Employee benefits expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salary, wages and bonus	103	98
Contribution to provident fund / other fund (refer note 28)	4	4
Gratuity expenses (refer note 28)	4	5
Leave benefits	1	3
Staff welfare expenses	3	2
Total	115	112

24 Other expenses*

	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent (refer note 27)	6	7
Insurance expense	94	51
Rates and taxes	14	19
Travelling, lodging and boarding	23	30
Legal and professional fees	94	102
Payment to auditor (including GST)	8	-
Repairs and maintenance Plant and machinery	20	17
Repairs and maintenance others	18	49
Provision towards litigation and contingencies	49	127
Provision for commitment charges	-	73
Payment of early commissioning incentive	-	10
Allocable common overheads (refer note 30) **	209	192
Rebate and discount	20	22
Miscellaneous expenses	31	49
	586	748

* Other expenses disclosed are net of amount capitalised by Restricted Group 2 (refer note 29).

** Allocable common overheads represent allocation of common expenses incurred by CGE/PL on behalf of its group companies.

25 Finance costs*

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on borrowings	3,523	3,076
Interest on unsecured loan (refer note 30)	113	40
Interest on NCDs (refer note 30)	298	-
Interest on CCDs (refer note 30)	409	481
Redemption premium on NCDs (refer note 30)	68	-
Prepayment premium charges	909	-
Other borrowing costs	453	394
	5,773	3,991

* Finance cost are net of amount capitalised by the Restricted Group 2 (refer note 29).

26 Segment reporting

The Restricted Group 2 is involved in the business of generation and sale of electricity as its primary business activity and accordingly management believes that it does not carry out any material activity outside its primary business and hence no separate disclosure has been made as per AS 17 for 'Segment reporting'.

27 Leases

Operating lease: Restricted Group 2 as lessee

- a) The Restricted Group 2 has entered into commercial lease on office premises. These leases have an average life of between one to five years with no renewal option included in the contracts. Further, certain Indian Identified Entities has been awarded land for development of windfarm project on lease of 20 years.
- b) Operating lease payment recognised in the special purpose combined statement of profit and loss amounting to INR 6 (March 31, 2020; INR 7) (refer note 24).
- c) Future minimum rentals payable under non-cancellable operating leases are as follows:

	As at March 31, 2021	As at March 31, 2020
Within one year	1	1
After one year but not more than five years	3	2
More than five years	10	8
	14	11



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

28 Employee Benefits

a) Defined Contribution Plan

Amount recognised and included in Note 23 "Contribution to Provident and other Funds" - INR 4 (March 31, 2020; INR 4).

b) Defined Benefit Plan

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to receive gratuity calculated @ 15 days (for 26 days a month) of last drawn salary for number of years of their completed year of service. The gratuity plan is unfunded.

The following table summarises the components of net benefit expense recognised in the special purpose combined profit and loss account and amounts recognised in the balance sheet:

i) Expenses recognised:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	2	2
Past services cost	-	-
Interest cost	1	1
Actuarial loss	1	2
Net benefit expense	4	5

ii) Amount recognized in the balance sheet:

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	17	14
Fair value of plan assets	-	-
Plan liability	17	14

iii) The changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	14	9
Current service cost	2	2
Past service cost	-	-
Interest cost on benefit obligation	1	1
Liability transferred in (out) (net)	0#	0#
Benefits paid	(1)	-
Actuarial loss	1	2
Closing defined benefit obligation*	17	14
* Note:		
Non-current (refer note 10)	14	12
Current (refer note 10)	3	2
Total	17	14

iv) The principal assumptions used in determining the gratuity obligations are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.49%	6.32% - 6.62%
Rate of Salary Increase	10.00%	10.00%
Expected rate of return on planned assets	Not applicable	Not Applicable
Rate of employee turnover	12.00%	12.00%
Retirement age	60 years	60 years
Mortality Rate	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality (2006-08)

The estimates of future salary increases, considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment

	FY 20-21	FY 19-20	FY 18-19	FY 17-18	FY 16-17
Defined benefit obligation	17	14	9	7	6
Plan assets	-	-	-	-	-
Surplus/ (Deficit)	17	14	9	7	6
Experience adjustment on plan liabilities	0#	1	1	1	1
Experience adjustment on plan assets	-	-	-	-	-



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

29 Capitalisation of expenditure

The Restricted Group 2 has capitalised the following expenses of revenue nature to the cost of property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes else where in these special purpose combined financial statements are net of amounts capitalised by the Restricted Group 2.

	For the year ended March 31, 2021	For the year ended March 31, 2020
Application fees	-	2
Insurance expense	-	6
Interest expense	39	93
Legal and professional fees	2	12
Rent expense	0 ⁰⁰	1
Rates and taxes	1	-
Site development expenses	-	4
Travelling, lodging and boarding	-	5
Other borrowing cost	-	74
	42	197

30 Related party disclosure

a) **Names of the related parties and related party relationship**

Related parties where control exists (refer note 2 in basis of preparation)

Ultimate holding company of the Indian Identified Entities : Continuum Green Energy Limited, Singapore

Immediate Holding company of the Indian Identified Entities : Continuum Green Energy (India) Private Limited

Fellow subsidiaries with whom transaction have taken place during the year*
 Continuum Energy Levanter Pte. Limited
 Continuum MP Windfarm Development Private Limited
 Srijan Energy Systems Private Limited

Enterprise over which key managerial person have significant influence : Skyzen Infrabuild Private Limited

Key management personnel :	Arvind Bansal Raja Parthasarathy Arno Kikkert N V Venkataramanan Marc maria van't noordende Vikram chandravadan maniar Tarun Bhargava Gautam Chopra Ranjeet Kumar Sharma	Director of the CGEIPL Director of CGEIPL & Indian Identified Entities (except Kutch) Director of CGEIPL Chief Operating Officer of CGEIPL, Director and Chief Executive Officer of the Indian Identified Entities Director of the Indian Identified Entities Director of the Indian Identified Entities (till May 15, 2019) Chief Financial Officer of CGEIPL and Indian Identified Entities Vice President - Project development of CGEIPL Vice President - Projects wind business of CGEIPL
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* These are subsidiaries that have not been combined as a part of the Restricted Group 2 for which related party disclosures have been made in the Special Purpose Combined Financial Statement at the Restricted Group 2.



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CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

b) **Related party transactions during the year ended**

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Intercompany borrowing received by the Restricted Group				
Continuum Green Energy (India) Private Limited	76 (941)	-	-	76 (941)
Srijan Energy Systems Private Limited		43 (117)		43 (117)
Intercompany borrowing repaid by the Restricted Group				
Continuum Green Energy (India) Private Limited	1,889	-	-	1,889
Srijan Energy Systems Private Limited	-	(110)	-	(110)
Intercompany borrowing given by the Restricted Group				
Continuum Green Energy (India) Private Limited	3,015 (1,735)	-	-	3,015 (1,735)
Skyzen Infrabuild Private Limited	-	-	(510)	(510)
Srijan Energy Systems Private Limited	-	(143)	-	(143)
Continuum MP Windfarm Development Private Limited	-	-	-	-
	-	(113)	-	(113)
Intercompany borrowing given by the Restricted Group, repaid				
Continuum Green Energy (India) Private Limited	56 (78)	-	-	56 (78)
Reimbursement of allocable common overheads				
Continuum Green Energy (India) Private Limited	209 (192)	-	-	209 (192)
Srijan Energy Systems Private Limited	-	-	-	-
	-	(17)	-	(17)
Interest income on borrowing given by the Restricted Group				
Continuum Green Energy (India) Private Limited	338 (143)	-	-	338 (143)
Skyzen Infrabuild Private Limited	-	-	77	77
	-	-	(4)	(4)
Srijan Energy Systems Private Limited	-	16	-	16
	-	(1)	-	(1)
Continuum MP Windfarm Development Private Limited	-	13	-	13
	-	(1)	-	(1)
Paid towards statutory dues on behalf of the company & reimbursed				
Continuum Green Energy (India) Private Limited	182 (232)	-	-	182 (232)
Interest expenses on CFCDs				
Continuum Green Energy (India) Private Limited	409 (481)	-	-	409 (481)
Interest expenses on NCDs				
Continuum Green Energy (India) Private Limited	2	-	-	2
Continuum Energy Levanter Pte. Limited	-	296	-	296
Interest expenses on unsecured loan				
Continuum Green Energy (India) Private Limited	113 (40)	-	-	113 (40)
Allocation of project related cost (capital work in progress) to				
Srijan Energy Systems Private Limited	-	(17)	-	(17)
Redemption premium on NCDs				
Continuum Energy Levanter Pte. Limited	-	68	-	68
Issue of share capital				
Continuum Green Energy (India) Private Limited	0# 0#	-	-	0# 0#
Srijan Energy Systems Private Limited	-	-	-	-
Issue of Non convertible debentures				
Continuum Green Energy (India) Private Limited	-	-	-	-
	(56)	-	-	(56)
Continuum Energy Levanter Pte. Limited	-	40,610	-	40,610
	-	-	-	-



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Investment in Optionally Convertible Redeemable Preference Shares				
Srijan Energy Systems Private Limited	-	-	-	-
	-	(638)	-	(638)
Continuum MP Windfarm Development Private Limited	-	-	-	-
	-	(400)	-	(400)
Reimbursement of expense				
Key management personnel	-	-	-	-
	-	-	(1)	(1)

c) **Year end balances arising from transactions with related parties**

Particulars	Holding Company	Fellow Subsidiary	KMP/Relatives of KMP / Enterprises over which KMP has significant influence	Total
Reimbursement of allocable common overheads payable				
Continuum Green Energy (India) Private Limited	66	-	-	66
	(427)	-	-	(427)
Payable towards intercorporate borrowings				
Continuum Green Energy (India) Private Limited	92	-	-	92
	(1,905)	-	-	(1,905)
Srijan Energy Systems Private Limited	-	43	-	43
	-	0#	-	-
Payable towards interest expenses				
Continuum Green Energy (India) Private Limited	3	-	-	3
	(442)	-	-	(442)
Continuum Energy Levanter Pte. Limited	-	296	-	296
	-	-	-	-
Liability towards premium on redemption of NCDs				
Continuum Energy Levanter Pte. Limited	-	68	-	68
Payable towards NCDs				
Continuum Energy Levanter Pte. Limited	-	40,610	-	40,610
	-	-	-	-
Continuum Green Energy (India) Private Limited	283	-	-	283
	(283)	-	-	(283)
Intercorporate borrowing receivable				
Continuum Green Energy (India) Private Limited	5,795	-	-	5,795
	(2,836)	-	-	(2,836)
Skyzen Infrabuild Private Limited	-	510	-	510
	-	(510)	-	(510)
Srijan Energy Systems Private Limited	-	143	-	143
	-	(143)	-	(143)
Continuum MP Windfarm Development Private Limited	-	113	-	113
	-	(113)	-	(113)
Interest receivable on intercorporate borrowing				
Continuum Green Energy (India) Private Limited	321	-	-	321
	(129)	-	-	(129)
Skyzen Infrabuild Private Limited	-	80	-	80
	-	(3)	-	(3)
Srijan Energy Systems Private Limited	-	15	-	15
	-	(1)	-	(1)
Continuum MP Windfarm Development Private Limited	-	-	14	14
	-	-	(1)	(1)



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

Other transactions:

March 31, 2021

- (i) During the year ended March 31, 2021, Bothe has prepaid the secured term loans and accordingly 158,637,477 shares and 165,068,750 CFCDs held by CGEIPL which were pledged in favour of Security Trustee for the benefit of secured term loan lenders of Bothe has been released.
- (ii) During the year ended March 31, 2021, Bothe has prepaid secured term loan and accordingly, corporate guarantee of CGEL of INR 1,156 in favour of Security trustee for the benefit of secured term loan lenders of Bothe stands released.
- (iii) During the year ended March 31, 2021, Bothe has prepaid secured loan and accordingly corporate guarantee of CGEL of INR 8,551 in favour of PFC, secured term loan lender of Bothe has been released.
- (iv) During the year ended March 31, 2021, DJEPL has prepaid the secured term loans and accordingly Pledge of 100% of the shares of the company held by CGEIPL in favour of Security Trustee for the benefit of secured term loan lenders of the company and deposit of 100% of CCDs of the company with the Escrow Agent has been released.
- (v) During the year ended March 31, 2021, DJEPL has prepaid secured term loan and accordingly, undertaking provided by CGEIPL and CGEL to IFC and IIFCL stands released.
- (vi) During the year ended March 31, 2021, DJEPL has prepaid secured term loan and accordingly, corporate guarantee of INR 1,410 given by CGEIPL to the lender stands released.
- (vii) During the year ended March 31, 2021, UUPPL has prepaid the secured term loans and accordingly Pledge of 100% of the shares of the company held by CGEIPL in favour of Security Trustee for the benefit of secured term loan lenders of the company and deposit of 100% of CCDs of the company with the Escrow Agent has been released.
- (viii) During the year ended March 31, 2021, UUPPL has prepaid secured term loan and accordingly, undertaking provided by CGEIPL and CGEL to IFC and IIFCL stands released.
- (ix) During the year ended March 31, 2021, UUPPL has prepaid secured term loan and accordingly, corporate guarantee of INR 1,090 given by CGEIPL to the lender has been released.
- (x) During the year ended March 31, 2021, Watson has prepaid the secured term loans and accordingly Pledge of 51% of the shares of the company held by CGEIPL in favour of Security Trustee for the benefit of secured term loan lenders of the company and deposit of 100% of CFCDs of the company with the Escrow Agent has been released.
- (xi) In case of Watson project, corporate guarantee was given by CGEL which shall remain valid (i) until security is perfected, (ii) for the funding cost overrun & (iii) for the DSRA amount till DSRA is created whichever is later. During the year ended March 31, 2021, Watson has prepaid secured term loan and accordingly, the above corporate guarantee given by CGEL to the lender stands released.
- (xii) During the year ended March 31, 2021, Trinethra has prepaid the secured term loans and accordingly 40,499,990 shares and 50,600,000 CFCDs held by CGEIPL which were pledged in favour of Security Trustee for the benefit of secured term loan lenders of Trinethra has been released.
- (xiii) During the year ended March 31, 2021, Trinethra has availed letter of credit facility against which CGEIPL has provided fixed deposit of INR 173 as security.
- (xiv) During the year ended March 31, 2021, RTPL has prepaid secured term loan and accordingly, the pledge over 100% equity shares (i.e. 14,165,000 shares), 100% CCDs (i.e. 14,165,000 CCDs) and 100% NCDs (i.e. 28,330,000 NCDs) of RTPL, held by CGEIPL in favour of the security trustee for the benefit of the secured term loan lender has been released.
- (xv) During the year ended March 31, 2021, RTPL has prepaid secured term loan and accordingly, corporate guarantee of INR 2,308 given by CGEL to the lender stands released.
- (xvi) During the year ended March 31, 2021, RTPL has availed letter of credit facility against which CMPWDPL has provided fixed deposit of INR 13 and CGEIPL has provided fixed deposit of INR 45 as security.

March 31, 2020

- (i) During the year ended March 31, 2020, bank guarantee facility amounting to INR 286 is availed by CGEIPL for the purpose of providing Bank Guarantee in lieu of Debt Service Reserve Account to the secured term loan lenders of DJEPL. Bank Guarantee was given in favour of Security Trustee who is acting on behalf of secured term loan lenders of DJEPL.
- (ii) During the year ended March 31, 2020, bank guarantee facility amounting to INR 230 is availed by CGEIPL for the purpose of providing Bank Guarantee in lieu of Debt Service Reserve Account to the secured term loan lenders of UUPPL. Bank Guarantee was given in favour of Security Trustee who is acting on behalf of secured term loan lenders of UUPPL.
- (iii) During the year ended March 31, 2020, unsecured loan given by CGEIPL to WIPL of INR 415 is converted into compulsorily fully convertible debentures (CFCDs) of Rs. 10 each.
- (iv) During the year ended March 31, 2020, Trinethra has availed letter of credit facility against which CMPWDPL has provided fixed deposit of INR 110 as security.
- (v) During the year ended March 31, 2020, RTPL has received unsecured loan of INR 581 from CGEIPL against which it has issued 14,155,000 Equity shares of INR 10/- each, 14,165,000 CCDs of INR 10/- each and 22,730,000 NCDs of INR 10/- each. The total conversion of loan into aforesaid securities aggregating to INR 511.
- (vi) During the year ended March 31, 2020, RTPL has availed letter of credit facility against which CMPWDPL has provided fixed deposit of INR 24 as security.
- (vii) During the year ended March 31, 2020, DJEPL has issued 42,008,586 bonus share and UUPPL has issued 31,028,384 bonus shares having face value of Rs. 10/- each to CGEIPL.

31 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no micro and small enterprises, to whom the Restricted Group 2 owes dues, which are outstanding for more than 45 days as at March 31, 2021 and March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Restricted Group 2.

Sr. No.	Particulars	March 31, 2021	March 31, 2020
1	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year.	4.00	1
2	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the	-	-
3	The amount of interest due and payable for the period (where the principal has been paid but interest under the	-	-
4	The amount of interest accrued and remaining unpaid at the end of accounting year.	-	-
5	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as	-	-

32 Capital and other commitments

Capital commitments and other commitments remaining to be executed as on March 31, 2021 is INR 1699 (March 31, 2020; INR 2,545).

33 Expenditure in Foreign Currency (accrual basis)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Professional fees	9	-
Other borrowing cost	8	-
Computer expenses	0#	-
	14	7

34 Contingent liabilities

	As at March 31, 2021	As at March 31, 2020
Income tax demand	5	5

35 The Indian Identified Entities has incurred following expenses towards CSR activities:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Amount required to be spent during the year	1	6
(b) amount of expenditure incurred	1	6
(c) shortfall	-	-
(d) total of previous years shortfall	-	-
(e) reason for shortfall	Not applicable	Not applicable
(f) nature of CSR activities	Donation to PM Cares fund	Donation to PM Cares fund
(g) details of related party transactions	Not applicable	Not applicable



CONTINUUM RESTRICTED GROUP 2
NOTES TO THE SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS
 (All amounts in INR millions, unless otherwise stated)

36 COVID-19 impact assessment:

The Restricted Group 2 has considered the possible effects that may result from the pandemic relating to COVID-19 and more severe outbreak of the second wave of Covid 19 pandemic in recent months on the carrying amounts of property, plant and equipment, investments, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions including conditions in India because of this pandemic, the Restricted Group 2, as at the date of approval of these Special Purpose Combined financial statements has evaluated the performance till the said date along with internal and external sources on the expected future performance of the Restricted Group 2. The Restricted Group 2, based on the recent performance and considering current estimates expects the carrying amount of these property, plant and equipment, investments, receivables and other current assets are fairly stated and fully recoverable. Considering, the Restricted Group 2 is in the business of generation and supply of power (renewable energy) being classified under essential category, believes that impact of COVID-19 on the special purpose combined financial statements is not material.

37 Subsequent event

a Unbilled Revenue

Out of 199.7 MW capacity, Wind Energy Purchase Agreements (WEPA) have been signed between Bothe and Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 193.4 MW. Due to delay in implementation of policy for renewable energy by the state government and also due to delay in receipt of registration certificates from Maharashtra Energy Development Agency (MEDA) against 3 WTGs, a pre-requisite for execution of WEPAs, WEPAs are not executed for 6.3 MW capacity of these 3 WTGs. Upon receipt of registration certificates, Bothe approached MSEDCL for signing of PPAs towards these WTGs. However, MSEDCL had taken a contrary & arbitrary view and rejected Bothe's valid application for signing PPAs.

Bothe approached Maharashtra Electricity Regulatory Commission (MERC) where Bothe has received partial favourable order, pursuant to which Bothe has received collection of INR 91 against generation till March 31, 2017 in financial year 2021-22. Bothe has challenged MERC Order in Appellate Tribunal for Electricity (APTEL). Bothe has received a favourable judgement from APTEL where APTEL has upheld the matter and directed MSEDCL to

- i. immediately sign 6.3 MW PPA with Bothe effective from application date for MEDA registration;
- ii. to pay tariff at Average Power Purchase Price (APPC) for the power supplied from the date of commissioning till application date for MEDA registration and
- iii. to sign PPA w/e MEDA registration application date at the rate approved by MERC for WTGs commissioned in financial year 2014-15.

Subsequent to year ended March 31, 2024 in October 2022, MSEDCL approached Honourable Supreme Court and Honourable Supreme Court had granted interim stay against the APTEL judgement, however the Honourable Supreme Court has directed MSEDCL;

- i. to deposit INR 300 with the Honourable Supreme Court;
- ii. to pay Bothe for the electricity supplied to MSEDCL at the rate of INR 3.5/kWh and to deposit the differential amount with the Honourable Supreme Court on bi-monthly basis.

The Group believes that with the APTEL judgement and other facts as considered above, Bothe is rightfully eligible for revenues towards 6.3 MW capacity, accordingly, subsequent to year end, Bothe has reversed the provision of INR 119.

b Late Payment Surcharge Rules, 2022

Government of India ("GoI") has notified the Late Payment Surcharge Rules, 2022 ("LPS 2022") on June 03, 2022. As per LPS 2022, discoms have an option, exercisable by July 02, 2022, to reschedule all outstanding dues as on June 03, 2022, plus late payment surcharge calculated as per respective PPA till that date, into certain number of monthly equal instalments payable on 5th of each calendar month.

Restricted Group 2 has inverdoes receivables as on June 03, 2022 from Maharashtra State Electricity Distribution Company Limited (MSEDCL) and Madhya Pradesh Power Management Company Limited (MPPMCL).

Subsequent to year ended March 31, 2024, MPPMCL has exercised the option on July 01, 2022 and rescheduled the dues into 40 equal monthly instalments covering all outstanding dues up to June 03, 2022 including late payment surcharges. Based on communication received from MPPCL, UUPPL and DJEPL - companies from Restricted Group 2 have opted for 40 EMI scheme.

38 Amount less than INR 0.5 appearing in the special purpose combined financial statements are disclosed as "0E" due to presentation in millions.

39 Previous year comparatives

Comparative numbers for the year ended and as at March 31, 2020, presented in the special purpose combined financial statements are management certified numbers and have not been subjected to audit by auditors.

As per our report of even date

For SRBC & COLLP
 Chartered Accountants
 ICAI Firm Registration No. 324982E/E300003

[Signature]
 per Pritesh Maheshwari
 Partner
 Membership No - 118746

Place: Mumbai
 Date

18 MAY 2024



[Signature]

For and on behalf of the Board of Directors of
Continuum Green Energy (India) Private Limited

[Signature]
[Signature]

Arvind Bansal Director
 DIN : 00139337
 Raja Parthasarathy Director
 DIN : 02182373

Place: Mumbai Date: May 18, 2024
 Place: Mumbai Date: May 18, 2024

[Signature] *[Signature]*
 Nilesh Patil Mahendra Malsiya
 Finance Controller Company Secretary
 Membership No : A27547

Place: Mumbai Date: May 18, 2024
 Place: Mumbai Date: May 18, 2024

[Handwritten mark]

ANNEXURE A — INFORMATION REGARDING THE NOTES FOR PURPOSES OF RBI LOAN REGISTRATION NUMBERS

Each Co-Issuer will act (i) as a primary obligor in respect of the principal amount of the Notes to be provided for in the Indenture, which principal amount shall not exceed the maximum amount set out below, and (ii) as provided in the notice delivered by such Co-Issuer to the Security Trustee and the Trustee on the respective Guarantee Effective Date, as a guarantor in respect of the balance. The rate of interest on the principal amount of the Notes in respect of which each Co-Issuer will act as a primary obligor (and not as a guarantor) is set out below. Any partial early redemption, repurchase or repayment of Notes will be on a pro rata basis based on the principal amounts of Notes in respect of which each Co-Issuer acts as a primary obligor.

Co-Issuer	Maximum Primary Obligation ⁽¹⁾	Rate of Interest
	(in USD)	
DJ Energy Private Limited	81,000,000	7.50%
Trinethra Wind and Hydro Power Private Limited	109,000,000	7.50%
Bothe Windfarm Development Private Limited	122,000,000	7.50%
Uttar Urja Projects Private Limited	66,000,000	7.50%
Watsun Infrabuild Private Limited	138,000,000	7.50%
Renewables Trinethra Private Limited	29,000,000	7.50%
Continuum Trinethra Renewables Private Limited	175,000,000	7.50%
Kutch Windfarm Development Private Limited	25,000,000	7.50%

Note:

- (1) The primary obligation of each Co-Issuer, to be provided for in the Indenture, will be less than or equal to the amount set forth against its name above such that the principal amount of the Notes (and the aggregate primary obligation of all Co-Issuers) shall be equivalent to USD 650,000,000.

REGISTERED OFFICE OF THE CO-ISSUERS

Watsun Infrabuild Private Limited

Office no. 4, First Floor, City Centre,
Opposite Mandavi Octroi, Commerce College Road,
Bhuj Kachchh 370001, Gujarat, India

Trinethra Wind and Hydro Power Private Limited

DJ Energy Private Limited

Bothe Windfarm Development Private Limited

Uttar Urja Projects Private Limited

Renewables Trinethra Private Limited

Continuum Trinethra Renewables Private Limited

Kutch Windfarm Development Private Limited

402 & 404, Delphi, C Wing
Hiranandani Business Park, Orchard Avenue, Powai
Mumbai 400076, India

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New York 10286
United States of America

PAYING AGENT, TRANSFER AGENT AND REGISTRAR

The Bank of New York Mellon

240 Greenwich Street, New York
New York 10286
United States of America

SECURITY TRUSTEE

Catalyst Trusteeship Limited

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COMBINED FINANCIAL STATEMENTS OF THE RESTRICTED GROUP 2**

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